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1 Riverside Plaza
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PUCO

December 21, 2007

Ms. Renee J. Jenkins
Secretary of the Commission
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793

07-1304-EL-COI

**RE: Federal Energy Policy Act of 2005 Investigation, PUCO
Case No. 05-1500-EL-COI**

Steven T. Nourse
Senior Counsel --
Regulatory Services
(614) 716-1608 (P)
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Dear Ms. Jenkins:

Enclosed 12 copies of Columbus Southern Power Company's and the Ohio Power Company's tariffs for interconnection, net metering and standby service, consistent with the Commission's orders in this case. For each company, a redlined and a clean version is included, except that the header, footer and pagination is not redlined for the SBS tariff due to the extensive changes that were made.

Thank you for your attention to this matter.

Respectfully Submitted,

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OHIO POWER COMPANY

COMPLIANCE TARIFF

Filed pursuant to Order in Case No. 05-1500-EL-COI

Minimum Requirements for Distribution System Interconnection

Applicability

This schedule is applicable to any customer with cogeneration, small power production facilities, and/or other on-site facilities producing electrical energy who wishes to operate such facilities in parallel with the Company's distribution system at voltages up to 35 kV. This schedule is not applicable to the interconnection and parallel operation of facilities which the Federal Energy Regulatory Commission has determined to be subject to its jurisdiction. A customer who has a facility that does not qualify for simplified interconnection pursuant to the PUCO's distribution interconnection rules (O.A.C. § 4901:1-22) (Commission Rules) and the Company's technical requirements for interconnection (Technical Requirements), incorporated herein by reference, may negotiate a separate interconnection agreement with the Company and the terms and conditions of this schedule shall apply to such customers to the extent that the negotiated interconnection agreement does not conflict with this schedule.

Purpose

The purpose of this schedule is to implement Ohio Revised Code Section 4928.11, which calls for uniform interconnection standards that are not unduly burdensome or expensive and also ensure safety and reliability, to the extent governing authority is not preempted by federal law. This schedule states the terms and conditions that govern the interconnection and parallel operation of a customer's facility with the Company's distribution system.

Customer Request For Interconnection

Any customer seeking to physically connect facilities to the Company's distribution system, which facilities may be used in parallel operation with the Company's distribution system, shall file an interconnection application and sign an interconnection agreement with the Company. For facilities for which the referenced Technical Requirements are applicable, the customer and Company shall execute a simplified interconnection agreement. For all other facilities, the customer and the Company shall execute an interconnection agreement which may be different from the simplified agreement, but which shall conform with the provisions of this schedule, to the extent applicable. Copies of all applicable forms and the Company's Technical Requirements are available upon request.

To the extent possible, interconnection to the Company's distribution system shall take place within the following time frames:

1. Where no construction is required by the Company and the facility qualifies for simplified interconnection pursuant to the review procedure contained in the Commission Rules, interconnection shall be permitted within four weeks of the Company's receipt of a completed interconnection application in compliance with the terms and conditions of this schedule. Prior to actual interconnection, the customer must execute the interconnection agreement.

(Continued on Sheet No. 6-2)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

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AEP Ohio

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Minimum Requirements for Distribution System Interconnection

Customer Request For Interconnection (Cont'd)

2. Where construction or system upgrades of the Company's distribution system are required, the Company shall provide the customer, in a timely fashion, an estimate of the schedule and the customer's cost for the construction or upgrades. If the customer desires to proceed with the construction or upgrades, the customer and the Company shall enter into a contract. The contract shall contain a construction schedule listing target commencement and completion dates, and an estimate of the customer's costs for construction or upgrades. Assuming the customer is ready, the interconnection shall take place no later than two weeks following the completion of such construction or upgrades. The Company shall employ best reasonable efforts to complete such system construction or upgrades in the shortest time reasonably practical.
3. All interconnection applications shall be processed by the Company in a non-discriminatory manner. The Company shall promptly provide the customer a written notice of the Company's receipt of the application. The Company will endeavor to place such notice in the U.S. Mail or respond by Email within three business days after the application has been received by the Company's personnel designated on the application form. The Company shall provide the customer with a copy of the review procedure and a target date for processing the application. If the application is viewed as incomplete, the Company must provide a written notice within 10 days of receipt of the application by the Company's personnel designated on the application form that the application is not complete together with a description of the information needed to complete the application and a statement that processing of the application cannot begin until the information is received. The Company's target date shall permit interconnection in a timely manner pursuant to the requirements of the Commission Rules. Interconnection applications will be processed in the order that they are received. It is recognized that certain interconnection applications may require minor modifications while they are being reviewed by the Company. Such minor modifications to a pending application shall not require that it be considered incomplete and treated as a new or separate application. Minor modifications would not include at least the following: changes in facility size or location; any change requiring a new impact study; or any other substantive change.
4. If the Company determines that it cannot connect the customer's facility within the time frames required by the Commission Rules, the Company will notify the customer in writing of that fact as soon as possible. The notification will identify the reason or reasons the interconnection could not be completed within the time frames stated, and provide an estimated date for completion. This section shall not limit the rights of a customer for relief under Ohio Revised Code Chapter 4905.

(Continued on Sheet No. 6-3)

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Minimum Requirements for Distribution System Interconnection

Technical Requirements

The Company shall maintain a copy of the Technical Requirements at its business office such that the Technical Requirements are readily available to the public. The Company shall provide the Commission Staff with a copy of the Technical Requirements. Standards adopted by IEEE shall supersede the applicable provisions of the Company's Technical Requirements effective the date that IEEE adopts such standards. However, any interconnection made or initiated prior to the adoption of any national standard promulgated by IEEE shall not be subject to that standard. Regarding any IEEE minimum standard, or any guideline that the IEEE may promulgate, the Company may amend the Technical Requirements to the minimum extent required to address unique local conditions, and shall provide such amendments to the Staff and make such amendments available to customers. All Technical Requirements, including superseding standards adopted by IEEE, are incorporated herein by reference.

Metering

Any metering installation, testing, or recalibration required by the installation of the customer's generation facilities shall be provided consistent with the Electric Service and Safety Standards pursuant to Ohio Revised Code Chapter 4928, and specifically O.A.C. § 4901:1-10-05 (Metering) and, as applicable, § 4901:1-10-28 (C) (Net Metering).

Liability Insurance

Prior to interconnection with the Company, the customer must provide the Company with proof of insurance or other suitable financial instrument sufficient to meet its construction, operating and liability responsibilities pursuant to this schedule. At no time shall the Company require that the applicant negotiate any policy or renew any policy covering any liability through a particular insurance company, agent, solicitor, or broker. The Company's receipt of evidence of liability insurance does not imply an endorsement of the terms and conditions of the coverage.

System Impact and Facilities Studies

For those facilities that do not qualify for simplified interconnection pursuant to the review procedures included in the Commission Rules, the Company may require a supplemental review, service study, coordination study, facilities study or Company system impact study prior to interconnection. In instances where such studies are required, the scope of such studies shall be based on the characteristics of the particular generation facility to be interconnected and the Company's system at the specific proposed location. By agreement between the Company and the customer, studies related to interconnection of the generation facility may be conducted by a qualified third party. The cost of an impact facilities study performed by the Company shall be included in the costs set forth in the Interconnection Fees section of this schedule. The Company shall provide the customer with a target date for completion of any required system impact or facilities study. Any such study conducted by the Company shall be shared with the customer.

(Continued on Sheet No. 6-4)

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Minimum Requirements for Distribution System Interconnection

Interconnection Fees

The Company shall not charge any fees for interconnection other than those authorized by this schedule.

The Company shall charge each customer that applies for interconnection service a nonrefundable application fee of \$100.00 for single phase installations up to 25 kW and \$500.00 for single phase installations over 25 kW and for three phase installations, payable at the time the application is submitted.

