

FILED

November 7, 2017

INDIANA UTILITY REGULATORY COMMISSION **TESTIMONY OF OUCC WITNESS ERIC M. HAND**
CAUSE NO. 44967
INDIANA MICHIGAN POWER ("I&M")

IURC
PUBLIC'S

EXHIBIT NO. 9
3-7-18 DATE AT REPORTER

1 **Q: Please state your name, business address and employment capacity.**

2 A: My name is Eric Mark Hand. My business address is 115 W. Washington Street,
3 Suite 1500 South Tower, Indianapolis, Indiana 46204. I am employed by the
4 Indiana Office of Utility Consumer Counselor ("OUCC") as a Utility Analyst in
5 the Electric Division. My educational and professional experience is detailed in
6 the Appendix EMH-1.

7 **Q: Have you previously testified before the Indiana Utility Regulatory**
8 **Commission ("Commission")?**

9 A: Yes. Historically, I have reviewed special contracts proposals as well as proposed
10 changes to the standard tariff and terms and conditions in recent rate cases filed
11 by Indiana's investor-owned electric utilities and several municipal utilities.

12 **Q: What have you done to prepare your testimony in this proceeding?**

13 A: I read the Petition, supporting testimony, and certain data request responses. I
14 reviewed I&M's current Schedule of Tariffs and Terms and Conditions of Service
15 (I.U.R.C. No. 16) as well as the tariff changes proposed in this proceeding. I also
16 reviewed the current and proposed amendments to the Special Contract between
17 I&M and Steel Dynamics, Inc. ("SDI") (proposed amendment pending in Cause
18 No. 44975), in addition to the special contracts and amendments for customers
19 receiving service under I&M's Tariff C.S.-IRP2 (Contract Service Interruptible
20 Power).

21 **Q: What is the purpose of your testimony?**

22 A: I evaluate the special contracts I&M has executed with its interruptible customers,

1 and make certain recommendations and conclusions. Specifically, my testimony:

- 2 1. Recommends that any findings from Cause No. 44975, I&M's pending
3 special contract case involving its contract with SDI, be reflected, as
4 appropriate, in the Commission's order in this Cause. Positions taken and
5 outcome rendered in Cause No. 44975, may impact operating revenue or
6 cost allocations established in this Cause;
- 7 2. Requests action to remedy I&M's lack of compliance with the
8 Commission's order in Cause No. 44075, I&M's most recent base rate
9 case, with respect to the process by which special contracts should be filed
10 and reviewed; and
- 11 3. Raises potential issues to be evaluated in a subdocket to address I&M's
12 special contracts with its interruptible customers to determine whether
13 these contracts adversely impact I&M's other customers.

14 **Q: Please identify the eight special contract customers.**

15 A: I&M has a special contract for electric service with SDI, but it does not appear
16 that I&M considers SDI to be a customer served under its C.S.-IRP2 tariff. I&M
17 serves the following customers from its C.S.-IRP2 interruptible tariff: (1) Air
18 Products and Chemicals; (2) I/N Tek LP; (3) Linde LLC; (4) New-Indy Hartford
19 City LLC; (5) Omni Source Corporation; (6) Praxair, Inc.; and (7) University of
20 Notre Dame.¹ I&M's C.S.-IRP2 tariff contains very few terms of service and no
21 specific rates. Instead, customers that may be eligible for service under this
22 interruptible tariff must execute an individual contract for electric service with
23 I&M.

24 **Q: Does the combination of these eight special contract customers represent a**
25 **significant portion of I&M's revenue and energy requirements?**

¹ See I&M's first supplemental response to OUCC DR 18-1(a), included in Attachment EMH-1.

1 A: Yes. Even at discounted rates, these eight customers represent approximately
2 10% of I&M's retail revenue and approximately 16% of total retail energy usage
3 per responses to OUCC DR 48.²

I. PENDING SPECIAL CONTRACT PROCEEDING (CAUSE NO. 44975)

4 **Q: What is the current status of I&M's special contract with SDI?**

5 A: I&M has filed Cause No. 44975 seeking Commission approval of Contract
6 Amendment 3, which if approved, would have a one (1) year term, ending in
7 December 2018. I&M seeks to replace its Contract Amendment 2, the term of
8 which ends on December 31, 2017.

9 **Q: Does I&M's test year operating revenue for its forward-looking test period in**
10 **this Cause project SDI revenue?**

11 A: Yes. I&M's 2018 test year operating revenues include SDI revenue based on the
12 proposed Contract Amendment 3 rates, for which I&M is seeking approval in the
13 pending Cause No. 44975. What is not captured in I&M's test year operating
14 revenue projections is any change in SDI's revenues that may result from the
15 2018 contract negotiations in order for I&M to implement an SDI contract
16 amendment starting on January 1, 2019.

17 **Q: In your opinion, does the Commission have the ability to change the Contract**
18 **Amendment 3 rates proposed in Cause No. 44975?**

19 A: Yes.

20 **Q: Given the connection between this case and Cause No. 44975, what do you**
21 **recommend?**

22 A: If the Commission issues a Cause No. 44975 final order prior to the issuance of a
23 final order in this proceeding, I recommend the Commission's order in this Cause

² The OUCC is not attaching I&M's response to DR 48 because I&M designated the information confidential; the percentages expressed in this passage are aggregate numbers.

1 reflect any findings from Cause No. 44975 that may impact operating revenues or
2 cost allocations.

