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STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF FRANKFORT, INDIANA, FOR AUTHORITY TO ISSUE BONDS, NOTES, OR OTHER OBLIGATIONS, FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECRIC SERVICE, AND FOR APPROVAL OF NEW SCHEDULES OF ELECRIC RATES AND CHARGES	)	**CAUSE NO. 44856**
	)	**APPROVED:** JUL 05 2017

ORDER OF THE COMMISSION

Presiding Officers:
Angela Rapp Weber, Commissioner
Carol Sparks Drake, Administrative Law Judge

On September 27, 2016, the City of Frankfort, Indiana, ("Frankfort" or "Petitioner") filed its Petition in the above-captioned Cause seeking authority from the Indiana Utility Regulatory Commission ("Commission") to issue bonds, notes, or other obligations and to increase its rates and charges for electric service. Frankfort also filed its case-in-chief on September 27, 2016, which included the direct testimony and attachments of:

- Steve Miller, Superintendent of Frankfort Electric Utility,
- Andrew S. Lanam, Manager and Certified Public Accountant with Reedy Financial Group P.C., and
- Scott D. Bowles, P.E., Principal and President of Spectrum Engineering Corporation.[1]

Pursuant to Ind. Code § 8-1-2-61(b), the Commission conducted a public field hearing in this Cause at Frankfort Middle School in Frankfort, Indiana, on December 5, 2016, at 6:00 p.m. at which Petitioner and the Indiana Office of Utility Consumer Counselor ("OUCC") appeared. Members of the public attended but offered no testimony or written comments at the field hearing.

On December 16, 2016, Frankfort filed late-filed attachments which included Ordinance No. 16-17 (the "Rate Ordinance"), as amended on October 11, 2016, and passed by Frankfort's Common Council on November 14, 2016, establishing new electric rates and charges and Ordinance No. 16-18 (the "Bond Ordinance"), passed by Frankfort's Common Council on November 28, 2016, authorizing the issuance of electric revenue bonds.

On January 20, 2017, Petitioner moved to temporarily suspend the procedural schedule established in this Cause to provide Petitioner additional time to revise its cost of service study ("COSS"). This motion was granted on January 24, 2017.

[1] During the pendency of this matter, Mr. Miller and Mr. Lanam both changed employers and, therefore, no longer held the referenced positions when their testimony was admitted.

On March 29, 2017, Petitioner and the OUCC (collectively the "Parties") filed a Stipulation and Settlement Agreement ("Settlement Agreement"). In support of the Settlement Agreement, Petitioner filed on March 29, 2017, the supplemental testimony of Mr. Bowles and the settlement testimony of Eric Reedy, a Certified Public Accountant and President of Reedy Financial Group P.C. That same date, the OUCC filed the settlement testimony of Rohita Ramaraj, a Utility Analyst in the OUCC's Electric Division, and Peter M. Boerger, Ph.D., a Senior Utility Analyst in the OUCC's Electric Division. The OUCC also filed written comments received from the public upon Frankfort's pending petition. On April 13, 2017, Petitioner filed Mr. Bowles's second supplemental testimony and attachments. In response to a Docket Entry, Petitioner on June 7, 2017, filed the Final Rate Schedule attachment which was inadvertently omitted from the attachments to Mr. Bowles's supplemental testimony.

Pursuant to notice given and published as required by law, proof of which was incorporated into the record, an evidentiary hearing was held in this Cause on June 14, 2017, at 2:30 p.m. in Room 222 of the PNC Center, 101 West Washington Street, Indianapolis, Indiana. Proofs of publication of the notice of the hearing were incorporated into the record by reference. Petitioner and the OUCC appeared at the hearing, and the Parties' testimony and exhibits were admitted without objection, including the Settlement Agreement and the testimony supporting this agreement. The Parties waived cross-examination. No members of the general public appeared at the hearing.

Based on the evidence and the applicable law, the Commission now finds:

1. **Notice and Commission Jurisdiction.** Notice of the hearings in this Cause was published as required by law. Frankfort is a municipally owned utility as defined by Ind. Code § 8-1-2-1(h). Under Ind. Code §§ 8-1-2-42 and -42.7 and Ind. Code § 8-1.5-3-8(f)(2), the Commission has jurisdiction over changes to Frankfort's electric utility rates and charges. In addition, Ind. Code § 8-1.5-2-19 requires the Commission's approval for Frankfort to issue debt to fund utility improvements when electric utility assets or revenues are pledged as collateral for such debt, as Frankfort proposed in this Cause. The Commission, therefore, has jurisdiction over Frankfort and the subject matter of this proceeding.

2. **Petitioner's Characteristics.** Petitioner is a municipality that owns and operates a municipal electric utility and related facilities providing electric service to customers in and near Frankfort. Petitioner's principal office is located at 16 North Main Street in Frankfort, Indiana, and the utility's operations are supervised and controlled by the Utility Service Board of the City of Frankfort in accordance with Ind. Code ch. 8-1.5-3. Petitioner purchases all of its electric power and energy requirements from the Indiana Municipal Power Agency ("IMPA") pursuant to the terms of a Power Sales Contract.

3. **Relief Requested.** In its case-in-chief, Frankfort requested authority to issue $12.5 million in new revenue bonds (the "Bonds") to fund capital improvements in its electric system. Petitioner also requested authority to increase its rates and charges, to be applied to its various customer classes based upon the COSS, and to generate additional revenues of $3,059,140, representing a 10.09% overall increase in metered sales. Pursuant to the Settlement Agreement,

the Parties agreed Petitioner should be authorized to increase its rates and charges to generate additional revenues of $2,616,027, representing an 8.63% increase in annual metered sales. Under the Settlement Agreement, Frankfort's rates will increase to recover total annual revenues of $33,426,623.

4. **Test Year.** The test year selected for determining Petitioner's actual and pro forma operating revenues, expenses, and revenue requirement under present and proposed rates was the 12 months ended March 31, 2016. With adjustments for changes that are fixed, known, and measurable, the Commission finds this test period is sufficiently representative of Petitioner's normal operations to provide reliable data for ratemaking purposes.

5. **Frankfort's Case-in-Chief.** Mr. Miller provided a general description of Frankfort's operations and system and sponsored the Rate Ordinance and the Bond Ordinance. He testified that Petitioner serves approximately 9,184 residential, commercial, and industrial customers and owns approximately 375 miles of electric lines. Mr. Miller noted it has been nearly 20 years since Frankfort's last rate case in Cause No. 40795 in which the Commission approved basic rates and charges on October 22, 1997. According to Mr. Miller, cost increases other than purchased power are being absorbed by the electric utility, resulting in Petitioner operating at a deficit. Mr. Miller testified that Petitioner's electric distribution system needs major upgrades, and it is time to review the utility's rate design.

