

Received On: May 3, 2012  
IURC 30-DAY Filing No.: 3003  
Indiana Utility Regulatory Commission

Indiana Michigan Power  
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*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

May 2, 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 Contract for Interruptible Power between Air Products & Chemicals, Inc. (Air Products), and I&M (Contract). The Contract negotiations were at "arm's length" resulting in the Contract being executed by Air Products and I&M on May 1, 2012. The contract allows for emergency 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.

Because specific terms and conditions of the Contract 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 Contract 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 Contract and the fixed cost analysis.

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 Contract. The Nondisclosure Agreement will protect certain proprietary information from disclosure. Also enclosed under seal is a fixed cost analysis that demonstrates that the

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INDIANA UTILITY  
REGULATORY COMMISSION

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compensation received by I&M under the 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 Contract in redacted version.
2. An unredacted version of the Contract and fixed cost analysis under seal.
3. An affidavit relating to the confidentiality of the Contract.
4. Verified Statement of Publication.

Please return to us one file –stamped, redacted copy of the Contract 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 Stipler-OUCC – w/enclosures  
Victor Sawicki-Air Products – w/enclosures\*  
Aaron A. Schmoll-IURC Senior Administrative Law Judge-Confidential Information Only

\* Contract only

**CONTRACT FOR ELECTRIC SERVICE  
FOR CONTRACT SERVICE INTERRUPTIBLE POWER  
BETWEEN INDIANA MICHIGAN POWER COMPANY  
AND AIR PRODUCTS & CHEMICALS, INC.**

**THIS CONTRACT**, is made and entered into April *16* 2012, by and between **INDIANA MICHIGAN POWER COMPANY**, an Indiana corporation (the **Company**), and **AIR PRODUCTS & CHEMICALS, INC.**, a Delaware corporation (the **Customer**),

**WITNESSETH:**

**WHEREAS**, the Company is a corporation organized and existing under the laws of the State of Indiana with its principal place of business at Fort Wayne, Indiana, and owns and operates facilities for the generation, transmission and distribution of electric power and energy in the State of Indiana; and

**WHEREAS**, the Customer is a corporation chartered and existing under the laws of the State of Delaware with a place of business in Butler, Indiana; and

**WHEREAS**, in recognition of the need for the efficient use of existing utility generation and transmission facilities, the Company and the Customer agree to implement an innovative interruptible rate design that includes mandatory interruptions; and

**WHEREAS**, the service the Company is to provide the Customer pursuant to this Contract will provide benefits to the Customer, the Company, the Company's ratepayers, and the State of Indiana.

**NOW THEREFORE**, in consideration of the promises and the mutual covenants herein contained, and subject to the terms and conditions herein contained, the Company and the Customer agree as follows:

## ARTICLE 1

### DEFINITIONS

1.1 Whenever used herein, the following terms shall have the respective meanings set forth below, unless a different meaning is plainly required by the context:

- A. "AEP System" shall mean the integrated, interconnected electric system operated and owned by the operating company subsidiaries of American Electric Power Company, Inc. who are parties to the AEP-East Interconnection Agreement as it may be restated and amended from time to time.
- B. "Commission" shall mean the Indiana Utility Regulatory Commission, the regulatory agency having jurisdiction over the retail electric service of the Company in Indiana, including the electric service covered by this Contract, or any successor thereto.
- C. "Contract" shall mean this Contract for Electric Service between the Company and the Customer, as the same may, from time to time, be amended. Said Contract is set forth in its entirety herein.
- D. "Parties" shall mean the Company and the Customer.
- E. "Party" shall mean either the Company or the Customer.
- F. "RTO" shall mean the Company's Regional Transmission Organization or any successor thereto. The Company's current RTO is PJM Interconnection, L.L.C.
- G. "Tariff I.P." shall mean the Company's Tariff Industrial Power (Tariff I.P.), or any successor thereto, approved by the Commission.

