

**RATE 835
RATE FOR ELECTRIC SERVICE
INTERRUPTIBLE INDUSTRIAL POWER SERVICE**

No. 1 of 7 Sheets

TO WHOM AVAILABLE

This is an experimental rate. Total capacity to be made available under this rate is limited to 110 Megawatts. Rate 835 is available to Industrial Customers located adjacent to existing electric facilities adequate to meet the Customer's requirements.

A Customer requesting service hereunder is required to contract for a specified electrical capacity which shall be not less than 5,000 kilowatts. The Company shall not be obligated to supply interruptible capacity in excess of that specified in the contract.

CHARACTER OF SERVICE

The Company will supply service to the extent of the capacity available from its electric supply lines, at such frequency, phase, regulation and primary voltage as it has available at the location where service is required. Any applicant requiring service differing from that to be supplied by the Company as herein provided shall provide proper converting, transforming, regulating or other equipment upon his own premises and at his own expense. (See Rule 37 of the accompanying Rules and Regulations for the Company's standard voltages.)

The Customer will supply in accordance with plans and specifications furnished by the Company and at a mutually agreed upon location on the Customer's property, suitable buildings, structures, and foundations to house and support any protecting, switching, relaying, or metering equipment that may be supplied by the Company.

The Customer shall so regulate its use of electric energy as not to cause excessive pulsations or fluctuations in the current or voltage in the Company's system.

CURTAILMENTS OR INTERRUPTIONS

The number of intentional curtailments or interruptions shall not exceed one hundred twenty five (125) per year, nor one (1) per day. The hours of curtailment or interruption shall not exceed ten (10) hours per day, nor one thousand (1,000) hours per year. A credit of five (5) hours towards the yearly total will be given for each requested interruption of less than five (5) hours.

The interruptible year shall commence October 1st and end on the succeeding September 30th. Customers who take service under this rate after October 1st shall be assumed to have had as many interruptions and hours of interruptions as the average of those customers who were served under this rate as of October 1st of that year.

The Company will be entitled to interrupt service at any time for any reason.

Issued Date

Issued By
Edmund A. Schroer
Chairman and President
Hammond, Indiana

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RATE

Rates charged for service rendered under this schedule are based upon the measurement of electric energy at the voltage supplied to the Customer.

The electric service and energy supplied hereunder shall be billed under a two-part rate consisting of a Demand Charge plus an Energy Payment. Subject to the adjustments herein provided, said rate is as follows:

Demand Charge

- \$14.51 per kilowatt per month for the next 30,000 kilowatts of contracted interruptible capacity.
- \$9.69 per kilowatt per month for the next 20,000 kilowatts of contracted interruptible capacity.
- \$7.50 per kilowatt per month for all over 50,000 kilowatts of contracted interruptible capacity.

Energy Payment

- 27.797 mills per kilowatt hour computed by multiplying the contracted interruptible demand by the number of total hours, less the number of hours interrupted, in the billing period.

Minimum Monthly Billing

The minimum monthly billing shall be the contracted demand multiplied by the demand charge.

RATE ADJUSTMENT

The above rates are subject to a Purchased Power Cost Adjustment Tracking Factor, in accordance with the Order of the Indiana Utility Regulatory Commission approved December 17, 1976, in Cause No. 34614. The Purchased Power Cost Adjustment Tracking Factor stated in Appendix A - Sheet No. 58 is applicable hereto and is issued and effective at the dates shown on Appendix A.

NOTIFICATION OF CURTAILMENT

The Company shall provide ten (10) minutes of advance notice before curtailing or interrupting service.

PENALTY FOR CUSTOMER'S FAILURE TO COMPLY WITH REQUESTED CURTAILMENT OR INTERRUPTIONS

A customer is deemed to have failed to interrupt or curtail load when the Customer's current integrated demand, as measured by the meters installed by the Company, has not been reduced within ten (10) minutes after notification of curtailment.

Demand use in excess of that permitted under "curtailment or interruption" shall be subject to \$29.34 per kilowatt penalty per curtailment or interruption during the billing period, in addition to normal billing charges, for all electric service taken in excess of contract curtailment limitations.