Mr. Lanam testified concerning Petitioner's rate and financing needs and sponsored the Rate and Financing Report. The report contains pro forma financial information for Frankfort's test year, adjusted for fixed, known, and measureable changes during the succeeding 12 months. Mr. Lanam testified that Petitioner is requesting an overall increase in its metered sales revenue of 10.09% to produce total annual operating revenues of $33,838,396. This will enable Petitioner to recover its pro forma revenue requirements for operation and maintenance ("O&M") expenses, taxes other than income taxes, current and proposed debt service, an annual amount for extensions and replacements, its annual payment in lieu of tax payment, amortization of rate case expenses, and to fund working capital. Mr. Lanam testified in support of 15 adjustments to Petitioner's annual operating revenues and expenses.

Mr. Lanam also testified regarding the Bonds Frankfort proposes to issue on the open market. He presented the amortization of the Bonds showing principal repayments at an assumed interest rate of 3.25% paid semiannually over a 20-year period beginning July 1, 2017. Mr. Lanam based his estimated interest rates on recent comparable bond sales in Indiana and his review of Municipal Market Data rating scales, adjusted to account for potential market volatility as a result of possible Federal Reserve rate actions.

Mr. Bowles testified concerning Petitioner's COSS and rate design. He testified generally regarding the purpose for conducting a COSS, as well as the process and associated steps. Mr. Bowles explained the underlying methodology used in performing the COSS and presented Petitioner's proposed rate design and proposed schedules of rates and charges.

Mr. Bowles also testified regarding proposed changes to Frankfort's charges for each rate class, as well as proposed changes to its non-recurring charges. He explained that Petitioner is proposing to increase customer charges to reflect the true fixed costs associated with interconnecting customers to Petitioner's system. Mr. Bowles testified that such costs could not be recovered through Petitioner's variable rates and indicated the increased customer charge would not negatively impact low-income customers or conservation. Mr. Bowles further testified regarding Frankfort's proposed adjustments to its non-recurring fees and explained how each adjustment was derived.

Mr. Bowles testified that Frankfort is proposing to add a new Industrial Power Tariff to be proactive and respond quickly to industries considering locating or expanding in Petitioner's service territory. He explained how the proposed Industrial Power Tariff was designed and testified it will not impact existing customers. He also testified regarding Frankfort's proposal to implement an Economic Development Rider ("EDR") to incent business growth for new and existing customers. Mr. Bowles explained how the EDR tariff was designed and stated it will provide eligible customers a 15% discount on the demand charge in the first year, 10% in the second through fourth year, and decline to 5% in the fifth year, provided the customer's load remains in compliance. Mr. Bowles testified the EDR will not shift costs to Frankfort's remaining customers.

Mr. Bowles also testified regarding Petitioner's proposed Capital Improvement Plan ("CIP") comprised of projects totaling $11,838,260. He described each of the 20 capital projects included in Petitioner's CIP and testified he reviewed each project to ensure compliance with the following criteria: (1) necessity, (2) capital cost accuracy, and (3) priority. Mr. Bowles opined that the proposed capital projects are prudent and necessary to keep Petitioner's system functioning in a safe, reliable, and efficient manner.

Subsequent to Petitioner filing its case-in-chief, Mr. Bowles revised the COSS, correcting structural deficiencies in the original cost of service model and sponsoring a revised schedule of rates and charges. According to Mr. Bowles, the OUCC brought the following three significant structural deficiencies in the original COSS to his attention: (1) the monthly consumption data from Petitioner was mislabeled by one month resulting in a one month mismatch between billing data and wholesale power purchases during the test year; (2) the request to Petitioner for coincident demand data was fulfilled with billing demand, which led to an abnormally high demand allocation for Rate PPL, and (3) formulas in the model were pointing to revenue allocation factors instead of demand and energy.

6. <u>Settlement Agreement and Testimony</u>. The Parties filed their Settlement Agreement in this Cause on March 29, 2017. The Settlement Agreement was subsequently admitted into the evidentiary record at the public hearing as Joint Exhibit 1. A copy of the Settlement Agreement, exclusive of the proposed Order but inclusive of all other attachments, is attached hereto and incorporated by reference. In support of the settlement, Frankfort offered the supplemental testimony of Mr. Bowles and Mr. Reedy, and the OUCC offered the testimony of Ms. Ramaraj and Dr. Boerger. Each witness opined that the Settlement Agreement is in the public interest.

Mr. Reedy testified that per the Settlement Agreement, Petitioner's utility revenue requirement is $33,390,504, and the increase in operating revenues needed for Frankfort to meet the agreed pro forma revenue requirement is $2,616,027, representing an increase of 8.63% in metered sales revenues. He opined that the stipulated revenues will provide adequate debt service coverage for Frankfort's proposed bond issue and that the proposed rates are fair, just, non-discriminatory, reasonable, and necessary to meet Frankfort's pro forma revenue requirements.

In her settlement testimony, Ms. Ramaraj testified the rate increase agreed upon in the Settlement Agreement is $443,112 less than the increase Petitioner requested. She explained that this $443,112 reduction is comprised of the following adjustments: (a) purchased power decrease of $407,671; (b) O&M expense decrease of $24,311; (c) debt service requirement decrease of $5,012, and utility receipts tax decrease of $6,118. She testified that with these adjustments, the OUCC did not oppose the relief Petitioner sought in its case-in-chief and recommends the Commission approve the Settlement Agreement.

Dr. Boerger testified that after reviewing the initial COSS, the OUCC decided it was in the best interest of Frankfort and its customers to work with Mr. Bowles on a cooperative basis to correct the model. He explained that when the structural deficiencies in the cost of service model were corrected, there were significant shifts in the revenue requirement responsibility of the rate classes. Through settlement discussions it was agreed Rate Classes A (Residential Service), B (Commercial Service), C (General Power Service), and PPL (Primary Power and Light Service), will not experience more than 125% of the overall revenue requirement percentage increase nor less than 75% of that overall increase. He testified the revised COSS would have provided Rate Classes OL (Outdoor Lighting Service) and SL (Public Street Lighting Service) with rate decreases, and it was agreed the rate change for these classes will be zero. He explained that the revenue liberated by raising the low end of the rate increases was applied to Rate Class PPL, lowering the increase to Rate PPL to a level within the 125% limit. Mr. Bowles testified Rate B was increased above its cost to serve to the 75% threshold, and the extra revenue generated by Rate B was shifted to Rate C, reducing it slightly. Dr. Boerger opined that the rates and charges presented in the Settlement Agreement are reasonably reflective of the cost of serving Frankfort's customers.