II. CAUSE NO. 44075 SPECIAL CONTRACT FILING REQUIREMENTS

3 **Q: Did Petitioner include copies of its special contracts with the seven customers**
4 **receiving service from I&M's C.S.-IRP2 (the "IRP2 customers") tariff with**
5 **its case-in-chief filing in this Cause?**

6 A: No. OUCC asked two data requests and received a total of five supplemental
7 responses.³ The final supplemental response with a special contract attached was
8 received on October 25, 2017. As discussed above, terms of service with I&M's
9 IRP2 customers are relevant to this Cause's revenues I&M projected in its
10 forward-looking test period. Those revenues, including those from SDI, Inc., are
11 treated as an offset to I&M's requested revenue requirement.

12 **Q: Did the Commission's order in I&M's last base rate case (Cause No. 44075)**
13 **address the process through which special contracts are to be reviewed?**

14 A: Yes. At page 132, the Commission's order issued on February 13, 2013, stated
15 I&M should no longer be given a unique exception to the Commission's
16 administrative rules for 30-day filings, while noting that special contract cases
17 have the potential to be contested and that docketed proceedings provide a more
18 adequate level of process to review potentially contested issues:

³ See Confidential and Competitively Sensitive Attachment EMH-2, which contains the IRP2 contracts received in response to OUCC DR 7-3 (issued on August 25, 2017); 18-1 and 18-2 (issued on September 15, 2017).

170 IAC 1-6-4(8) prohibits a utility from [sic] using the 30-day filing rule for any filing for which the utility wants confidential treatment for all or part of the filing. Our Order in Cause No. 43878 granted I&M a unique exception to this rule. However, we no longer agree that such an exception is appropriate. Special contracts typically involve price reductions for specific customers and can result in a shifting of cost recovery between customer classes. As a result, special contract cases have the potential to be contested, and a docketed proceeding provides a more adequate level of process for the parties and the Commission to address such issues. Therefore, I&M shall remove the language authorizing confidential submissions to be made in 30-day filings from I&M's proposed Tariff C.S.-IRP and Tariff C.S.-IRP2.

In re Ind. Mich. Pwr. Co., Cause No. 44075, 303 P.U.R. 4th 384, 2013 WL 653036, Commission order at p. 132 (Ind. Util. Regulatory Comm'n Feb. 13, 2013).

Q: What does I&M's current C.S.-IRP2 Tariff state regarding approval of special contracts?

A: Consistent with the Commission's Cause No. 44075 order, I&M's current C.S.-IRP2 Tariff states contracts will be filed with the Commission for approval:

Upon receipt of a request from the Customer for interruptible service, the Company will provide the Customer with a written offer containing the rates and related terms and conditions of service under which such service will be provided by the Company. If the parties reach an agreement based upon the offer provided to the Customer by the Company, such written contract will be filed with the Commission for approval. The contract shall provide full disclosure of all rates, terms and conditions of service under this tariff, and any and all agreements related thereto, subject to the designation of the terms and conditions of the contract as confidential, as set forth herein.⁴

Q: How has I&M submitted its C.S.-IRP2 special contracts ("IRP2 contracts") for approval by the Commission?

A: Again, I&M does not appear to consider SDI an IRP2 customer, and each amendment to SDI's special contract has been submitted to the Commission in a

⁴ Cause No. 44967, Petitioner's Attachment KCC-3, page 30 of 122.

1 formally docketed proceeding, including the currently pending Cause No. 44975.
2 For the seven IRP2 tariff customers, in its supplemental response to OUCC DR
3 18-1(b)⁵, I&M provided the IURC 30-Day Filing number under which I&M
4 asserts each of the IRP2 contracts were approved. All seven of these 30-Day
5 Filings were made in 2010 – 2012, and pre-date the Commission's order in Cause
6 No. 44075, issued in February 2013.

7 In its supplemental response to OUCC DR 18-2, I&M emphasizes this
8 point by stating that it "notes that all of the *original* CSIRP2 contracts were
9 approved through 30-day filings prior to the issuance of the Commission's Order
10 in Cause No. 44075, as authorized by the terms of the tariff and the Commission's
11 Order in Cause No. 43878." (emphasis added)

12 **Q: Did the Commission approve each of I&M's IRP2 contracts through the 30-**
13 **day filing cases I&M provided in response to OUCC DR 18-1?**

14 **A:** It appears not. On May 25, 2010, the Commission issued a letter to the parties in
15 IURC 30-Day Filing No. 2680, I&M's request for approval of the New-Indy
16 Hartford City LLC special contract, which was submitted on April 5, 2010. The
17 Commission's letter noted that OUCC had filed an objection, making the matter
18 "controversial under the Commission's 30-day filing rules." As such, the
19 Commission's letter concluded, "the 30-day filing submitted by I&M on April 5,
20 2010, will not be presented to the Commission for consideration under the 30-day
21 filing process. In order for this matter to be considered by the Commission, I&M

⁵ OUCC DR 18-1 is a follow-up question to OUCC DR 7-3 because, as the question notes, based on the date of execution of each IRP2 contract, the contracts OUCC received in response to DR 7-3 were expired. I&M's responses, including any supplemental responses, to OUCC DR 18-1 and 18-2 are attached as Attachment EMH-1. The Confidential and Competitively Sensitive IRP2 contracts are included in Attachment EMH-2.

1 may file a request for Commission review in a formally docketed proceeding.”
2 The Commission’s May 25, 2010 letter in 30-Day Filing No. 2680 is attached as
3 Attachment EMH-3.