Where an interconnection study is required to determine the feasibility, impact, and cost of safely connecting the customer's generation facilities to the Company's distribution system, the customer shall deposit with the Company an amount as follows:

Installation Type	Deposit (\$)
Single phase installation up to 25 kW*	500
Single phase installation – 26 kW to 100 kW and three phase installation up to 100 kW*	1,000
Single phase and three phase installation – 101 kW to 500 kW*	3,000
Single phase and three phase installation greater than 500 kW*	5,000

*Based on total rated generating capacity.

Such deposit shall be paid in advance and apply to each installation at the Company's distribution voltages up to 35 kV.

The Company shall apply the deposit to the Company's actual costs, including applicable taxes, to perform the system impact study associated with the interconnection. If such costs are greater than the amount of the deposit, the customer shall pay such additional costs to the Company. If such costs are less than the amount of the deposit the Company shall refund the balance of the deposit to the customer.

Additional Fees

The customer is responsible for all equipment and installation costs of the customer's facility.

The Company may require an inspection of the inverter settings of a static inverter-connected generator with capacity in excess of 10 KW prior to interconnection. The customer shall pay a charge of \$115.00 for each inspection.

(Continued on Sheet No. 6-5)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

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Effective: _____

P.U.C.O. NO. 18

Minimum Requirements for Distribution System Interconnection

Additional Fees (Cont'd)

The Company may require an inspection of the protective equipment settings of a non-static inverter-connected generator prior to interconnection. The customer shall pay a charge of \$115.00 for each inspection.

The customer shall pay any additional charges, as determined by the Company, for equipment, labor, metering, testing or inspections requested by the customer.

Construction or Upgrade Fees

If the interconnection requires construction or an upgrade of the Company's system which, save for the generation facility would not be required, the Company will assess the customer the actual cost including applicable taxes of such construction or upgrade. Payment terms for such construction or upgrade will be agreed to and specified in the construction contract. The Company and the customer may negotiate for alternatives in order to reduce any costs or taxes applicable thereto.

Resolution of Disputes

The Company or the customer who is a non-mercantile, non-residential customer may seek resolution of any disputes which may arise out of this schedule, including the interconnection and the referenced Technical Requirements in accordance with the Commission Rules.

Special Terms and Conditions of Service

This schedule is subject to the Company's Terms and Conditions of Service and all provisions of the standard service schedule under which the customer takes service. If applicable, the customer shall also take the appropriate service under the provisions of Schedule COGEN/SPP, Schedule SBS and/or Schedule NEMS.

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Kevin E. Walker, President
AEP Ohio

Effective: _____

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Availability of Service

This schedule is available to customers having sources of electrical energy supply other than the Company with standby service requirements of 50,000 KW or less. Energy provided hereunder shall be solely for consumption at the customer's premises and shall not be resold. The customer shall contract for one or more of the following services:

Supplemental Service

Service provided to the customer to supplement the customer's power production facilities or other sources of electrical energy supply where additional power in excess of that normally supplied by the customer's other source of supply is required to meet the customer's total requirements. If the customer contracts for backup and maintenance service as defined below, then supplemental service excludes such backup and maintenance service.

Backup Service

Service provided to the customer when the customer's power production facilities or other sources of electrical energy supply are unavailable due to unscheduled maintenance.

Maintenance Service

Service provided to the customer when the customer's power production facilities are unavailable due to scheduled maintenance which has been approved in advance by the Company.

Conditions and Limitations of Standby Service Availability

The Company reserves the right to limit the total backup and maintenance contract capacity for all customers served under this schedule.

The conditions and limitations of standby service include, but are not limited to, the available capacity of the Company's facilities, the possibility of causing any undue interference with the Company's obligations to provide service to any of its other customers and the extent to which such backup and/or maintenance service will impose a burden on the Company's system or any system interconnected with the Company.

The provision for the Company providing backup and/or maintenance service to the customer is conditionally provided on the assumption that the customer installs, operates and maintains suitable and sufficient equipment, as specified in the Company's technical requirements for interconnection and the Public Utilities Commission of Ohio's distribution interconnection rules, as applicable, to protect the customer's facilities and the Company's system from damages resulting from such parallel operation, and upon the further condition that the Company shall not be liable to the customer for any loss, cost, damage, or expense which the

(Continued on Sheet No. 27-2)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

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Effective: _____

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Conditions and Limitations of Standby Service Availability (Cont'd)

customer may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of or in any manner connected with such parallel operation, unless such loss, cost, damage, or expense is caused by the negligence of the Company, its agents, or employees, and upon further condition that the customer shall not be liable to the Company for any loss, cost, damage or expense which the Company may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of, or in any manner connected with such parallel operation, unless such loss, cost, damage, or expense is caused by the negligence of the customer, its agents or employees.

Detents shall be used on the necessary metering to prevent reverse rotation.

Interval metering is required to take service under this schedule. If interval metering is not already installed at the time SBS service is requested, the customer is responsible for all equipment and installation costs associated with such interval metering.

Supplemental Service

The customer shall contract for a specific amount of supplemental contract capacity according to the provisions of the applicable firm service rate schedule (hereinafter referred to as supplemental schedule). Any demand or energy not identified as backup or maintenance service shall be considered supplemental service and billed according to the applicable rate schedule. If the supplemental schedule requires KVA billing, then the metered demand shall be adjusted to KVA accordingly.

If the customer has not signed a supplemental service contract, the customer will be billed for all supplemental demand in excess of either backup and/or maintenance contract capacities on the appropriate supplemental service schedule and shall thereafter be subject to the terms and conditions of said supplemental service schedule.

Monthly Charges for Standby Service

Standby Service includes backup and maintenance service, as determined below. In the event that the customer chooses not to contract for backup or maintenance service, the customer's minimum monthly billing demand under the supplemental schedule shall be subject to negotiation between the Company and the customer and/or imposition by the Public Utilities Commission of Ohio after review of the specific facts and circumstances concerning the reliability of the cogeneration facility and its potential impact on the Ohio Power system.

Backup Service1. Determination of Backup Contract Capacity

The backup contract capacity in KW shall be initially established by mutual agreement between the customer and the Company for electrical capacity sufficient to meet the maximum backup requirements which the Company is expected to supply.

(Continued on Sheet No. 27-3)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

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Effective: _____

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Backup Service (Cont'd)1. Determination of Backup Contract Capacity (Cont'd)

The customer shall specify the desired backup contract capacity to the nearest 50 KW. Changes in the backup contract capacity are subject to the provisions set forth in the Term of Contract.

2. Backup Service Notification Requirement

Whenever backup service is needed, the customer shall verbally notify the Company within 1 hour. Such notification shall be confirmed in writing within 5 working days and shall specify the time and date such use commenced and termination time and date. If such notification is not received, the customer shall be subject to an increase in contract capacity in accordance with the provisions of the schedule under which the customer receives supplemental service and such backup demand shall be considered supplemental demand and billed accordingly.

3. Backup Demand Determination

Whenever backup service is supplied to the customer for use during forced outages, the customer's 30-minute integrated KW demands shall be adjusted by subtracting the amount of backup contract capacity supplied by the Company. In no event shall the adjusted demands be less than 0. The monthly billing demand under the supplemental service schedule shall be the maximum adjusted 30-minute integrated demand. If both backup and maintenance service are utilized during the same billing period, the customer's 30-minute integrated demands will be adjusted for both in the appropriate period. Whenever the customer's maximum 30-minute integrated demand at any time during the billing period exceeds the total of the supplemental service contract capacity and the specific request for backup and/or maintenance service, the excess demand shall be considered as supplemental demand in the determination of the billing demands under the appropriate supplemental service schedule.

4. Backup Service Energy Determination

Whenever backup service is utilized, backup energy shall be calculated for each 30-minute interval as the lesser of (a) the backup contract capacity divided by two (2) or (b) total metered energy in that interval. Metered energy for purposes of billing under the appropriate supplemental schedule shall be derived by subtracting the backup energy from the total metered energy for the billing month.