In his supplemental testimony, Mr. Bowles testified that in developing the proposed rates and charges, Petitioner did not move the rates and charges to a true cost of service because doing so would result in some customers experiencing an extremely large increase due to the true cost of customer connection. Specifically, he testified that small use PPL customers would incur customer charges several times greater than their entire monthly bill; therefore, the proposed monthly customer charge was reduced to accommodate large and small customers alike within the class. Mr. Bowles explained that the OUCC requested any rate change in classes be contained within 75% and 125% of the total increase.

A. <u>Base Rate Relief.</u> In the Settlement Agreement, the Parties agree Frankfort should be authorized to increase its rates and charges to increase annual operating revenues by $2,616,027, which represents an increase of 8.63% in annual metered sales revenues, to be applied to Petitioner's customer classes on the basis of the updated COSS Mr. Bowles sponsored, with the adjustments he identified for certain customer rate classes.

The Petitioner's revenue requirements as originally proposed and the Parties' agreement with respect to Frankfort's annual revenue requirements are summarized below:

	Per Petitioner	Per Settlement	More (Less)
Purchased Power	$ 28,185,706	$ 27,778,035	$ (407,671)
Operation and Maintenance Expenses	3,593,456	3,613,171	19,715
Extensions and Replacements	398,400	398,400	-
Taxes other than Income	563,381	553,141	(10,240)
Interest Income	(10,898)	(10,898)	-
Debt Service Requirement	853,794	848,782	(5,012)
Payment in Lieu of Taxes	209,873	209,873	-
Amortization – Rate Case Expense	33,786	-	(33,786)
Total Revenue Requirement	$ 33,827,498	33,390,504	(436,994)
Pro Forma Present Rate Revenue	30,810,596	30,810,596	-
Additional Revenue Requirement Needed	3,016,902	2,579,908	(436,994)
Utility Receipts Tax (proposed increase)	42,237	36,119	(6,118)
Recommended Pro Forma Revenue Increase	$ 3,059,139	$ 2,616,027	$ (443,112)
Recommended – Increase/(Decrease)	10.09%	8.63%[2]	-1.46%

As shown above, under the Settlement Agreement, Petitioner's pro forma operating revenues at present rates total $30,810,596. Accordingly, the Parties stipulated that Petitioner's existing rates are insufficient to recover Petitioner's revenue requirement and should be increased to produce an additional $2,616,027 in annual operating revenue and total annual operating revenues of $33,426,623.

B. **Frankfort's Updated Cost of Service Study.** The Parties accepted the updated COSS and stipulated that for settlement purposes, the rate increases for Rate classes A, B, C, and PPL will be no less than 75% of the system average and no more than 125% of system average, as reflected in the updated COSS. The Parties further stipulated that Rate Classes SL and OL will receive no increase and agreed to create a new Rate Class IP for potential new industrial customers who receive electric service at transmission voltage. The Parties also stipulated and agreed that the Commission should approve the schedule of rates and charges set forth in Attachment SDB-S4.

Dr. Boerger testified the updated COSS provides a reasonable basis for setting rates because: (a) it offers a reasonably cost-based allocation of revenue requirements to Frankfort's rate classes; (b) rate shock will not occur for any rate class because the extremes of rate changes are minimized; (c) rates are designed to provide Frankfort with the revenue requirement the Parties agreed upon, and (d) it is consistent with reasonable rate design practices.

7. Commission Findings and Discussion.

[2] In the schedules to the Settlement Agreement, the Parties calculated the percentage increase by dividing the recommended revenue increase of $2,616,027 by Petitioner's operating revenues of $30,320,883. Operating revenues do not include miscellaneous and other revenues which when added, result in total operating revenues of $30,810,596. When the increase is calculated using total operating revenues it yields an 8.49% increase.

A. **Settlement Agreement.** Settlements presented to the Commission are not ordinary contracts between private parties. *U.S. Gypsum, Inc. v. Ind. Gas Co.*, 735 N.E.2d 790, 803 (Ind. 2000). When the Commission approves a settlement, that settlement "loses its status as a strictly private contract and takes on a public interest gloss." *Id.* (quoting *Citizens Action Coal. of Ind., Inc. v. PSI Energy, Inc.*, 664 N.E.2d 401, 406 (Ind. Ct. App. 1996)). Thus, the Commission "may not accept a settlement merely because the private parties are satisfied; rather [the Commission] must consider whether the public interest will be served by accepting the settlement." *Citizens Action Coal.*, 664 N.E.2d at 406.

Further, any Commission decision, ruling, or order, including the approval of a settlement, must be supported by specific findings of fact and sufficient evidence. *U.S. Gypsum*, 735 N.E.2d at 795 (citing *Citizens Action Coal. of Ind., Inc. v. Public Service Co. of Ind., Inc.*, 582 N.E.2d 330, 331 (Ind. 1991)). The Commission's procedural rules require that settlements be supported by probative evidence. 170 IAC 1-1.1-17(d). Before the Commission can approve the Settlement Agreement, the Commission must determine whether the evidence in this Cause sufficiently supports the conclusion that the Settlement Agreement is reasonable, just, and consistent with the purpose of Ind. Code ch. 8-1-2 and that such agreement serves the public interest.

1. **Petitioner's Authorized Rates.** The evidence demonstrates that Frankfort's current rates and charges are insufficient to satisfy Petitioner's annual pro forma revenue requirement and supports an 8.63% increase in annual metered sales revenues. As Mr. Miller noted, it has been almost 20 years since Frankfort's last base rate case. Since that rate case, Frankfort has absorbed its increased costs, other than purchased power costs which are recovered via 30-day Energy Cost Adjustments filings with the Commission, resulting in Petitioner operating under existing rates at a significant deficit. Mr. Miller also testified that Frankfort has not made major upgrades to its distribution system for some time. The OUCC's witnesses agreed a rate increase is merited. Based on the evidence, the Commission finds Petitioner shall be authorized to increase its rates and charges for electric service to produce annual metered sales revenues of $33,426,623, and this 8.63% increase shall be applied to Frankfort's customer classes based upon the updated COSS; consequently, the Commission finds the rates set forth in Petitioner's Attachment SDB-S4 are approved.

In his second submission of supplemental testimony, Mr. Bowles testified that since the filing of his earlier testimony, IMPA's Board of Commissioners adopted an ECR to Schedule B of its tariff ("IMPA Rider"). For Petitioner to provide the economic development credits provided under the IMPA Rider to its qualifying customers, Frankfort must pass a rate mechanism to flow the savings through to its qualifying customers. Mr. Bowles testified the IMPA Rider provides Frankfort a flat credit against its wholesale bill for new load, with the eligibility factors being nearly identical to the EDR Frankfort proposed in this Cause. He explained that Petitioner's EDR is a percentage credit against the qualifying customer's demand charge while the wholesale credit from the IMPA Rider will be an additional credit. Mr. Bowles further testified that this economic development credit will provide an incentive for new or expanded load in Frankfort's service area and that the OUCC supports this addition to Frankfort's EDR. The Commission finds Petitioner is authorized to supplement its EDR tariff to include this additional incentive as reflected on Attachment SDB-2SS.