4 I&M’s supplemental response to OUCC DR 18-1(b) makes no reference
5 to any formally docketed proceeding by which its special contract with New-Indy
6 Hartford City LLC would have been approved by the Commission.

7 **Q: What analysis did I&M submit with its IRP2 contracts to the Commission in**
8 **the remaining six 30-Day Filing requests?**

9 A: The six other IRP2 contracts appear to have been approved. That said, each of
10 I&M’s seven 30-Day Filing submittals to the Commission referenced a
11 confidential fixed cost analysis provided with each contract, which I&M stated
12 “demonstrates that the compensation received by I&M under the Contract during
13 its term exceeds the variable cost to I&M and makes a contribution to fixed
14 cost.”⁶ However, when asked by the OUCC in this Cause to “provide the fixed
15 cost analysis intended to support the reasonableness of the current contract for
16 each customer,” I&M objected, stating the request “seeks information and
17 calculations that have not already been performed.”⁷

18 **Q: Have any of I&M’s IRP2 special contracts required amendment since the**
19 **Commission’s order in Cause No. 44075?**

20 A: Yes.

21 **Q: Through what process has I&M submitted IRP2 special contract**
22 **amendments to the Commission for review?**

23 A: Rather than submitting any contract amendments for review through a docketed
24 proceeding or even a 30-Day Filing with the Commission, I&M’s supplemental

⁶ See Attachment EMH-4.

⁷ See Attachment EMH-5, I&M’s response to OUCC DR 27-21.

1 response to OUCC DR 18-1(b) states, “[c]opies of contract amendments were
2 provided to the Commission and confidentially to the Office of Utility Consumer
3 Counselor.” I&M’s second supplemental response to OUCC DR 18-2 states that
4 “CSIRP2 contract amendments addressed changes in the PJM Open Access
5 Transmission Tariff (OATT) approved in FERC Docket No. ER14-822-000 as
6 well as contract capacity increases. Copies of contract amendments to CSIRP2
7 contracts were provided to the Commission and confidentially to the Office of
8 Utility Consumers Counsel [sic].” I&M’s response to OUCC DR 48-6 included a
9 November 25, 2015 email to the OUCC and Commission attaching amendments
10 to the IRP2 contracts.⁸

11 **Q: Were all of the IRP2 contract amendments sent to the OUCC?**

12 A: No. It appears four of the IRP2 contracts have been amended since 2015,
13 including several amendments in 2017.⁹ I&M provided no further documentation
14 identifying how those amendments were transmitted to the Commission or
15 OUCC.

16 **Q: Does sending contract amendments to the Commission and confidentially to**
17 **the OUCC meet the Commission’s directive in Cause No. 44075?**

18 A: No. The Commission’s order in Cause No. 44075 expressly states that special
19 contracts have the potential to be contested, and that a docketed proceeding
20 “provides a more adequate level of process for the parties and the Commission to
21 address such issues.” Rather than I&M providing the parties and the Commission
22 with more process than that afforded in IURC 30-Day filings, it has provided less

⁸ See Attachment EMH-6.

⁹ See Confidential Attachment EMH-2, I&M supplemental responses to OUCC DR 18, which includes the confidential and competitively sensitive IRP2 contracts.

1 process and limited review by submitting these documents informally. Nowhere
2 in the Commission's order in Cause No. 44075 does it indicate that informal
3 submissions are appropriate, nor does it state that contract amendments are
4 exempt from the directive to provide the parties and the Commission more
5 process for review.

6 The Commission's order in Cause No. 44075 also notes that special
7 contracts "typically involve price reductions for specific customers and can result
8 in a shifting of cost recovery between customer classes." *In re Ind. Mich. Pwr.*
9 *Co.*, 2013 WL 653036, Commission order at p. 132. I&M's response to OUCC
10 DR 18-2 implies that if contract amendments address only items such as changes
11 to the PJM Open Access Transmission Tariff ("OATT") or changes to the
12 amounts of reserved capacity the interruptible customer agrees to provide,
13 contract amendments need not require a formalized process for review. The
14 Commission's order in Cause No. 44075 makes no such distinction and any
15 suggestion that the Commission and concerned parties would not need to review
16 all amendments and therefore benefit from a more transparent review process for
17 special contract amendments should be rejected.

18 **Q: I&M sought approval of its special contracts in 2010 – 2012. Should the**
19 **fixed cost analyses I&M provided with these 30-Day Filings be updated?**

20 **A:** Yes. I&M's rate structure has changed substantially since the Commission had
21 the opportunity to review the IRP2 contracts and related fixed cost analyses in
22 2010 – 2012. With the proliferation of a number of rate adjustment mechanisms,
23 it would be difficult to conclude that the fixed cost analyses provided to the
24 Commission in 2010 – 2012 would adequately address whether the IRP2

1 customers are covering I&M's variable cost to serve them, and whether they are
2 making contributions to I&M's fixed costs.

3 **Q: Based on your understanding of the Commission's order in Cause No. 44075**
4 **and your evaluation of I&M's IRP2 contracts, what are your conclusions and**
5 **recommendations?**

6 A: By amending its IRP2 contracts without review by the Commission and the
7 parties in a docketed proceeding, I&M has failed to comply with the
8 Commission's order in Cause No. 44075, and deprived the parties of adequate
9 process to review and comment on the IRP2 contract changes. My review also
10 indicates that I&M's special contract with New Indy Hartford City was not
11 approved by the Commission in IURC 30-Day Filing No. 2608, as I&M alleged
12 in response to OUCC discovery. Being deprived of the opportunity to review and
13 comment on IRP2 contract amendments, the Commission and the parties have
14 been unable to evaluate the reasonableness of the IRP2 contracts, including the
15 adequacy of any fixed cost analysis.