(Continued on Sheet No. 27-4)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

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Effective: _____

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Backup Service (Cont'd)5. Monthly Backup ChargeDistribution Backup Charges:

					Distribution	
Backup Demand Charge (\$ per KW):						
Secondary Voltage:					5.22	
Primary Voltage:					3.36	
Subtransmission Voltage:					0.29	
Transmission Voltage:					0.15	

(Continued on Sheet No. 27-5)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

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AEP Ohio

Effective: _____

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Market-based Generation Backup ChargesDemand (Capacity) Charge

The customer will be charged for PJM capacity requirements based on the customer's backup contract capacity multiplied by: the previous 1-year Equivalent Demand Forced Outage Rate (EFORd, %) of the customer's generator(s); the Forecast Pool Requirement (FPR) factor for the AEP Locational Delivery Area posted annually by PJM; the PJM Capacity Cost (\$/MW-Day) for the AEP Locational Delivery Area; and the applicable Demand Loss Factor (DLF). A final zonal scaling factor (ZSF) will be added for weather-normalized load, using PJM's forecast zonal load factor used in the corresponding Base Residual auction.

$$\text{Monthly Demand Charge} = \text{EFORd}(\%) \times \text{FPR} \times \text{ZSF} \times \text{PJM Capacity Cost} \\ (\$/\text{MW-Day}) \times \text{days in month} \times \text{DLF} / 1,000$$

As an example, assume a customer with a 5,000 kW generating unit has a 5% EFORd for the previous year. The FPR multiplier is 1.079. The Zonal Scaling Factor is 1.02867. The RPM clearing price for the base residual auction in PJM is \$100 / MW-Day. The customer would pay monthly:

$$5,000 \times 0.05 \times 1.079 \times 1.02867 \times \$100 \times 31 / 1,000 = \$860.20$$

The customer outage rate will be based on the EFORd from submitted Generation and Availability Data System (GADS) data from the previous 12 month period ending September 30. If a full 12 month history is not available for the customer's unit(s), the average EFORd will be calculated using the class average EFORd for the corresponding unit type(s) as published by NERC and posted annually to the PJM website by November 30.

The PJM Capacity Cost will be the PJM Capacity Resource Clearing Price for the pertinent Delivery Year, as posted by PJM following the Reliability Pricing Model (RPM) base residual auction.

The Demand Charge shall be further adjusted by any additional demand-related charges implemented by PJM in the future. Such adjustment shall only be to the extent such charges are not otherwise specifically included in charges to the customer under this Schedule or under any Applicable Riders.

(Continued on Sheet No. 27-6)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

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P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Market-based Generation Backup Charges (Cont'd)Energy Charge

The customer will be charged for PJM energy requirements based on the customer's backup energy multiplied by the Energy Loss Factor (ELF) and multiplied by the sum of Hourly Real-time Locational Marginal Price (LMP), Operating Reserve Charges (OR), Spinning Reserve Charges (SR), Regulation Service Charges (RegS), Black Start Service Charges (BSS), Reactive Service Charges (ReacS) and Day-ahead Scheduling Reserve Charges (DaSR).

$$\text{Hourly Energy Charge} = \text{ELF} * (\text{LMP} + \text{OR} + \text{SR} + \text{RegS} + \text{BSS} + \text{ReacS} + \text{DaSR}) / 1,000$$

The Hourly Real-time LMP shall be the AEP Zonal LMP as-posted by PJM. Prices are finalized five PJM business days after the end of the month. PJM energy-related charges that are not assessed on an hourly \$/MWH basis shall be converted and applied on an average \$/MWH basis.

The Hourly Energy Charge shall be further adjusted by any additional energy-related charges implemented by PJM in the future. Such adjustment shall only be to the extent such charges are not otherwise specifically included in charges to the customer under this Schedule or under any Applicable Riders.

The total monthly backup charge is the sum of the Distribution Backup Charge and the Market-based Generation Backup Charges.

Maintenance Service1. Determination of Maintenance Contract Capacity

The customer may contract for maintenance service by giving at least 6 months' advance written request as specified in the Term of Contract. Such notice shall specify the amount to the nearest 50 KW not to exceed the customer's maximum maintenance service requirements during the planned maintenance outages, and the effective date for the amount of contracted maintenance service.

(Continued on Sheet No. 27-7)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

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P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Maintenance Service (Cont'd)2. Maintenance Service Notification Requirements

A maintenance outage shall be considered as any maintenance service request that has been scheduled at a time consented to by the Company. A maintenance outage may not be scheduled at any time during the "Peak Season", defined by PJM as the weeks containing the 24th through 36th Wednesdays of a calendar year (typically the second week of June through the first week of September). Written notice shall be provided by the customer at least 30 days in advance of such outage or a lesser period by mutual agreement.

If such notification is not received, the customer shall be subject to an increase in supplemental service contract capacity according to the provisions of the supplemental service schedule under which the customer is served and such maintenance service demand shall be considered as supplemental load in the determination of the billing demands.

3. Maintenance Service Demand Determination

Whenever a specific request for maintenance service is made by the customer, the customer's 30-minute integrated demands will be adjusted by subtracting the maintenance service requested in the hours specified by the customer. The monthly billing demand under the supplemental service schedule shall be the maximum adjusted 30-minute integrated demand.

If both backup and maintenance service are utilized during the same billing period, the customer's 30-minute integrated demands will be adjusted for both in the appropriate hours. In no event shall the adjusted demands be less than 0.

Whenever the maximum 30-minute integrated demand at any time during the billing period exceeds the total of the supplemental contract capacity and the specific request for maintenance and/or backup service, the excess demand shall be considered as supplemental load in the determination of the billing demands.

4. Maintenance Service Energy Determination

Whenever maintenance service is used, maintenance energy shall be calculated for each 30-minute interval as the lesser of (a) the KW of maintenance service requested divided by two (2) or (b) total metered energy in that interval. Metered energy for purposes of billing under the appropriate supplemental service schedule shall be derived by subtracting the maintenance energy from the total metered energy for the billing period.

5. Monthly Maintenance Service Energy Charge

In addition to the monthly charges established under the supplemental service schedule, the customer shall pay the Company for maintenance energy as follows:

(Continued on Sheet No. 27-8)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

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SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Maintenance Service (Cont'd)Distribution Maintenance Service Energy Charge

	Distribution	
Maintenance Energy Charge (¢ per KWH):		
Secondary	0.84100	
Primary	0.54100	
Subtransmission	0.04700	
Transmission	0.02400	

Market-based Generation Maintenance Service Energy Charge

The customer will be charged for PJM energy requirements based on the customer's maintenance energy multiplied by the Energy Loss Factor (ELF) and multiplied by the sum of Hourly Real-time Locational Marginal Price (LMP), Operating Reserve Charges (OR), Spinning Reserve Charges (SR), Regulation Service Charges (RegS), Black Start Service Charges (BSS), Reactive Service Charges (ReacS) and Day-ahead Scheduling Reserve Charges (DaSR).

$$\text{Hourly Energy Charge} = \text{ELF} * (\text{LMP} + \text{OR} + \text{SR} + \text{RegS} + \text{BSS} + \text{ReacS} + \text{DaSR}) / 1,000$$

The Hourly Real-time LMP shall be the AEP Zonal LMP as-posted by PJM. Prices are finalized five PJM business days after the end of the month. PJM energy-related charges that are not assessed on an hourly \$/MWH basis shall be converted and applied on an average \$/MWH basis.

The Hourly Energy Charge shall be further adjusted by any additional energy-related charges implemented by PJM in the future. Such adjustment shall only be to the extent such charges are not otherwise specifically included in charges to the customer under this Schedule or under any Applicable Riders.

The total monthly maintenance charge is the sum of the Distribution Maintenance Energy Charge and the Market-based Generation Maintenance Energy Charge.