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PENALTY FOR CUSTOMER'S FAILURE TO COMPLY WITH REQUESTED CURTAILMENT OR INTERRUPTIONS (continued)

Energy use in excess of that permitted under "Curtilment or Interruptions" shall be subject to a 20.17 cents per kilowatt hour penalty, in addition to normal billing charges, for all electric energy taken in excess of contract curtailment limitations.

Excess **Demand** is defined as that demand (KW) which was contracted for curtailment and was not curtailed upon request.

Excess **Energy** consumption (KWH) is computed by multiplying excess demand (KW) by the number of hours requested for curtailment.

Current total **integrated demand** is defined as that amount of electrical energy supplied in the half-hour period preceding the request for curtailment, but not to exceed the amount of capacity specified in the contract for firm electric service.

DETERMINATION OF DEMAND

The Customer's demand of electric energy supplied shall be determined for each half-hour interval of the month and said demand in kilowatts for each half-hour interval shall be two (2) times the number of kilowatt hours recorded during each such half-hour interval. The phrase "half-hour interval" shall mean the thirty (30) minute period beginning or ending on a numbered clock hour as indicated by the clock controlling the metering equipment.

DETERMINATION OF LAGGING REACTIVE KILOVOLT AMPERES

The Customer's requirements in Lagging Reactive Kilovolt Amperes shall be determined for each half-hour interval of the month and shall be two (2) times the number of Lagging Reactive Kilovolt Ampere Hours recorded during such half-hour interval. No effect whatsoever shall be given hereunder to Customer's leading Reactive Kilovolt Amperes, if any.

ADJUSTMENT FOR CUSTOMER'S PEAK PERIOD LAGGING REACTIVE KILOVOLT AMPERES

The number of Reactive Kilovolt Amperes shall be computed each month for a Power Factor of 85% lagging using as the basis of said computation the Customer's maximum kilowatt demand for the month during the Peak Period hours thereof.

If the Customer's Maximum Peak Period Requirement in Lagging Reactive Kilovolt Amperes for the month is greater than the number of Reactive Kilovolt Amperes at a Power Factor of 85% lagging, determined as above, an amount equal to the product of \$0.27 times said difference shall be added to the Customer's bill.

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ADJUSTMENT FOR CUSTOMER'S PEAK PERIOD LAGGING REACTIVE KILOVOLT AMPERES (continued)

If the Customer's Maximum Peak Period Requirement in Lagging Reactive Kilovolt Amperes for the month is less than the number of Reactive Kilovolt Amperes at a Power Factor of 85% lagging, determined as above, an amount equal to the product of \$0.27 times said difference shall be deducted from the Customer's bill.

The Customer agrees to control and limit Maximum Off-Peak Period Requirement in Lagging Reactive Kilovolt Amperes so that, as related to the Maximum Off-Peak Period Kilowatt Demand, it shall not exceed in ratio or numerical proportion the ratio of the Maximum Peak Period Requirement in Lagging Reactive Kilovolt Amperes and the Maximum Peak Period Kilowatt Demand; except that if such Maximum Off-Peak Period Kilowatt Demand is less than the Maximum Peak Period Kilowatt Demand, the Customer's Maximum Off-Peak Period Requirement in Lagging Reactive Kilovolt Amperes may equal the Customer's Maximum Peak Period Requirement in Lagging Reactive Kilovolt Amperes.

ADJUSTMENT OF CHARGES FOR COST OF FUEL

The above charges shall be adjusted for cost of fuel in accordance with the formula set forth in Rule 39 of the accompanying Rules and Regulations. See Appendix B – Sheet No. 59 for applicable Fuel Cost Charge.

CUSTOMER CREDIT ADJUSTMENT FACTOR

The rates and charges contained in this schedule are subject to a Customer Credit Adjustment Factor set forth in accordance with the Final Order of the Indiana Regulatory Commission, issued September 23, 2002, approving the Settlement Agreement in Cause No. 41746. See Appendix C - Sheet 59A, for the applicable Customer Credit percentage.

ENVIRONMENTAL COST RECOVERY MECHANISM FACTOR

The above rates are subject to an Environmental Cost Recovery Mechanism Factor set forth in Rule 47 of the accompanying General Rules and Regulations, in accordance with the Order of the Indiana Utility Regulatory Commission approved November 26, 2002, in Cause No. 42150. The Environmental Cost Recovery Mechanism Factor stated in Appendix D, Sheet No. 59B, is applicable hereto and is issued and effective at the dates shown on Appendix D.

