Received: March 23, 2018
IURC 30-Day Filing No.: 50133
Indiana Utility Regulatory Commission

Indiana Michigan Power
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Fort Wayne, IN 46801
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INDIANA
MICHIGAN
POWER
An AEP Company
BOUNDLESS ENERGY

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

March 23, 2018

Dear Secretary:

Pursuant to 170 IAC 1-6, I&M submits this thirty-day filing requesting approval of amendments to I&M's Rider D.R.S.1 (Demand Response Service - Emergency). In support of this thirty-day filing, I&M represents that on April 27, 2011 in Cause No. 43566 PJM1, the Commission approved I&M's Rider D.R.S.1. Included in the approval of Rider D.R.S.1, was the methodology to be used in determining the Curtailment Demand Credit. The Curtailment Demand Credit is based on PJM Interconnection, L.L.C[1] (PJM) prices that change annually on June 1st of each year. I&M requests to amend this rider to reflect the Curtailment Demand Credit based on the new PJM prices effective June 1, 2018. The PJM pricing information utilized in the calculation of the Curtailment Demand Credits is included in Attachment A. The derivations of the Curtailment Demand Credits are shown in Attachment B.

Included in the approval of Rider D.R.S.1, was Rider language stating, "The Company reserves the right to make changes to this Rider in order to continue to qualify under the PJM Emergency Demand Response Program, or otherwise, as appropriate." I&M represents that the Limited, Extended Summer and Annual DRS products that were previously noted for removal effective June 1, 2018 will be removed from the tariff sheet to eliminate any possible confusion of programs currently being offered.

The proposed modifications to Rider D.R.S.1 will properly indicate the new Curtailment Demand Credit rates to be effective June 1, 2018 and the new contract termination dates to be effective June 1, 2018 that are shown in the rider as well as clarifying language changes regarding annual program dates.

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[1] 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 Sates 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.

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

1. Indiana Michigan Power Company's Rider D.R.S.1 (Demand Response Service - Emergency), Tariff Sheets SIXTH REVISED SHEET NO. 29.2, SIXTH REVISED SHEET NO. 29.3, FIFTH REVISED SHEET NO. 29.4, THIRD REVISED SHEET NO. 29.5, THIRD REVISED SHEET NO. 29.6, SECOND REVISED SHEET NO. 29.7 and THIRD REVISED SHEET NO. 29.8 (clean and redline format).
2. Supporting PJM documentation, Attachment A.
3. Tables showing the derivation of the Curtailment Demand Credit rates, Attachment B.
4. Verified Statement of Publication.

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) 408-3536 or kccooper@aep.com.

Sincerely,

Kurt C. Cooper

Kurt C. Cooper
Regulatory Consultant Principal

Enclosures

cc: Jane Steinhauer-IURC
William I. (Bill) Fine-OUCC

Table 4 –RPM Base Residual Auction Clearing Results in the LDAs

Auction Results	RTO	MAAC	SWMAAC	PEPCO	BGE	EMAAC	DPL-SOUTH	PSEG	PS-NORTH	ATSI	ATSI-CLEVELAND	PPL	COMED	DAY	DEOK
Offered MW (UCAP) *	183,351.5	72,972.7	12,895.4	6,941.1	3,543.3	31,045.0	1,687.9	5,699.5	3,359.1	11,705.2	2,467.4	10,929.7	27,436.8	1,669.2	3,166.7
Cleared MW (UCAP) **	165,109.2	65,817.9	10,354.4	5,918.6	2,296.9	29,608.2	1,647.2	5,097.2	2,975.4	9,925.1	1,857.9	10,345.0	23,960.3	1,527.1	2,430.3
System Marginal Price	$76.53	$76.53	$76.53	$76.53	$76.53	$76.53	$76.53	$76.53	$76.53	$76.53	$76.53	$76.53	$76.53	$76.53	$76.53
Locational Price Adder ***	-	$9.51	-	-	-	$101.83	-	-	-	-	-	-	$111.59	-	$53.47
Resource Clearing Price	$76.53	$86.04	$86.04	$86.04	$86.04	$187.87	$187.87	$187.87	$187.87	$76.53	$76.53	$86.04	$188.12	$76.53	$130.00