(Continued on Sheet No. 27-9)

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P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Loss Factors

Demand losses will be applied to the Market-based Generation Backup Demand (Capacity) Charge using the following factors:

Secondary = 1.0990
Primary = 1.0596
Subtransmission/Transmission = 1.0341

Energy losses will be applied to the Market-based Generation Backup and Maintenance Energy Charges using the following factors:

Secondary = 1.0729
Primary = 1.0344
Subtransmission/Transmission = 1.0096

Local Facilities Charge

Charges to cover interconnection costs (including but not limited to suitable meters, relays and protective apparatus) incurred by the Company shall be determined by the Company and shall be collected from the customer. Such charges shall include the total installed cost of all local facilities. The customer shall make a 1 time payment for the Local Facilities Charge at the time of the installation of the required additional facilities, or, at his option, up to 36 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt nor the maximum rate permitted by law. If the customer elects the installment payment option, the Company may require a security deposit equal to 25% of the total cost of interconnection.

Special Provision for Customers with Standby Contract Capacities of Less than 100 KW

Customers requesting backup and/or maintenance service with contract capacities of less than 100 KW shall be charged a monthly demand rate as follows:

	Generation	Distribution	Total
Demand Charge (\$ per KW)	0.56	1.92	2.48

However, in those months when backup or maintenance service is used, the demand charge shall be waived provided the customer notifies the Company in writing prior to the meter reading date and such services shall be billed according to the charges for electric service under the applicable demand-metered rate schedule.

(Continued on Sheet No. 27-10)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

Issued: _____

Issued by
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Effective: _____

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Special Provision for Customers with Standby Contract Capacities of Less than 100 KW (Cont'd)

Contracts for such service shall be executed on a special contract form for a minimum of 1 year. Contract standby capacity in KW shall be set equal to the capacity of the customer's largest power production facility.

Customers eligible for this provision who desire market-based Standby Service will be responsible for the costs of installation of interval metering and will be subject to the market-based charges shown above.

Delayed Payment Charge

Bills are due and payable in full by mail, checkless payment plan, electronic payment plan or at an authorized payment agent of the Company within 21 days after the mailing of the bill. On accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

Applicable Riders

Monthly Charges computed under this schedule shall be adjusted in accordance with the following applicable riders:

Rider	Riders Applicable to All SBS Customers Sheet No.	Additional Riders Applicable to Special Provision <100 kW SBS Customers Sheet No.
Universal Service Fund Rider	60-1	
Energy Efficiency Fund Rider	61-1	
KWH Tax Rider	62-1	
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Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

Issued: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: _____

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Term of Contract

Contracts under this schedule will be made for an initial period of not less than 1 year and shall continue thereafter until either party has given 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for initial periods longer than 1 year.

A 6-month advance written request is required for any change in supplemental, backup or maintenance service requirements, except for the initial standby service contract. All changes in the standby service contract shall be effective on the contract anniversary date. The Company shall either concur in writing or inform the customer of any conditions or limitations associated with the customer's request within 60 days.

Notwithstanding any contractual requirement for longer than 90 days' notice to discontinue service, customers may elect to take service from a qualified CRES Provider, pursuant to the terms of the applicable Open Access Distribution Schedule, by providing 90 days' written notice to the Company. If upon completion of such 90-day notice period, the customer has not enrolled with a qualified CRES Provider, then the customer must continue to take service under the Company's standard service schedules for a period of not less than twelve (12) consecutive months.

Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Service.

At its discretion, the Company may require that Company-owned metering be installed to monitor the customer's generation. The Company reserves the right to inspect the customer's relays and protective equipment at all reasonable times.

Customers taking service under this rate schedule who desire to transfer to firm full requirements will be required to give the Company written notice of at least 36 months. The Company reserves the right to reduce the notice period requirement dependent upon individual circumstances.

Definitions

AEP Locational Delivery Area: The location where energy is delivered or received in regard to the PJM market-based capacity auctions. AEP is included in one of four Locational Delivery Areas for planning year 2007-2010.

Base Residual Auction: The Base Residual Auction is part of a multi-auction structure designed to procure resource commitments to satisfy the PJM region's unforced capacity obligations.

(Continued on Sheet No. 27-12)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

Issued: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: _____

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Definitions (Cont'd)

Black Start Service Charges: All transmission service customers must purchase black start service from PJM. Black start service is required to ensure that the power grid can restart following a complete system blackout. The critical units needed for system restoration are compensated for the costs incurred for maintaining blackstart service capability. These charges are derived from annual revenue requirements that are submitted by those generators providing the service, and are approved by the Federal Energy Regulatory Commission. Black start is a cost-based service. PJM and North American Electric Reliability Council (NERC) require black start service capability within a control area. To the extent that other generators within the AEP control area provide blackstart service capability, AEP is required to pay a share of the other generators' black start costs.

Capacity (MW): Firm energy delivered to load located electrically within the PJM Interconnection.

Capacity Resource Clearing Price (\$/MW-day): The market-based price of capacity based on optimized results from the PJM capacity auction with the objective of minimizing capacity procurement costs given the supply offers, level of capacity resource commitments relative to reliability requirements, and possible locational constraints. The Capacity Resource Clearing Price within each unconstrained LDA is the marginal value of system capacity.

Day-ahead Scheduling Reserve Charges: The Day-ahead Scheduling [30-Minute] Reserve Market, scheduled to take effect in June 2008, is an offer-based market that will clear existing reserve requirements for supplemental, 30-minute reserves on the PJM System. The Day-ahead Scheduling Reserve Market is designed to create an explicit value for an additional ancillary service (reserve capacity that can be deployed within 30 minutes) in the PJM Markets that encourages generation and demand resources to provide Day-ahead scheduling reserves. Scheduling reserves are charges to all loads, decrement bids, and exports.

EFORD (Equivalent Demand Forced Outage Rate, %): The portion of time a unit is in demand but is unavailable due to a forced outage or forced de-rating. Demand hours are defined as the time interval each day on a particular system in which there is a heavy demand for electricity. For PJM, it is the time period 08:00-22:00. The PJM pool-average EFORD for the 2007/08 planning year is **6.17%**.

Forecast Pool Requirement (FPR): The amount, stated in percent, equal to one hundred plus the percent reserve margin for the PJM RTO required pursuant to the Reliability Assurance Agreement (RAA), as approved by the Reliability Committee pursuant to Schedule 4 of the RAA. The FPR for the 2007/08 planning year is **1.0790**.

Locational Marginal Price (LMP, \$/MW): The hourly integrated market clearing marginal price for energy at the location the energy is delivered or received. PJM locational marginal prices are based on actual system conditions, including transmission losses and congestion costs, at five-minute intervals.

(Continued on Sheet No. 27-13)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

Issued: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: _____

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Definitions (Cont'd)

Operating Reserve Charges (\$/MWH): To ensure adequate operating reserves, daily credits are provided for generation resources that operate per PJM dispatch requests, market participants are guaranteed to fully recover daily offered amounts relative to day-ahead and real-time bus Locational Marginal Prices (LMPs). Day-ahead charges are allocated based on load, and balancing operating reserve charges are allocated based on day-ahead and real-time deviations from scheduled PJM quantities for units not following PJM MW dispatch requests. Effective Fall 2008 (date not specified), the allocation of the balancing operating reserve charges will change – these charges will be allocated based on a combination of deviations and real time loads.

Planning Year: The PJM planning year is June 1 through May 31st.

Reactive Charges: All transmission service customers, including those that use network service to serve internal load, must purchase reactive supply service from PJM. Reactive supply service is required to maintain transmission voltages within acceptable reliability limits. Generators providing this service receive revenue based on a FERC-approved, cost-based service agreement. AEP units supply reactive supply service, and in addition, must pay reactive supply service charges to all other units that have FERC-approved reactive supply service revenue rights within the AEP transmission zone.