16 Examining any potential issues with the IRP2 contracts takes time and
17 thoughtful consideration, especially given the confidential and competitively
18 sensitive nature of the contracts themselves. If those amendments had been
19 reviewed through a formally docketed proceeding, the OUCC would have had an
20 opportunity to evaluate the amendments in a more meaningful way and the
21 Commission could have provided its determination in a formal order. In order to
22 address I&M's non-compliance with the Commission's order in Cause No. 44075
23 and to provide the parties with the process that order required, I recommend the
24 Commission initiate a subdocket in this Cause for the purpose of evaluating the

1 IRP2 contracts, any and all amendments thereto, and allow parties to conduct
2 further discovery regarding the agreements' terms reasonableness.

3 I would also recommend that I&M follow the Commission's Order in
4 Cause No. 44075 and file all special contracts and contract amendments with the
5 Commission in a docketed proceeding. With each special contract docketed
6 proceeding, I&M should be required to file: 1) the impact on I&M's operating
7 revenue, and 2) the impact on I&M's margin.

III. POTENTIAL EXAMINATION AREAS FOR SPECIAL CONTRACT

SUBDOCKET

8 **Q: Are there other potential concerns with the current evaluation process or the**
9 **content of I&M's special contracts?**

10 **A: Yes, there are several.**

11 **Q: What are those concerns?**

12 **A: Potential concerns to investigate, evaluate, and resolve include, but are not limited**
13 **to:**

14 1. Whether justification for special contract related discounts should be
15 based on the value that other customers receive rather than what has been
16 the case, which is an analysis showing that the special contract covers the
17 variable cost of serving the customer plus makes a contribution to total
18 fixed costs.

19 2. Whether special contract discounts should be based on multiple contract
20 and performance factors. Factor examples include stability of demand,
21 magnitude of base load, interruptibility, economic development, co-
22 generation capacity, etc.

23 3. The appropriateness of the lack of specific contract provisions whereby a
24 customer contract would be subject to adjustments necessary to implement
25 the findings and orders of a rate case or other subsequent proceedings.

26 4. Whether the C.S.-IRP2 tariff is needed or provides value given the lack of
27 specific substance and the requirement of a special customer contract.

1 5. Whether special contracts should include a provision indicating that the
2 rates set in the contract expire on the date base rates are changed for the
3 utility (or earlier, if such a date is agreed upon by the parties) to allow
4 consideration of these customers' cost incurrence to be conducted at the
5 same time as for all other customers.

6 6. The extent to which excluding customers with special contracts from cost
7 allocations results in the subsidization of these customers by the other rate
8 classes.

9 7. Whether the value of a special contract should be tied to the customers'
10 level of actual interruptibility.

11 **Q: How should these potential issues be addressed in this Cause?**

12 A: These potential issues are complicated, sensitive, and require thoughtful
13 consideration, making them appropriate to address within the subdocket I
14 recommended above. The public interest would be served by a deliberate
15 examination of I&M's special contracts and the impact those contracts create on
16 all of I&M's customers.

17 **Q: Does this conclude your testimony?**

18 A: Yes.

APPENDIX EMH-1

1 **Q: Would you summarize your educational background?**

2 A: I graduated from Rose-Hulman Institute of Technology with a Bachelor of
3 Science degree in Mathematical Economics. I received a Masters in Business
4 Administration from Indiana University with majors in Management, Marketing,
5 and International Business. As part of my continuing education, I have attended
6 the National Association of Regulatory Utility Commissioners' ("NARUC")
7 Regulatory Studies Program in 2010 and 2012 in Lansing, Michigan plus
8 numerous energy related conferences and seminars.

9 **Q: Please describe your professional experience.**

10 A: I have been an OUCC Electric Division Utility Analyst for eight years and have
11 participated in various proceedings involving utility planning, special contracts,
12 economic development rates/riders, rate cases and other tariff-related matters.
13 Prior experience included a 30-year automotive industry career with
14 administrative positions in manufacturing, engineering, and contracts;
15 culminating in management positions in finance, contracts, and information
16 technology. Additionally, I have served the last 18 years on the Board of Trustees
17 of CTRWD, the largest regional wastewater district in Indiana.

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. OUCC DR 7
IURC CAUSE NO. 44967

DATA REQUEST NO OUCC 7-03

REQUEST

For each customer taking service under an interruptible rate (Indiana and Michigan), please provide a copy of all contracts relating to interruptible service and if they relate to a special negotiated rate, indicate the Cause No. approving such special contract.

RESPONSE

I&M objects to the request to the extent the request seeks information for I&M's Michigan jurisdiction, which is outside the scope of this proceeding and is not reasonably calculated to lead to the discovery of relevant or admissible evidence. I&M further objects to the extent this request seeks information that is customer-specific, confidential, proprietary and competitively-sensitive. In support of this objection, I&M states that the requested information contains information which is proprietary, confidential and competitively sensitive to I&M and its Industrial customers. Disclosure of the requested information would be useful to current and potential competitors of I&M's Industrial customers. If this confidential information was disclosed to current or prospective competitors of I&M's Industrial customers, such disclosure may have a substantial and detrimental effect on them.

