

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

December 11, 2009

Dear Secretary:

Pursuant to 170 IAC 1-6, I&M submits this thirty-day filing requesting approval of a new experimental rider and closing an existing rider to new business. Both riders are associated with I&M's Smart Cooling Program as part of the South Bend Smart Meter Pilot Program (SMPP).

On January 30, 2009, in Cause No. 43607, the Commission approved I&M's experimental tariffs to be utilized during the SMPP. Included with the experimental tariffs approved in Cause No. 43607 was Rider D.L.C. (Experimental Direct Load Control Rider).

As indicated in a previous filing regarding I&M's experimental tariffs, I&M in collaboration with the OUCC, in order to gather additional data during the summer 2010 peak season, plans to extend the SMPP to eighteen (18) months which will have the SMPP concluding on September 30, 2010. Along with the extension of the SMPP, I&M is also proposing a new version of Rider D.L.C. titled Rider D.L.C.-2. The primary difference between Rider D.L.C. and Rider D.L.C.-2 is an incentive to the customer to not override the smart thermostat device settings during a temperature setback event.

Customers under Rider D.L.C. are provided a monthly incentive to participate in the Smart Cooling Program and they receive that incentive even when they override a temperature setback event. Proposed Rider D.L.C.-2 provides a slightly larger incentive to participate in the Smart Cooling Program and provides an incentive to not override any temperature setback events. Rider D.L.C. provides a \$5.00 credit per monthly billing cycle for the months of May through September to customers participating in the Smart Cooling Program. Proposed Rider D.L.C.-2 provides customers an \$8.00 credit per monthly billing cycle for the same months. Under Rider D.L.C.-2, if a customer chooses to override a temperature setback event, their credit will be reduced to \$4.00 for that monthly billing cycle. If a Rider D.L.C.-2 customer chooses to override more than one temperature setback event during the same monthly billing cycle, their monthly credit for that billing cycle will be reduced to \$0.00.

In addition to the proposed Rider D.L.C.-2, I&M is proposing that Rider D.L.C. be closed to new customers. Customers currently enrolled for service under Rider D.L.C. will have the option of staying on Rider D.L.C. or switching to Rider D.L.C.-2.

December 11, 2009

Page 2

The limited results from the summer 2009 Smart Cooling Program have indicated that the program will likely provide demand reduction benefits. As part of the Pilot process, it has become desirable to collect customer response data when the incentive to participate in the program may be reduced or lost entirely if the customer chooses to opt out of temperature setback events. Obviously, when a customer chooses to opt out, all benefit to I&M from that customer's participation during an event is lost. By maintaining the current Rider D.L.C. with its no loss of incentive opt out provision and adding Rider D.L.C.-2 with its loss of incentive opt out provision, I&M will be able to directly compare the results during each temperature setback event.

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

1. Original and three copies of Indiana Michigan Power Company's Rider D.L.C. (Experimental Direct Load Control Rider) Sheet No. 7B and proposed Rider D.L.C.-2 (Experimental Direct Load Control Rider).
2. Verified Statement of Publication.
3. Worksheet that supports the incentive proposed in Rider D.L.C.-2.

Upon completion of your review, please return to us one set of the stamped approved tariff sheets.

If you have any questions regarding I&M's filing please contact me at (260) 425-2101 or smkrawec@aep.com.

Sincerely,



Scott M. Krawec
Director of Regulatory Services

Enclosures

cc: Brad Borum-IURC
David Stippler-OUCC

I.U.R.C. NO. 15
INDIANA MICHIGAN POWER COMPANY
STATE OF INDIANA

FIRST REVISED SHEET NO. 7B

RIDER D.L.C.
(Experimental Direct Load Control Rider)

This rider is withdrawn except for the existing customers receiving service under this rider prior to January 20, 2010.

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Availability of Service.

Available on a voluntary experimental basis for residential electric service. Availability is limited to 500 customers who are served by the South Bend area circuits designated for the Company's Smart Metering pilot program. This tariff will be in effect for a minimum of one (1) year.

At the Company's option, this rider may be made available to more than 500 customers. Upon request by the Company and approval by the Indiana Utility Regulatory Commission in a future filing, additional customers may be responsible for the Commission-approved cost of the smart thermostat device.

For non-owner occupied multi-family dwellings, the Company may require permission from the owner to install auxiliary communicating equipment. Customers will not be eligible for this rider if the owner does not allow installation of auxiliary communicating equipment.

Program Description.

To participate, customers must allow the Company, or its authorized agents, to install a smart thermostat device and, if necessary, auxiliary communicating devices to control the customer's central electric cooling unit(s). All such devices shall be installed at a time that is consistent with the orderly and efficient deployment of this program.

The Company will utilize the smart thermostat device to reduce customer's energy use during load management events. The smart thermostat device may employ either a temperature setback or cycling methodology.