- H. “On–Peak Period” shall be as defined in Tariff I.P. The current on-peak period is defined as 7 AM to 9 PM, local time, for all weekdays Monday through Friday.
- I. “Off-Peak Period” shall be as defined in Tariff I.P. The current off-peak period is defined as 9 PM to 7 AM, local time, for all weekdays and all hours of the day on Saturdays and Sundays.
- J. “Customer communications system” shall mean the Company designated system of notification allowing the exchange of information between the Company and the Customer, or any successor thereto. Company can provide notices via email, text, pager and internet website. It is understood and agreed that text and pager messages can only be sent to an email-like address (e.g., xxxxxxxx@xxxxxx.com).

1.2 Unless the context plainly indicates otherwise, words importing the singular number shall be deemed to include the plural number (and vice versa); terms such as “hereof,” “herein,” “hereunder” and other similar compounds of the word “here” shall mean and refer to the entire Contract rather than any particular part of the same. Certain other definitions, as required, appear in subsequent parts of this Contract.

## **ARTICLE 2**

### **DELIVERY POINT**

2.1 Subject to the terms and conditions specified herein, the Company agrees to furnish to the Customer, during the term of this Contract, and the Customer agrees to

take and pay for, all of the electric capacity and energy that shall be purchased by the Customer for consumption at its plant in Butler, Indiana.

2.2 The Delivery Point for electric power and energy delivered hereunder shall be the connection of the Company's facilities to the 138 kV dead-end structure located in the Customer-owned Wilmington substation located in Butler, Indiana.

2.3 The Customer will provide any substation and transformation equipment and any other facilities required to take delivery of the electric service to be taken hereunder at the voltage and at the Delivery Point designated herein.

### **ARTICLE 3**

#### **DELIVERY**

3.1 The electric energy delivered hereunder shall be three-phase alternating current having a frequency of approximately 60 cycles per second at approximately 138,000 volts and shall be delivered at the Delivery Point specified in Article 2.2. The said electric energy shall be delivered and maintained reasonably close to constant potential and frequency and shall be measured by meters owned and installed by the Company and located at the Customer's plant.

### **ARTICLE 4**

#### **CAPACITY RESERVATIONS**

4.1 The Capacity Reservation contracted for by the Customer is hereby fixed at [REDACTED] for the On-Peak Period and [REDACTED] for the Off-Peak Period. The Customer's Metered Demand shall not exceed, and the Company shall not be required to

supply capacity in excess of the Capacity Reservation except by mutual agreement of the Parties.

4.2 The Customer designates the first [REDACTED] of the Capacity Reservation for the On-Peak Period and the Off-Peak Period as the Firm Service Capacity Reservation, not subject to interruption as specified in Article 5.

4.3 The Interruptible Capacity Reservation shall be the remaining [REDACTED] for the On-Peak Period and [REDACTED] for the Off-Peak Period, which is equal to the Capacity Reservation less the Firm Service Capacity Reservation.

4.4 The Customer may change the Capacity Reservation and Firm Service Capacity Reservation contracted for by providing the Company with one year's written notice or a lesser period by mutual agreement of the Parties. A change in the Capacity Reservation shall not modify the Interruptible Capacity Reservation as specified in Article 4.3 unless otherwise agreed between the Parties.

## ARTICLE 5

### INTERRUPTIBILITY OF SERVICE

5.1 The Company reserves the right to interrupt service to the Customer's interruptible load when an RTO emergency mandatory load management reduction action, as defined by PJM in its agreements and manuals, has been issued by the RTO for the AEP Load Zone. The Company further reserves the right to interrupt service to the Customer's interruptible load when, in the sole judgment of the Company, an emergency condition, in accordance with the North American Electric Reliability Corporation (NERC) Reliability Standards for Emergency Preparedness and Operations, exists on the

AEP System pursuant to the AEP System Emergency Operating Plan, for system integrity purposes, or for emergency sales to other utilities. Such interruptions as described herein shall be designated as Mandatory Interruptions.

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, however, the Customer will be required to interrupt service within [REDACTED], if so requested. The delivery year maximum number of Mandatory Interruptions shall apply for each 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. Transmission 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.