Subject to and without waiver of the foregoing objections, I&M provides the following response:

- OUCC 7-03 CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts.pdf
- OUCC 7-03 CONFIDENTIAL AND COMPETITIVELY SENSITIVE DRS1 Contracts.pdf

These documents are being provided pursuant to the July 6, 2006 Standard Form Nondisclosure Agreement between I&M and the OUCC and cannot be provided to current and potential competitors of I&M's Industrial customers.

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. 7
IURC CAUSE NO. 44967

DATA REQUEST NO OUCC 7-03

REQUEST

For each customer taking service under an interruptible rate (Indiana and Michigan), please provide a copy of all contracts relating to interruptible service and if they relate to a special negotiated rate, indicate the Cause No. approving such special contract.

RESPONSE

I&M objects to the request to the extent the request seeks information for I&M's Michigan jurisdiction, which is outside the scope of this proceeding and is not reasonably calculated to lead to the discovery of relevant or admissible evidence. I&M further objects to the extent this request seeks information that is customer-specific, confidential, proprietary and competitively-sensitive. In support of this objection, I&M states that the requested information contains information which is proprietary, confidential and competitively sensitive to I&M and its Industrial customers. Disclosure of the requested information would be useful to current and potential competitors of I&M's Industrial customers. If this confidential information was disclosed to current or prospective competitors of I&M's Industrial customers, such disclosure may have a substantial and detrimental effect on them.

Subject to and without waiver of the foregoing objections, I&M provides the following response:

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These documents are being provided pursuant to the July 6, 2006 Standard Form Nondisclosure Agreement between I&M and the OUCC and cannot be provided to current and potential competitors of I&M's Industrial customers.

SUPPLEMENTAL RESPONSE

Please see OUCC 7-03 CONFIDENTIAL AND COMPETITIVELY SENSITIVE Supp Attachments 1 and 2.

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. OUCC DR 18
IURC CAUSE NO. 44967

DATA REQUEST NO OUCC 18-01

REQUEST

I&M's response to OUCC DR 7.3 contained contracts for customers taking service under I&M's Tariff C.S. – IRP2 (Contract Service Interruptible Power); I&M marked these contracts as "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts." Please respond to the following:

- a. Based on the date of execution of each contract included in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file, each contract term appears to be expired. Please confirm that the terms of each contract as shown in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file are being applied currently and state the contract end date for each.
- b. Several contracts included in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file contain handwritten notations indicating changes to terms based on amendments. Please identify the cause number, including any cases filed under the IURC's 30-day administrative filing process, for each approved amendment to each contract as well as the date each request for approval was submitted.

RESPONSE

I&M is preparing a response and will supplement this request.

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. OUCC DR 18
IURC CAUSE NO. 44967

DATA REQUEST NO OUCC 18-02

REQUEST

It appears several of the contracts and/or amendments to those contracts included in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file were submitted to the IURC for approval via the IURC's 30-day administrative filing process. Given the Commission's order in Cause No. 44075 prohibiting I&M from submitting such requests through the 30-day filing process, please state under what authority, statute, rule, or guideline the Company believes these contracts are appropriate for review through this process

RESPONSE

I&M is preparing a response and will supplement this request.

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. 18
IURC CAUSE NO. 44967

DATA REQUEST NO OUCC 18-01

REQUEST

I&M's response to OUCC DR 7.3 contained contracts for customers taking service under I&M's Tariff C.S. – IRP2 (Contract Service Interruptible Power); I&M marked these contracts as "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts." Please respond to the following:

- a. Based on the date of execution of each contract included in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file, each contract term appears to be expired. Please confirm that the terms of each contract as shown in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file are being applied currently and state the contract end date for each.
- b. Several contracts included in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file contain handwritten notations indicating changes to terms based on amendments. Please identify the cause number, including any cases filed under the IURC's 30-day administrative filing process, for each approved amendment to each contract as well as the date each request for approval was submitted.

RESPONSE

I&M is preparing a response and will supplement this request.

SUPPLEMENTAL RESPONSE

I&M objects to the extent this request seeks information that is customer-specific, confidential, proprietary and competitively-sensitive. In support of this objection, I&M states that the requested information contains information which is proprietary, confidential and competitively sensitive to I&M and its Industrial customers. Disclosure of the requested information would be useful to current and potential competitors of I&M's Industrial customers. If this confidential information was disclosed to current or prospective competitors of I&M's Industrial customers, such disclosure may have a substantial and detrimental effect on them.

Subject to and without waiver of the foregoing objections, I&M provides the following response:

- a. Attached are copies of each active contract and all amendments for each of the seven I&M customers currently under tariff CS IRP2.

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. 18
IURC CAUSE NO. 44967

b. The contracts were approved by the Commission in the following proceedings:

| CSIRP2 Customer | Approval | |
|----------------------------|-------------------|------|
| Air Products and Chemicals | 30 Day Filing No. | 3003 |
| I/N Tek LP | 30 Day Filing No. | 3093 |
| Linde LLC | 30 Day Filing No. | 2875 |
| New-Indy Hartford City LLC | 30 Day Filing No. | 2680 |
| Omni Source Corporation | 30 Day Filing No. | 2859 |
| Praxair, Inc. | 30 Day Filing No. | 2835 |
| University of Notre Dame | 30 Day Filing No. | 2906 |

Copies of contract amendments were provided to the Commission and confidentially to the Office of Utility Consumer Counselor.