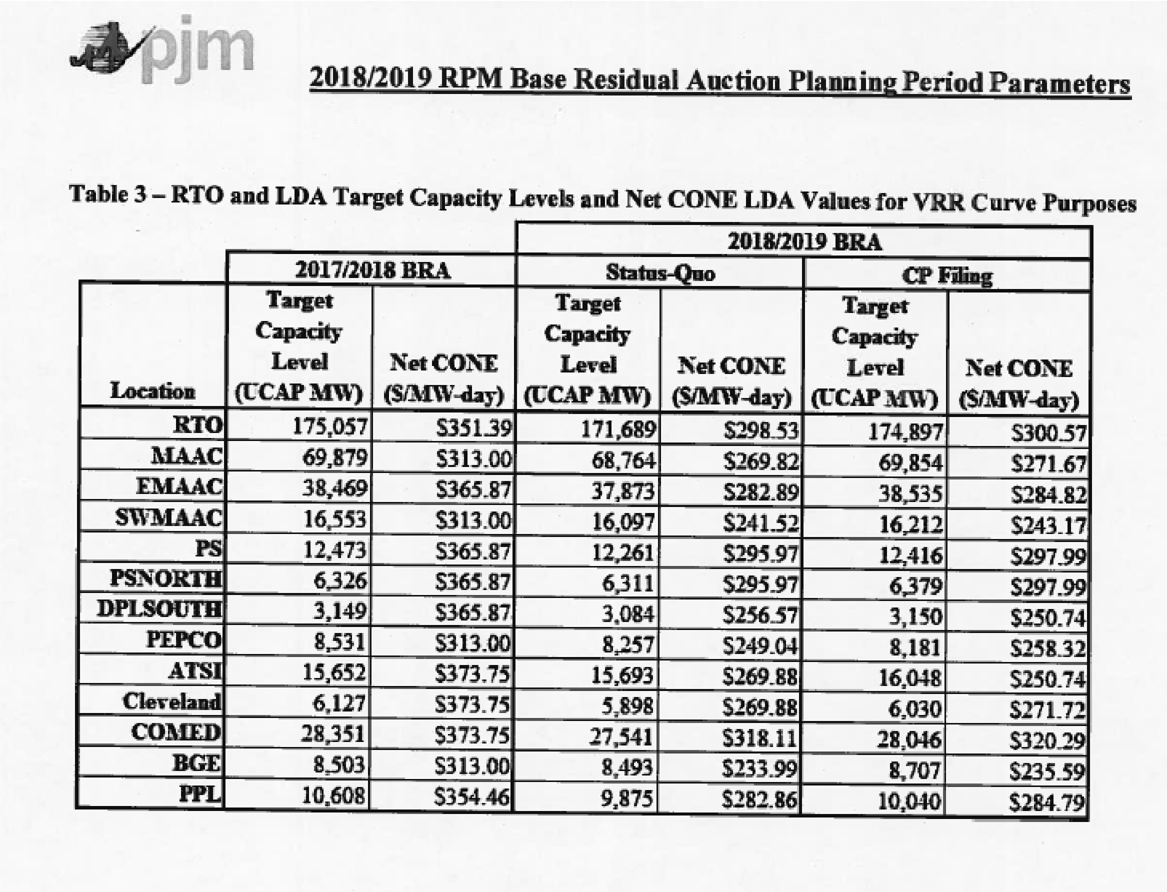
* Offered MW values include Annual, Summer-Period, and Winter-Period Capacity Performance sell offers
** Cleared MW values include Annual and matched Seasonal Capacity Performance sell offers within the LDA
*** Locational Price Adder is with respect to the immediate parent LDA

Since the MAAC LDA, EMAAC LDA, ComEd LDA and DEOK LDAs were constrained LDAs, Capacity Transfer Rights (CTRs) will be allocated to loads in these constrained LDA for the 2020/2021 Delivery Year. CTRs are allocated by load ratio share to all Load Serving Entities (LSEs) in a constrained LDA that has a higher clearing price than the unconstrained region. CTRs serve as a credit back to the LSEs in the constrained LDA for use of the transmission system to import less expensive capacity into that constrained LDA and are valued at the difference in the clearing prices of the constrained and unconstrained regions.

2020/2021 BRA Resource Clearing Prices

Resource Clearing Prices (RCPs) for the 2020/2021 BRA are shown in Table 1 below. The RCP for CP Resources located in the rest of RTO is $76.53/MW-day. The MAAC LDA, EMAAC LDA, ComEd LDA and DEOK LDA were constrained LDAs in the 2020/2021 BRA with locational price adders of $9.51/MW-day, $101.83/MW-day, $111.59/MW-day and $53.47/MW-day, respectively, for all resources located in those LDAs. For comparison purposes, the RCP for CP Resources located in the rest of RTO and MAAC in the 2019/2020 BRA was $100.00/MW-day. For the same year, the RCP for CP Resources in the EMAAC LDA was $119.77/MW-day and the RCP for CP Resources in the COMED LDA was $202.77 /MW-day in the 2019/2020 BRA. The DEOK LDA was not modeled in the 2019/20 BRA and cleared with the rest of RTO.

	2020/2021 BRA Resource Clearing Prices ($/MW-day)				
Capacity Type	Rest of RTO	MAAC	EMAAC	COMED	DEOK
Capacity Performance	$76.53	$86.04	$187.87	$188.12	$130.00



2018/2019 RPM Base Residual Auction Planning Period Parameters

Table 3 – RTO and LDA Target Capacity Levels and Net CONE LDA Values for VRR Curve Purposes

			2018/2019 BRA			
	2017/2018 BRA		Status-Quo		CP Filing	
Location	Target Capacity Level (UCAP MW)	Net CONE ($/MW-day)	Target Capacity Level (UCAP MW)	Net CONE ($/MW-day)	Target Capacity Level (UCAP MW)	Net CONE ($/MW-day)
RTO	175,057	$351.39	171,689	$298.53	174,897	$300.57
MAAC	69,879	$313.00	68,764	$269.82	69,854	$271.67
EMAAC	38,469	$365.87	37,873	$282.89	38,535	$284.82
SWMAAC	16,553	$313.00	16,097	$241.52	16,212	$243.17
PS	12,473	$365.87	12,261	$295.97	12,416	$297.99
PSNORTH	6,326	$365.87	6,311	$295.97	6,379	$297.99
DPLSOUTH	3,149	$365.87	3,084	$256.57	3,150	$250.74
PEPCO	8,531	$313.00	8,257	$249.04	8,181	$258.32
ATSI	15,652	$373.75	15,693	$269.88	16,048	$250.74
Cleveland	6,127	$373.75	5,898	$269.88	6,030	$271.72
COMED	28,351	$373.75	27,541	$318.11	28,046	$320.29
BGE	8,503	$313.00	8,493	$233.99	8,707	$235.59
PPL	10,608	$354.46	9,875	$282.86	10,040	$284.79