ENVIRONMENTAL EXPENSE RECOVERY MECHANISM FACTOR

The above rates are subject to an Environmental Expense Recovery Mechanism Factor set forth in Rule 48 of the accompanying General Rules and Regulations, in accordance with the Order of the Indiana Utility Regulatory Commission approved November 26, 2002, in Cause No. 42150. The Environmental Expense Recovery Mechanism Factor stated in Appendix E, Sheet No. 59C, is applicable hereto and is issued and effective at the dates shown on Appendix E.

ADJUSTMENT FOR TAXES

The Customer shall be billed for any increase or decrease in the Indiana Gross Income Tax from the base of 1.15% which applies to the net bill.

When the Indiana Supplemental Corporate Income Tax Rate is increased or decreased from the present base of 4%, the kilowatt demand charge shall be likewise increased or decreased by 1 cent per kilowatt for each ½% change in the tax rate.

GENERAL TERMS AND CONDITIONS OF SERVICE

1. Contract

Contracts under this rate schedule shall be made for a term of years to be agreed upon between the Company and the Customer considering the size of the load, the location of the load, and the facilities to be furnished by the Company to serve the load.

In such contract it shall be proper to include such provisions, if any, as may be agreed upon between the Company and the Customer with respect to special terms and conditions under which service is to be furnished hereunder, including but not limited to, amount of electrical capacity to be supplied, voltage to be supplied, facilities to be provided by each party and provisions for a termination period of a definite number of years. The termination period shall be the number of years agreed upon by the Company and the Customer during which the obligation of the Company to serve will be reduced.

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November 26, 2002

Issued By

Daniel D. Gavito
Vice President, Regulatory and Government Policy – Indiana
Merrillville, Indiana

Effective Date

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**RATE 835
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INTERRUPTIBLE INDUSTRIAL POWER SERVICE**

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GENERAL TERMS AND CONDITIONS OF SERVICE (continued)

2. Metering

The electric energy to be used under the terms of this schedule shall be measured at the delivery voltage as to maximum demand, use of electric energy and power factor determination through meters to be located in a building or buildings approved by the Company, and furnished by the Customer on the Customer's premises. The Company shall own, furnish and install the necessary metering equipment. All bills, other than bills for the minimum payments, shall be calculated upon the registration of these meters. The meters installed on the Customer's premises, by the Company under this schedule, shall remain the property of the Company and shall be safely kept and protected by the Customer.

The Company shall, at all times, have the right to inspect and test meters, and if found to be defective or inaccurate, to repair or replace them at its option; provided that notice shall be given to the Customer before testing the meters so that the Customer may have its representative present if desired. Any meter tested and found to be not more than one (1) percent inaccurate shall be considered accurate and correct but shall be adjusted to be as nearly correct as possible. If, as a result of any test hereunder, any meter shall be found inaccurate or incorrect in excess of one (1) percent, such meter shall be adjusted to be as nearly correct as possible, and the reading of such meter previously taken shall be corrected to the percentage of inaccuracy so found, but no such correction shall, without the consent of both parties, extend back beyond one-half of the period between the date of such test and the date of the last prior test showing the meter to be within one (1) percent accurate, nor more than forty-five (45) days, whichever is shorter. The Company shall repair or replace a defective or inaccurate meter within a reasonable time after discovery of such defect or inaccuracy. During the time there is no meter in service or the meter in service is not registering, it shall be assumed that the energy consumed is the same as the daily average for the most recent period of similar operation with respect to usage of energy preceding the time the meter is out of service. The Customer shall also have the right to require a test of meters at reasonable intervals upon giving notice of its desire to have such test made by the Company.

The properly authorized agents of the Company, displaying the official badge of the Company, shall at all hours have access to said premises for the purpose of examining, repairing, or removing its meters and other property, and delivering notices hereunder, and no one who is not an agent of the Company shall be permitted to handle, remove, or tamper with the same, except in an emergency. In order that only duly qualified agents of the Company may have access to the Company's equipment on the Customer's property, the Company from time to time shall furnish the Customer with a list of the names of the employees or name of the crew foreman, so that the gatekeeper of the Customer will immediately pass those employees so certified.

