Received: October 10, 2016

IURC 30-Day Filing No.: 50006

Indiana Utility Regulatory Commission

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



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

October 10, 2016

Dear Secretary:

Pursuant to 170 IAC 1-6, Indiana Michigan Power Company (I&M) submits this thirty-day filing requesting approval of a two year extension of the date by which application for service under I&M's Economic Development Rider (EDR) can be made from January 1, 2017 to January 1, 2019.

In support of this thirty-day filing, I&M represents that on February 23, 2011 in Cause No. 43953, the Commission approved I&M's revised EDR which provides discounts for new load of qualifying new or existing customers receiving service under I&M's Tariff IP (Industrial Power). In particular, I&M's current EDR is available to new customers having a billing demand of 1,000 kVA or more or, existing customers that are increasing their billing demand by 1,000 kVA or more over the maximum billing demand during the 12 months prior to the date of the application by the customer for service under this Rider (Base Maximum Billing Demand). Service under Rider EDR requires the principal business engaged in at the customer's service location be classified in certain Standard Industrial Classification (SIC) Major Groups. In addition, a new customer, or the expansion by an existing customer, must result in the creation of at least 10 full-time equivalent jobs (FTE) over the contract term at the service location. Last, a customer must demonstrate to I&M's satisfaction that, absent the availability of the EDR, the qualifying new or increased demand would be located outside of I&M's service territory or would not be placed in service due to poor operating economics.

I&M seeks Commission approval to extend the date by which application for service under the EDR must be made. Currently, I&M's EDR requires that customers make application for service under the EDR prior to January 1, 2017. I&M seeks Commission approval to extend this date to January 1, 2019. The requested date extension does not result in any increase or decrease in any rate applicable under the EDR.

The continuation of I&M's EDR as proposed will further encourage economic development in Indiana by incentivizing businesses to locate new or expanded industry in I&M's service area. In addition, the revised EDR will be a tool to increase the effectiveness of the economic development process. The EDR is intended to benefit all stakeholders by attracting new or expanded business to the I&M service territory, thereby creating plant and facilities investment

Secretary of the Commission Indiana Utility Regulatory Commission October 10, 2016 Page 2

and job creation or preservation opportunities. I&M, its customers, the communities I&M serves and the State of Indiana benefit from these investments.

Regional and state economic development efforts will be supplemented by Commission approval of the revised EDR. Upon Commission approval, the EDR will continue to be available to the public and accessible by those doing independent research on site location via I&M's website. Further, the EDR will continue to be a valuable tool to those in Indiana who work everyday to attract economic development. Since approval of I&M's revised EDR in Cause No. 43953, ten (10) customers have been approved for service under the EDR.

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

- 1. Economic Development Rider, Second Revised Sheet Nos. 32 and 32.1.
- 2. Economic Development Rider, Second Revised Sheet Nos. 32 and 32.1 in redline format.
- Verified Statement of Publication.

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

Sincerely,

William W. Hix

Regulatory Consultant Staff

Enclosures

cc: Jane Steinhauer-IURC – w/o enclosures

David Stippler-OUCC - w/enclosures

#### **ECONOMIC DEVELOPMENT RIDER**

#### Availability of Service.

In order to encourage economic development in the Company's service area, limited-term reductions in billing demands described herein are offered to qualifying new and existing retail customers who make application for service under this Rider prior to January 1, 2019.

Service under this Rider is intended for specific types of commercial and industrial customers whose operations, by their nature, will promote sustained economic development based on plant and facilities investment and job creation. This Rider is available to commercial and industrial customers served under Tariff I.P. who meet the following requirements:

- (1) A new customer must have a billing demand of 1,000 kVA or more. An existing customer must increase billing demand by 1,000 kVA or more over the maximum billing demand during the 12 months prior to the date of the application by the customer for service under this Rider (Base Maximum Billing Demand).
- (2) In no event shall service under this Rider be available to a customer whose principal business at the service location is classified in one of the following SIC Major Groups:

or in one of the following NAICS Major Groups:

- (3) A new customer, or the expansion by an existing customer, must result in the creation of at least 10 full-time equivalent jobs (FTE) maintained over the contract term at the service location. Company reserves the right to verify FTE job counts. Failure to maintain the minimum required FTE jobs will result in the termination of the contract or agreement addendum for service under this Rider.
- (4) The customer must demonstrate to the Company's satisfaction that, absent the availability of this Rider, the qualifying new or increased demand would be located outside of the Company's service territory or would not be placed in service due to poor operating economics.