Derivation of Rider D.R.S.1 Curtailment Demand Credits

June 2018 - May 2019 - Rider DRS-1			**“Base Capacity” DR**		
Planning Year (1)	RPM Clearing Price [1/] (2) $/MW-day	2018/2019 Net Cone [2/] (3) $/MW-day	35% of Net Cone (4)=(3)x35% $/MW-day	Greater of (a) and (b) (5)=Max of (2) and (4) $/MW-day	**Curtailment Demand Credit** (6)=[(5)x365] / [12 x 1,000 kW] $/kW-month
2017/2018	**106.02**				
2018/2019	**149.98**				
2019/2020	**80.00**				
2020/2021	**76.53**				
Average	$103.13	298.53	104.49	104.49	**3.178**

Source:

1/ RCP for Limited Resources, PJM RPM BRA Results (PJM website)
RCP for Base Capacity in 2020/2021 and 2021/2022 is the same as Cap. Perf. price

2/ PJM RPM Base Residual Auction Planning Parameters (PJM website)

June 2018 - May 2019 - Rider DRS-1				**"Annual" (Cap. Perf.) DR**	
Planning Year (1)	RPM Clearing Price [1/] (2) $/MW-day	2018/2019 Net Cone [2/] (3) $/MW-day	35% of Net Cone (4)=(3)x35% $/MW-day	Greater of (a) and (b) (5)=Max of (2) and (4) $/MW-day	**Curtailment Demand Credit** (6)=[(5)x365] / [12 x 1,000 kW] $/kW-month
2017/2018	**120.00**				
2018/2019	**164.77**				
2019/2020	**100.00**				
2020/2021	**76.53**				
Average	$115.33	298.53	104.49	115.33	**3.508**

Source:

1/ RCP for Annual (Capacity Performance) Resources, PJM RPM BRA Results (PJM website)

2/ PJM RPM Base Residual Auction Planning Parameters (PJM website)

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.1)

the amount of Curtailed Demand CSP desires the Company to register with PJM. The Committed kW shall be the amount of Curtailed Demand that is the basis upon which participants are paid under this Rider. Registered kW shall be equal to or greater than Committed kW. Committed kW shall not exceed the Registered kW.

(11) In addition to curtailments under Item 2 above, the Company reserves the right to call for (request) customers to curtail their DRS load when, in the sole judgment of the Company, an emergency condition exists on the American Electric Power (AEP) System. The Company shall determine that an emergency condition exists if curtailment of load served under this Rider is necessary in order to maintain service to the Company's other firm service customers according to the AEP System Emergency Operating Plan. During such event, the customer must make best efforts to voluntarily curtail DRS load.

(12) **NO RESPONSIBILITY OR LIABILITY OF ANY KIND SHALL ATTACH TO OR BE INCURRED BY THE COMPANY OR THE AEP SYSTEM FOR, OR ON ACCOUNT OF, ANY LOSS, COST, EXPENSE, OR DAMAGE CAUSED BY OR RESULTING FROM, EITHER DIRECTLY OR INDIRECTLY, ANY CURTAILMENT OF SERVICE UNDER THE PROVISIONS OF THIS RIDER.**

~~DRS Product Type Options and Curtailment Demand Payment~~ R

~~Product Type~~	~~Curtailment Availability~~	~~Maximum Number of Curtailments~~	~~Hours of Day Required to Respond~~	~~Maximum Duration of Curtailments~~	~~2017/2018 DY Curtailment Demand Pymt $/kW-month~~	
						R
~~Limited DRS~~	~~Any Weekday during June - Sept. of DY~~	~~10~~	~~12 PM – 8 PM~~	~~6 Hours~~	~~$3.741~~	R
~~Extended Summer DRS~~	~~Any day during June – October and following May of DY~~	~~Unlimited~~	~~10 AM – 10 PM~~	~~10 Hours~~	~~$3.741~~	R
~~Annual DRS~~	~~Any day during DY~~	~~Unlimited~~	~~June – Oct. and following May of DY~~ ~~Nov. – April (6 AM-9 PM)~~	~~10 Hours~~	~~$3.741~~	R R

~~The current Limited, Extended Summer and Annual DRS products will be removed effective June 1, 2018.~~

(Cont'd on Sheet No. 29.3)

ISSUED BY
TOBY L. THOMAS
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED
ON AND AFTER JUNE 1, 201~~7~~8

ISSUED UNDER AUTHORITY OF THE
INDIANA UTILITY REGULATORY COMMISSION
CONFERENCE DATED ~~MAY 3, 2017~~
30-DAY FILING NO. ~~50044~~

I.U.R.C. NO. 16
INDIANA MICHIGAN POWER COMPANY
STATE OF INDIANA

~~FIFTH~~SIXTH REVISED SHEET NO. 29.3
CANCELS ~~FOURTH~~FIFTH REVISED SHEET NO. 29.3

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.2)

DRS Product Type Options and Curtailment Demand Payment.

The Curtailment Demand Payment shall be calculated in $ per kW-month as the greater of (a) the four-year average RPM Clearing price for the applicable locational delivery area and product type, calculated using the preceding delivery year, the delivery year and the subsequent two (2) delivery years and (b) 35% of the applicable PJM Reliability Pricing Model (RPM) Net Cost of New Entry (Net CONE) for the delivery year.