Regulation Service Charges: Regulation service is used to provide a continuous balance of resources with load, while attempting to maintain a frequency of 60 Hz. AEP provides regulation service with generating units that have the capability to quickly adjust their output. AEP is charged for regulation service based on a defined percentage of its daily peak load obligations.

Reliability Pricing Model (RPM): In the PJM Region, the basis for the capacity market design is the Reliability Pricing Model (RPM). The goal of RPM is to align capacity pricing with system reliability requirements and to provide transparent information to all market participants.

Spinning Reserve Charges: Spinning reserves are defined as the energy (MWs) that can come from units that are already online (i.e. spinning) and can provide incremental energy within ten minutes. Spinning reserves ensure that PJM can respond to a sudden loss of generation or increased demand and still maintain system control. AEP is charged for spinning reserve based on a defined percentage of daily peak load obligations. Generating units providing such obligation are awarded first based on unused spinning MWs on a real-time basis; and then, if there is not enough spinning reserve available, additional resources may be brought online based on their submitted offers and capability.

Zonal Scaling Factor: To determine capacity obligations, zonal weather-normalized RTO-coincident summer peak loads are allocated to the wholesale and retail customers in each zone (for example, the AEP Zone), using methodologies that typically employ the customer's shares of RTO actual peaks. Final Zonal Scaling Factors are determined for each zone by October 31 prior to the start of the Delivery Year to account for load growth, or changes in resources, obligations, or zonal weather-normalized summer peaks. The Zonal Scaling Factor for the 07/08 planning year is **1.02867**.

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

Issued: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: _____

P.U.C.O. NO. 18

SCHEDULE NEMS
(Net Energy Metering Service)Availability of Service

This schedule is available to customers on a first come, first served basis, who own and operate qualifying customer-generator facilities designed to operate in parallel with the Company's system. Customers served under this schedule must also take service under the applicable standard service schedule.

The total rated generating capacity of all customers-generators served under this schedule shall be limited to one percent of the Company's aggregate retail customer peak demand.

Conditions of Service

1. A qualifying customer is one whose generating facility complies with all the following requirements:
 - a. is fueled by solar, wind, biomass, landfill gas, or hydropower, or uses a microturbine or a fuel cell;
 - b. is owned and operated by the customer and is located on the customer-generator's premises;
 - c. is designed and installed to operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers and without presenting safety hazards to Company and customer personnel; and
 - d. is intended primarily to offset part or all of the customer-generator's electricity needs.
2. The rated generating capacity of the customer-generator's facility shall count toward the one percent availability limit as of the date the Company receives the customer's net metering application. Such date shall not be modified due to an incomplete application unless such application omits the facility's rated generating capacity. However, if the customer-generator's facility does not begin operation within six months from the date the application is received by the Company, the application shall be considered void, and shall no longer count toward the one percent limit.
3. The customer's generating equipment shall be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code. All equipment and installations shall comply with all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers and Underwriters Laboratories, as well as any additional control and testing requirements adopted by the Commission.

(Continued on Sheet No. 28-2)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: _____

SCHEDULE NEMS
(Net Energy Metering Service)Metering

Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in each direction. If the existing electrical meter installed at the customer's facility is not capable of measuring the flow of electricity in two directions, the customer shall be responsible for all expenses for the purchase and installation of an appropriate meter with such capability.

The Company may, at its own expense and with written consent of the customer, install one or more additional meters to monitor the flow of electricity.

Monthly Charges

Monthly charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the Company's standard service schedule under which the customer would otherwise be served, absent the customer-owned generation source. If a non-residential customer's qualifying customer-generator facility has a total rated generating capacity of more than 10 kW, service shall be provided under the Company's standard demand-metered schedule (Schedule GS-2 or GS-3 depending on the customer's load characteristics).

If the Company supplies more kWh of electricity to the customer than the customer-generator's facility feeds back to the Company's system during the billing period, all energy charges of the customer's standard service schedule shall be calculated using the customer's net energy usage for the billing period.

If the customer-generator's facility feeds more kWh of electricity back to the Company's system than the Company supplies to the customer during the billing period, only the generation-related energy charges of the customer's standard service schedule, including all applicable generation-related riders, shall be calculated using the customer's net energy supplied to the Company. All other energy charges shall be calculated using an energy value of zero (0) kWh. If the customer's net billing under the standard service schedule is negative during the billing period, the negative net billing shall be allowed to accumulate as a credit to offset billing in the next billing period. The customer may request, in writing, a refund of accumulated credit that is no greater than an annual true-up of accumulated credits over a twelve month period.

Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Service and all provisions of the standard service schedule under which the customer takes service. This schedule is also subject to the applicable provisions of the Company's Minimum Requirements for Distribution System Interconnection.

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: _____

MINIMUM REQUIREMENTS FOR DISTRIBUTION SYSTEM INTERCONNECTION

Applicability

This schedule is applicable to any customer with cogeneration, small power production facilities, and/or other on-site facilities producing electrical energy who wishes to operate such facilities in parallel with the Company's distribution system at voltages up to 35 kV. This schedule is not applicable to the interconnection and parallel operation of facilities which the Federal Energy Regulatory Commission has determined to be subject to its jurisdiction. A customer who has a facility that does not qualify for simplified interconnection pursuant to the PUCO's distribution interconnection rules (O.A.C. § 4901:1-22) (Commission Rules) and the Company's technical requirements for interconnection (Technical Requirements), incorporated herein by reference, may negotiate a separate interconnection agreement with the Company and the terms and conditions of this schedule shall apply to such customers to the extent that the negotiated interconnection agreement does not conflict with this schedule.

Purpose

The purpose of this schedule is to implement Ohio Revised Code Section 4928.11, which calls for uniform interconnection standards that are not unduly burdensome or expensive and also ensure safety and reliability, to the extent governing authority is not preempted by federal law. This schedule states the terms and conditions that govern the interconnection and parallel operation of a customer's facility with the Company's distribution system.

Customer Request For Interconnection

Any customer seeking to physically connect facilities to the Company's distribution system, which facilities may be used in parallel operation with the Company's distribution system, shall file an interconnection application and sign an interconnection agreement with the Company. For facilities for which the referenced Technical Requirements are applicable, the customer and Company shall execute a simplified interconnection agreement. For all other facilities, the customer and the Company shall execute an interconnection agreement which may be different from the simplified agreement, but which shall conform with the provisions of this schedule, to the extent applicable. Copies of all applicable forms and the Company's Technical Requirements are available upon request.

To the extent possible, interconnection to the Company's distribution system shall take place within the following time frames:

1. Where no construction is required by the Company and the facility qualifies for simplified interconnection pursuant to the review procedure contained in the Commission Rules, interconnection shall be permitted within four weeks of the Company's receipt of a completed interconnection application in compliance with the terms and conditions of this schedule. Prior to actual interconnection, the customer must execute the interconnection agreement.

(Continued on Sheet No. 6-2D)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin, E. Walker, President
AEP Ohio

Effective: _____

MINIMUM REQUIREMENTS FOR DISTRIBUTION SYSTEM INTERCONNECTION

Customer Request For Interconnection (Cont'd)

2. Where construction or system upgrades of the Company's distribution system are required, the Company shall provide the customer, in a timely fashion, an estimate of the schedule and the customer's cost for the construction or upgrades. If the customer desires to proceed with the construction or upgrades, the customer and the Company shall enter into a contract. The contract shall contain a construction schedule listing target commencement and completion dates, and an estimate of the customer's costs for construction or upgrades. Assuming the customer is ready, the interconnection shall take place no later than two weeks following the completion of such construction or upgrades. The Company shall employ best reasonable efforts to complete such system construction or upgrades in the shortest time reasonably practical.
3. All interconnection applications shall be processed by the Company in a non-discriminatory manner. The Company shall promptly provide the customer a written notice of the Company's receipt of the application. The Company will endeavor to place such notice in the U.S. Mail or respond by Email within three business days after the application has been received by the Company's personnel designated on the application form. The Company shall provide the customer with a copy of the review procedure and a target date for processing the application. If the application is viewed as incomplete, the Company must provide a written notice within 10 days of receipt of the application by the Company's personnel designated on the application form that the application is not complete together with a description of the information needed to complete the application and a statement that processing of the application cannot begin until the information is received. The Company's target date shall permit interconnection in a timely manner pursuant to the requirements of the Commission Rules. Interconnection applications will be processed in the order that they are received. It is recognized that certain interconnection applications may require minor modifications while they are being reviewed by the Company. Such minor modifications to a pending application shall not require that it be considered incomplete and treated as a new or separate application. Minor modifications would not include at least the following: changes in facility size or location; any change requiring a new impact study; or any other substantive change.
4. If the Company determines that it cannot connect the customer's facility within the time frames required by the Commission Rules, the Company will notify the customer in writing of that fact as soon as possible. The notification will identify the reason or reasons the interconnection could not be completed within the time frames stated, and provide an estimated date for completion. This section shall not limit the rights of a customer for relief under Ohio Revised Code Chapter 4905.