Availability is limited to customers on a first-come, first-served basis for loads aggregating 250 MVA.

#### Terms and Conditions.

- (1) To receive service under this Rider, the customer shall make written application to the Company with sufficient information contained therein to determine the customer's eligibility for service.
- (2) For new customers, billing demands for which deductions will be applicable under this Rider shall be for service at a new service location and not merely the result of a change of ownership. Relocation of the

(Cont'd on Sheet No. 32.1)

ISSUED BY
PAUL CHODAK III
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED ON AND AFTER JANUARY 1, 2017

ISSUED UNDER AUTHORITY OF THE
<b>INDIANA UTILITY REGULATORY COMMISSION</b>
CONFERENCE DATED
30-DAY FILING NO.

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Т

#### **ECONOMIC DEVELOPMENT RIDER**

(Cont'd from Sheet No. 32)

delivery point of the Company's service does not qualify as a new service location.

- (3) For existing customers, billing demands for which deductions will be applicable under this Rider shall be the result of an increase in business activity and not merely the result of resumption of normal operations following a force majeure, strike, equipment failure, renovation or refurbishment, or other such abnormal operating condition. In the event that such an occurrence has taken place during the 12-month period prior to the date of the application by the customer for service under this Rider, the monthly billing demands during the 12-month period shall be adjusted as appropriate to eliminate the effects of such occurrence.
- (4) All demand adjustments offered under this Rider shall terminate no later than December 31, 2022.
- (5) The existing local facilities of the Company must be deemed adequate, in the judgment of the Company, to supply the new or expanded electrical capacity requirements of the customer. If construction of new or expanded local facilities by the Company are required, the customer may be required to make a contribution-in-aid of construction for the installed cost of such facilities pursuant to the provisions of Item No. 14 of the Company's Terms and Conditions of Service.

#### Determination of Monthly Adjusted Billing Demand.

The qualifying incremental billing demand shall be determined as the amount by which the billing demand, as determined according to Tariff I.P. for the current billing period without this Rider, exceeds the Base Maximum Billing Demand. Such incremental billing demand shall be considered to be zero, however, unless it is at least 1,000 kVA for new customers or existing customers.

The monthly adjusted billing demand under this Rider shall be the billing demand as determined according to Tariff I.P. for the current billing period without this Rider less the product of the qualifying incremental billing demand and the applicable Adjustment Factor.

No Adjustment Factors shall be applied to any portion of minimum billing demands as calculated under Tariff I.P.

#### Determination of Adjustment Factor.

Standard New Development Customers – customers meeting all availability and terms and conditions above shall contract for service for a period of three (3) years with an Adjustment Factor of thirty percent (30%).

Urban Redevelopment Customers – customers meeting all availability and terms and conditions above, and that (1) are locating a new business in an existing building that has been unoccupied and/or has remained dormant for at least one or more years and has no current or prior relationship with the previous occupant, as determined by the Company, and (2) taking delivery at one point that does not require significant distribution or transmission system investment, other than the connection of service, shall contract for service for a period of three (3) years with an Adjustment Factor of thirty-five percent (35%).

(Cont'd on Sheet No. 32.2)

ISSUED BY
PAUL CHODAK III
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED ON AND AFTER JANUARY 1, 2017

ISSUED UNDER AUTHORITY OF THE
INDIANA UTILITY REGULATORY COMMISSION
CONFERENCE DATED
30-DAY FILING NO

#### **ECONOMIC DEVELOPMENT RIDER**

#### Availability of Service.

In order to encourage economic development in the Company's service area, limited-term reductions in billing demands described herein are offered to qualifying new and existing retail customers who make application for service under this Rider prior to January 1, 20197.