Beginning June 1, 2018 - DRS Product Type Options

Product Type	Curtailment Availability	Maximum Number of Curtailments	Hours of Day Required to Respond	Maximum Duration of Curtailments	2018/2019 DY Curtailment Demand Pymt $/kW-month	
						T
Base Capacity Demand Resource (2018/2019 & 2019/2020 DY only)	Any day during June-Sept. of DY	Unlimited	10 AM-10 PM	10 Hours	$3.178	T
Capacity Performance Demand Resource (Effective 2018/2019 DY)	Any day during DY (unless on an approved maint. Outage during Oct.-Apr.)	Unlimited	June – Oct. and following May of DY (10 AM-10 PM) Nov. – Apr. (6 AM-9 PM)	No Limit	$3.508	T

Beginning June 1, 2020 - DRS Product N

Product Type	Curtailment Availability	Maximum Number of Curtailments	Hours of Day Required to Respond	Maximum Duration of Curtailments	
					N
Capacity Performance Demand Resource (Effective 2018/2019 DY)	Any day during DY (unless on an approved maint. Outage during Oct.-Apr.)	Unlimited	June – Oct. and following May of DY (10 AM-10 PM) Nov. – Apr. (6 AM-9 PM)	No Limit	N

Capacity Performance Demand Resource is only DRS product option beginning June 1, 2020. N

(Cont'd from Sheet No. 29.4)

ISSUED BY
TOBY L. THOMAS
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERE
ON AND AFTER JUNE 1, 201~~7~~8

ISSUED UNDER AUTHORITY OF THE
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CONFERENCE DATED ~~MAY 3, 2017~~
30-DAY FILING NO. ~~50044~~

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.3)

Behind the Meter Generation. T

Participating customers who operate Behind the Meter Generation (BTMG) for demand response purposes T
under this Rider shall adhere to PJM rules governing the use of BTMG, and operate and be in compliance T
with all local, state and federal laws including environmental permits. Adherence and compliance with PJM T
rules and all local, state and federal laws with regard to BTMG is the sole responsibility of the customer. T

Exception to 15-Minute Notification to Curtail DRS Load.

Customers will be required to fully respond to curtailment requests within 15-minutes of notification from the Company unless an exception request has been approved by PJM. The qualifying exceptions as defined by PJM are listed directly below. The intent of these qualifying exceptions is to accommodate DRS customers with legitimate, physical reasons that prevent curtailing load within a 15-minute notification time period.

PJM Qualifying Exception Definitions:

1) Damage (feedstock/equipment/product) - unavoidable significant damage to feedstock, equipment or product.

2) Generator Ramp time - Transfer of load to back-up generation requires taking more than 15-minutes.

3) Safety Issue - On-site safety concerns prevent location from implementing reduction plan in less than 15-minutes.

Customers desiring to be considered for one of the above qualifying exceptions shall complete an Exception Request Form, provided by the Company upon request. Company will submit any completed form to PJM for consideration and approval. Company will notify customer of PJM's approval/denial decision and if approved what the approved notification time period will be for the next delivery year. PJM may require customers to apply for an exemption prior to each delivery year.

Customer Baseline Load Calculation.

A Customer Baseline Load (CBL) will be calculated for each hour corresponding to each curtailment event hour. Normally, the CBL will be calculated for each hour as the average corresponding hourly demands from the highest four (4) out of the five (5) most recent similar non-event days in the period preceding the relevant curtailment event. The highest load days are defined as the similar days (Weekday, Saturday, Sunday/Holiday as defined by PJM) with the highest energy consumption spanning the curtailment event hours. In cases where the normal calculation does not provide a reasonable representation of normal load conditions, the Company and the participant may develop an alternative CBL calculation that more accurately reflects the customer's normal consumption pattern.

(Cont'd on Sheet No. 29.5)

ISSUED BY
TOBY L. THOMAS
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED
ON AND AFTER ~~FEBRUARY 24, 2016~~JUNE 1, 2018

ISSUED UNDER AUTHORITY OF THE
INDIANA UTILITY REGULATORY COMMISSION
CONFERENCE DATED ~~FEBRUARY 24, 2016~~
30-DAY FILING NO. ~~3413~~

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.4)

Curtailed Demand. T

The customer's Curtailed Demand shall be determined based upon the method of measurement T
chosen by the customer. The customer may choose one of two methods to measure the curtailed demand: T
1) Guaranteed Load Drop (GLD) or 2) Firm Service Level (FSL). The method chosen shall remain in effect T
for the entire contract period. T

(1) Guaranteed Load Drop Method.

(a) Each customer must designate a Guaranteed Load Drop (GLD), which amount shall be the minimum demand reduction that the customer will provide for each hour during a curtailment event or during a curtailment test. The customers GLD can not be greater than the customers Peak Load Contribution (PLC), as defined below. GLD shall be adjusted to include losses.

(b) If the customer fails to fully comply with a request for curtailment under the provisions of this Rider or does not reduce load by the full GLD, a non-compliance charge shall apply. For this purpose, Actual Load Drop (ALD) is defined as the difference between the customer's CBL and their actual hourly load. If the ALD is less than the GLD, the Event Non-Compliance Demand shall be equal to the average difference between the GLD and the ALD occurring during the hours of the curtailment event. Otherwise, the Event Non-Compliance Demand shall be zero (0).

(2) Firm Service Level (FSL) Method.

(a) Firm Service Level Peak Load Contribution (PLC) – The customer's PLC will be calculated each year as the average of its load during PJM's five (5) highest peak loads during the twelve month period ended October 31 of the previous year. In the cases where the normal calculation does not provide a reasonable representation of normal load conditions, the Company and the customer may develop an alternative PLC calculation that more accurately reflects the customer's normal consumption pattern. PLC shall include losses.

(b) Available Curtailable Demand (ACD) - The customer must designate an ACD, defined as the difference between the PLC and the Firm Service Level (FSL). The FSL is the demand to which the customer agrees to reduce load to or below for each hour during a curtailment event. FSL shall be adjusted to include losses.

(c) If the customer fails to fully comply with a request for curtailment under the provisions of this Rider, then the Non-Compliance Charge shall apply. If a customer is operating at or below their designated FSL during an event, it will be understood that they have no DRS capacity available with which to comply and will not be charged a non-compliance penalty. If the metered demand during the curtailment event is above the FSL, the Event Non-Compliance Demand shall be equal to the average difference between the customer's metered demand and the FSL during all full 15-minute intervals of the curtailment event. Otherwise the Event Non-Compliance Demand shall be zero (0).