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 provide the Customer advance notice of any tests scheduled, to the extent permitted by the RTO Tariff, no later than when the Company is required to notify RTO of such test. The Company will solicit and accept input from Customer regarding the scheduling of tests, but can not guarantee that suggested times and dates will be utilized. The Company reserves the right to require an additional test curtailment if the Company does not achieve the minimum RTO compliance testing standards. 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.

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.

5.6 The Customer shall own and maintain all computer hardware, software and communication equipment required to meet the specifications of the customer communications system. The Customer is solely responsible for receiving and acting upon Mandatory Interruption notices from the Company.

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 14.

## ARTICLE 6

### DETERMINATION OF MONTHLY BILLING ENERGY

6.1 Consistent with Tariff I.P., the rates set forth in this Contract are subject to power factor adjustment based upon the maintenance by the Customer of an average monthly power factor of 85 percent, leading or lagging, as measured by integration meters. When the average monthly power factor is above or below 85 percent, leading or lagging, the kWh as metered will, for billing purposes, be multiplied by the Power Factor Correction Constant (PFCC) which shall be calculated to the nearest 0.0001 derived from the following formula:

$$PFCC = 0.9510 + \left[ 0.1275 \left[ \frac{\text{Monthly Reactive Energy}}{\text{Monthly Energy}} \right]^2 \right]$$

6.2 Consistent with Tariff I.P., Monthly Energy shall be measured as the total kWh registered by an energy meter or meters during the month.

6.3 Monthly Reactive Energy shall be measured as the sum of the absolute values of the lagging RKVAH and leading RKVAH registered by leading and lagging reactive energy meters during the month.

6.4 Consistent with Tariff I.P., Monthly Billing Energy shall be the product of the Monthly Energy and the PFCC.

6.5 Consistent with Tariff I.P., First Block Billing Energy shall be the lesser of (1) Monthly Billing Energy or (2) Monthly Billing Demand times 410.

6.6 Consistent with Tariff I.P., Second Block Billing Energy shall be the greater of (1) Monthly Billing Energy less First Block Billing Energy or (2) Zero (0).

## ARTICLE 7

### DETERMINATION OF MONTHLY BILLING DEMAND

7.1 Consistent with Tariff I.P., the Monthly Billing Demand in kVA shall be taken each month as the single highest 15-minute integrated on-peak demand in kVA, as registered during the month by a demand meter or indicator, subject to Article 7.2, but the Monthly Billing Demand so established shall, in no event be less than 60% of the greater of: (a) the Customer's Capacity Reservation for the On-Peak Period specified in Article 4.1 or (b) the Customer's highest previously established Monthly Billing Demand during the past 11 months.

7.2 Consistent with Tariff I.P., demand created during the off-peak billing period shall be disregarded for billing purposes provided that the Monthly Billing Demand shall not be less than 60% of the maximum demand created during the billing month nor less than 60% of either (a) the Capacity Reservation for the On-Peak Period specified in Article 4.1, or (b) the Customer's highest previously established Monthly Billing Demand during the past 11 months.

7.3 Monthly Interruptible Demand in kVA shall be the amount by which the Monthly Billing Demand exceeds the Firm Service Capacity Reservation for the On-Peak Period. In no event shall the Monthly Interruptible Demand be greater than the Interruptible Capacity Reservation for the On-Peak Period.

## ARTICLE 8

### DETERMINATION OF MONTHLY ON-PEAK LOAD FACTOR

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 in kVA 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.

