

**RATE 826
RATE FOR ELECTRIC SERVICE
OFF-PEAK SERVICE**

No. 1 of 6 Sheets

TO WHOM AVAILABLE

This is an experimental rate available to COMMERCIAL and INDUSTRIAL Customers for LIGHT and POWER service who are located on the Company's electric supply lines suitable and adequate for supplying the service requested.

A Customer requesting service hereunder is required to contract for a specific amount of electrical capacity which shall be not less than 200 kilowatts. The Company shall not supply demand in excess of 15,000 kilowatts under this schedule. The Company shall not be obligated to supply capacity in excess of that specified in the contract.

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 to the extent of the capacity available from its electric supply lines, at such frequency, phase, regulation and normal distribution service voltage or transmission service voltage of 34,500 volts or 69,000 volts as it has available at the location where service is required. (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.

HOURS OF SERVICE

Off-Peak hours of service 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.

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. Subject to the adjustments herein provided, said rate is as follows:

Demand Payment

- \$4,533.99 per month for the first 200 kilowatts or less of Billing Demand per month.
- \$21.66 per kilowatt per month for the next 500 kilowatts of Billing Demand per month.
- \$20.65 per kilowatt per month for the next 1,300 kilowatts of Billing Demand per month.
- \$20.16 per kilowatt per month for the next 2,000 kilowatts of Billing Demand per month.

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RATE (continued)

Energy Payment

2.975 cents per kilowatt hour for all kilowatt hours used per month.

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.

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.

DEDUCTIONS

1. **Metering:**
If, at the Company's option and in its sole discretion, the metering is installed at a voltage level at or above a nominal 12,000 volts, the kilowatt hours metered will be reduced by one percent (1%) before computing the Energy Payment, and the maximum demand in each period will be reduced by one percent (1%) before the Billing Demand is determined.
2. **Primary Service:**
If service is taken by the Customer at a nominal 12,000 volts and if the Customer supplies and maintains all transformation equipment (nominal 12,000 volts to utilization voltage), the monthly demand payment will be reduced by \$0.65 per kilowatt of monthly Billing Demand.
3. **Transmission Service:**
If service is taken by the Customer at 34,500 volts or 69,000 volts, and if the Customer supplies and maintains all transformation equipment (34,500 volts or 69,000 volts to utilization voltage), the monthly demand payment will be reduced by \$0.81 per kilowatt of monthly Billing Demand.

MONTHLY MINIMUM PAYMENT

The Customer's Monthly Minimum Payment under this rate shall be the sum of the Demand Payment plus the Energy Payment, subject to the adjustments herein provided; however, in no case shall the Monthly Demand Payment be less than \$4,533.99

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Daniel D. Gavito

Vice President, Regulatory and Government Policy – Indiana
Merrillville, Indiana

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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.

DETERMINATION OF AMOUNT OF ELECTRIC SERVICE SUPPLIED

The electric service to be supplied under this rate shall be measured as to Maximum Demand, Energy Consumption and Reactive Kilovolt-Amperes by suitable metering equipment to be installed by the Company.

DETERMINATION OF MAXIMUM DEMAND

The Customer's Maximum Demand in any month shall be determined by suitable maximum demand instruments. The Customer's demand of electric energy supplied shall be determined for each half-hour interval of the month. The phrase "half-hour interval" shall mean a thirty (30) minute period beginning or ending on a numbered clock hour as indicated by the clock controlling the metering equipment.

DETERMINATION OF BILLING DEMAND

The Billing Demand for the month shall be the greatest of the following demands:

- (1) The maximum metered On-Peak half-hour demand, adjusted for Power Factor.
- (2) 60% of the maximum metered Off-Peak half-hour demand, adjusted for Power Factor.
- (3) 60% of the highest Billing Demand established in the immediately preceding eleven (11) months.
- (4) 200 kilowatts.

DETERMINATION OF POWER FACTOR

The Power Factors shall be calculated, using the maximum On-Peak demand and the maximum Off-Peak demand, each expressed in kilowatts, and the lagging reactive kilovolt-amperes supplied during the same half-hour interval in which said demands occur.

POWER FACTOR CORRECTION

For Power Factors of less than 95% lagging, the applicable demand shall be corrected by multiplying said demand by .95 and dividing by the Power Factor for the same half-hour interval in which said demand occurs.

If a Power Factor is equal to or in excess of 95% lagging, then no Power Factor Correction is made.

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GENERAL TERMS AND CONDITIONS OF SERVICE

1. Contract

Contracts under this rate schedule shall be made for a term to be agreed upon between the Company and the Customer considering the amount of the electrical load, the location of the electrical load, and the facilities to be furnished by the Company to serve the electrical 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, the electrical capacity to be supplied, voltage to be supplied, and facilities to be provided by each party.

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 percent (1 %) 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 percent (1%), 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 percent (1%) 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.

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GENERAL TERMS AND CONDITIONS OF SERVICE (continued)

2. Metering (continued)

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.

3. Additional Load

The Customer shall notify the Company in writing of any substantial additions to 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. 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.

5. 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 forty-eight (48) hours' notification previous to the hour of cut-off is given the Customer of such intention.

6. Rules and Regulations

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

7. 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

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GENERAL TERMS AND CONDITIONS OF SERVICE (continued)

7. Force Majeure (continued)

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 Monthly Minimum Payments occurring during such interruption or suspension of service.

WHERE AVAILABLE

ALL TERRITORY FURNISHED ELECTRIC SERVICE.

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