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. 18
IURC CAUSE NO. 44967

DATA REQUEST NO OUCC 18-02

REQUEST

It appears several of the contracts and/or amendments to those contracts included in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file were submitted to the IURC for approval via the IURC's 30-day administrative filing process. Given the Commission's order in Cause No. 44075 prohibiting I&M from submitting such requests through the 30-day filing process, please state under what authority, statute, rule, or guideline the Company believes these contracts are appropriate for review through this process

RESPONSE

I&M is preparing a response and will supplement this request.

SUPPLEMENTAL RESPONSE

I&M objects to the request on the grounds and to the extent it mischaracterizes the process and timing by which the CSIRP2 contracts were approved. In particular, I&M notes that all of the original CSIRP2 contracts were approved through 30-day filings prior to the issuance of the Commission's Order in Cause No. 44075, as authorized by the terms of the tariff and the Commission's Order in Cause No. 43878. Subject to and without waiver of the foregoing objections, I&M provides the following response.

CSIRP2 contract amendments addressed changes in the PJM Open Access Transmission Tariff (OATT) approved in FERC Docket No. ER14-822-000 as well as contract capacity increases. Copies of contract amendments to CSIRP2 contracts were provided to the Commission and confidentially to the Office of Utility Consumers Counsel.

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. 18
IURC CAUSE NO. 44967

DATA REQUEST NO OUCC 18-01

REQUEST

I&M's response to OUCC DR 7.3 contained contracts for customers taking service under I&M's Tariff C.S. – IRP2 (Contract Service Interruptible Power); I&M marked these contracts as "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts." Please respond to the following:

- a. Based on the date of execution of each contract included in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file, each contract term appears to be expired. Please confirm that the terms of each contract as shown in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file are being applied currently and state the contract end date for each.
- b. Several contracts included in the "CONFIDENTIAL AND COMPETITIVELY SENSITIVE CSIRP2 Contracts" file contain handwritten notations indicating changes to terms based on amendments. Please identify the cause number, including any cases filed under the IURC's 30-day administrative filing process, for each approved amendment to each contract as well as the date each request for approval was submitted.

RESPONSE

I&M is preparing a response and will supplement this request.

SUPPLEMENTAL RESPONSE

I&M objects to the extent this request seeks information that is customer-specific, confidential, proprietary and competitively-sensitive. In support of this objection, I&M states that the requested information contains information which is proprietary, confidential and competitively sensitive to I&M and its Industrial customers. Disclosure of the requested information would be useful to current and potential competitors of I&M's Industrial customers. If this confidential information was disclosed to current or prospective competitors of I&M's Industrial customers, such disclosure may have a substantial and detrimental effect on them.

Subject to and without waiver of the foregoing objections, I&M provides the following response:

- a. Attached are copies of each active contract and all amendments for each of the seven I&M customers currently under tariff CS IRP2.

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. 18
IURC CAUSE NO. 44967

b. The contracts were approved by the Commission in the following proceedings:

| CSIRP2 Customer | Approval | |
|----------------------------|-------------------|------|
| Air Products and Chemicals | 30 Day Filing No. | 3003 |
| I/N Tek LP | 30 Day Filing No. | 3093 |
| Linde LLC | 30 Day Filing No. | 2875 |
| New-Indy Hartford City LLC | 30 Day Filing No. | 2680 |
| Omni Source Corporation | 30 Day Filing No. | 2859 |
| Praxair, Inc. | 30 Day Filing No. | 2835 |
| University of Notre Dame | 30 Day Filing No. | 2906 |

Copies of contract amendments were provided to the Commission and confidentially to the Office of Utility Consumer Counselor.

SECOND SUPPLEMENTAL RESPONSE

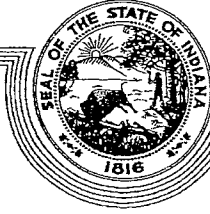
I&M objects to the extent this request seeks information that is customer-specific, confidential, proprietary and competitively-sensitive. In support of this objection, I&M states that the requested information contains information which is proprietary, confidential and competitively sensitive to I&M and its Industrial customers. Disclosure of the requested information would be useful to current and potential competitors of I&M's Industrial customers. If this confidential information was disclosed to current or prospective competitors of I&M's Industrial customers, such disclosure may have a substantial and detrimental effect on them.

Subject to and without waiver of the foregoing objections, please see "OUCC 18-01 CONFIDENTIAL AND COMPETITIVELY SENSITIVE Air Products CS-IRP2 Agreement – Final.pdf."

Confidential and Competitively Sensitive Attachment EMH-2

The OUCC will work with I&M to determine the appropriate method to provide this Attachment to the Commission and the parties.