## ARTICLE 9

### RATES

9.1 The Customer agrees to pay for all electric service supplied hereunder in accordance with the following provisions:

- A. The Monthly Service Charge shall be equal to the Tariff I.P. Transmission Service Monthly Service Charge.
- B. The Energy Charge for the first 410 kWh per kVA shall be equal to the Tariff I.P. Transmission Service Energy Charge for such energy.
- C. The Energy Charge for over 410 kWh per kVA shall be equal to the Tariff I.P. Transmission Service Energy Charge for such energy.
- D. The Demand Charge per kVA shall be equal to the Tariff I.P. Transmission Service Demand Charge.
- E. The Minimum Demand Charge shall be equal to the Tariff I.P. Transmission Service Minimum Demand Charge.
- F. The Interruptible Demand Credit shall be as specified in Appendix I (which is incorporated herein by reference). The Interruptible Demand Credit shall be established in April of each year to be applicable for the subsequent Interruption Year commencing on June 1 and ending on May 31.
- G. The Fuel Cost Adjustment Rider, Demand-Side Management/Energy Efficiency Program Cost Rider, Off-System Sales Margin Sharing Rider, PJM Cost Rider, Environmental Compliance Cost Rider and Clean Coal Technology Rider shall be equal to those applicable to service under Tariff I.P. and any additional adjustment clauses which may be approved by the Commission in the future.

9.2 The Company will adjust the rates contained in Article 9.1A through 9.1E to reflect changes to the Tariff I.P. Transmission Service Charges, as approved by the Commission.

## ARTICLE 10

### DETERMINATION OF MONTHLY BILL

10.1 The Monthly Bill shall be the sum of the following:

- A. The Monthly Service Charge;
- B. The product of the First Block Billing Energy and the Energy Charge for the first 410 kWh per kVA;
- C. The product of the Second Block Billing Energy and the Energy Charge for over 410 kWh per kVA;
- D. The product of the Monthly Billing Demand and the Demand Charge;
- E. A credit equaling the product of the Monthly Interruptible Demand, the Monthly On-Peak Load Factor and the Interruptible Demand Credit;
- F. Any charges specified in Articles 5.3 and 5.4 resulting from the failure of the Customer to interrupt load when requested by the Company;
- G. The product of the Monthly Billing Energy and the rider charges applicable to service under Tariff IP inter alia, the Fuel Cost Adjustment Rider, the Demand-Side Management/Energy Efficiency Program Cost Rider, the Off-System Sales Margin Sharing Rider, PJM Cost Rider, the Environmental Compliance Cost Rider and the Clean Coal Technology Rider and any additional adjustment clauses approved by the Commission in the future; and
- H. Any applicable taxes and/or assessments.

10.2 Service under this Contract is subject to a monthly Minimum Charge equal to the sum of the Monthly Service Charge, the product of the Monthly Billing

Demand and the Minimum Demand Charge, and the charges and credits pursuant to Articles 10.1.E, 10.1.F, 10.1.G and 10.1.H.

## ARTICLE 11

### BILLING AND PAYMENT

11.1 All bills under this Contract shall be rendered and due monthly. If not paid within seventeen (17) days after the bill is mailed, there shall be added to such bills a Delayed Payment Charge equal to three percent (3%) of the amount of the bill.

11.2 If the Customer disputes the accuracy of a Monthly Bill, timely payment of the Monthly Bill, as rendered, shall be made, unless the Company expressly waives payment of the disputed portion of the bill pending resolution of the dispute. Such payment or waiver of a disputed Monthly Bill shall not indicate the Customer's or Company's acceptance thereof. The Parties shall use their best efforts to resolve the dispute and shall make such adjustment, if any, by credit or additional charge on the next Monthly Bill rendered. If it is determined that a credit is due to the Customer of the disputed amount timely paid by the Customer, and if that credit is not made on the next Monthly Bill rendered, then the Company shall include interest on the amount of the credit calculated at the rate of six percent (6%) per annum, accrued from the date of payment until the date the credit is included in the Customer's Monthly Bill. The existence of a dispute as to any Monthly Bill shall not relieve either Party of compliance with the terms of this Contract. Other than as required by law or regulatory action, Monthly Bill adjustments must be made within twelve (12) months of the rendering of the initial Monthly Bill.

11.3 If the Customer fails or refuses to pay the Monthly Bill rendered by the Company in accordance with the provisions of this Contract, the Company may, after fourteen (14) days' written notice, suspend the delivery of capacity and energy under this Contract to the Customer until all Monthly Bills, together with the Delayed Payment Charge as computed under the provisions of Article 11.1, shall have been paid. Any such suspension of delivery of capacity and energy to the Customer shall not relieve the Customer from liability to continue the payment of the Monthly Minimum Charge hereunder and shall not terminate this Contract.