(Continued on Sheet No. 6-3D)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin, E. Walker, President
AEP Ohio

Effective: _____

MINIMUM REQUIREMENTS FOR DISTRIBUTION SYSTEM INTERCONNECTION

Technical Requirements

The Company shall maintain a copy of the Technical Requirements at its business office such that the Technical Requirements are readily available to the public. The Company shall provide the Commission Staff with a copy of the Technical Requirements. Standards adopted by IEEE shall supersede the applicable provisions of the Company's Technical Requirements effective the date that IEEE adopts such standards. However, any interconnection made or initiated prior to the adoption of any national standard promulgated by IEEE shall not be subject to that standard. Regarding any IEEE minimum standard, or any guideline that the IEEE may promulgate, the Company may amend the Technical Requirements to the minimum extent required to address unique local conditions, and shall provide such amendments to the Staff and make such amendments available to customers. All Technical Requirements, including superseding standards adopted by IEEE, are incorporated herein by reference.

Metering

Any metering installation, testing, or recalibration required by the installation of the customer's generation facilities shall be provided consistent with the Electric Service and Safety Standards pursuant to Ohio Revised Code Chapter 4928, and specifically O.A.C. § 4901:1-10-05 (Metering) and, as applicable, § 4901:1-10-28 (C) (Net Metering).

Liability Insurance

Prior to interconnection with the Company, the customer must provide the Company with proof of insurance or other suitable financial instrument sufficient to meet its construction, operating and liability responsibilities pursuant to this schedule. At no time shall the Company require that the applicant negotiate any policy or renew any policy covering any liability through a particular insurance company, agent, solicitor, or broker. The Company's receipt of evidence of liability insurance does not imply an endorsement of the terms and conditions of the coverage.

System Impact and Facilities Studies

For those facilities that do not qualify for simplified interconnection pursuant to the review procedure included in the Commission Rules, the Company may require a supplemental review, service study, coordination study, facilities study or Company system impact study prior to interconnection. In instances where such studies are required, the scope of such studies shall be based on the characteristics of the particular generation facility to be interconnected and the Company's system at the specific proposed location. By agreement between the Company and the customer, studies related to interconnection of the generation facility may be conducted by a qualified third party. The cost of an impact facilities study performed by the Company shall be included in the costs set forth in the Interconnection Fees section of this schedule. The Company shall provide the customer with a target date for completion of any required system impact or facilities study. Any such study conducted by the Company shall be shared with the customer.

(Continued on Sheet No. 6-4D)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin, E. Walker, President
AEP Ohio

Effective: _____

MINIMUM REQUIREMENTS FOR DISTRIBUTION SYSTEM INTERCONNECTION

Interconnection Fees

The Company shall not charge any fees for interconnection other than those authorized by this schedule.

The Company shall charge each customer that applies for interconnection service a nonrefundable application fee of \$100.00 for single phase installations up to 25 kW and \$500.00 for single phase installations over 25 kW and for three phase installations, payable at the time the application is submitted.

Where an interconnection study is required to determine the feasibility, impact, and cost of safely connecting the customer's generation facilities to the Company's distribution system, the customer shall deposit with the Company an amount as follows:

Installation Type	Deposit (\$)
Single phase installation up to 25 kW*	500
Single phase installation – 26 kW to 100 kW and three phase installation up to 100 kW*	1,000
Single phase and three phase installation – 101 kW to 500 kW*	3,000
Single phase and three phase installation greater than 500 kW*	5,000

*Based on total rated generating capacity.

Such deposit shall be paid in advance and apply to each installation at the Company's distribution voltages up to 35 kV.

The Company shall apply the deposit to the Company's actual costs, including applicable taxes, to perform the system impact study associated with the interconnection. If such costs are greater than the amount of the deposit, the customer shall pay such additional costs to the Company. If such costs are less than the amount of the deposit the Company shall refund the balance of the deposit to the customer.

Additional Fees

The customer is responsible for all equipment and installation costs of the customer's facility.

The Company may require an inspection of the inverter settings of a static inverter-connected generator with capacity in excess of 10 KW prior to interconnection. The customer shall pay a charge of \$115.00 for each inspection.

(Continued on Sheet No. 6-5D)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin, E. Walker, President
AEP Ohio

Effective: _____

P.U.C.O. NO. 18

MINIMUM REQUIREMENTS FOR DISTRIBUTION SYSTEM INTERCONNECTION

Additional Fees (Cont'd)

The Company may require an inspection of the protective equipment settings of a non-static inverter-connected generator prior to interconnection. The customer shall pay a charge of \$115.00 for each inspection.

The customer shall pay any additional charges, as determined by the Company, for equipment, labor, metering, testing or inspections requested by the customer.

Construction or Upgrade Fees

If the interconnection requires construction or an upgrade of the Company's system which, save for the generation facility would not be required, the Company will assess the customer the actual cost including applicable taxes of such construction or upgrade. Payment terms for such construction or upgrade will be agreed to and specified in the construction contract. The Company and the customer may negotiate for alternatives in order to reduce any costs or taxes applicable thereto.

Resolution of Disputes

The Company or the customer who is a non-mercantile, non-residential customer may seek resolution of any disputes which may arise out of this schedule, including the interconnection and the referenced Technical Requirements in accordance with the Commission Rules.

Special Terms and Conditions of Service

This schedule is subject to the Company's Terms and Conditions of Open Access Distribution Service and all provisions of the OAD service schedule under which the customer takes service. If applicable, the customer shall also take the appropriate service under the provisions of Schedule OAD-SBS and/or Schedule OAD-NEMS.

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin, E. Walker, President
AEP Ohio

Effective: _____

P.U.C.O. NO. 18

SCHEDULE OAD - SBS
(Open Access Distribution - Standby Service)Availability of Service

This schedule is available to customers with cogeneration, small power production facilities, and/or other on-site sources of electrical energy supply, with standby distribution service requirements of 50,000 KW of less and who request and receive electric generation service from a qualified CRES Provider.

Conditions of Standby Service Availability

The provision for the Company providing standby distribution service to the customer is conditionally provided on the assumption that the customer installs, operates and maintains suitable and sufficient equipment, as specified in the Company's technical requirements for interconnection and the Public Utilities Commission of Ohio's distribution interconnection rules, as applicable, to protect the customer's facilities and the Company's system from damages resulting from such parallel operation, and upon the further condition that the Company shall not be liable to the customer for any loss, cost, damage, or expense which the customer may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of or in any manner connected with such parallel operation, unless such loss, cost, damage, or expense is caused by the negligence of the Company, its agents, or employees, and upon further condition that the customer shall not be liable to the Company for any loss, cost, damage or expense which the Company may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of, or in any manner connected with such parallel operation, unless such loss, cost, damage, or expense is caused by the negligence of the customer, its agents or employees.

Detents shall be used on the necessary metering to prevent reverse rotation.