(Cont'd on Sheet No. 29.6)

ISSUED BY
TOBY L. THOMAS
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERED
ON AND AFTER ~~FEBRUARY 24, 2016~~JUNE 1, 2018

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RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.5)

For the Capacity Performance Demand Resource product, if the metered demand during T
the curtailment event is above the FSL, the Event Non-Compliance Energy shall be equal to the T
cumulative amount by which the customer's metered demand exceeds the FSL during all full 15- T
minute intervals of the curtailment event. T

Curtailed Energy.

The Curtailed Energy shall be determined for each curtailment event hour, defined as the difference between the customer's CBL for that hour and the customer's metered load for that hour.

Curtailment Payment.

The Curtailment Energy Payment shall be 90% of the Indiana Michigan Power Company pricing point (AEPIM_RESID_AGG) of the AEP Load Zone hourly Real-Time Locational Marginal Price (LMP), or successor pricing point, as established by PJM (including congestion and marginal losses) for each curtailment event hour.

The Curtailment Demand Payment shall be as shown under section DRS Product Type Options and Curtailment Demand Payment.

Monthly Demand Payment.

The Monthly Demand Payment shall be applicable to each month the customer is served under this Rider, regardless of whether or not there are any curtailment events during the month.

1. Guaranteed Load Drop Method – The Monthly Demand Payment shall be equal to the product of the GLD and the Curtailment Demand Payment.
2. Firm Service Level (FSL) Method – The Monthly Demand Payment shall be equal to the product of the ACD and the Curtailment Demand Payment.

The Company reserves the right to withhold Monthly Demand Payments from any customer who is indebted to the Company for any service rendered at any location contracted under this Rider. If the customer's indebtedness to the Company has not been resolved by May 31 of the current delivery year, all Monthly Demand payments outstanding shall be forfeited.

(Cont'd on Sheet No. 29.7)

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.6)

Monthly Event Payment. T

An Event Payment shall be calculated for each event hour equal to the product of the Curtailed T
Energy for that hour and the Curtailment Energy Payment for that hour. The Monthly Event Payment shall be T
the sum of the hourly Event Payments for all events occurring in the calendar month, but shall not exceed the T
portion of the customer's monthly bill that is computed on a per KWH basis under the applicable Standard T
Rider for the same billing month. The customer shall not receive Event Payment for any curtailment events T
to the extent that the customer's DRS capacity is already reduced due to a planned or unplanned outage as a T
result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions, or any T
situation other than the customer's normal operating conditions. Event Payments will not be withheld if the T
customer's DRS capacity is already reduced as a result of customer actions taken in anticipation of a T
curtailment. T

Annual Non-Compliance Charge.

Limited, Extended Summer, Annual DRS Products and Base Capacity Resource Product.

Charges for non-compliance under the Limited, Extended Summer, Annual DRS Products (through the 2017/2018 delivery year), and Base Capacity Resource Product (for the 2018/2019 and 2019/2020 delivery years only) will be based on the customer's Non-Compliance Demand which reflects any failure by the customer to fully comply with requests for curtailment under the applicable DRS Product Type Option of this Rider, including any non-compliance testing requirements as outlined above. The Annual Non-Compliance Charge shall be equal to the average Non-Compliance Demand times the Curtailment Demand Payment times 12.

In the event that the Annual Non-Compliance Charge is greater than zero, such charge shall be assessed as a uniform offset to the Customer Payments for remaining months of the delivery year, or as a one-time charge if the delivery year has ended. Upon request, the Company may, but is not obligated to allow payment of the one-time charge over a period not to exceed twelve (12) months. In no event shall the Annual Non-Compliance Demand Charge exceed the sum of the Customer Payments, excluding the Annual Non-Compliance Charge, for the delivery year.

Capacity Performance Resource Product.

Beginning on June 1, 2018, the non-compliance charge will be based on the AEP, or successor, Locational Deliverability Area yearly Net CONE with a divisor of 30 (emergency action hours per year). The Non-Compliance Rate in $/MWh will be equal to the product of Net CONE ($/MW-day) as published by PJM and the number of days in the delivery year (365 or 366) divided by 30. The Monthly Non-Compliance Charge shall be equal to the product of the Non-Compliance Energy and the Non-Compliance Rate. The sum of the Monthly Non-Compliance Charges may exceed the sum of customer's monthly Demand Credits for the delivery year.

(Cont'd on Sheet No. 29.8)

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.7)

Settlement. T

The net amount of the Monthly Demand Payment, Monthly Energy Event Payment and Annual Non- T
Compliance Charge will be provided to the participant by check or electronic payment within 60 days after the T
end of the delivery month. A customer may request the aggregation of individual customer account T
payments into a single payment. T

Term.

Contracts under this Rider shall be made for an initial period of four (4) delivery years and shall remain in effect until either party provides three (3) years' written notice prior to March 1 of its intention to discontinue service under the terms of this Rider for the fourth delivery year beginning after the notice is provided.
Written notice deadlines through March 1, 202~~0~~2 are as follows: T

Written Notice Deadline	Effective Date of End of Service under Rider	
March 1, 201~~8~~9	June 1, 202~~1~~2	T
March 1, 20~~19~~20	June 1, 202~~2~~3	T
March 1, 202~~0~~1	June 1, 202~~3~~4	T
March 1, 202~~1~~2	June 1, 202~~4~~5	T

If a customer becomes ineligible for service under this Rider during the term of a contract under this Rider, the Company reserves the right to terminate such contract immediately.

Special Terms and Conditions.

Customer specific information, including, but not limited to DRS contract capacity, shall remain confidential.

