

Indiana Michigan Power  
P.O. Box 60  
Fort Wayne, IN 46801  
IndianaMichiganPower.com



*A unit of American Electric Power*

Secretary of the Commission  
Indiana Utility Regulatory Commission  
National City Center  
101 West Washington Street, Suite 1500 East  
Indianapolis, Indiana 46204

September 28, 2012

Dear Secretary:

Pursuant to 170 IAC 1-6 and the Commission's Final Order On Remaining Issues in Cause No. 43878 issued February 2, 2011, Indiana Michigan Power Company (I&M) submits this thirty-day filing requesting, as provided in Tariff C.S. - IRP2 (Contract Service Interruptible Power) and the Commission's Order in Cause No. 43878, approval of a First Amendment to the Contract for Interruptible Power between Hartford City Paper LLC (Hartford City), and I&M (Amendment). The Amendment negotiations were at "arm's length" resulting in the Amendment being executed by Hartford City and I&M on September 28, 2012. The Amendment continues to allow for mandatory interruptions only.

In support of this thirty-day filing, I&M represents that on March 4, 2009 in Cause No. 43306, the Commission approved I&M's Tariff C.S. - IRP2. Tariff C.S. - IRP2 is designed to allow I&M and its eligible customers to enter into customer-specific contracts which provide for mandatory (capacity) and/or discretionary (energy) interruptions to the customer's electric service. As explained in the February 9, 2011, Final Order in Cause 43878, Tariff CS-IRP2 has already been approved for use of the 30-Day filing process.

Additionally, the original Hartford City Contract was approved in Cause No. 43878 on July 14, 2010. The Amendment reflects a change from a full-year interruption program to a summer limited interruption program as well as appropriate changes to the calculation of the Interruptible Demand Credit.

Because specific terms and conditions of the Amendment are proprietary information, I&M requests that the Commission treat them confidentially and protect them from disclosure, in accordance with the Orders in Cause Nos. 43306 and 43878, and Tariff C.S. - IRP2. The information included in this filing is of the same nature as the confidential information granted in Cause 43878. Accordingly, I&M is filing both an unredacted version under seal and a redacted version of the Amendment that blanks out specific confidential terms and conditions. Also enclosed under seal is a fixed cost analysis. Enclosed is an affidavit relating to the confidentiality of the terms in the Amendment and the fixed cost analysis.

September 28, 2012  
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Pursuant to the terms of the Final Order in Cause No. 43878, I&M is submitting to the presiding administrative law judge, a copy of the confidential information on light green paper in a sealed envelope marked confidential pursuant to Cause No. 43878. Additionally, pursuant to the terms of the Standard Form Nondisclosure Agreement between I&M and the OUCC dated July 6, 2006 (Nondisclosure Agreement), I&M is serving on the Office of the Consumer Counselor (OUCC) a redacted copy of this filing and under seal an unredacted copy of the Amendment. The Nondisclosure Agreement will protect certain proprietary information from disclosure. Also enclosed under seal is a fixed cost analysis that demonstrates that the compensation received by I&M under the amended Contract during its term exceeds the variable cost to I&M and makes a contribution to fixed cost.

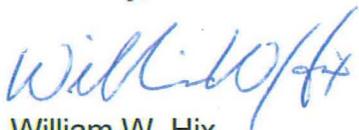
In support of this 30-Day filing, I&M is submitting the following information:

1. Original and three copies of the Amendment in redacted version.
2. An unredacted version of the Amendment and fixed cost analysis under seal.
3. An affidavit relating to the confidentiality of the Amendment.
4. Verified Statement of Publication.

Please return to us one file –stamped, redacted copy of the Amendment in the enclosed envelope.

If you have any questions regarding I&M's filing please contact me at (260) 408-3503 or [wwhix@aep.com](mailto:wwhix@aep.com).

Sincerely,



William W. Hix  
Principal Regulatory Consultant

Enclosures

cc: Brad Borum-IURC – w/o enclosures  
David Stippler-OUCC – w/enclosures  
P. Freel-Hartford City Paper – w/enclosures\*  
Aaron A. Schmoll-IURC Senior Administrative Law Judge-Confidential Information Only

\* Amendment only



4. The proprietary and confidential information contained in the Tariff CS-IRP2 contract and the fixed cost analysis would be useful to competitors of the Tariff CS-IRP2 customer and is not available or ascertainable by competitors through normal or proper means. Disclosure of the information would unfairly allow competitors to analyze the Tariff CS-IRP2 customer's operations, make pricing decisions, or determine market entry. Disclosure of the information would cause substantial detriment to the Tariff CS-IRP2 customer.

