

August 16, 2017

INDIANA UTILITY

REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF INDIANA MICHIGAN POWER)
COMPANY FOR APPROVAL OF THE THIRD)
AMENDMENT TO THE CONTRACT FOR) CAUSE NO. 44975 - NONE
ELECTRIC SERVICE WITH STEEL DYNAMICS,)
INC.)

VERIFIED PETITION

Indiana Michigan Power Company (I&M or Company) petitions the Indiana Utility Regulatory Commission (IURC or Commission), for approval of the Third Amendment to the Contract for Electric Service (Third Amendment) between Steel Dynamics, Inc. (SDI) and Indiana Michigan Power Company (I&M) dated September 18, 2012. In support of this Petition, I&M represents the following:

1. I&M, a wholly-owned subsidiary of American Electric Power Company, Inc., is a corporation organized and existing under the laws of the State of Indiana, with its principal offices at Indiana Michigan Power Center, Fort Wayne, Indiana. I&M is engaged in, among other things, rendering electric service in the States of Indiana and Michigan. I&M owns, operates, manages and controls plant and equipment within the States of Indiana and Michigan that are in service and used and useful in the generation, transmission, distribution and furnishing of such service to the public. In Indiana, I&M provides retail electric service to customers in twenty-four counties, including DeKalb County. I&M is a public utility as that term is used in the Public Service Commission Act and is subject to the jurisdiction of this Commission in the manner and to the extent provided by law.

2. SDI is a corporation organized and existing under the laws of the State of

Indiana, with its principal offices in Fort Wayne, Indiana. SDI operates, among other facilities, a manufacturing facility consisting of a steel mill and auxiliary facilities (SDI Plant) located near the Town of Butler, in DeKalb County, Indiana.

3. Pursuant to the Commission's Order dated December 27, 2012, in Cause No. 44256, the Commission approved a contract for electric service between I&M and SDI (Contract). Thereafter, in the Commission's Order dated December 30, 2014, in Cause No. 44530, the Commission approved a First Amendment to the Contract. The Second Amendment to the Contract was approved in the Commission's November 18, 2015 Order in Cause No. 44655.

4. The Third Amendment presented in this Petition extends the terms and conditions of I&M service to SDI for one additional year under rates and terms and conditions negotiated at arm's length by I&M and SDI.

5. I&M is able to provide the electric service requirements of the SDI Plant under the Contract without adversely affecting the adequacy of service to existing customers. I&M will continue to have sufficient generating capacity to meet the electric service requirements of all of its customers.

6. No existing I&M tariff can appropriately serve the load characteristics of the SDI Plant, including the time, quantity, and purpose of use, and other reasonable considerations. The separate classification created by the Contract, as amended, rather than I&M's existing tariffs, will best serve the needs of the SDI Plant, as well as I&M's other retail customers.

7. Approval of the Third Amendment will benefit the parties to the agreement, as well as all of I&M's other customers, and is in the public interest for a number of reasons including, but not limited to, encouraging and maintaining the economic development of the

State of Indiana. The Third Amendment will provide for rates and terms that will cover the variable costs of serving the SDI facilities, while also contributing to the recovery of I&M's fixed costs. Under these circumstances, I&M's customers will benefit from the approval of the Third Amendment through the contribution to fixed costs and will not be adversely affected since the rates will exceed the total variable cost of serving SDI. I&M's customers will also benefit from the economic opportunity in I&M's service area.

8. I&M submits that the rates and terms of the Third Amendment are just and reasonable, beneficial to the parties and to I&M's customers, and not inconsistent with the provisions of the Public Service Commission Act. The rates and terms of the Third Amendment will provide I&M with recovery of its variable costs to serve the SDI Plant and will provide a contribution to I&M's fixed costs. Considering the energy source alternatives available to SDI, the unique load characteristics of the SDI Plant and the potential interruptibility of service under the terms of the SDI Contract, the rates are fully cost justified. In support of this filing I&M provides the testimony of Andrew J. Williamson and related redacted attachments, including the Third Amendment and a fixed cost analysis.

9. I&M is contemporaneously filing a motion for protection seeking a finding by the Commission that certain information contained in the Contract and Amendments, along with the related fixed cost analysis, is confidential, proprietary, competitively sensitive, and/or trade secret, and therefore exempt from disclosure under IC § 8-1-2-29 and IC § 5-14-3.

10. I&M considers the provisions of the Public Service Commission Act, as amended, to be applicable to this proceeding, including Ind. Code §§ 8-1-2-24, 25, 29, 38, 39 and 46.

11. The name and address of I&M's duly authorized representative, to whom all correspondence and communications concerning this Petition should be sent, is:

Jeffrey M. Peabody (Atty. No. 28000-53)
BARNES & THORNBURG LLP
11 South Meridian Street
Indianapolis, Indiana 46204
Phone: (317) 231-6465
Fax: (317) 231-7433
Email: jpeabody@btlaw.com

I&M also asks that a courtesy copy of all correspondence and communications be sent to:

Matthew S. McKenzie
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
Phone: (614) 716-2992
Fax: (614) 716-2950
Email: msmckenzie@aep.com

WHEREFORE, I&M respectfully requests that the Commission make such investigation as it may deem advisable, and thereafter make and enter appropriate orders in this Cause as expediently as possible:

- (i) Approving the Third Amendment in its entirety, including the rates and terms for service.
- (ii) Finding the Third Amendment is fully cost justified on an incremental cost-of-service basis and reflects the total incremental cost incurred by I&M in serving SDI and the rates will recover I&M's incremental costs and provide a contribution to I&M's fixed costs.
- (iii) Granting such other and further relief to Petitioner as may be appropriate and proper.

Dated at Fort Wayne, Indiana, this 15 day of August 2017.

INDIANA MICHIGAN POWER COMPANY

By Andrew J. Williamson

Andrew J. Williamson

Director of Regulatory Service

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STATE OF INDIANA)
) ss:
COUNTY OF ALLEN)

AFFIDAVIT

Andrew J. Williamson, being first duly sworn, upon oath, deposes and says that he is Director of Regulatory Services for Indiana Michigan Power Company, the Petitioner in the above-entitled Cause; that as such he executed the above and foregoing Petition and has authority so to do; that he has read said Petition and knows the contents thereof; and that the statements and representations therein contained are true to the best of his knowledge, information and belief.



Andrew J. Williamson
Director Regulatory Services

STATE OF INDIANA)
) ss:
COUNTY OF ALLEN)

Subscribed and sworn to before me, a Notary Public, in and for said County and State this 15 day of August 2017.



Regina M. Sistevaris, Notary Public

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

CERTIFICATE OF SERVICE

The undersigned hereby certifies that two (2) copies of the foregoing Petition have been served this 16th day of August 2017, by hand delivery upon the Office of the Utility Consumer Counselor, PNC Center, 115 W. Washington St., Suite 1500 South, Indianapolis, Indiana 46204.



Jeffrey M. Peabody