Determination of Standby Contract Capacity

The standby contract capacity in KW shall be initially established by mutual agreement between the customer and the Company for distribution capacity sufficient for the delivery of the customer's maximum standby requirements to be provided by a qualified CRES Provider.

The customer shall specify the desired standby contract capacity to the nearest 50 KW. Changes in the standby contract capacity are subject to the provisions set forth in the Term of Contract.

Monthly Standby Charge

	Secondary	Primary	Subtransmission	Transmission
Demand Charge (\$/KW)	5.22	3.36	0.29	0.15

The minimum monthly standby charge is equal to the demand charge times the standby contract capacity plus all applicable riders.

(Continued on Sheet No. 27-2D)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

Issued: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: _____

P.U.C.O. NO. 18

SCHEDULE OAD - SBS
(Open Access Distribution - Standby Service)Local Facilities Charge

Charges to cover interconnection costs (including but not limited to suitable meters, relays and protective apparatus) incurred by the Company shall be determined by the Company and shall be collected from the customer. Such charges shall include the total installed cost of all local facilities. The customer shall make a one time payment of the Local Facilities Charge at the time of the installation of the required additional facilities, or, at the customer's option, up to 36 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt nor the maximum rate permitted by law. If the customer elects the installment payment option, the Company may require a security deposit equal to 25% of the total cost of interconnection.

Special Provision for Customers with Standby Contract Capacities of Less than 100 KW

Customers requesting standby service with contract capacities of less than 100 KW shall be charged a monthly demand rate of \$1.92/KW. However, in those months when standby service is used, the demand charge shall be waived provided the customer notifies the Company in writing prior to the meter reading date and such services shall be billed according to the applicable demand-metered open access distribution rate schedule.

Contracts for such service shall be executed on a special contract form for a minimum of one year. Standby contract capacity in KW shall be set equal to the capacity of the customer's largest power production facility.

Transmission Service

Transmission service for customers served under this schedule will be made available under the terms and conditions contained within the applicable Open Access Transmission Tariff as filed with the Federal Energy Regulatory Commission and as specified in the Company's Terms and Conditions of Open Access Distribution Service.

Metering and Billing Options

The customer has the option of selecting the Company and/or an alternative supplier for metering, meter data management or billing services. Such services provided to the customer by an alternative supplier must be arranged through the CRES Provider who provides energy services to the customer. Unless the customer explicitly designates otherwise, the Company shall continue to provide such services.

- 1) An alternative provider of metering services must be registered with the Company as a qualified Meter Service Provider (MSP) as specified in the Company's Supplier Terms and Conditions of Service. The MSP shall be responsible for providing, installing and maintaining the billing meter. Such metering must be of a type approved by the Company and must meet the Company's standards for safety, reliability and accuracy. The Company's meter must be removed by qualified personnel and returned to the Company at either the expense of the MSP or the customer. Once the Company's meter has been received and inspected by the Company, then a credit equal to the credit specified in the applicable demand-metered open access distribution rate schedule shall apply.

(Continued on Sheet No. 27-3D)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 28, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE OAD - SBS
(Open Access Distribution - Standby Service)Metering and Billing Options (cont'd)

- If the customer has received metering services from an MSP and subsequently elects to have the Company once again provide, install and maintain the metering, then the customer shall pay a one-time charge based on the type of meter required.
- 2) An alternative provider of meter data management services must be registered with the Company as a qualified Meter Data Management Agent (MDMA) as specified in the Company's Supplier Terms and Conditions of Service. The MDMA shall be responsible for the collection of metered data and for providing data to the Company and other entities as required for billing purposes.
 - 3) A provider of consolidated billing must be registered with the Company as a qualified Billing Agent (BA) as specified in the Company's Supplier Terms and Conditions of Service. The BA shall then provide to the customer a consolidated monthly bill specifying the supplier and charges for generation, transmission, distribution and other services. Unless the customer chooses a BA to provide a consolidated bill, or the customer's CRES Provider has made arrangements with the Company to provide a Company-issued consolidated bill, the Company will provide a separate billing for distribution services under the provisions of this schedule.

Delayed Payment Charge

- 1) Bills from the Company are due and payable in full by mail, checkless payment plan, electronic payment plan, or at an authorized payment agent of the Company within 21 days after the mailing of the bill. On accounts not so paid, an additional charge of five percent (5%) of the unpaid balance will be made.
- 2) Should a partial payment be made in lieu of the total payment of the amount owed to the Company, the payment provisions of this schedule shall apply. If a partial payment is made, such partial payment shall be applied to the various portions of the customer's bill in the following order: (a) past due distribution, Standard Offer Service generation and transmission charges, (b) past due CRES Provider charges, (c) current CRES Provider charges, (d) current distribution, Standard Offer Service generation and transmission charges, and (e) other past due and current non-regulated charges.
- 3) If the BA fails to provide payment to the Company by the date of the next monthly bill, the Company will thereafter directly bill the customer for distribution service. In addition, the financial instrument as specified in the Supplier Terms and Conditions of Service will be forfeited to the extent necessary to cover bills due and payable to the Company. Any remaining unpaid amounts and associated fees are the responsibility of the customer.

(Continued on Sheet No. 27-4D)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio

SCHEDULE OAD - SBS
(Open Access Distribution - Standby Service)Applicable Riders

Monthly charges computed under this schedule shall be adjusted in accordance with the following applicable Riders:

Title	Sheet No.
OAD - Universal Service Fund Rider	60-1D
OAD - Energy Efficiency Fund Rider	61-1D
OAD - KWH Tax Rider	62-1D
OAD - Gross Receipts Tax Credit Rider	63-1D
OAD - Municipal Income Tax Rider	65-1D
OAD - Franchise Tax Rider	66-1D
OAD - Regulatory Asset Charge Rider	67-1D
OAD - Provider of Last Resort Charge Rider	69-1D
OAD - Major Storm Cost Recovery Rider	77-1D
OAD - Green Pricing Option Rider	79-1D

Term of Contract

Contracts under this schedule will be made for an initial period of not less than one year and shall continue thereafter until either party has given 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for initial periods longer than one year.

Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Open Access Distribution Service.

At its discretion, the Company may require that metering be installed to monitor the customer's generation. The Company reserves the right to inspect the customer's relays and protective equipment at all reasonable times.

Filed pursuant to Order dated May 2, 2007 in Case No. 06-1153-EL-UNC

Issued: August 27, 2007

Effective: Cycle 1 September 2007

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE OAD-NEMS
(Open Access Distribution - Net Energy Metering Service)Availability of Service

This schedule is available to customers on a first come, first served basis, who own and operate qualifying customer-generator facilities designed to operate in parallel with the Company's system. Customers served under this schedule must also take service under the applicable Open Access Distribution (OAD) service schedule.

The total rated generating capacity of all customers-generators served under this schedule shall be limited to one percent of the CRES Provider's aggregate customer peak demand in the Company's service territory.

Conditions of Service

1. A qualifying customer is one whose generating facility complies with all the following requirements:
 - a. is fueled by solar, wind, biomass, landfill gas, or hydropower, or uses a microturbine or a fuel cell;
 - b. is owned and operated by the customer and is located on the customer-generator's premises;
 - c. is designed and installed to operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers and without presenting safety hazards to Company and customer personnel; and
 - d. is intended primarily to offset part or all of the customer-generator's electricity needs.
2. The rated generating capacity of the customer-generator's facility shall count toward the one percent availability limit as of the date the Company receives the customer's net metering application. Such date shall not be modified due to an incomplete application unless such application omits the facility's rated generating capacity. However, if the customer-generator's facility does not begin operation within six months from the date the application is received by the Company, the application shall be considered void, and shall no longer count toward the one percent limit.
3. The customer's generating equipment shall be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code. All equipment and installations shall comply with all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers and Underwriters Laboratories, as well as any additional control and testing requirements adopted by the Commission.