Service under this Rider is intended for specific types of commercial and industrial customers whose operations, by their nature, will promote sustained economic development based on plant and facilities investment and job creation. This Rider is available to commercial and industrial customers served under Tariff I.P. who meet the following requirements:

- (1) A new customer must have a billing demand of 1,000 kVA or more. An existing customer must increase billing demand by 1,000 kVA or more over the maximum billing demand during the 12 months prior to the date of the application by the customer for service under this Rider (Base Maximum Billing Demand).
- (2) In no event shall service under this Rider be available to a customer whose principal business at the service location is classified in one of the following SIC Major Groups:

07 51 01 02 08 09 15 16 17 50 53 58 52 54 55 56 57 59 64

or in one of the following NAICS Major Groups:

11 21 22 23 42 44 45 48 53 71 72

- (3) A new customer, or the expansion by an existing customer, must result in the creation of at least 10 full-time equivalent jobs (FTE) maintained over the contract term at the service location. Company reserves the right to verify FTE job counts. Failure to maintain the minimum required FTE jobs will result in the termination of the contract or agreement addendum for service under this Rider.
- (4) The customer must demonstrate to the Company's satisfaction that, absent the availability of this Rider, the qualifying new or increased demand would be located outside of the Company's service territory or would not be placed in service due to poor operating economics.

Availability is limited to customers on a first-come, first-served basis for loads aggregating 250 MVA.

#### Terms and Conditions.

- (1) To receive service under this Rider, the customer shall make written application to the Company with sufficient information contained therein to determine the customer's eligibility for service.
- (2) For new customers, billing demands for which deductions will be applicable under this Rider shall be for service at a new service location and not merely the result of a change of ownership. Relocation of the

(Cont'd on Sheet No. 32.1)

ISSUED BY
PAUL CHODAK III
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED ON AND AFTER JANUARY 1, 20175

Τ

#### **ECONOMIC DEVELOPMENT RIDER**

(Cont'd from Sheet No. 32)

delivery point of the Company's service does not qualify as a new service location.

- (3) For existing customers, billing demands for which deductions will be applicable under this Rider shall be the result of an increase in business activity and not merely the result of resumption of normal operations following a force majeure, strike, equipment failure, renovation or refurbishment, or other such abnormal operating condition. In the event that such an occurrence has taken place during the 12-month period prior to the date of the application by the customer for service under this Rider, the monthly billing demands during the 12-month period shall be adjusted as appropriate to eliminate the effects of such occurrence.
- (4) All demand adjustments offered under this Rider shall terminate no later than December 31, 20220.
  - (5) The existing local facilities of the Company must be deemed adequate, in the judgment of the Company, to supply the new or expanded electrical capacity requirements of the customer. If construction of new or expanded local facilities by the Company are required, the customer may be required to make a contribution-in-aid of construction for the installed cost of such facilities pursuant to the provisions of Item No. 14 of the Company's Terms and Conditions of Service.

#### Determination of Monthly Adjusted Billing Demand.

The qualifying incremental billing demand shall be determined as the amount by which the billing demand, as determined according to Tariff I.P. for the current billing period without this Rider, exceeds the Base Maximum Billing Demand. Such incremental billing demand shall be considered to be zero, however, unless it is at least 1,000 kVA for new customers or existing customers.

The monthly adjusted billing demand under this Rider shall be the billing demand as determined according to Tariff I.P. for the current billing period without this Rider less the product of the qualifying incremental billing demand and the applicable Adjustment Factor.

No Adjustment Factors shall be applied to any portion of minimum billing demands as calculated under Tariff I.P.

#### Determination of Adjustment Factor.

Standard New Development Customers – customers meeting all availability and terms and conditions above shall contract for service for a period of three (3) years with an Adjustment Factor of thirty percent (30%).

Urban Redevelopment Customers – customers meeting all availability and terms and conditions above, and that (1) are locating a new business in an existing building that has been unoccupied and/or has remained dormant for at least one or more years and has no current or prior relationship with the previous occupant, as determined by the Company, and (2) taking delivery at one point that does not require significant distribution or transmission system investment, other than the connection of service, shall contract for service for a period of three (3) years with an Adjustment Factor of thirty-five percent (35%).