## **ARTICLE 12**

### **EFFECTIVE DATE AND TERM OF CONTRACT**

12.1 The effective date of this Contract shall be the first day of the first billing month following the approval of this Contract by the Commission, provided however, that if such approval is not received on or before May 1, 2013 then Customer will have the right to terminate this Contract whereupon neither party will have any liability to the other party under the Contract except with respect to the confidentiality provisions, which will survive the Contract.

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.

12.3 This Contract shall remain in effect, after the initial term, until either Party shall give the other not less than one (1) year's written notice of its intention to discontinue service under this Contract.

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 by the Customer at any time following the effective date of this Contract. The Customer may transfer to firm service with sixty (60) days notice, upon mutual agreement between the Customer and the Company, provided that in either case Customer is responsible for any financial penalty that the Company may incur from RTO caused by not having the interruptible capacity of this Contract available.

## ARTICLE 13

### SERVICE CONDITIONS

13.1 Each Party shall exercise reasonable care to maintain and operate, or to cause to be maintained and operated, their respective facilities in accordance with good engineering practices.

13.2 To the extent not specifically modified by this Contract, the Company's Terms and Conditions of Service, as regularly filed with the Commission, are incorporated herein by reference and made a part hereof. The Customer acknowledges receipt of the currently approved Terms and Conditions of Service. In the event of a conflict between the provisions of this Contract and the provisions of the Company's Terms and Conditions of Service, the provisions of this Contract shall control.

13.3 In addition to the interruptibility provisions set forth in Article 5, any service being provided under this Contract may be interrupted or reduced (a) by operation

of equipment installed for power system protection, (b) after adequate notice to and consultation with the Customer for routine installation, maintenance, inspection, repairs, or replacement of equipment or (c) when, in the Company's sole judgment, such action is necessary to preserve the integrity of, or to prevent or limit any instability or material disturbance on, or to avoid a burden on, its electric system or an interconnected system.

13.4 The Company reserves the right to disconnect from its system the Customer's conductors or apparatus without notice when, in the exercise of reasonable care, the Company determines that it is necessary in the interest of preserving or protecting life and/or property.

13.5 During the term hereof, the Customer's plant shall not be connected to any outside source of electric power other than the Delivery Point described in Article 2.2, without written notice and mutual agreement between the Parties.

13.6 The Company will have the right of access at the Delivery Point, at all reasonable times, for the purposes of reading meters or installing, maintaining, changing or removing any property it owns or for any other proper purpose required to carry out the provisions of this Contract.

13.7 The Customer shall promptly notify the Company of any impairment of or defect in the Company's service that significantly disrupts the Customer's operations, and the Customer shall confirm such notice in writing within a reasonable time frame under the circumstances but not to exceed three (3) business days. The Company shall not be liable for any loss, injury or damage which could have been prevented by timely notice of a defect or impairment of service.

13.8 The Customer shall notify the Company in advance of any changes to be made to the Customer's plant that have the potential of materially affecting the Company's system.

13.9 In all cases, Company agrees to provide adequate notice, as dictated by the circumstances, to Customer of its intent to access equipment on the Customer's premises.

#### **ARTICLE 14**

#### **METERING**

14.1 Electric power and energy delivered under this Contract shall be measured by metering equipment owned, installed, operated and maintained by the Company. The Company shall install, operate and maintain equipment required to provide the Company with remote telephone interrogation of metering data from metering equipment, except for required telephone communication connections. Detents shall be used on the metering, if necessary, to prevent reverse rotation. The Customer shall be responsible for all costs associated with the modification of metering equipment and all equipment required for remote interrogation. The Company shall allow the Customer to install Company approved equipment in order to obtain metering data from Company's meter for the Customer's own use.

14.2 The Customer shall provide and maintain a dedicated telephone communication connection at the metering location as defined in Article 3.1. Such telephone communication connection shall be available for the use by Company at all times. The Customer shall be responsible for all initial and ongoing costs associated with providing this telephone communication connection.

