

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

RECEIVED

DEC 20 2009

INDIANA UTILITY
REGULATORY COMMISSION

December 18, 2009

Dear Secretary:

Pursuant to 170 IAC 1-6, I&M submits this thirty-day filing requesting an amendment to I&M's Tariff C.S. – IRP2 (Contract Service Interruptible Power). 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 (Contract Service Interruptible Power). I&M requests to amend this tariff in order to comply with PJM Interconnection, L.L.C. (PJM) tariffs.

PJM is a FERC-approved regional transmission organization (RTO), which AEP and I&M joined to fulfill its regulatory obligation to join an RTO. PJM is a long-established organization that manages the transmission grid for numerous companies in the eastern United States and fulfills the functions defined in FERC Order 2000. The AEP System–East Zone integrated its operations with PJM and began participating in the PJM energy market on October 1, 2004. As a member of PJM, I&M must comply with the PJM tariffs.

On March 26, 2009, FERC approved PJM Tariff PJM Interconnection, L.L.C., FERC Electric Tariff, Sixth Revised Volume No. 1 which includes section 11A Load Management Test Failure Charge¹. This tariff section contains a provision which places demand resources on a comparable basis to generation resources, which are subject to annual ratings tests, and penalties for failing to provide committed capacity levels. In addition, this section includes a testing requirement and test failure charges for demand resources that apply only when no load management events are called during the summer season in a particular zone.

I&M seeks to revise Tariff C.S. - IRP2 to allow for the PJM requirement regarding testing.

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 Tariff C.S. – IRP2 (Contract Service Interruptible Power), Amended Sheet No. 30.
2. Excerpt from the FERC approved PJM tariff that authorizes the Load Management Test.
3. Verified Statement of Publication.

¹ *PJM Interconnection, L.L.C.*, 126 F.E.R.C. P61,275 (2009)

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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,

A handwritten signature in black ink, appearing to read "Scott M. Krawec", with a long horizontal flourish extending to the right.

Scott M. Krawec
Director of Regulatory Services

Enclosures

cc: Brad Borum-IURC
David Stippler-OUCC

**TARIFF C.S. – IRP2
(Contract Service Interruptible Power)**

Availability of Service.

Available to customers having interruptible demands of 1,000 kW/kVA or greater, who contract for service under one of the Company's interruptible service options. The Company reserves the right to limit the total contract capacity for all customers served under this tariff and Tariff C.S.-IRP to 235,000 kVA.

Conditions of Service.

The Company will offer eligible customers the opportunity to receive service under options which provide for mandatory (capacity) interruptions and discretionary (energy) interruptions pursuant to a contract agreed to by the Company and the Customer.

For mandatory (capacity) interruptions, the minimum interruption requirement shall be the minimum required under the PJM Interconnection, LLC (PJM) Emergency Load Response Program for capacity purposes, or any successor thereto. The minimum compensation for mandatory (capacity) interruptions shall be 80% of the applicable PJM Reliability Pricing Model ("RPM") clearing price.

Upon receipt of a request from the Customer for interruptible service, the Company will provide the Customer with a written offer containing the rates and related terms and conditions of service under which such service will be provided by the Company. If the parties reach an agreement based upon the offer provided to the Customer by the Company, such written contract will be filed with the Commission under the 30-day filing procedures. The contract shall provide full disclosure of all rates, terms and conditions of service under this tariff, and any and all agreements related thereto, subject to the designation of the terms and conditions of the contract as confidential, as set forth herein.

The Company reserves the right to test and verify the customer's ability to curtail. Any such test or verification may require actual physical interruption or curtailment, to the extent such testing or interruption is required under PJM's Emergency Load response program.

Rate.

Charges for service under this schedule will be set forth in the written agreement between the Company and the Customer and will reflect a discount from the firm service rates otherwise available to the Customer.

(Cont'd on Sheet No. 30.1)

**ISSUED BY
HELEN J. MURRAY

FORT WAYNE, INDIANA**

**EFFECTIVE FOR ELECTRIC SERVICE RENDERED
ON AND AFTER**

**ISSUED UNDER AUTHORITY OF THE
INDIANA UTILITY REGULATORY COMMISSION
CONFERENCE DATED**

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PJM Interconnection, L.L.C.
FERC Electric Tariff
Sixth Revised Volume No. 1

Second Substitute Second Revised Sheet No. 625
Superseding First Revised First Revised Sheet No. 625

Final Zonal ILR Price multiplied by the number of days in the Delivery Year. The Weighted Annual Revenue Rate for a Capacity Market Seller/ILR Provider shall be the average rate for all cleared Demand Resources and certified ILR, weighted by the megawatts cleared or certified at each price, multiplied by the number of days in the Delivery Year. The total charge per megawatt that may be assessed on a Capacity Market Seller/ILR Provider in a Delivery Year shall be capped at the Weighted Annual Revenue Rate the Capacity Market Seller/ILR Provider would receive in the Delivery Year.