2. **Petitioner's Financing.** Petitioner is proposing to issue the Bonds in the principal amount not to exceed $12.5 million. Principal and interest will be payable solely from future electric utility revenues. Before Frankfort may issue the Bonds, the Commission must grant approval pursuant to Ind. Code § 8-1.5-2-19. The Commission will approve the issuance of bonds, notes, or other obligations by a municipally owned utility if we find the projects to be funded with the proceeds are reasonably necessary for the provision of adequate and efficient utility services and if we find the proposed debt issuance is a reasonable method for financing such projects.

Mr. Bowles testified regarding Frankfort's CIP which details 20 capital projects he characterized as required to keep Petitioner's system functioning in a safe, reliable, and efficient manner. He described the scope of each project and provided detailed justification and cost estimates for each project. Mr. Bowles testified that Frankfort's staff provided sound rationale for the requested improvements and that after reviewing the projects proposed, he concluded the CIP is prudent and necessary and the related estimates are reasonable.

Given the evidence, the Commission finds the proposed projects for which Petitioner seeks financing authority, as set forth in Petitioner's Attachment SDB-9, are reasonably necessary for Petitioner's provision of adequate and efficient utility service and that Petitioner's proposed financing of those projects is reasonable. Therefore, pursuant to Ind. Code ch. 5-1-11 and Ind. Code § 8-1.5-2-19, Frankfort is authorized to issue long-term debt not to exceed $12.5 million in principal amount at interest rates resulting from the competitive bond sale based upon which bid receives the lowest overall net interest cost in accordance with Ind. Code § 5-1-11-3(c). In addition, based on revenues and expenses determined by the Commission above to be reasonable and in accordance with Ind. Code § 8-1.5-2-19(b), the Commission certifies that Petitioner's authorized rates and charges provide sufficient funds for the O&M and depreciation of the utility and to pay the principal and interest of the proposed bond issue, together with a surplus or margin of at least ten percent in excess.

3. **Bond Report True-Up.** Consistent with the Settlement Agreement, the Commission finds that Frankfort shall file a true-up report with the Commission under this Cause and serve a copy thereof on the OUCC within 30 days of closing on its issuance of long-term debt. The true-up report shall include an updated amortization schedule with the actual interest rates on the Bonds, the amount borrowed, the resulting trued-up electric rates and charges, and an amended tariff.

B. Conclusion. In her settlement testimony, Ms. Ramaraj testified that the OUCC recommends the Commission approve the Settlement Agreement in its entirety. Dr. Boerger opined that the rates and charges the Settlement Agreement presents are reasonably reflective of the cost of serving Frankfort's customers. Upon review of the evidence of record, the Commission finds the Settlement Agreement is the product of arms-length negotiations, and its terms are supported by the evidence and represent a reasonable resolution of the issues presented. The Commission further finds that the Parties' testimony demonstrates the terms of the Settlement Agreement are reasonable and that approval of the Settlement Agreement is in the public interest; therefore, the Commission finds the Settlement Agreement is approved, exclusive of the proposed Order attached to the Settlement Agreement as Attachment 1.

C. **Use of Settlement Agreement**. Pursuant to the terms of the Settlement Agreement, it should not be used as precedent in any other proceeding or for any other purpose, except to the extent provided therein or to the extent necessary to implement or enforce its terms. Consequently, with regard to future citation of the Settlement Agreement, the Commission finds that our approval herein should be construed in a manner consistent with our finding in *Richmond Power & Light*, Cause No. 40434 (IURC March 19, 1997).

D. **Confidential Information**. On September 27, 2016, Frankfort filed Petitioner's Motion for Protection of Confidential and Proprietary Information ("Motion") with respect to the electronic copy of the COSS and related models (including all formulas) which Mr. Bowles prepared. The Motion sought confidential treatment and set forth that the electronic copy contained trade secrets as defined under Ind. Code § 24-2-3-2. On October 18, 2016, a Docket Entry was issued finding such information confidential on a preliminary basis. The OUCC did not object to the Motion or the admission of this information into evidence under seal. The Commission finds all such information should continue to be held confidential pursuant to Ind. Code § 8-1-2-19, Ind. Code § 5-14-3-4, and 170 IAC 1-5-15.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. The Settlement Agreement which is attached to and incorporated into this Order by reference is approved.

2. Petitioner is authorized to increase its rates and charges for electric service to increase annual operating revenues by $2,616,027 to produce total annual operating revenues of $33,426,623 and to amend its EDR tariff consistent with Paragraph 7.A.1 above.

3. Petitioner is authorized to amend Petitioner's EDR to effectuate the EDR adopted by IMPA consistent with Paragraph 7.A.1 above.

4. Petitioner shall file new schedules of rates and charges under this Cause consistent with the rates and charges approved above. Petitioner's new schedules of rates and charges shall be effective after approval by the Energy Division.

5. Petitioner is granted a Certificate of Authority to issue additional long-term debt not to exceed $12.5 million as approved herein. This Order shall be the sole evidence of Petitioner's certificate.

6. Petitioner shall file a bond true-up report as provided above in Paragraph 7.A.3 within 30 days of closing on its issuance of long-term debt.

7. In accordance with Ind. Code § 8-1-2-70, Petitioner shall pay the following itemized charges within 20 days from the date of this Order into the Commission public utility fund account described in Ind. Code § 8-1-6-2, through the Secretary of the Commission, as well as any additional costs that were incurred in connection with this Cause:

Commission Charges:	$ 5,829.62
OUCC Charges:	$15,055.85
Legal Advertising Charges:	$ 115.40
Total:	$21,000.87

8. The information submitted under seal in this Cause pursuant to Petitioner's motion for protective order and confidential treatment shall continue to be held as confidential and exempt from public access and disclosure pursuant to Ind. Code §§ 24-2-3-2 and 5-14-3-4.

9. This Order shall be effective on and after the date of its approval.

FREEMAN, HUSTON, WEBER, AND ZIEGNER CONCUR; ATTERHOLT ABSENT:

APPROVED: JUL 05 2017

I hereby certify that the above is a true and correct copy of the Order as approved.