14.3 Any Party on whose property another Party's equipment is to be located under this Contract shall furnish suitable space without cost to the owning Party. All such equipment shall retain its character as personal property of the owner regardless of its method of attachment to any other property, and authorized representatives of the owner shall have access thereto at all reasonable times. Upon termination of this Contract, all such equipment shall be removed by its owner from the premises on which it is located.

14.4 The Company shall at all times have the right to inspect and test meters and, if found defective, to repair or replace them at its option. Meters shall be tested periodically in accordance with the Rules and Standards of Service prescribed by the Commission. At the Customer's request, the Company shall inspect and test such meters once each calendar year, at the expense of the Company. If the Customer shall request a test of such meters more frequently than once each calendar year, the Customer shall bear the expense of such additional test, except that if the meters are found to be inaccurate in excess of the standard prescribed by the Commission, the Company shall bear the expense of such test.

14.5 If any test of metering equipment discloses an inaccuracy greater than permitted under Commission standards, the Customer's account shall be adjusted in accordance with the Rules and Standards of Service prescribed by the Commission. The current Commission standards are not to exceed three percent (3%), for watt-hour meters and four percent (4%) for demand meters.

14.6 The Company shall repair and re-test or replace a defective meter within a reasonable amount of time.

14.7 Should any metering equipment fail to register, the amounts of energy and capacity delivered shall be estimated by the Company. Estimations shall be based upon the use of the best available information, including the log and meter data of Customer and the use of energy and/or demand for power in a similar period of like use or other data available to the Company, adjusted for the circumstances prevailing during the period in which the data is missing.

## ARTICLE 15

### REGULATORY AUTHORITIES

15.1 The Parties hereto recognize that this Contract is subject to the jurisdiction of the Commission, and is also subject to such lawful action, as any regulatory authority having jurisdiction shall take hereafter with respect thereto. The performance of any obligation of either Party hereto shall be subject to the receipt from time to time as required of such authorizations, approvals or actions of regulatory authorities having jurisdiction as shall be required by law.

15.2 The Company and the Customer agree that this Contract reflects the steps required to insure adequate service to the Customer and that the Company will file this Contract with the Commission. This Contract is expressly conditioned upon Commission acceptance without change or condition. In the event that the Commission does not accept this Contract without change or condition, then this Contract shall not become effective, unless the Parties agree otherwise in writing, it being the intent of the Parties that such findings, without change or condition, are prerequisite to the validity of this Contract.

15.3 The Parties agree to use their commercially reasonable best efforts to seek and obtain the prompt approval of this Contract by the Commission.

15.4 The Parties expressly agree and understand that the Commission has jurisdiction over the rates and charges contained herein.

## ARTICLE 16

### GENERAL

16.1 Any waiver at anytime of any rights as to any default or other matter arising hereunder shall not be deemed a waiver as to any subsequent default or matter. Any delay, short of the statutory period of limitation, in asserting or enforcing any right hereunder shall not be deemed a waiver of such right.

16.2 In the event that any of the provisions, or portions thereof, of this Contract is held to be unenforceable or invalid by any court of competent jurisdiction, the validity and enforceability of the remaining provisions, or portions thereof, shall not be affected thereby.

16.3 All terms and stipulations made or agreed to regarding the subject matter of this Contract are completely expressed and merged in this Contract, and no previous promises, representations or agreements made by the Company's or the Customer's officers or agents shall be binding on either Party unless contained herein, except as provided in Article 13.2.

16.4 The Parties agree that the terms and conditions of this Contract, including, but not limited to, the Rates set forth in Article 9, shall be treated as confidential and shall be reasonably protected from disclosure.

16.5 The rights and remedies granted under this Contract shall not be exclusive rights and remedies but shall be in addition to all other rights and remedies available at law or in equity.

16.6 The validity and meaning of this Contract shall be governed by the laws of the State of Indiana.

16.7 Nothing in this Contract will prohibit the Customer from participating in any demand response program for which it is eligible. Should the Customer desire to provide and be capable of providing demand response which meets the requirements of an RTO Economic Demand Response program, the Parties agree that the Customer will have the option to participate in future Economic Demand Response Service riders offered by the Company assuming that the Customer is otherwise eligible.