5. I&M and the Tariff CS-IRP2 customer have taken steps to limit access to the proprietary and confidential information contained in the Tariff CS-IRP2 contract and the fixed cost analysis to those employees who need to know the information. I&M's files containing the proprietary and confidential information are maintained separately from I&M's general records and access to those files is restricted as described above.

Further Affiant sayeth not.



William W. Hix  
Principal Regulatory Consultant  
Indiana Michigan Power Company

STATE OF INDIANA        )  
                                  ) ss:  
COUNTY OF ALLEN        )

Subscribed and sworn to before me, a Notary Public, in and for said County and State this 27<sup>th</sup> day of September, 2012.



Regiana M. Sistevaris, Notary Public

I am a resident of Allen County, Indiana.  
My commission expires: March 6, 2015

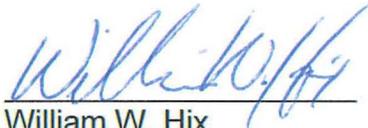
STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

VERIFIED STATEMENT OF PUBLICATION

William W. Hix, being duly sworn upon oath, deposes and says that:

1. I am a Principal Regulatory Consultant for Indiana Michigan Power Company (I&M).
2. Pursuant to 170 IAC 1-6-5(a), I affirm that affected customers have been notified of I&M's thirty-day filing of an amendment to the Contract for Interruptible Power between Hartford City Paper LLC and I&M as required under 170 IAC 1-6-6.
3. Notification of the thirty-day filing of an amendment to the Contract for Interruptible Power between Hartford City Paper LLC and I&M was made by publication of a Legal Notice in a newspaper of general circulation that has a circulation encompassing the highest number of I&M's customers affected by the filing, and posting the notice on I&M's website.
4. A true and correct copy of I&M's Legal Notice is attached hereto as Exhibit "A".

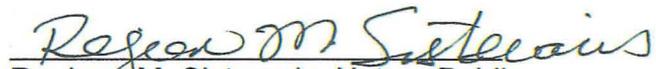
Date: 9-27-12



William W. Hix  
Principal Regulatory Consultant  
Indiana Michigan Power Company

STATE OF INDIANA        )  
  ) ss:  
COUNTY OF ALLEN        )

Subscribed and sworn to before me, a Notary Public, in and for said County and State this 27th day of September 2012.



Regiana M. Sistevaris, Notary Public

I am a resident of Allen County, Indiana.  
My commission expires: March 6, 2015

## PUBLIC NOTICE

LEGAL NOTICE  
STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

Indiana Michigan Power Company (I&M), an Indiana corporation, gives notice that on or before September 28, 2012, it will submit for approval under the Indiana Utility Regulatory Commission's (IURC) thirty-day filing procedures and as provided in Tariff CS-IRP2 (Contract Service Interruptible Power) and the IURC Final Order in Cause No. 43878, amendments to the Contract for Interruptible Power between Hartford City Paper LLC and I&M. Tariff CS-IRP2 is designed to allow I&M and its eligible customers to enter into customer-specific contracts which provide for mandatory (capacity) and/or discretionary (energy) interruptions to the customer's electric service. The contract rates for service shall be the same as those under Tariff IP (Industrial Power) except for the interruptible demand credit.

The Hartford City Paper LLC Contract is applicable to the Hartford City Paper LLC facility located in Hartford City, Indiana.

A decision on the Contract amendments approval is expected from the IURC on or before October 31, 2012.

Please direct inquiries to:

Indiana Michigan Power Company  
Attn: Director of Regulatory Services  
P.O. Box 60  
Fort Wayne, IN 46801

Objections to this filing can be made to the following:

Indiana Utility Regulatory Commission  
Attn: Commission Secretary  
PNC Center  
101 West Washington Street  
Suite 1500 East  
Indianapolis, Indiana 46204

Indiana Office of Utility Consumer Counselor  
PNC Center  
115 W. Washington Street  
Suite 1500 South  
Indianapolis, Indiana 46204

12044 1T 9/24/2012

Received On: October 2, 2012  
IURC 30-DAY Filing No.: 3068  
Indiana Utility Regulatory Commission

**First Amendment to the  
Contract for Electric Service for Contract Service Interruptible  
Power Between Indiana Michigan Power Company  
And Hartford City Paper LLC  
Dated March 15, 2010**

**Hartford City Paper LLC  
Post Office Box 30  
501 South Spring Street  
Hartford City, Indiana 47348**

**Indiana Michigan Power Company  
Post Office Box 60  
One Summit Square  
Fort Wayne, Indiana 46801**

**THIS FIRST AMENDMENT** to the Contract for Electric Service for Contract Service Interruptible Power between Indiana Michigan Power Company and Hartford City Paper LLC dated March 15, 2010 (First Amendment), is made and entered into this 26<sup>th</sup> day of ~~August~~<sup>SEPTEMBER</sup>, 2012, by and between **Indiana Michigan Power Company** (the **Company**) and **Hartford City Paper LLC** (the **Customer**).