Mary M. Becerra

Mary M. Becerra
Secretary of the Commission

FILED
MARCH 29, 2017
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

PETITION OF THE CITY OF FRANKFORT, INDIANA, FOR AUTHORITY TO ISSUE BONDS, NOTES, OR OTHER OBLIGATIONS, FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC SERVICE, AND FOR APPROVAL OF NEW SCHEDULES OF ELECTRIC RATES AND CHARGES.	)))))))))	**CAUSE NO. 44856**

STIPULATION AND SETTLEMENT AGREEMENT

1. The City of Frankfort, Indiana ("Petitioner" or "Frankfort") and the Indiana Office of Utility Consumer Counselor ("OUCC") (collectively, the "Settling Parties"), by their respective counsel, respectfully request the Indiana Utility Regulatory Commission ("Commission") to approve this Stipulation and Settlement Agreement ("Stipulation"). The Settling Parties agree that the terms and conditions set forth below represent a fair and reasonable resolution of the issues described herein, subject to incorporation into a final order of the Commission in substantially the form attached hereto as **Attachment 1**, which approves this Stipulation without any modification or condition that is not acceptable to the Settling Parties.

2. In this proceeding, this Stipulation follows Petitioner's prefiled testimony and attachments and coincides with Petitioner's filing of supplemental testimony in support of this Stipulation and updates to the cost of service study supporting the Petitioner's requested rates and charges in this Cause. Since the time of Petitioner's filing of its case-in-chief in this Cause, the OUCC has conducted discovery and the parties have engaged in discussions to address items the OUCC has identified as its primary issues in this Cause. Those interactions have framed the discussions among the Settling Parties, and formed the basis for the Settling Parties to reach agreement on the terms reflected in this Stipulation. A basic component of each party's willingness to enter this agreement is the overall

result that is achieved hereby. The Settling Parties have agreed to concessions on individual issues to which the Settling Parties would not be willing to agree but for the overall result produced by this Stipulation and Settlement Agreement. In other words, each party is agreeing to forego or compromise on positions on individual issues in exchange for the overall result produced collectively by all of the concessions. As set forth below and in Appendix A, the parties have negotiated terms that resolve all issues in this proceeding. In most cases, the agreed upon terms are founded upon documented positions that are in the record in this proceeding, including in Settlement Testimony that the Settling Parties have agreed each of them will file in support of this Stipulation.

3. The impact on Frankfort's revenue requirement and the relief requested in this case is reflected more fully in Appendix A attached hereto. All issues not specifically addressed in the enumerated paragraphs below are as reflected in Appendix A attached hereto and incorporated herein by reference.

4. For purposes of settlement, the Settling Parties stipulate and agree as follows:

5. **Revenue Requirement**. As a result of the adjustments described herein to Petitioner's case-in-chief position, Frankfort's pro forma revenue increase shall be $2,616,027, which represents an increase of 8.63%.

   a. **Purchased Power.** Frankfort's purchased power for purposes of calculating the revenue requirement shall be $27,778,035, based on the 2017 IMPA forecast.

   b. **Operation & Maintenance Expense**. Frankfort's O&M expense for purposes of calculating the revenue requirement shall be $3,613,171, which includes amortization of rate case expense. The stipulated amount for O&M expense reflects OUCC adjustments to the following, all as reflected on Appendix A:

      i. **Distribution Expense** – Operation, Supervision & Engineering Salaries: Increase from test year levels in the amount of $81,445.

ii. **Customer Account and Collection** – Meter Reading Labor: Increase from test year levels in the amount of $8,361.

iii. **Administrative and General** – Salaries and Wages: Increase from test year levels in the amount of $43,582.

iv. **Employee Pension and Benefits**: Increase from test year levels in the amount of $34,372.

v. **Amortization of Cost of Service Study/Rate Case**: Total Annual Amortization Expense of $28,429.

vi. **Utility Receipts Tax**: A decrease from test year levels of $5,598.

vii. **Dental, Vision, Health & Miscellaneous**: Increase of $5,941 over test year levels for the Distribution Expense category. Increase of $625 over test year levels for the Customer Account & Collection category. Increase of $3,148 over test year levels for the Administrative & General category.

viii. **FICA**: Decrease of $4,642 from test year levels.

c. **Payment in Lieu of Tax (PILOT)**. Increase over test year levels of $109,873.

d. **Debt Service**. Frankfort's debt service requirement for purposes of calculating the revenue requirement shall be $848,782.

e. **Utility Receipts Tax**. The resulting increase to utility receipts tax based on the stipulated revenue requirement shall be $36,119.

f. **Remaining Components**. All remaining components of the revenue requirements are accepted as set forth in Petitioner's case-in-chief.

6. **Customer Charges**. The Settling Parties stipulate to an increase to the customer charges (and implementation of new customer charge for Rate Class IP) as set forth below:

Rate Class	Stipulated Customer Charge
Rate Class A	$8
Rate Class B	$15
Rate Class C	$30
Rate Class PPL	$60
Rate Class IP	$600

7. **Cost of Service Study and Rate Design.** The Settling Parties accept the updated cost of service study performed by Scott D. Bowles and filed with the Commission as of the date hereof. The Settling Parties agree that for purposes of settlement, the rate increase for rate classes A, B, C, and PPL would be no less than 75% of system average and no more than 125% of system average, as reflected in Mr. Bowles' updated cost of service study. Rate classes SL and OL will receive no increase. The resulting rates and charges which the Settling Parties stipulate and agree should be approved by the Commission are set forth in Attachment SDB-S4 to Petitioner's Exhibit 3S.

8. **Miscellaneous Charges.** The Settling Parties agree that Petitioner's Bad Debt Fee and Late Payment Fee shall be treated as offsets to the Revenue Requirement. The Settling Parties also agree that the Return Check Fee shall be a flat fee of $25.00.

9. **Stipulation Effect, Scope and Approval.**

The Stipulation is conditioned upon and subject to its acceptance and approval by the Commission in its entirety without any change or condition that is unacceptable to any Settling Party. Each term of the Stipulation is in consideration and support of each and every other term. If the Commission does not approve the Stipulation in its entirety or if the Commission makes modifications that are unacceptable to any Settling Party, the Stipulation shall be null and void and shall be deemed withdrawn upon notice in writing by any party within 10 days after the date of the final order stating that a modification made by the Commission is unacceptable to the Settling Party.

The Stipulation is the result of compromise in the settlement process and neither the making of the Stipulation nor any of its provisions shall constitute an admission or waiver by any Settling Party in any other proceeding, now or in the future. The Stipulation shall not be used as precedent in any other current or future proceeding or for any other purpose except to the extent provided for herein or to the extent necessary to implement or enforce its terms.

The evidence to be submitted in support of the Stipulation, together with evidence already admitted, constitutes substantial evidence sufficient to support the Stipulation and provides an adequate evidentiary basis upon which the Commission can make any findings of fact and conclusions of law necessary for the approval of the Stipulation.

The communications and discussions and materials produced and exchanged during the negotiation of the Stipulation relate to offers of settlement and shall be privileged and confidential.

The undersigned represent and agree that they are fully authorized to execute the Stipulation on behalf of the designated party who will be bound thereby.

The Settling Parties will either support or not oppose on rehearing, reconsideration and/or appeal, an IURC Order accepting and approving this Stipulation in accordance with its terms.