Under a temperature setback methodology, the Company may increase the preset temperature on the customer's thermostat by no more than four (4) degrees during load management events.

Under a cycling methodology, the Company may cycle off the central electric cooling unit(s) for generally up to one-half of every hour of a load management event.

(Cont'd on Sheet No. 7B.1)

ISSUED BY
HELEN J. MURRAY
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED
ON AND AFTER

ISSUED UNDER AUTHORITY OF THE
INDIANA UTILITY REGULATORY COMMISSION
CONFERENCE DATED

I.U.R.C. NO. 15
INDIANA MICHIGAN POWER COMPANY
STATE OF INDIANA

ORIGINAL SHEET NO. 7C

RIDER D.L.C. - 2
(Experimental Direct Load Control Rider)

Availability of Service.

N

Available on a voluntary experimental basis for residential electric service. Availability is limited to 100 customers who are served by the South Bend area circuits designated for the Company's Smart Metering pilot program. This tariff will be in effect for a minimum of one (1) year.

At the Company's option, this rider may be made available to more than 100 customers. Upon request by the Company and approval by the Indiana Utility Regulatory Commission in a future filing, additional customers may be responsible for the Commission-approved cost of the smart thermostat device.

For non-owner occupied multi-family dwellings, the Company may require permission from the owner to install auxiliary communicating equipment. Customers will not be eligible for this rider if the owner does not allow installation of auxiliary communicating equipment.

Program Description.

To participate, customers must allow the Company, or its authorized agents, to install a smart thermostat device and, if necessary, auxiliary communicating devices to control the customer's central electric cooling unit(s). All such devices shall be installed at a time that is consistent with the orderly and efficient deployment of this program.

The Company will utilize the smart thermostat device to reduce customer's energy use during load management events. The smart thermostat device may employ either a temperature setback or cycling methodology.

Under a temperature setback methodology, the Company may increase the preset temperature on the customer's thermostat by no more than four (4) degrees during load management events.

Under a cycling methodology, the Company may cycle off the central electric cooling unit(s) for generally up to one-half of every hour of a load management event.

Company planned load management events shall not exceed five (5) hours per day. Such non-emergency load management events shall not exceed 15 events and shall occur only during the months of May through September between Noon and 8 pm.

Cont'd on Sheet No. 7C.1)

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HELEN J. MURRAY
PRESIDENT
FORT WAYNE, INDIANA

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I.U.R.C. NO. 15
INDIANA MICHIGAN POWER COMPANY
STATE OF INDIANA

ORIGINAL SHEET NO. 7C.1

RIDER D.L.C. - 2
(Experimental Direct Load Control Rider)

(Cont'd from Sheet No. 7C)

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For emergency purposes, load management events shall not exceed 10 events per PJM planning year (June - May) and not last longer than six (6) hours duration. Emergencies shall be determined by PJM as defined in PJM Manual 13 - Emergency Operations. Emergency load management events can only occur between Noon and 8 pm on weekdays during May through September.

Rate Credit.

Customers shall receive the following monthly billing credits for each central electric cooling unit controlled during the billing months of May to September:

- \$8.00 in any billing period where the customer does not override an event signal
- \$4.00 in any billing period where the customer overrides one (1) event signal
- \$0.00 in any billing period where the customer overrides more than one (1) event signal

Such credits shall not reduce the customer's bill below the minimum charge as specified in the tariff under which the customer takes service.

Equipment.

The Company will furnish and install, in the customer's presence, a smart thermostat device and, if necessary, an auxiliary communicating device inside the customer's residence. All equipment will be owned and maintained by the Company until such time as the experimental direct load control pilot program is discontinued or the customer requests to be removed from the program after completing the initial mandatory period of one (1) cooling season (May through September). At that time, ownership of the smart thermostat will transfer to the customer and the auxiliary communicating device will be picked up or returned to the Company in good working order. The customer is not required to pay a deposit for this equipment; however, failure to return the auxiliary communicating device in good working order may result in additional charges in the amount of the current prevailing cost of the auxiliary equipment.

Should the customer lose or damage the smart thermostat device or auxiliary communicating equipment, the customer will be responsible for the cost of repairing or replacing the device(s). If the device(s) malfunctions through no fault of the customer, the Company will replace or repair at its expense.

(Cont'd on Sheet No. 7C.2)

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PRESIDENT
FORT WAYNE, INDIANA

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CONFERENCE DATED

I.U.R.C. NO. 15
INDIANA MICHIGAN POWER COMPANY
STATE OF INDIANA

ORIGINAL SHEET NO. 7C.2

RIDER D.L.C.
(Experimental Direct Load Control Rider)

(Cont'd from Sheet No. 7C.1)

Contract.

Participating customers must agree to participate for an initial period of one (1) cooling season (May through September) and thereafter may discontinue participation by telephone.

Special Terms and Conditions.

This Rider is subject to the Company's Terms and Conditions of Service and all provisions of the tariff under which the Customer takes service, including all payment provisions.