**WITNESSETH:**

**WHEREAS**, the Company and the Customer entered into a Contract for Electric Service for Contract Service Interruptible Power (the Contract) dated March 15, 2012. Since this time, the Company's Contract Service Interruptible Power options have evolved such that additional interruptible service options not contemplated in the Contract are now available; and

**WITNESSETH:**

**WHEREAS**, the Company and the Customer entered into a Contract for Electric Service for Contract Service Interruptible Power (the Contract) dated March 15, 2012. Since this time, the Company's Contract Service Interruptible Power options have evolved such that additional interruptible service options not contemplated in the Contract are now available; and

**WHEREAS**, the Customer has informed the Company of its desire to continue taking service under the Contract while also taking advantage of such additional interruptible service options; and

**WHEREAS**, the Company and the Customer desire to modify the Contract to reflect the interruptible service options desired by the Customer.

**NOW THEREFORE**, in consideration of the promises and the mutual covenants herein contained, and subject to the terms and conditions contained in the Contract, to the extent not amended herein, the Parties hereby agree as follows:

1. That **ARTICLE 5, INTERRUPTIBILITY OF SERVICE**, is amended by superseding and replacing Sections 5.1, 5.2, 5.3, 5.4, 5.5, 5.6 and adding Section 5.7 as follows:

5.1 The Company reserves the right to request Mandatory Interruptions, pursuant to the AEP System Emergency Operating Plan, for system integrity purposes, or for emergency sales to other utilities. Mandatory Interruptions shall also include RTO-initiated curtailment events.

5.2 The Company will endeavor to provide the Customer with as much advance notice as possible, through the customer communications system, of a Mandatory Interruption of service as described in Article 5.1. For Mandatory Interruptions, the Customer will be required to interrupt service within [REDACTED], if so requested. All Mandatory Interruptions shall apply for delivery year which is defined by PJM as June 1 through May 31.

In no event shall the Customer be subject to Mandatory Interruptions under the provisions of this Contract more than [REDACTED] times during any delivery year and each Mandatory Interruption shall last no more than [REDACTED] hours. The Customer agrees to be subject to Mandatory Interruptions on weekdays between 12 noon and 8 PM, EPT, for the months of May through September. For the months of October through April, the Customer may voluntarily respond to Mandatory Interruption notices on weekdays between 2 PM and 10 PM, EPT. Customer shall not be subject to the failure to interrupt provisions contained in Articles 5.3 and 5.4, in the event the Customer does not respond to Mandatory Interruption notices for the months of October through April.

5.3 If the Customer fails to interrupt load as requested by the Company for a Mandatory Interruption, the uninterrupted demand shall be billed, as liquidated damages and not as a penalty, at a rate equal to [REDACTED] times the Tariff I.P. Primary Service Minimum Demand

Charge for that billing month. The uninterrupted demand will be calculated as the difference between the maximum 15-minute integrated demand during each Mandatory Interruption and the Firm Service Capacity Reservation, but not less than zero (0). The maximum liquidated damages during a delivery year shall not exceed the sum of the Interruption Demand Credits for that year.

- 5.4 If the Customer fails to interrupt load as requested by the Company during a Mandatory Interruption, the Company further reserves the right to (a) interrupt the Customer's entire load, and (b) discontinue service to the Customer under this Contract if the Customer fails to interrupt load twice during any 12-month period as requested by the Company. The Company may thereafter charge the Customer, as specified in Article 12.4 of this Contract, for any additional costs beyond the firm service rate incurred by the Company as a result of the Customer transferring to firm service without providing proper notice.
- 5.5 The Customer agrees to comply with any RTO requirements for testing of interruptible load. The RTO's current requirements provide for a one hour test curtailment on a weekday between Noon and 8 P.M. during the months of June through September, excluding the Fourth of July and Labor Day. The Company will endeavor to provide the Customer advance notice of any tests scheduled, to the extent permitted by the RTO Tariff. If the Customer fails to interrupt load during a test curtailment, the Company reserves the right to require an additional test curtailment. If the Customer fails to interrupt load during two or more test curtailments during any 12-month period, the Company reserves the right to discontinue service to the Customer under this Contract.
- 5.6 The Customer shall own and maintain all computer hardware and communication equipment required to meet the specifications of the Customer Communications System. Computer hardware shall include any communications equipment required between the