(Cont'd on Sheet No. 32.2)

ISSUED BY
PAUL CHODAK III
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED ON AND AFTER JANUARY 1, 20175

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# 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 Regulatory Consultant Staff 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 request to extend the date by which application for service under I&M's Economic Development Rider must be made from January 1, 2017 to January 1, 2019 as required under 170 IAC 1-6-6.
- 3. Notification of the thirty-day filing of a request to extend the date by which application for service under I&M's Economic Development Rider must be made from January 1, 2017 to January 1, 2019 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: 10-10-16

William W. Hix

Regulatory Consultant Staff

Indiana Michigan Power Company

STATE OF INDIANA

) ss:

COUNTY OF ALLEN

Regiana M. Sistevaris, Notary Public

I am a resident of Allen County, Indiana. My commission expires: January 7, 2023

### The Journal Gazette

Exhibit "A" Page 1 of 4

Account # 1065923 - 1259599

Indiana Michigan Power Co

Allen County, Indiana

#### **PUBLISHER'S CLAIM**

LINE COUNT	
Display Master (Must not exceed two actual lines, neither of which shall total more than four solid lines of the type in which the body of the advertisement is set) number of equivalent lines  Head number of lines  Body number of lines  Tail number of lines	
Total number of lines in notice	 55
COMPUTATION OF CHARGES <u>55</u> lines, <u>1</u> column(s) wide equals	
55 equivalent lines at \$ 2.780 cents per line	\$ 152.90
Additional charges for notices containing rule or tabular work (50 per cent of above amount)	e e e e e e e e e e e e e e e e e e e
Charge for extra proofs of publication (\$2.00 for each proof in excess of two)	n
TOTAL AMOUNT OF CLAIM	\$ 152.90
DATA FOR COMPUTING COST  Width of single column in picas 9.8 Size of type 7point.  Number of Insertions 1	
Pursuant to the provisions and penalties of IC 5-11-10-1, I hereby certify the	nat 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.

I also certify that the printed matter attached hereto is a true copy, of the same column width and type size, which was duly published in said paper 1 times.

The dates of publication being as follows:

9/	'3	0/	2	0	1	6

Additionally, Newspaper has a Web site and this public notice was posted on the same pay as was published in The Journal Gazette.

> Donna M. Brotherton Legal Clerk

# LEGAL NOTICE STATE OF INDIANA INDIANA UTILITY REGULATORY COMMISSION

COMMISSION

Indiana Michigan Power Company (I&M), an Indiana corporation, gives notice that on or before October 10, 2016, it will submit for approval under the Indiana Utility Regulatory Commission's thirty-day filing process a request to extend the date by which application for service under I&M's Economic Development Rider must be made from January 1, 2017 to January 1, 2019. The referenced filing will consist of Indiana Michigan Power Company's revised Economic Development Rider tariff sheets, including Second Revised Sheet No. 32 and Second Revised Sheet No. 32 and Second Revised Sheet No. 32.1. Customers potentially affected by this filing include qualified commercial and industrial customers of I&M served under Tariff IP (Industrial Power) that meet the eligibility requirements. A decision on the revised Economic Development Rider should be received from the Indiana Utility Regulatory Commission on or before November 16, 2016.

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 9–30 hspaxlp

## Indiana Michigan Power Company

### **The News-Sentinel**

Exhibit "A" Page 3 of 4

Allen County, Indiana

ATTACH COPY OF ADVERTISEMENT HERE

Account # 1065923 - 1259599 Indiana Michigan Power Co

	PUBLISHER'S CL	.AIIVI		
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(50 per cent of above amount)	)			
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I also certify that the printed matter atta and type size, which was duly published in sa		e copy, of the same	column width	
The dates of publication being as follows:		- (2)		
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-		9.00		2
:		_		-
Additionally, Newspaper has a Web site and was published in The News-Sentinel.	this public notice was	sposted on the san	ne day as it Diotkertan	

Donna M. Brotherton Legal Clerk

Date:

September 30, 2016

# LEGAL NOTICE STATE OF INDIANA INDIANA UTILITY REGULATORY COMMISSION

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COMMISSION

Indiana Michigan Power Company (I&M), an Indiana corporation, gives notice that on or before October 10, 2016, it will submit for approval under the Indiana Utility Regulatory Commission's thirty-day filing process a request to extend the date by which application for service under I&M's Economic Development Rider must be made from January 1, 2017 to January 1, 2019. The referenced filing will consist of Indiana Michigan Power Company's revised Economic Development Rider tariff sheets, including Second Revised Sheet No. 32 and Second Revised Sheet No. 32 and Second Revised Sheet No. 32.1. Customers potentially affected by this filing include qualified commercial and industrial customers of I&M served under Tariff IP (Industrial Power) that meet the eligibility requirements. A decision on the revised Economic Development Rider should be received from the Indiana Utility Regulatory Commission on or before November 16, 2016.

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 9–30 1259599 hspaxlp