If a new peak demand is set by the customer in the hour following a curtailment event due to the customer resuming the level of activity prior to the curtailment, the customer may request, in writing, that the customer's billing demand be adjusted to disregard that new peak. The Company will promptly evaluate all such requests and approve reasonable requests. In specific circumstances and subject to reasonable conditions, the Company may approve requests in advance.

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.1)

the amount of Curtailed Demand CSP desires the Company to register with PJM. The Committed kW shall be the amount of Curtailed Demand that is the basis upon which participants are paid under this Rider. Registered kW shall be equal to or greater than Committed kW. Committed kW shall not exceed the Registered kW.

(11) In addition to curtailments under Item 2 above, the Company reserves the right to call for (request) customers to curtail their DRS load when, in the sole judgment of the Company, an emergency condition exists on the American Electric Power (AEP) System. The Company shall determine that an emergency condition exists if curtailment of load served under this Rider is necessary in order to maintain service to the Company's other firm service customers according to the AEP System Emergency Operating Plan. During such event, the customer must make best efforts to voluntarily curtail DRS load.

(12) **NO RESPONSIBILITY OR LIABILITY OF ANY KIND SHALL ATTACH TO OR BE INCURRED BY THE COMPANY OR THE AEP SYSTEM FOR, OR ON ACCOUNT OF, ANY LOSS, COST, EXPENSE, OR DAMAGE CAUSED BY OR RESULTING FROM, EITHER DIRECTLY OR INDIRECTLY, ANY CURTAILMENT OF SERVICE UNDER THE PROVISIONS OF THIS RIDER.**

(Cont'd on Sheet No. 29.3)

I.U.R.C. NO. 16 **SIXTH REVISED SHEET NO. 29.3**
INDIANA MICHIGAN POWER COMPANY **CANCELS FIFTH REVISED SHEET NO. 29.3**
STATE OF INDIANA

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.2)

<u>DRS Product Type Options and Curtailment Demand Payment.</u>

The Curtailment Demand Payment shall be calculated in $ per kW-month as the greater of (a) the four-year average RPM Clearing price for the applicable locational delivery area and product type, calculated using the preceding delivery year, the delivery year and the subsequent two (2) delivery years and (b) 35% of the applicable PJM Reliability Pricing Model (RPM) Net Cost of New Entry (Net CONE) for the delivery year.

Beginning June 1, 2018 - DRS Product Type Options

Product Type	Curtailment Availability	Maximum Number of Curtailments	Hours of Day Required to Respond	Maximum Duration of Curtailments	2018/2019 DY Curtailment Demand Pymt $/kW-month	T
Base Capacity Demand Resource (2018/2019 & 2019/2020 DY only)	Any day during June-Sept. of DY	Unlimited	10 AM-10 PM	10 Hours	$3.178	T
Capacity Performance Demand Resource (Effective 2018/2019 DY)	Any day during DY (unless on an approved maint. Outage during Oct.-Apr.)	Unlimited	June – Oct. and following May of DY (10 AM-10 PM) Nov. – Apr. (6 AM-9 PM)	No Limit	$3.508	T

Beginning June 1, 2020 - DRS Product N

Product Type	Curtailment Availability	Maximum Number of Curtailments	Hours of Day Required to Respond	Maximum Duration of Curtailments
Capacity Performance Demand Resource (Effective 2018/2019 DY)	Any day during DY (unless on an approved maint. Outage during Oct.-Apr.)	Unlimited	June – Oct. and following May of DY (10 AM-10 PM) Nov. – Apr. (6 AM-9 PM)	No Limit

Capacity Performance Demand Resource is only DRS product option beginning June 1, 2020.

(Cont'd from Sheet No. 29.4)

ISSUED BY
TOBY L. THOMAS
PRESIDENT
FORT WAYNE, INDIANA

EFFECTIVE FOR ELECTRIC SERVICE RENDERE
ON AND AFTER JUNE 1, 2018

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

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.3)

Behind the Meter Generation. T

Participating customers who operate Behind the Meter Generation (BTMG) for demand response purposes T
under this Rider shall adhere to PJM rules governing the use of BTMG, and operate and be in compliance T
with all local, state and federal laws including environmental permits. Adherence and compliance with PJM T
rules and all local, state and federal laws with regard to BTMG is the sole responsibility of the customer. T

Exception to 15-Minute Notification to Curtail DRS Load.

Customers will be required to fully respond to curtailment requests within 15-minutes of notification from the Company unless an exception request has been approved by PJM. The qualifying exceptions as defined by PJM are listed directly below. The intent of these qualifying exceptions is to accommodate DRS customers with legitimate, physical reasons that prevent curtailing load within a 15-minute notification time period.

PJM Qualifying Exception Definitions:

1) Damage (feedstock/equipment/product) - unavoidable significant damage to feedstock, equipment or product.

2) Generator Ramp time - Transfer of load to back-up generation requires taking more than 15-minutes.

3) Safety Issue - On-site safety concerns prevent location from implementing reduction plan in less than 15-minutes.

Customers desiring to be considered for one of the above qualifying exceptions shall complete an Exception Request Form, provided by the Company upon request. Company will submit any completed form to PJM for consideration and approval. Company will notify customer of PJM's approval/denial decision and if approved what the approved notification time period will be for the next delivery year. PJM may require customers to apply for an exemption prior to each delivery year.

Customer Baseline Load Calculation.

A Customer Baseline Load (CBL) will be calculated for each hour corresponding to each curtailment event hour. Normally, the CBL will be calculated for each hour as the average corresponding hourly demands from the highest four (4) out of the five (5) most recent similar non-event days in the period preceding the relevant curtailment event. The highest load days are defined as the similar days (Weekday, Saturday, Sunday/Holiday as defined by PJM) with the highest energy consumption spanning the curtailment event hours. In cases where the normal calculation does not provide a reasonable representation of normal load conditions, the Company and the participant may develop an alternative CBL calculation that more accurately reflects the customer's normal consumption pattern.