STATE OF INDIANA



COPY

INDIANA UTILITY REGULATORY COMMISSION
101 WEST WASHINGTON STREET, SUITE 1500 EAST
INDIANAPOLIS, INDIANA 46204-3407

<http://www.in.gov/iurc>
Office: (317) 232-2701
Facsimile: (317) 232-6758

May 25, 2010

Ms. Teresa Morton
Barnes & Thornburg LLP
11 South Meridian Street
Indianapolis, Indiana 46204

Re: IURC 30-Day Filing No. 2680

Dear Ms. Morton:

On April 5, 2010, the Indiana Utility Regulatory Commission's ("Commission") Electricity Division received a 30-day filing submitted by the Indiana Michigan Power Company ("I&M") pursuant to 170 IAC 1-6. On May 5, 2010, the Indiana Office of Utility Consumer Counselor ("OUCC") filed an Objection to the request as provided under 170 IAC 1-6-7(b). On May 14, 2010, I&M filed a Reply to the OUCC's Objection. In its Objection, the OUCC indicates that 170 IAC 1-6-4(8) prohibits "[a]ny filing for which the utility wants confidential treatment for all or part of the filing." In its Reply to the OUCC's Objection, I&M acknowledges that a request for protection of the confidential information has been sought via a formal petition docketed as Cause No. 43878.

170 IAC 1-6-1(b) permits 30-day filings which are "noncontroversial." Noncontroversial filings include filings for which no person or entity has filed an objection as provided under 170 IAC 1-6-7. Based on our review of the 30-day filing, the OUCC's Objection and I&M's Reply, we find that the objection complies with 170 IAC 1-6-7, and that this matter is controversial under the Commission's 30-day filing rules. Accordingly, the 30-day filing submitted by I&M on April 5, 2010, will not be presented to the Commission for consideration under the 30-day filing process. In order for this matter to be considered by the Commission, I&M may file a request for Commission review in a formally docketed proceeding.

Sincerely,

Scott R. Storms
General Counsel

cc: Mr. Terry Tolliver, OUCC
Mr. Brad Borum, IURC

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



A unit of American Electric Power

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

RECEIVED

MAY 03 2012

INDIANA UTILITY
REGULATORY COMMISSION

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

May 2, 2012
Page 2

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.

Sincerely,



William W. Hix
Principal Regulatory Consultant

Enclosures

cc: Brad Borum-IURC – w/o enclosures
David Stippler-OUCC – w/enclosures
Victor Sawicki-Air Products – w/enclosures*
Aaron A. Schmoll-IURC Senior Administrative Law Judge-Confidential Information Only

* Contract only

Received On: December 17, 2012
IURC 30-DAY Filing No.: 3093
Indiana Utility Regulatory Commission

Indiana Michigan Power
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Fort Wayne, IN 46801
IndianaMichiganPower.com



A unit of American Electric Power

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

December 13, 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 I/N Tek LP (I/N Tek), and I&M (Contract). The Contract negotiations were at "arm's length" resulting in the Contract being executed by I/N Tek and I&M on December 4, 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

December 13, 2012
Page 2

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.

Sincerely,



William W. Hix
Principal Regulatory Consultant

Enclosures

cc: Brad Borum-IURC – w/o enclosures
David Stippler-OUCC – w/enclosures
Wayne J. Harmon, Sr.-ArcelorMittal – w/enclosures*
Aaron A. Schmoll-IURC Senior Administrative Law Judge-Confidential Information Only

* Contract only

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

July 1, 2011

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 Linde, LLC (Linde), and I&M (Contract). The Contract negotiations were at "arm's length" resulting in the Contract being executed by Linde and I&M on June 28, 2011. 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

July 1, 2011
Page 2

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.

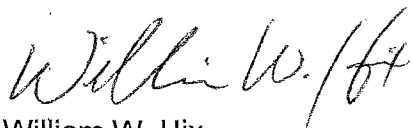
In support of this 30-Day filing, I&M is submitting the following information:

1. Original and three copies of the Contract in redacted version.
2. An unredacted version of the Contract, fixed cost analysis and rate design and cost support work papers 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.

Sincerely,



William W. Hix
Principal Regulatory Consultant

Enclosures

cc: Brad Borum-IURC – w/o enclosures
David Stippler-OUCC – w/enclosures
Larry Stallica-Linde, LLC – w/enclosures*
Aaron A. Schmoll-IURC Senior Administrative Law Judge-Confidential Information Only

* Contract only

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

September 9, 2011

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 University of Notre Dame (UND), and I&M (Contract). The Contract negotiations were at "arm's length" resulting in the Contract being executed by UND and I&M on September 9, 2011. The contract allows for emergency and discretionary interruptions.

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

September 9, 2011

Page 2

disclosure. Also enclosed under seal is a fixed cost analysis that demonstrates that the 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.

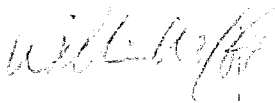
In support of this 30-Day filing, I&M is submitting the following information:

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.

Sincerely,



William W. Hix
Principal Regulatory Consultant

Enclosures

cc: Brad Borum-IURC – w/o enclosures
Paul Kempf-University of Notre Dame – w/enclosures*
David Stippler-OUCC – w/enclosures
Aaron A. Schmoll-IURC Senior Administrative Law Judge-Confidential Information Only

* Contract only

Indiana Michigan Power
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Fort Wayne, IN 46801
IndianaMichiganPower.com



A unit of American Electric Power

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

May 20, 2011

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 Omni Source Corporation (Omni Source), and I&M (Contract). The Contract negotiations were at "arm's length" resulting in the Contract being executed by Omni Source and I&M on April 25, 2011. 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 been already 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

May 20, 2011
Page 2

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.

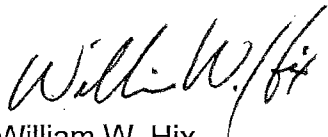
In support of this 30-Day filing, I&M is submitting the following information:

1. Original and three copies of the Contract in redacted version.
2. An unredacted version of the Contract, fixed cost analysis and rate design and cost support work papers 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.