(signature page follows)

ACCEPTED and AGREED this 29th day of March, 2017.

City of Frankfort, Indiana

By: ______________________

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Hillary J. Close
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Indiana Office of Utility Consumer Counselor

By: ______________________

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Indianapolis, Indiana 46204

DMS 4774806v1

Frankfort City Light and Power
CAUSE NUMBER 44856

Comparison of Petitioner's and the Settlement Agreement
Revenue Requirements

Revenue Requirement	**Per Petitioner**	**Per Settlement**	**Sch. Ref.**	**Settlement More/(Less)**
Purchased power	$ 28,185,706	$ 27,778,035	4	$ (407,671)
Operation & maintenance expenses	3,593,456	3,613,171	4	19,715
Extensions and Replacements	398,400	398,400	6	-
Taxes other than income	563,381	553,141	4	(10,240)
Interest income	(10,898)	(10,898)	3	
Debt Service Requirement	853,794	848,782	7	(5,012)
Payment in Lieu of Taxes	209,873	209,873	4	-
Amortization - Rate Case Expense *	33,786	-	-	(33,786)
Revenue requirement	$ 33,827,498	$ 33,390,504		$ (436,994)
Pro forma present rate revenue	30,810,596	30,810,596		-
Additional revenue requirement needed	3,016,902	2,579,908		(436,994)
Utility receipts tax (proposed increase)	42,237	36,119		(6,118)
Recommended pro forma revenue increase	$ 3,059,139	$ 2,616,027		$ (443,112)
Recommended - Increase/(Decrease)	10.09%	8.63%		

Utility receipts tax on proposed increase

Increase in revenues	$ 2,579,908
Times: Tax rate	1.40%
Adjustment - Increase/(Decrease)	$36,119

* Per OUCC, Amortization - Rate Case Expense is included in Operation & Maintenance Expenses

Frankfort City Light and Power
CAUSE NUMBER 44856

COMPARATIVE BALANCE SHEETS
As of December 31, 2013, 2014, 2015, and March 31, 2016

Description	December 31, 2013	December 31, 2014	December 31, 2015	March 31, 2016
ASSETS				
Fixed Assets:				
Fixed Assets in Service	$ 21,388,592	$ 21,802,077	$ 22,185,393	$ 22,184,970
Construction Work in Progress	-	-	-	-
Less: Accumulated Depreciation	(14,197,747)	(14,701,707)	(15,189,612)	(15,186,961)
Net Fixed Assets in Service	7,190,845	7,100,370	6,995,781	6,998,009
Energy Assistance	1,872	10,782	10,256	18,413
Total Fixed Assets	7,192,717	7,111,152	7,006,037	7,016,422
Current Assets:				
Cash and Cash Equivalents	3,924,151	3,460,560	2,427,043	2,652,081
Accounts Receivable	2,020,967	1,824,560	2,021,252	1,908,050
Materials and Supplies	850,072	815,565	874,307	894,941
Other Current Assets	25,947	26,212	27,051	27,053
Total Current Assets	6,821,137	6,126,897	5,349,653	5,482,125
Total Assets	$ 14,013,854	$ 13,238,050	$ 12,355,690	$ 12,498,547

Frankfort City Light and Power
CAUSE NUMBER 44856

COMPARATIVE BALANCE SHEETS
As of December 31, 2013, 2014, 2015, and March 31, 2016

Description:	December 31, 2013	December 31, 2014	December 31, 2015	March 31, 2016
LIABILITIES				
Fund Balance				
Fixed Asset Offset	$ -	$ -	$ 46,140	$ 48,368
Retained Earnings	8,476,221	7,514,815	6,732,807	6,735,912
Budgetary Fund Balance - Unreserved	-	-	-	
Encumbrances	-	-	-	-
Fund Balance Encumbrances	-	-	3,104	-
Total Revenue - Revenue Control	-	-	-	7,562,806
Expenditure Control	-	-	-	(7,652,995)
Total Fund Balance	8,476,221	7,514,815	6,782,051	6,694,091
Contributions in Aid of Construction	3,051,184	3,051,184	3,051,184	3,051,184
Current Liabilities				
Current Installments of Long-term Debt				
Accounts payable	1,988,545	2,228,743	2,089,430	2,203,394
Consumer Deposits	200,510	197,384	190,154	198,529
Accrued Taxes	66,533	15,062	12,010	120,487
Other Current Liabilities	230,861	230,861	230,861	230,861
Total Current Liabilities	2,486,448	2,672,050	2,522,454	2,753,271
Total Liabilities & Fund Balance	$ 14,013,853	$ 13,238,049	$ 12,355,690	$ 12,498,546

Frankfort City Light and Power
CAUSE NUMBER 44856

COMPARATIVE INCOME STATEMENTS
For the Twelve Months Ended December 31, 2013, 2014, 2015, and March 31, 2016

Description:	Twelve Months Ended December 31, 2013	Twelve Months Ended December 31, 2014	Twelve Months Ended December 31, 2015	Twelve Months Ended March 31, 2016
Operating Revenues	$ 28,684,524	$ 29,511,884	$ 31,417,234	$ 30,938,250
Operating Expenses				
Power Production Expenses	24,646,770	25,924,679	27,553,539	27,357,098
Transmission Expenses	-	-	-	-
Distribution Expenses	824,814	965,634	1,116,596	1,454,700
Consumer Accounts	304,999	253,009	275,128	332,995
Administrative and General	1,090,528	1,244,307	1,367,402	1,624,129
Total O&M Expense	26,867,111	28,387,629	30,312,665	30,768,922
Depreciation Expense	536,428	510,309	524,746	524,746
Taxes	508,887	527,625	557,457	563,381
Contribution in Lieu of Taxes				
IURT				
Other Taxes - FICA				
Unemployment Tax				
Total Operating Expenses	27,912,427	29,425,564	31,394,868	31,857,049
Operating Margins Before Interest Expense	772,098	86,320	22,367	(918,799)
Other Income (Expense)				
Interest Income	9,721	9,011	12,154	10,898
Pilot Payment	-	-	(100,000)	(100,000)
Transfers In (from other funds)		200,000	780,000	-
Fund Transfers Out	(715,769)	(1,256,878)	(1,580,590)	-
Short/Over	(47)	140	(276)	(30)
Amortization - Rate Case Expense				-
Total Other Income (Expense)	(706,095)	(1,047,727)	(888,712)	(89,132)
Capital Credit Allocations	-	-	-	
Net Income	$ 66,003	$ (961,406)	$ (866,345)	$ (1,007,931)