(Cont'd on Sheet No. 29.5)

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.4)

Curtailed Demand. T

The customer's Curtailed Demand shall be determined based upon the method of measurement T
chosen by the customer. The customer may choose one of two methods to measure the curtailed demand: T
1) Guaranteed Load Drop (GLD) or 2) Firm Service Level (FSL). The method chosen shall remain in effect T
for the entire contract period. T

(1) Guaranteed Load Drop Method.

(a) Each customer must designate a Guaranteed Load Drop (GLD), which amount shall be the minimum demand reduction that the customer will provide for each hour during a curtailment event or during a curtailment test. The customers GLD can not be greater than the customers Peak Load Contribution (PLC), as defined below. GLD shall be adjusted to include losses.

(b) If the customer fails to fully comply with a request for curtailment under the provisions of this Rider or does not reduce load by the full GLD, a non-compliance charge shall apply. For this purpose, Actual Load Drop (ALD) is defined as the difference between the customer's CBL and their actual hourly load. If the ALD is less than the GLD, the Event Non-Compliance Demand shall be equal to the average difference between the GLD and the ALD occurring during the hours of the curtailment event. Otherwise, the Event Non-Compliance Demand shall be zero (0).

(2) Firm Service Level (FSL) Method.

(a) Firm Service Level Peak Load Contribution (PLC) – The customer's PLC will be calculated each year as the average of its load during PJM's five (5) highest peak loads during the twelve month period ended October 31 of the previous year. In the cases where the normal calculation does not provide a reasonable representation of normal load conditions, the Company and the customer may develop an alternative PLC calculation that more accurately reflects the customer's normal consumption pattern. PLC shall include losses.

(b) Available Curtailable Demand (ACD) - The customer must designate an ACD, defined as the difference between the PLC and the Firm Service Level (FSL). The FSL is the demand to which the customer agrees to reduce load to or below for each hour during a curtailment event. FSL shall be adjusted to include losses.

(c) If the customer fails to fully comply with a request for curtailment under the provisions of this Rider, then the Non-Compliance Charge shall apply. If a customer is operating at or below their designated FSL during an event, it will be understood that they have no DRS capacity available with which to comply and will not be charged a non-compliance penalty. If the metered demand during the curtailment event is above the FSL, the Event Non-Compliance Demand shall be equal to the average difference between the customer's metered demand and the FSL during all full 15-minute intervals of the curtailment event. Otherwise the Event Non-Compliance Demand shall be zero (0).

(Cont'd on Sheet No. 29.6)

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.5)

For the Capacity Performance Demand Resource product, if the metered demand during the T
curtailment event is above the FSL, the Event Non-Compliance Energy shall be equal to the T
cumulative amount by which the customer's metered demand exceeds the FSL during all full 15- T
minute intervals of the curtailment event. T

Curtailed Energy.

The Curtailed Energy shall be determined for each curtailment event hour, defined as the difference between the customer's CBL for that hour and the customer's metered load for that hour.

Curtailment Payment.

The Curtailment Energy Payment shall be 90% of the Indiana Michigan Power Company pricing point (AEPIM_RESID_AGG) of the AEP Load Zone hourly Real-Time Locational Marginal Price (LMP), or successor pricing point, as established by PJM (including congestion and marginal losses) for each curtailment event hour.

The Curtailment Demand Payment shall be as shown under section DRS Product Type Options and Curtailment Demand Payment.

Monthly Demand Payment.

The Monthly Demand Payment shall be applicable to each month the customer is served under this Rider, regardless of whether or not there are any curtailment events during the month.

1. Guaranteed Load Drop Method – The Monthly Demand Payment shall be equal to the product of the GLD and the Curtailment Demand Payment.
2. Firm Service Level (FSL) Method – The Monthly Demand Payment shall be equal to the product of the ACD and the Curtailment Demand Payment.

The Company reserves the right to withhold Monthly Demand Payments from any customer who is indebted to the Company for any service rendered at any location contracted under this Rider. If the customer's indebtedness to the Company has not been resolved by May 31 of the current delivery year, all Monthly Demand payments outstanding shall be forfeited.

(Cont'd on Sheet No. 29.7)

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.6)

Monthly Event Payment. T

An Event Payment shall be calculated for each event hour equal to the product of the Curtailed T
Energy for that hour and the Curtailment Energy Payment for that hour. The Monthly Event Payment shall be T
the sum of the hourly Event Payments for all events occurring in the calendar month, but shall not exceed the T
portion of the customer's monthly bill that is computed on a per KWH basis under the applicable Standard T
Rider for the same billing month. The customer shall not receive Event Payment for any curtailment events T
to the extent that the customer's DRS capacity is already reduced due to a planned or unplanned outage as a T
result of vacation, renovation, repair, refurbishment, force majeure, strike, economic conditions, or any T
situation other than the customer's normal operating conditions. Event Payments will not be withheld if the T
customer's DRS capacity is already reduced as a result of customer actions taken in anticipation of a T
curtailment. T

Annual Non-Compliance Charge.

Limited, Extended Summer, Annual DRS Products and Base Capacity Resource Product.

Charges for non-compliance under the Limited, Extended Summer, Annual DRS Products (through the 2017/2018 delivery year), and Base Capacity Resource Product (for the 2018/2019 and 2019/2020 delivery years only) will be based on the customer's Non-Compliance Demand which reflects any failure by the customer to fully comply with requests for curtailment under the applicable DRS Product Type Option of this Rider, including any non-compliance testing requirements as outlined above. The Annual Non-Compliance Charge shall be equal to the average Non-Compliance Demand times the Curtailment Demand Payment times 12.