## **ARTICLE 17**

### **ASSIGNMENT**

17.1 This Contract shall inure to the benefit of and be binding upon the successors and assigns of the Parties.

17.2 This Contract shall not be assigned by either Party without the written consent of the other Party. Such consent shall not be unreasonably withheld.

17.3 Any assignment by one Party to this Contract shall not relieve that Party of its financial obligation hereunder unless the other Party to this Contract so consents in writing. Such consent shall not be unreasonably withheld.

## ARTICLE 18

### LIABILITY

18.1 Neither the Company nor the Customer shall be liable to the other for damages caused by the interruption, suspension, reduction or curtailment of the delivery of electric energy hereunder due to, occasioned by or in consequences of, any of the following causes or contingencies, viz: acts of God, the elements, storms, hurricanes, tornadoes, cyclones, sleet, floods, backwaters caused by floods, lightning, earthquakes, landslides, washouts or other revulsions of nature, epidemics, accidents, fires, failures of facilities, collisions, explosions, strikes, lockouts, differences with workers and other labor disturbances, vandalism, sabotage, riots, inability to secure railcars, coal, fuel, or other materials, supplies or equipment from usual sources, breakage or failure of machinery, generating equipment, electrical lines or equipment, wars, insurrections, blockades, acts of public enemy, arrests and restraints of rulers and people, civil disturbances, acts or restraints of federal, state or other governmental authorities, and any other causes or contingencies not within the control of the Party whose performance is interfered with, whether of the kind herein enumerated or otherwise. Settlement of strikes and lockouts shall be wholly within the discretion of the Party having the difficulty. Such causes or contingencies affecting performance shall not relieve the Company or Customer of liability in the event of its concurring negligence or in the event of failure of either to use reasonable means to remedy the situation and remove the cause in an adequate manner and with reasonable dispatch, nor shall such causes, or contingencies of any thereof, relieve either from its obligation to pay amounts due hereunder.

18.2 The Company assumes no responsibility of any kind with respect to construction, maintenance or operation of the electric facilities or other property owned or used by the Customer and shall not be liable for any loss, injury (including death), damage to or destruction of property (including loss of use thereof) arising out of such installation, maintenance or operation or out of any use by the Customer or others, of said energy and/or capacity provided by the Company except to the extent such damage or injury shall be caused by the negligence or willful misconduct of the Company, its agents, or employees.

18.3 To the extent permitted by law, the Customer shall protect, defend, indemnify, and hold harmless the Company from and against any losses, liabilities, costs, expenses, suits, actions, claims, and all other obligations and proceedings whatsoever, including without limitation, all judgments rendered against and all fines and penalties imposed upon the Company, and any reasonable attorneys' fees and other costs of defense arising out of injuries to persons, including death, or damage to third-party property, to the extent caused by, or occurring in connection with any willful or negligent act or omission of the Customer, its employees, agents or contractors, or which are due to or arise out of defective electrical equipment belonging to the Customer. The Company shall not be liable for any indirect, special, incidental or consequential damages, including loss of profits due to business interruptions or otherwise, in connection with this Contract. To the extent permitted by law, the Company shall protect, defend, indemnify, and hold harmless the Customer from and against any losses, liabilities, costs, expense, suits, actions, claims and other obligations whatsoever, including, without limitation, all judgments rendered against and all fines and penalties imposed upon the

Customer, any reasonable attorneys' fees and other costs of defense arising out of injuries to persons including death, or damages to third-party property, to the extent caused by or occurring in connection with any willful or negligent act or omission of the Company, its employees, agents or contractors. Customer shall not be liable for any indirect, special, incidental or consequential damages, including loss of profits due to business interruptions or otherwise, in connection with this Contract.

18.4 Any indemnifications of the Parties or any limitation of the Parties' liability which is made or granted under this Contract shall to the same extent apply to the Party's directors, officers, employees and agents, and to the Party's affiliated companies, including any directors, officers, employees and agents thereof.

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

INDIANA MICHIGAN POWER  
COMPANY



AIR PRODUCTS & CHEMICALS,  
INC.