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No. 6 of 7 Sheets

GENERAL TERMS AND CONDITIONS OF SERVICE (continued)

3. Additional Load

The Customer shall notify the Company in writing of any substantial additions or alterations in the equipment to be supplied with electric energy by the Company, and such additions or alterations shall not be connected to the system supplied with electric energy by the Company until such notice shall have been given by the Customer and received by the Company.

4. Resale

No energy sold by the Company to the Customer hereunder shall be resold by it or supplied to any other person or corporation without the written consent of the Company.

5. Discontinuance of Service

The Company shall have the right to cut off and discontinue the supply of electric energy and remove its metering equipment and other property when any bill is in arrears, overdue or in default, or upon violation by the Customer of any of the terms or conditions of the contract.

6. Curtailments for Emergency Repairs or Line Extensions

The Company reserves the right to interrupt service at any time when necessary to make emergency repairs. For the purpose of making other than emergency repairs or extensions to its lines, the Company reserves the right to cut off the Customer's supply of electric energy for eight (8) consecutive hours on any Sunday, or such other day or days as may be agreed to by the Customer and the Company, provided ten days' (240 hours') notification previous to the hour of cut-off is given the Customer of such intention. Interruptions of service for emergency repairs or extensions to its lines will not be included in the four hundred (400) annual hours of curtailment specified in the section entitled "Curtailment or Interruptions" in this rate.

7. Rules and Regulations

The Company's General Rules and Regulations Applicable to Electric Service are applicable to service supplied hereunder.

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No. 7 of 7 Sheets

GENERAL TERMS AND CONDITIONS OF SERVICE (continued)

8. Force Majeure

The Company will use reasonable diligence to provide a regular and uninterrupted supply of electric energy but does not guarantee such supply. Neither the Company nor the Customer shall be liable to the other for damages caused by the interruption, suspension, reduction or curtailment of the delivery of electric energy hereunder due to, occasioned by or in consequence of, any of the following causes or contingencies, viz: acts of God, the elements, storms, hurricanes, tornadoes, cyclones, sleet, floods, lightning, earthquakes, landslides, washouts or other revulsions of nature, epidemics, accidents, fires, collisions, explosions, strikes, lockouts, differences with workmen or other industrial disturbances, vandalism, sabotage, riots, inability to secure cars, coal, fuel, or other materials, supplies or equipment, breakage or failure of machinery, generating equipment, electrical lines or equipment, wars, insurrections, blockades, acts of the public enemy, arrests and restraints of rulers and people, civil disturbances, federal, state or other governmental laws, orders, decrees, restraints or regulations, and any other causes or contingencies not within the control of the party whose performance is interfered with, whether of the kind herein enumerated or otherwise.

Settlement of strikes and lockouts shall be wholly within the discretion of the party having the difficulty. Such causes or contingencies affecting performance shall not relieve the Company or Customer of liability in the event of its concurring negligence or in the event of failure of either to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies or any thereof relieve either from its obligation to pay amounts due hereunder or to pay Demand Charges or Minimum Bills accruing during such interruption or suspension of service.

WHERE AVAILABLE

ALL TERRITORY FURNISHED ELECTRIC SERVICE.

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**RIDER 835.1
RIDER TO
INTERRUPTIBLE INDUSTRIAL POWER SERVICE**

TO WHOM AVAILABLE

This is an experimental rider to Rate 835. Total capacity to be made available under this rider is limited to 50 megawatts which is in addition to the allowable capacity under Rate 835.

Service under this rider is available only for added load or new load.

Service is available only to Customer who are taking service under Rate 835.

All of the terms and conditions of Rate 835 are applicable except the Demand Charge and the Contract Requirements.

Service under this rider is available only during the months of March, April, May, September, October, and November during calendar years 1988 and 1989.

The Company shall not be obligated to supply interruptible capacity in excess of that specified in the contract.

DEMAND CHARGE

The Demand Charge for any month shall be \$3.50 per kilowatt of contracted interruptible capacity.

ENERGY CHARGE

The Energy Charge per Kilowatt hour shall be that applicable to the Energy Payment under Rate 835.

CONTRACT

Service under this rider shall be made for a period of time to be agreed upon between the Company and the Customer. A request to take service under Rider 835.1 must be made to the Company 30 days prior to use and must be renewed or changed on a monthly basis.

Issued Date

August 29, 1988

Issued By
Edmund A. Schroer
Chairman and President
Hammond, Indiana

Effective Date

September 1, 1988