In the event that the Annual Non-Compliance Charge is greater than zero, such charge shall be assessed as a uniform offset to the Customer Payments for remaining months of the delivery year, or as a one-time charge if the delivery year has ended. Upon request, the Company may, but is not obligated to allow payment of the one-time charge over a period not to exceed twelve (12) months. In no event shall the Annual Non-Compliance Demand Charge exceed the sum of the Customer Payments, excluding the Annual Non-Compliance Charge, for the delivery year.

Capacity Performance Resource Product.

Beginning on June 1, 2018, the non-compliance charge will be based on the AEP, or successor, Locational Deliverability Area yearly Net CONE with a divisor of 30 (emergency action hours per year). The Non-Compliance Rate in $/MWh will be equal to the product of Net CONE ($/MW-day) as published by PJM and the number of days in the delivery year (365 or 366) divided by 30. The Monthly Non-Compliance Charge shall be equal to the product of the Non-Compliance Energy and the Non-Compliance Rate. The sum of the Monthly Non-Compliance Charges may exceed the sum of customer's monthly Demand Credits for the delivery year.

(Cont'd on Sheet No. 29.8)

RIDER D.R.S.1
(Demand Response Service – Emergency)

(Cont'd from Sheet No. 29.7)

Settlement. T

The net amount of the Monthly Demand Payment, Monthly Energy Event Payment and Annual Non- T
Compliance Charge will be provided to the participant by check or electronic payment within 60 days after the T
end of the delivery month. A customer may request the aggregation of individual customer account T
payments into a single payment. T

Term.

Contracts under this Rider shall be made for an initial period of four (4) delivery years and shall remain
in effect until either party provides three (3) years' written notice prior to March 1 of its intention to discontinue
service under the terms of this Rider for the fourth delivery year beginning after the notice is provided.
Written notice deadlines through March 1, 2022 are as follows: T

Written Notice Deadline	Effective Date of End of Service under Rider	
March 1, 2019	June 1, 2022	T
March 1, 2020	June 1, 2023	T
March 1, 2021	June 1, 2024	T
March 1, 2022	June 1, 2025	T

If a customer becomes ineligible for service under this Rider during the term of a contract under this Rider, the Company reserves the right to terminate such contract immediately.

Special Terms and Conditions.

Customer specific information, including, but not limited to DRS contract capacity, shall remain confidential.

If a new peak demand is set by the customer in the hour following a curtailment event due to the customer resuming the level of activity prior to the curtailment, the customer may request, in writing, that the customer's billing demand be adjusted to disregard that new peak. The Company will promptly evaluate all such requests and approve reasonable requests. In specific circumstances and subject to reasonable conditions, the Company may approve requests in advance.

STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

VERIFIED STATEMENT OF PUBLICATION

Kurt C. Cooper, being duly sworn upon oath, deposes and says that:

1. I am a Regulatory Consultant Principal for Indiana Michigan Power Company (I&M).

2. Pursuant to 170 IAC 1-6-5(a), I affirm that affected customers have been notified of I&M's thirty-day filing of an updated Rider D.R.S.1 (Demand Response Service - Emergency) to reflect the Curtailment Demand Credit rate applicable to service from June 1, 2017 through May 31, 2018, updated notification deadlines and effective service end dates along with the removal of program language no longer offered by PJM.

3. Notification of the thirty-day filing updating Rider D.R.S.1 (Demand Response Service - Emergency) 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, 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: March 20, 2018

Kurt C. Cooper
Regulatory Consultant Principal
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 20 day of March 2018.

Regiana M. Sistevaris, Notary Public

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

Prescribed by State Board of Accounts

EXHIBIT A
General Form No. 99P
(Rev. 2009A)

The Journal Gazette

Account # 1065923 - 1320869

Allen County, Indiana

Indiana Michigan Power Co

ATTACH COPY OF ADVERTISEMENT HERE

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	62

COMPUTATION OF CHARGES

62 lines, 1 column(s) wide equals 62 equivalent lines at $ 2.940 cents per line	$ 182.28
Additional charges for notices containing rule or tabular work (50 per cent of above amount)	-
Charge for extra proofs of publication ($2.00 for each proof in excess of two)	-
TOTAL AMOUNT OF CLAIM	$ 182.28

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 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.

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:

3/16/2018

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

Donna M. Brotherton

Donna M. Brotherton
Legal Clerk

Date: March 16, 2018

EXHIBIT A

LEGAL NOTICE
STATE OF INDIANA
INDIANA UTILITY REGULATORY COMMISSION

Indiana Michigan Power Company (I&M), an Indiana corporation, gives notice that on or before March 29, 2018, it will submit for approval under the Indiana Utility Regulatory Commission's thirty-day filing process an updated Rider D.R.S.1 (Demand Response Service-Emergency) to reflect the Curtailment Demand Credit rates applicable to service from June 1, 2018 through May 31, 2019. The referenced filing will consist of I&M's updates to Rider D.R.S.1 curtailment demand credit as determined by changes in PJM RPM (Reliability Pricing Model) clearing price and Net Cone price as set forth in Rider D.R.S.1. The new contract termination dates that are shown in the rider will be updated as well. Additionally, DRS Product Type Options that are no longer available through the PJM starting with the 2018 /2019 event year are being removed from the rider to eliminate any possible misinterpretation of available programs. Customers potentially affected by this filing include all customers registered for service under Rider D.R.S.1 located in the I&M service territory. A decision on the proposed revisions to Rider D.R.S.1 filing is expected from the Indiana Utility Regulatory Commission on or before May 2, 2018.

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
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