Sincerely,



William W. Hix
Principal Regulatory Consultant

Enclosures

cc: Brad Borum-IURC – w/o enclosures
Jim Ehlinger-Omni Source Inc. – w/enclosures*
David Stippler-OUCC – w/enclosures
Aaron A. Schmoll-IURC Senior Administrative Law Judge-Confidential Information Only

* Contract only

Indiana Michigan Power
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IndianaMichiganPower.com



A unit of American Electric Power

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

March 4, 2011

Dear Secretary:

Pursuant to 170 IAC 1-6, 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 Praxair, Inc. (Praxair) and I&M (Contract). The Contract negotiations were at "arm's length" resulting in the Contract being executed by Praxair and I&M on December 23, 2010. The contract allows for emergency interruptions and allows I&M to interrupt for other reasons, such as purely economic reasons.

In support of this thirty-day filing, I&M represents that on March 23, 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 been already 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 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 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.

March 4, 2011

Page 2

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) 425-2203 or wwhix@aep.com.

Sincerely,



William W. Hix
Senior Regulatory Consultant

Enclosures

cc: Brad Borum-IURC – w/o enclosures
Richard W. Nelson-Praxair Inc. – w/enclosures*
David Stippler-OUCC – w/enclosures

* Contract only

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. OUCC DR 27
IURC CAUSE NO. 44967

DATA REQUEST NO OUCC 27-21

REQUEST

For each customer identified in response to OUCC DR 7-3:

- a. Please identify under which tariff each customer would be served if it were not interruptible;
- b. Please identify the test year revenue forecast based on the current contract terms for each customer and provide calculations that were used in determining that forecast for each customer. To the extent that calculations were performed in an electronic spreadsheet, please provide such spreadsheets in electronic form with formulas intact.
- c. Please identify the test year revenue forecast under the tariff identified in Part A of this question for each customer and provide calculations that were used in determining that forecast for each customer. To the extent that calculations were performed in an electronic spreadsheet, please provide such spreadsheets in electronic form with formulas intact.
- d. Based on the current contract terms applied to each customer, please identify the credit that I&M expects to receive from PJM resulting from the interruptible nature of each customer and provide calculations that were used in determining that forecast for each customer. To the extent that calculations were performed in an electronic spreadsheet, please provide such spreadsheets in electronic form with formulas intact.
- e. Please provide the fixed cost analysis intended to support the reasonableness of the current contract for each customer. In the event that a fixed cost analysis was not performed for a current customer contract, please explain why and how each customer is contributing towards I&M's fixed costs without such a fixed cost analysis for that customer using current data. To the extent that calculations were performed in an electronic spreadsheet, please provide such spreadsheets in electronic form with formulas intact.

RESPONSE

I&M objects to the extent this request seeks information that is customer-specific, confidential, proprietary and competitively-sensitive. In support of this objection, I&M states that the requested information contains information which is proprietary, confidential and competitively sensitive to I&M and its Industrial customers. Disclosure of the requested information would be useful to current and potential competitors of I&M's Industrial customers. If this confidential information was disclosed to current or prospective competitors of I&M's Industrial customers, such disclosure may have a substantial and detrimental effect on them.

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Subject to and without waiver of the foregoing objections, I&M provides the following response:

- a. The customers currently served under I&M's interruptible tariffs have many different tariff options available to them. A review of account activity and a discussion with the customer regarding the various tariff offerings would need to take place. This would unveil the customers operational requirements as well as their motivation to seek green power, time of use or other such offerings from the utility.
- b. The Company objects to the Request to the extent it seeks an analysis, calculation or compilation which has not already been performed and which the Company objects to performing. Without waving this objection, please note that the Company provided a detailed calculation of its test year revenues for its interruptible customers in its response in OUCC 7-07 and the Company provided Confidential Workpaper WP-AJW-2 which details the contract adjustment included in the Test Year.
- c. The Company objects to the Request to the extent it seeks an analysis, calculation or compilation which has not already been performed and which the Company objects to performing.
- d. The Company objects to the Request to the extent it seeks information and calculations that have not already been performed. Without waiving this objection, I&M does not receive financial credits from PJM associated with specific interruptible customers.
- e. The Company objects to the Request to the extent it seeks information and calculations that have not already been performed.

INDIANA MICHIGAN POWER COMPANY
INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR
DATA REQUEST SET NO. OUCC DR 48
IURC CAUSE NO. 44967

DATA REQUEST NO OUCC 48-06

REQUEST

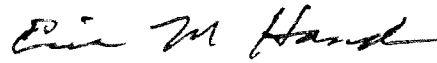
In its Supplemental Response to OUCC DR 18-1(b), I&M stated, "Copies of contract amendments were provided to the Commission and confidentially to the Office of Utility Consumer Counselor." For each contract amendment, state the name(s) of the individuals at the Commission and the OUCC who received copies of said amendments and on what date. Please provide copies of all correspondence related to the submission of each contract amendment.

RESPONSE

Please see "OUCC 48-06 Attachment 1", an email to Bradley Borum (IURC) and Randy Helmen (OUCC) and copied to William Hix (I&M) from Matthew Satterwhite (I&M Counsel) sent on November 25, 2015. This email had 7 attachments, one contract amendment for each of I&M's CSIRP2 customers.

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.



Eric M. Hand
Utility Analyst
Indiana Office of Utility Consumer Counselor

November 7, 2017

Date