Frankfort City Light and Power
CAUSE NUMBER 44856

***Pro-forma* Net Operating Income Statement**

Description:	**Year Ended 31-Mar-16**	**Adjustments**	**Sch Ref**	***Pro-forma* Present Rates**	**Adjustments**	**Sch Ref**	***Pro-Forma* Proposed Rates**
Operating Revenues							
Operating Revenues	$ 30,320,883	$ -		$ 30,320,883	$ 2,616,027	1	$ 32,936,910
Other Operating Revenue	399,713	-		399,713	-		399,713
Miscellaneous Revenue	217,654	(127,654)	5-1	90,000	-		90,000
Total Operating Revenues	30,938,250	(127,654)		30,810,596	2,616,027		33,426,623
O&M Expense							
Purchased Power	27,357,098	420,937	5-2	27,778,035			27,778,035
Transmission Expense	-	-		-			-
Distribution Expense	1,454,700	81,445	5-3	1,527,324			1,527,324
		(14,762)	5-4				
		5,941	5-13				
Customer Account & Collection	332,995	8,361	5-5	341,981			341,981
		625	5-13				
Adminstrative & General	1,624,129	43,582	5-6	1,743,866			1,743,866
		(18,000)	5-7				
		28,206	5-8				
		34,372	5-9				
		3,148	5-13				
		28,429	5-10				
Depreciation Expense	524,746	-		524,746			524,746
Taxes							
Taxes other than income taxes	563,381	(5,598)	5-12	553,141	36,119	1	589,260
FICA		(4,642)	5-14				-
Payment in Lieu of Taxes	100,000	109,873	5-11	209,873			209,873
Total Operating Expenses	31,957,049	721,917		32,678,966	36,119		32,715,085
Net Operating Income	$ (1,018,799)	$ (849,571)		$ (1,868,370)	$ 2,579,908		$ 711,538

Frankfort City Light and Power
CAUSE NUMBER 44856

Operating Adjustments

(1) Miscellaneous Revenues (Per Petitioner)

Pro-forma Miscellaneous Revenue	$	90,000
Less: Miscellaneous Revenues (Test Year)		217,654
Adjustment - Increase/(Decrease)		($127,654)

Purchased Power
(2) Purchased Power (Per OUCC)

Pro-forma Expense	$	27,778,035
Less: Power Purchases (Test Year)		27,357,098
Adjustment - Increase/(Decrease)	$	420,937

Distribution Expense
(3) Operation, Supervision & Engineering Salaries (Per OUCC)

Pro-forma Expense	$	771,460
Less: Operation, Supervision & Engineering Salaries (Test Year)		690,015
Adjustment - Increase/(Decrease)	$	81,445

(4) Overhead Line Expense (Per Petitioner)

Pro-forma Expense	$	46,000
Less: Overhead Line Expense (Test Year)		60,762
Adjustment - Increase/(Decrease)		($14,762)

Customer Account and Collection
(5) Meter Reading Labor (Per OUCC)

Pro-forma Expense	$	79,195
Less: Meter Reading Labor (Test Year)		70,834
Adjustment - Increase/(Decrease)	$	8,361

Administrative and General
(6) Salaries and Wages (Per OUCC)

Pro-forma Expense	$	412,819
Less: Salaries and Wages (Test Year)		369,237
Adjustment - Increase/(Decrease)	$	43,582

Frankfort City Light and Power
CAUSE NUMBER 44856

Operating Adjustments

(7) Office Supplies Expense (Per Petitioner)

Pro-forma Expense	$	171,326
Less: Office Supplies Expense (Test Year)		189,326
Adjustment - Increase/(Decrease)		($18,000)

(8) Leased Truck Payment (Per Petitioner)

Pro-forma Expense	$	28,206
Less: Leased Truck Payment (Test Year)		-
Adjustment - Increase/(Decrease)	$	28,206

(9) Employee Pension and Benefits (Per OUCC)

Pro-forma Expense	$	325,581
Less: Vacation, Personal, Sick and Breavement Pay (Test Year)		291,209
Adjustment - Increase/(Decrease)	$	34,372

(10) Amortization of Cost of Service Study/Rate Case (Per OUCC)

IURC Fee (Rate Case)	$	16,500
Barnes & Thornburg Fee (Rate Case)		35,000
Reedy Financial Group Fee (Rate Study/Rate Case)		32,500
Spectrum Engineering Fee (COS)		115,000
Total Cost of Service Study		199,000
Divide: Amortization Period		7
Adjustment: Total Annual Ammortization Expense	$	28,429

(11) Payment in Lieu of Tax (PILOT) (Per OUCC)

Netbook depreciated value	$	6,995,781
City's tax rate per budget order ($3.00 per $100)	$	3.00
Pro-forma PILOT payment needed (maximum amount)	$	209,873
Less: PILOT (Test Year)	$	100,000
Adjustment - Increase/(Decrease)	$	109,873

Frankfort City Light and Power
CAUSE NUMBER 44856

Operating Adjustments

(12) Utility Receipts Tax (Per OUCC)

Adjusted operating revenue	$	30,810,596
Less: Estimated excluded income		(150,000.00)
Less: Exemption		(1,000.00)
Taxable revenues		30,659,596
Times: Utility receipts tax rate		1.40%
Pro-forma utility receipts tax		429,234
Less: Test Year URT as provided by Frankfort Electric Utility		434,832
Adjustment - Increase/(Decrease)	$	(5,598)

(13) Dental, Vision, Health & Miscellaneous (Per OUCC)

Distribution Expense

Pro-forma Expense	$	489,230
Less: Expense (Test Year)		483,289
Adjustment - Increase/(Decrease)	$	5,941

Customer Account & Collection

Pro-forma Expense	$	50,237
Less: Expense (Test Year)		49,612
Adjustment - Increase/(Decrease)	$	625

Administrative & General

Pro-forma Expense	$	261,762
Less: Expense (Test Year)		258,614
Adjustment - Increase/(Decrease)	$	3,148

(14) FICA (Per OUCC)

Pro-forma Expense	$	121,563
Less: Expense (Test Year)		126,205
Adjustment - Increase/(Decrease)		($4,642)

Frankfort City Light and Power
CAUSE NUMBER 44856

Extensions and Replacements

Project Descriptions	2014	2015	Total
Land	$ -	$ -	$ -
Buildings	-	-	-
Improvements	90,716	236,756	327,472
Machinery & Equipment	74,971	1,374	76,345
Transportation	31,134	0	31,134
Distribution/Collections	186,495	175,354	361,849
Total	$ 383,316	$ 413,484	$ 796,800
Two Year Average			$ 398,400

