

**RATE 823
RATE FOR ELECTRIC SERVICE
GENERAL SERVICE**

No. 1 of 3 Sheets

TO WHOM AVAILABLE

Available to GENERAL service customers for electric service who are located on the Company's distribution lines suitable and adequate for supplying the service requested, subject to the conditions set forth in this schedule and the accompanying Rules and Regulations of this tariff.

Customers with small power production facilities and/or peak shaving generation equipment are prohibited from taking service under this rate schedule and shall take service under Rate Schedule 834.

CHARACTER OF SERVICE

The Company will supply service from its electric supply lines at only such frequency, phase, regulation, and one standard secondary voltage or the available primary voltage in the location where service is required. (See Rule 37 of the accompanying Rules and Regulations for the Company's standard voltages.)

When the customer under this schedule elects to take service through separate meters the readings of such meters will not be combined, but will be computed separately under this schedule for each meter supplied.

When the customer desires combined metering, the customer shall provide upon his own premises and at his own expense the proper insulating transformers, regulators, and other equipment necessary to split the service. Load shall be balanced between phases, if in the judgment of the Company such balancing is necessary.

For Customers utilizing thermal storage, the Customer must arrange the wiring for the thermal storage equipment to permit the measurement of the demand and energy use of such equipment by suitable metering equipment as specified by the Company. The Company shall, at all times, have the right to inspect such metering to ensure that such service metered is exclusively thermal storage use.

With the exception of customers served under this rate schedule prior to the effective date, the Company shall not supply transmission voltage service under this rate schedule.

RATE

The electric service and energy supplied hereunder shall be billed under a two-part rate consisting of a Demand Payment plus an Energy Payment. Said rate is as follows:

Demand Payment

\$206.15 for the first 10 kilowatts or less of Maximum Demand per month

\$7.59 per kilowatt per month for all over 10 kilowatts of Maximum Demand per month

Energy Payment

6.206 cents per kilowatt hour for all kilowatt hours used per month

Issued Date

June 20, 1994

Issued By

Gary L. Neale

Chairman, President and Chief Executive Officer
Hammond, Indiana

Effective Date

June 8, 1994

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No. 2 of 3 Sheets

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.

MONTHLY MINIMUM PAYMENT

The Customer's Monthly Minimum Payment under this rate shall be equivalent to the Monthly Demand Payment applicable to 80% of the highest Billing Demand of the previous twelve months, provided however, that in no case shall the Monthly Demand Payment be less than \$206.15.

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.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this rate shall be measured as to Maximum Demand and Energy Consumption by suitable meters to be installed by the Company.

DETERMINATION OF MAXIMUM DEMAND

Customer's maximum demand in any month shall be determined by maximum demand instruments. The maximum demand of electric energy supplied in any month shall be taken as the highest average load in kilowatts occurring during any 30 consecutive minutes of the month; provided, however, that if such load shall be less than 50% of the maximum momentary demand in kilowatts, then the maximum demand shall be taken at 50% of such maximum momentary demand. However, for Customers utilizing thermal storage, the maximum demand shall be limited to the greater of the actual maximum demand occurring during the On-Peak period or 50% of the maximum demand occurring during the Off-Peak period.

PRIMARY METERING CORRECTION

If, at the Company's option and in its sole discretion, the service is metered at the Company's primary supply line voltage, 3% of the kilowatt hours so metered will be deducted before computing the Energy Payment.

Issued Date

Issued By

Effective Date

November 26, 2002

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

November 26, 2002

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DEFERRED PAYMENT

All bills under this schedule shall be rendered and due monthly. If not paid within seventeen (17) days after the bill is mailed, there shall be added to bills of \$3.00 or less, ten percent (10%) of the amount of the bill; and to bills in excess of \$3.00 there shall be added ten percent (10%) of the first \$3.00, plus three percent (3%) of the amount of the bill in excess of \$3.00.

THERMAL STORAGE USE

In order to qualify as thermal storage use under this schedule, the thermal storage system must be capable of supplying at least forty (40) percent of the Btu's required for the conditioned space during the On-Peak period.

For Customers utilizing thermal storage, the total kilowatt hours billed hereunder will be reduced by the Off-Peak kilowatt hour use of thermal storage equipment before application of the Energy Payment provision of this rate schedule. The Off-Peak thermal storage energy shall be billed at the Thermal Storage Energy Charge of 4.400 cents per kilowatt hour for all Off-Peak thermal storage kilowatt hours used per month. Off-Peak hours of service applicable to thermal storage use are those commencing at 9:00 p.m. Central Standard Time (C.S.T.) and ending at 9:00 a.m. Central Standard Time (C.S.T.), the following day and twenty-four (24) hours on Saturday, Sunday, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. On-Peak hours are all other hours.

WHERE AVAILABLE

ALL TERRITORY FURNISHED ELECTRIC SERVICE

Issued Date

June 20, 1994

Issued By

Gary L. Neale

Chairman, President and Chief Executive Officer
Hammond, Indiana

Effective Date

June 8, 1994