The Company shall not be required to install load management equipment if the installation can not be justified for reasons such as: technological limitations, safety concerns, or abnormal utilization of equipment, including vacation or other limited occupancy residences.

The Company and its authorized agents shall be permitted access to the customer's premises during normal business hours to install, inspect, test, or maintain the load management device(s). The Company may also be allowed access to the customer's premise to repair or remove faulty load management device(s).

The Company shall collect data during the course of this experimental direct load control program. Customer-specific information will be held as confidential and data presented in any analysis will protect the identity of the individual customer.

ISSUED BY
HELEN J. MURRAY
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED
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INDIANA UTILITY REGULATORY COMMISSION
CONFERENCE DATED

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INDIANA MICHIGAN POWER COMPANY - INDIANA
Experimental Direct Load Control 2 Rate Design

	RPM Clearing Price (\$/MW) (1)	Planning Reserve Margin (2)	Price per MW of Load (3) = (1) * (2)	Reduction in kW		
				0.50 (4) = (3) * 0.50	0.75 (5) = (3) * 0.75	1.00 (6) = (3) * 1.00
2008 / 2009	\$113.22	1.175	\$133.03	\$4.86	\$7.28	\$9.71
2009 / 2010	102.04	1.178	120.20	4.39	6.58	8.77
2010 / 2011	174.29	1.165	203.05	7.41	11.12	14.82
2011 / 2012	110.04	1.181	129.96	4.74	7.12	9.49
2012 / 2013	16.46	1.209	19.90	0.73	1.09	1.45
Average	\$103.21	1.175	\$121.23	\$4.42	\$6.64	\$8.85
Market to Embedded Scaling Factor (from RS-TOD2 compliance rate design, Cause No. 43306)				85.41%	85.41%	85.41%
Embedded Cost Value				\$3.78	\$5.67	\$7.56
Use:			No Override			\$8.00
			1 Override	\$4.00		

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION
VERIFIED STATEMENT OF PUBLICATION

Scott M. Krawec, being duly sworn upon oath, deposes and says that:

1. I am a Director of Regulatory Services 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 for approval of an experimental tariff applicable to the South Bend Smart Meter Pilot Program, that tariff being Rider D.L.C.-2 (Experimental Direct Load Control Rider) as required under 170 IAC 1-6-6.
3. Notification of the thirty-day filing for approval of an experimental tariff applicable to the South Bend Smart Meter Pilot Program, that tariff being Rider D.L.C.-2 (Experimental Direct Load Control Rider) 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 (South Bend Tribune) 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: 12/11/09


 Scott M. Krawec
 Director of Regulatory Services
 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 11 day of December, 2009.


 Regina M. Sistevaris, Notary Public

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

Ad Number: 4227832, Publi

LEGAL NOTICE
STATE OF INDIANA
INDIANA UTILITY
REGULATORY COMMISSION
Indiana Michigan Power Company, an Indiana corporation, gives notice that on or before December 14, 2009, it will submit for approval under the Indiana Utility Regulatory Commission's thirty-day filing process a request for approval of an experimental tariff applicable to the South Bend Smart Meter Pilot Program, that tariff being Rider D.L.C.-2 (Experimental Direct Load Control Rider). The referenced filing will also request that the existing Rider D.L.C. be closed to new customers. Customers currently enrolled under Rider D.L.C. will have the option of remaining on that rider or switching to the new Rider D.L.C.-2. Customers potentially affected by this filing include I&M customers located in the Smart Metering Pilot Program area which is an area northeast and west of the South Bend, Indiana central business district. Those customers may be affected by the closing of Rider D.L.C. and the availability of Rider D.L.C.-2. A decision on the proposals regarding the two riders should be received from the Indiana Utility Regulatory Commission on or before January 20, 2010.

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
National City Center
101 West Washington Street
Suite 1500 East
Indianapolis, Indiana 46204

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

11: 12: 7

State of Indiana
St. Joseph County ss:

Personally appeared before me, a notary public in and for said county and state, the undersigned Carol Smith

who, being duly sworn says that she is of competent age and is

Advertising Director of The South Bend Tribune, a
daily newspaper which for at least five (5) consecutive years has been published in the City of South Bend, county of St. Joseph, State of Indiana, and which during that time, has been a newspaper of general circulation, having a bona fide paid circulation, printed in the English language and entered, authorized and accepted by the post office department of the United States of America as mailable matter of the second-class as defined by the act of Congress of the United States of March 3, 1879, and that the printed matter attached hereto is a true copy, which was duly published in said newspaper.

1 time s, the dates of publication being as follows:

December 7, 2009

Carol Smith

Subscribed and sworn to before me this 7th day

of December 2009.

Leslie Ann Winey

Leslie Ann Winey
Notary Public
Resident of St. Joseph County

My commission expires December 21, 2016

Charges \$20.22