c) Revenues from assessment of a Demand Resource and ILR Compliance Penalty Charge shall be distributed by the later of the month of October during such Delivery Year or the third billing month following the event that gave rise to such charge on a pro-rata basis to Demand Resource Providers, Locational UCAP Sellers, and ILR Providers that provided load reductions in excess of the amount such resources were committed or certified to provide. Such revenue distribution, however, shall not exceed for any Capacity Market Seller/ILR Provider the quantity of excess megawatts provided by such Capacity Market Seller/ILR Provider during a single event times 0.20 times the Weighted Annual Revenue Rate for such Capacity Market Seller/ILR Provider. To the extent any such revenues remain after such distribution, the remaining revenues shall be distributed to LSEs based on each LSE's average Daily Unforced Capacity Obligation for the month in which the non-compliance event occurred.

11A LOAD MANAGEMENT TEST FAILURE CHARGE

a) Beginning with the Delivery Year that commences on June 1, 2009, Capacity Market Sellers that commit Demand Resources and ILR Providers may be charged to the extent their committed resources or certified ILR fail performance tests, as set forth herein.

b)

(i) If no load management events in a zone are called prior to August 15 during a Delivery Year, then all Demand Resources committed and all ILR certified by a Capacity Market Seller/ILR Provider must demonstrate that the Demand Resource committed and ILR certified in a zone were tested as described below in (ii), in a zone for a one-hour period during any hour when a PJM load management event may be called occurring between June 1 and September 30, inclusive. If a PJM load management event in such zone occurs between August 16 and September 30, no test will be required. If a PJM load management event in such zone occurs between June 1 and September 30, Load Management Test Failure Charges will not be assessed.

(ii) All resources in a zone must be tested simultaneously except that, when less than 25 percent (by megawatts) of a provider's total resources in a zone fail a test, the provider may conduct a re-test limited to all resources that failed the prior test, provided that such re-test must be at the same time of day and under approximately the same weather conditions as the prior test, and provided further that all affiliated resources must test simultaneously, where affiliated means resources that have any ability to shift load and are owned or controlled by the same entity.

Issued By: Craig Glazer
Vice President, Federal Government Policy

Effective: March 27, 2009

Issued On: April 27, 2009

Filed to comply with order of the Federal Energy Regulatory Commission, Docket Nos. ER05-1410-000 *et al.*, issued March 26, 2009, 126 FERC ¶ 61,275, as amended on April 13, 2009, 127 FERC ¶ 61,036.

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

VERIFIED STATEMENT OF PUBLICATION

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

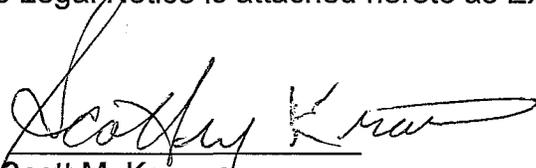
1. I am Director of Regulatory Services for Indiana Michigan Power Company (I&M).

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 an amendment to I&M's Tariff C.S. – IRP2 (Contract Service Interruptible Power) as required under 170 IAC 1-6-6.

3. Notification of the thirty-day filing for an amendment to I&M's Tariff C.S. – IRP2 (Contract Service Interruptible Power) 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 (Fort Wayne Journal Gazette) and posting the notice on I&M's website.

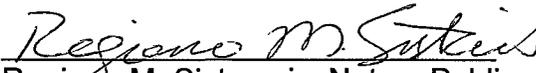
4. A true and correct copy of I&M's Legal Notice is attached hereto as Exhibit "A".

Date: 12/18/2009


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 18th day of December, 2009.


Regiana M. Sistevaris, Notary Public

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

LEGAL NOTICE
STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

Indiana Michigan Power Company (I&M), an Indiana corporation, gives notice that on or before December 18, 2009, it will submit for approval under the Indiana Utility Regulatory Commission's thirty-day filing process a request to amend I&M Tariff C.S. – IRP2 (Contract Service Interruptible Power). The referenced filing will consist of Indiana Michigan Power Company's proposed amendment to Tariff C.S. – IRP2 to comply with I&M's regional transmission service provider, PJM Interconnection, L.L.C.'s, FERC approved Tariff PJM Interconnection, L.L.C., FERC Electric Tariff, Sixth Revised Volume No. 1 that requires load management testing each year for all interruptible customers. No I&M customers are immediately affected by this filing because no I&M customers are currently receiving service under I&M Tariff C.S. - IRP2. A decision on the amendment to Tariff C.S. – IRP2 is expected from the Indiana Utility Regulatory Commission on or before January 27, 2009.

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

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