Customer's computer(s) and the Company's metering and/or central computer. All commercially available software installed on the Customer's hardware associated with the Customer Communications System will be provided by the Customer. Any AEP proprietary software will be provided by AEP and AEP will maintain exclusive rights to maintain and distribute this software. This software may not be duplicated or distributed by the Customer or used for any other purpose. All additional or ongoing charges for software and or communication services will be the Customer's responsibility.

- 5.7 No responsibility or liability of any kind shall attach to or be incurred by the Company for, or on account of, any loss, cost, expense or damage caused by or resulting from, either directly or indirectly, any interruption or curtailment of service under this Article and/or Article 13.

2. That **ARTICLE 8, DETERMINATION OF MONTHLY ON-PEAK LOAD FACTOR**, is amended by superseding and replacing Section 8.1 as follows:

- 8.1 Interruptible On-Peak kVAh shall be taken as the sum of the demands in excess of the Firm Service Capacity Reservation not to exceed the Interruptible Service Capacity Reservation as specified in Article 4.3 in any 15-minute interval, during the On-Peak Period as defined in Article 1.1H. The Monthly On-Peak Load Factor shall be derived from the following formula, rounded to the nearest 0.0001:

*Interruptible On-Peak Billing Period kVAh*

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*Monthly Interruptible Demand x number of On-Peak hours*

Those hours in which the Company requests an interruption of the Customer's interruptible load shall be excluded in the calculation of the Monthly On-Peak Load Factor.

3. That **ARTICLE 12, EFFECTIVE DATE AND TERM OF CONTRACT**, is amended by superseding and replacing Section 12.2 and Section 12.4 as follows:

- 12.2 The initial term of this Contract shall be for four (4) full RTO delivery years and any initial partial delivery year. The initial term shall commence on the effective date of this Contract as established under Article 12.1.
- 12.4 Notwithstanding the notice to discontinue taking service under this Contract as specified in Article 12.3, three (3) years' notice prior to March 1<sup>st</sup> of each year from the Customer to the Company is required to transfer to firm service at the beginning of the fourth delivery year after the notice is provided. Such notice may be provided at any time following the effective date of this Contract. The Customer may transfer to firm service on June 1<sup>st</sup> with less than three (3) years' notice, upon mutual agreement between the Customer and the Company, subject to the following conditions:
- A. If the Company has sufficient capacity to provide the Customer firm service and would incur no additional costs beyond the Tariff I.P. rate until after the three (3) year notice requirement is fulfilled, the Customer will be billed under Tariff I.P..
  - B. If the Company does not have sufficient capacity to provide the Customer firm service prior to the expiration of the notice period, the Customer will be billed under Tariff I.P. plus all additional costs incurred by the Company in obtaining power from alternative electricity suppliers in order to provide firm service to the Customer.
  - C. Concurrent with providing said notice to transfer to firm service, the Customer will enter into a firm service contract or agreement that will become effective at the end of the notice period.

4. That **APPENDIX I , Calculation of Interruptible Demand Credit**, is amended by superseding and replacing as shown in Attachment 1.
5. Except as otherwise specifically provided in this First Amendment, all rates, terms and conditions, and the obligations and responsibilities of the Parties as set forth in the Contract remain unchanged.
6. The effective date for this First Amendment shall be the first day of the first billing month following the approval of this First Amendment by the Indiana Utility Regulatory Commission.
7. The Company and the Customer recognize that this First Amendment is subject to the jurisdiction of the Commission and agree to file this First Amendment for approval by the Commission.

**WHEREOF**, the Parties hereto have **IN WITNESS** caused this First Amendment to the Contract to be duly executed the day and year first above written.

**INDIANA MICHIGAN POWER  
COMPANY**

**HARTFORD CITY PAPER LLC**

By Bang O. Wiard

By Larry B. Buhl

Title Dir. Customer Service

Title PRES. & CEO

Date 9-28-12

Date September 13, 2012

APPENDIX I

Calculation of Interruptible Demand Credit

[REDACTED]

|            |            |            |            |            |            |            |            |
|------------|------------|------------|------------|------------|------------|------------|------------|
| [REDACTED] |
| [REDACTED] |
| [REDACTED] |

[REDACTED]