Frankfort City Light and Power
CAUSE NUMBER 44856

Debt Service

	2016 Proposed Bond	Total Debt Payment
2017	$ 424,618	$ 424,618
2018	$ 847,681	$ 847,681
2019	$ 852,731	$ 852,731
2020	$ 847,213	$ 847,213
2021	$ 846,288	$ 846,288
2022	$ 849,875	$ 849,875
2023	$ 847,894	$ 847,894
2024	$ 850,344	$ 850,344
2025	$ 852,144	$ 852,144
2026	$ 853,294	$ 853,294
2027	$ 853,794	$ 853,794
2028	$ 853,644	$ 853,644
2029	$ 852,844	$ 852,844
2030	$ 851,394	$ 851,394
2031	$ 849,294	$ 849,294
2032	$ 846,544	$ 846,544
2033	$ 853,144	$ 853,144
2034	$ 853,688	$ 853,688
2035	$ 838,500	$ 838,500
2036	$ 832,988	$ 832,988
2037	$ 421,744	$ 421,744
Years Averaged		7
OUCC's Proposed Debt Service		$ 848,782

Frankfort City Light and Power
Schedule of Proposed Electric Revenue Bonds of 2017
Estimated Amortization Schedule as of
March 15, 2017

	Date	Principal Balance	Principal	Interest Rate	Period Interest	Total Interest	Period Total	Fiscal Total
1	7/1/2017	$ 12,500,000	$ 305,000	3.25%	$ 2,918.68	$ 119,618	$ 424,618	$ 424,618
2	1/1/2018	$ 12,195,000	$ 225,000	3.25%	$ 3,656.25	$ 198,169	$ 423,169	
3	7/1/2018	$ 11,970,000	$ 230,000	3.25%	$ 3,737.50	$ 194,513	$ 424,513	$ 847,681
4	1/1/2019	$ 11,740,000	$ 235,000	3.25%	$ 3,818.75	$ 190,775	$ 425,775	
5	7/1/2019	$ 11,505,000	$ 240,000	3.25%	$ 3,900.00	$ 186,956	$ 426,956	$ 852,731
6	1/1/2020	$ 11,265,000	$ 240,000	3.25%	$ 3,900.00	$ 183,056	$ 423,056	
7	7/1/2020	$ 11,025,000	$ 245,000	3.25%	$ 3,981.25	$ 179,156	$ 424,156	$ 847,213
8	1/1/2021	$ 10,780,000	$ 250,000	3.25%	$ 4,062.50	$ 175,175	$ 425,175	
9	7/1/2021	$ 10,530,000	$ 250,000	3.25%	$ 4,062.50	$ 171,113	$ 421,113	$ 846,288
10	1/1/2022	$ 10,280,000	$ 260,000	3.25%	$ 4,225.00	$ 167,050	$ 427,050	
11	7/1/2022	$ 10,020,000	$ 260,000	3.25%	$ 4,225.00	$ 162,825	$ 422,825	$ 849,875
12	1/1/2023	$ 9,760,000	$ 265,000	3.25%	$ 4,306.25	$ 158,600	$ 423,600	
13	7/1/2023	$ 9,495,000	$ 270,000	3.25%	$ 4,387.50	$ 154,294	$ 424,294	$ 847,894
14	1/1/2024	$ 9,225,000	$ 275,000	3.25%	$ 4,468.75	$ 149,906	$ 424,906	
15	7/1/2024	$ 8,950,000	$ 280,000	3.25%	$ 4,550.00	$ 145,438	$ 425,438	$ 850,344
16	1/1/2025	$ 8,670,000	$ 285,000	3.25%	$ 4,631.25	$ 140,888	$ 425,888	
17	7/1/2025	$ 8,385,000	$ 290,000	3.25%	$ 4,712.50	$ 136,256	$ 426,256	$ 852,144
18	1/1/2026	$ 8,095,000	$ 295,000	3.25%	$ 4,793.75	$ 131,544	$ 426,544	
19	7/1/2026	$ 7,800,000	$ 300,000	3.25%	$ 4,875.00	$ 126,750	$ 426,750	$ 853,294
20	1/1/2027	$ 7,500,000	$ 305,000	3.25%	$ 4,956.25	$ 121,875	$ 426,875	
21	7/1/2027	$ 7,195,000	$ 310,000	3.25%	$ 5,037.50	$ 116,919	$ 426,919	$ 853,794
22	1/1/2028	$ 6,885,000	$ 315,000	3.25%	$ 5,118.75	$ 111,881	$ 426,881	
23	7/1/2028	$ 6,570,000	$ 320,000	3.25%	$ 5,200.00	$ 106,763	$ 426,763	$ 853,644
24	1/1/2029	$ 6,250,000	$ 325,000	3.25%	$ 5,281.25	$ 101,563	$ 426,563	
25	7/1/2029	$ 5,925,000	$ 330,000	3.25%	$ 5,362.50	$ 96,281	$ 426,281	$ 852,844
26	1/1/2030	$ 5,595,000	$ 335,000	3.25%	$ 5,443.75	$ 90,919	$ 425,919	
27	7/1/2030	$ 5,260,000	$ 340,000	3.25%	$ 5,525.00	$ 85,475	$ 425,475	$ 851,394
28	1/1/2031	$ 4,920,000	$ 345,000	3.25%	$ 5,606.25	$ 79,950	$ 424,950	
29	7/1/2031	$ 4,575,000	$ 350,000	3.25%	$ 5,687.50	$ 74,344	$ 424,344	$ 849,294
30	1/1/2032	$ 4,225,000	$ 355,000	3.25%	$ 5,768.75	$ 68,656	$ 423,656	
31	7/1/2032	$ 3,870,000	$ 360,000	3.25%	$ 5,850.00	$ 62,888	$ 422,888	$ 846,544
32	1/1/2033	$ 3,510,000	$ 365,000	3.25%	$ 5,931.25	$ 57,038	$ 422,038	
33	7/1/2033	$ 3,145,000	$ 380,000	3.25%	$ 6,175.00	$ 51,106	$ 431,106	$ 853,144
34	1/1/2034	$ 2,765,000	$ 380,000	3.25%	$ 6,175.00	$ 44,931	$ 424,931	
35	7/1/2034	$ 2,385,000	$ 390,000	3.25%	$ 6,337.50	$ 38,756	$ 428,756	$ 853,688
36	1/1/2035	$ 1,995,000	$ 390,000	3.25%	$ 6,337.50	$ 32,419	$ 422,419	
37	7/1/2035	$ 1,605,000	$ 390,000	3.25%	$ 6,337.50	$ 26,081	$ 416,081	$ 838,500
38	1/1/2036	$ 1,215,000	$ 400,000	3.25%	$ 6,500.00	$ 19,744	$ 419,744	
39	7/1/2036	$ 815,000	$ 400,000	3.25%	$ 6,500.00	$ 13,244	$ 413,244	$ 832,988
40	1/1/2037	$ 415,000	$ 415,000	3.25%	$ 6,743.75	$ 6,744	$ 421,744	$ 421,744
Total			$ 12,500,000			$ 4,479,656	$ 16,979,656	$ 16,979,656