By Gary O. Wind

By Steven P. Pastore

Title Dir. C&M

Title Director, Global Energy

Date 5-1-12

Date 16 April 2012



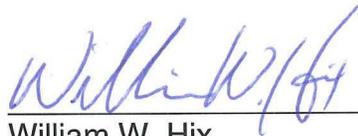




4. The proprietary and confidential information contained in the Tariff CS-IRP2 contract and the fixed cost analysis would be useful to competitors of the Tariff CS-IRP2 customer and is not available or ascertainable by competitors through normal or proper means. Disclosure of the information would unfairly 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 1<sup>st</sup> day of May, 2012.

  
Regina M. Sistevaris, Notary Public

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

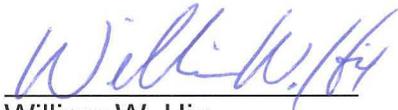
STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

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 a Contract for Interruptible Power between Air Products & Chemicals, Inc. and I&M as required under 170 IAC 1-6-6.
3. Notification of the thirty-day filing of a Contract for Interruptible Power between Air Products & Chemicals, Inc. 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".

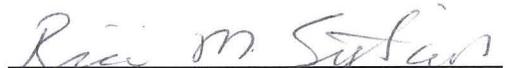
Date: 5-2-12



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 2nd day of May 2012.



Regina M. Sistevaris, Notary Public

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

PUBLISHERS OF THE STAR

PUBLISHER'S CLAIM

COMPUTATION OF CHARGES:

49 lines, 1 column(s) wide equals  
49 equivalent lines at 0.3910 cents per line, 19.16

Additional charges for notices containing rule or tabular work  
(50% of above amount) AND/OR extra proofs of publication  
(\$1.00 for each proof in excess of 2) equals 0.00

Data for computing cost:  
Width of single column - 12 ems  
Size of type - 7 points  
Size of quad upon which type is cast - 8 pt.  
Number of insertions - 1 19.16

LINE COUNT	
HEAD (number of lines)	1
BODY (number of lines)	47
TAIL (number of lines)	1
TOTAL	49

"Pursuant to the provisions and penalties of Chapter 155, Act 1953, (s)he further says that the foregoing account is just and correct, that the amount claimed is legally due, after allowing all just credits, and that no part of the same has been paid"

Date: 4/25/12

KELLY WALLEN  
LEGAL CLERK

Ad #: 00298038  
ERIN INDIANA MICHIGAN POWER

PUBLISHER'S AFFIDAVIT

LEGAL NOTICE  
STATE OF INDIANA  
INDIANA UTILITY REGULATORY COMMISSION

Indiana Michigan Power Company (I&M), an Indiana corporation, gives notice that on or before May 1, 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, a Contract for Interruptible Power between Air Products & Chemicals, Inc. 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 Air Products & Chemicals, Inc Contract is applicable to the Air Products & Chemicals, Inc facility located in Butler, Indiana.

A decision on the Contract approval is expected from the IURC on or before June 15, 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  
TS.00298038,4/25

Noble County) SS:  
State of Indiana)

Personally appeared before me. a notary public in and for said county and state, the undersigned KELLY WALLEN who being duly sworn said that (s)he is of competent age and is LEGAL CLERK of KPC Media Group Inc, publisher of a daily newspaper in Kendallville, county of Noble, State of Indiana, a weekly newspaper in Ligonier, county of Noble, State of Indiana, a daily newspaper in Auburn, county of DeKalb, State of Indiana, a daily newspaper in Angola, county of Steuben, State of Indiana, a weekly newspaper in Garrett, county of DeKalb, State of Indiana, Butler a weekly newspaper in Butler, county of DeKalb, State of Indiana, and which during that time have been newspapers of general circulation, having bona fide paid circulations, 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 on March 3, 1879, and that the printed matter attached is a true copy, which was duly published in said newspaper 1 times, the dates of publication being as follows : 04/25/2012

Affiant Kelly Wallen

Notary Public Mary Lu Monson

Subscribed and sworn before me on this 25th day of April, 2012  
My commission expires May 21, 2018