(Continued on Sheet No. 28-2D)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: _____

P.U.C.O. NO. 18

SCHEDULE OAD-NEMS
(Open Access Distribution - Net Energy Metering Service)Metering

Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in each direction. If the existing electrical meter installed at the customer's facility is not capable of measuring the flow of electricity in two directions, the customer shall be responsible for all expenses for the purchase and installation of an appropriate meter with such capability.

The Company may, at its own expense and with written consent of the customer, install one or more additional meters to monitor the flow of electricity.

Monthly Charges

Monthly charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the Company's OAD service schedule under which the customer would otherwise be served, absent the customer-owned generation source. If a non-residential customer's qualifying customer-generator facility has a total rated generating capacity of more than 10 kW, service shall be provided under the Company's OAD demand-metered schedule (Schedule OAD-GS-2 or OAD-GS-3 depending on the customer's load characteristics).

Energy charges under the OAD service schedule shall be based on the customer's net energy for the billing period. In no event shall the customer's net energy for the billing period be less than zero for purposes of billing under the OAD service schedule.

Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Open Access Distribution Service and all provisions of the OAD service schedule under which the customer takes service. This schedule is also subject to the applicable provisions of the Company's Minimum Requirements for Distribution System Interconnection.

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio

Minimum Requirements for Distribution System Interconnection

Applicability

This schedule is applicable to any customer with cogeneration, small power production facilities, and/or other on-site facilities producing electrical energy who wishes to operate such facilities in parallel with the Company's distribution system at voltages up to 35 kV. This schedule is not applicable to the interconnection and parallel operation of facilities which the Federal Energy Regulatory Commission has determined to be subject to its jurisdiction. A customer who has a facility that does not qualify for simplified interconnection pursuant to the PUCO's distribution interconnection rules (O.A.C. § 4901:1-22) (Commission Rules) and the Company's technical requirements for interconnection (Technical Requirements), incorporated herein by reference, may negotiate a separate interconnection agreement with the Company and the terms and conditions of this schedule shall apply to such customers to the extent that the negotiated interconnection agreement does not conflict with this schedule.

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Distributed GenerationPurpose

The purpose of this schedule is to implement Ohio Revised Code Section 4928.11, which calls for uniform interconnection standards that are not unduly burdensome or expensive and also ensure safety and reliability, to the extent governing authority is not preempted by federal law. This schedule states the terms and conditions that govern the interconnection and parallel operation of a customer's facility with the Company's distribution system.

Customer Request For Interconnection

Any customer seeking to physically connect facilities to the Company's distribution system, which facilities may be used in parallel operation with the Company's distribution system, shall file an interconnection application and sign an interconnection agreement with the Company. For facilities for which the referenced Technical Requirements are applicable, the customer and Company shall execute a simplified interconnection agreement. For all other facilities, the customer and the Company shall execute an interconnection agreement which may be different from the simplified agreement, but which shall conform with the provisions of this schedule, to the extent applicable. Copies of all applicable forms and the Company's Technical Requirements are available upon request.

To the extent possible, interconnection to the Company's distribution system shall take place within the following time frames:

1. Where no construction is required by the Company and the facility qualifies for simplified interconnection pursuant to the review procedure contained in the Commission Rules, interconnection shall be permitted within four weeks of the Company's receipt of a completed interconnection application in compliance with the terms and conditions of this schedule. Prior to actual interconnection, the customer must execute the interconnection agreement.

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Deleted: Cycle 1 January 2006

(Continued on Sheet No. 6-2)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: _____

Minimum Requirements for Distribution System Interconnection

Customer Request For Interconnection (Cont'd)

2. Where construction or system upgrades of the Company's distribution system are required, the Company shall provide the customer, in a timely fashion, an estimate of the schedule and the customer's cost for the construction or upgrades. If the customer desires to proceed with the construction or upgrades, the customer and the Company shall enter into a contract. The contract shall contain a construction schedule listing target commencement and completion dates, and an estimate of the customer's costs for construction or upgrades. Assuming the customer is ready, the interconnection shall take place no later than two weeks following the completion of such construction or upgrades. The Company shall employ best reasonable efforts to complete such system construction or upgrades in the shortest time reasonably practical.
3. All interconnection applications shall be processed by the Company in a non-discriminatory manner. The Company shall promptly provide the customer a written notice of the Company's receipt of the application. The Company will endeavor to place such notice in the U.S. Mail or respond by Email within three business days after the application has been received by the Company's personnel designated on the application form. The Company shall provide the customer with a copy of the review procedure and a target date for processing the application. If the application is viewed as incomplete, the Company must provide a written notice within 10 days of receipt of the application by the Company's personnel designated on the application form that the application is not complete together with a description of the information needed to complete the application and a statement that processing of the application cannot begin until the information is received. The Company's target date shall permit interconnection in a timely manner pursuant to the requirements of the Commission Rules. Interconnection applications will be processed in the order that they are received. It is recognized that certain interconnection applications may require minor modifications while they are being reviewed by the Company. Such minor modifications to a pending application shall not require that it be considered incomplete and treated as a new or separate application. Minor modifications would not include at least the following: changes in facility size or location; any change requiring a new Impact study; or any other substantive change.
4. If the Company determines that it cannot connect the customer's facility within the time frames required by the Commission Rules, the Company will notify the customer in writing of that fact as soon as possible. The notification will identify the reason or reasons the interconnection could not be completed within the time frames stated, and provide an estimated date for completion. This section shall not limit the rights of a customer for relief under Ohio Revised Code Chapter 4905.

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Deleted: December 21, 2005

Deleted: Cycle 1 January 2006

(Continued on Sheet No. 6-3)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-CO1

Issued: _____

Effective: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Minimum Requirements for Distribution System Interconnection

Technical Requirements

The Company shall maintain a copy of the Technical Requirements at its business office such that the Technical Requirements are readily available to the public. The Company shall provide the Commission Staff with a copy of the Technical Requirements. Standards adopted by IEEE shall supersede the applicable provisions of the Company's Technical Requirements effective the date that IEEE adopts such standards. However, any interconnection made or initiated prior to the adoption of any national standard promulgated by IEEE shall not be subject to that standard. Regarding any IEEE minimum standard, or any guideline that the IEEE may promulgate, the Company may amend the Technical Requirements to the minimum extent required to address unique local conditions, and shall provide such amendments to the Staff and make such amendments available to customers. All Technical Requirements, including superseding standards adopted by IEEE, are incorporated herein by reference.

Metering

Any metering installation, testing, or recalibration required by the installation of the customer's generation facilities shall be provided consistent with the Electric Service and Safety Standards pursuant to Ohio Revised Code Chapter 4928, and specifically O.A.C. § 4901:1-10-05 (Metering) and, as applicable, § 4901:1-10-28 (C) (Net Metering).

Liability Insurance

Prior to interconnection with the Company, the customer must provide the Company with proof of insurance or other suitable financial instrument sufficient to meet its construction, operating and liability responsibilities pursuant to this schedule. At no time shall the Company require that the applicant negotiate any policy or renew any policy covering any liability through a particular insurance company, agent, solicitor, or broker. The Company's receipt of evidence of liability insurance does not imply an endorsement of the terms and conditions of the coverage.

System Impact and Facilities Studies

For those facilities that do not qualify for simplified interconnection pursuant to the review procedures included in the Commission Rules, the Company may require a supplemental review, service study, coordination study, facilities study or Company system impact study prior to interconnection. In instances where such studies are required, the scope of such studies shall be based on the characteristics of the particular generation facility to be interconnected and the Company's system at the specific proposed location. By agreement between the Company and the customer, studies related to interconnection of the generation facility may be conducted by a qualified third party. The cost of an impact facilities study performed by the Company shall be included in the costs set forth in the Interconnection Fees section of this schedule. The Company shall provide the customer with a target date for completion of any required system impact or facilities study. Any such study conducted by the Company shall be shared with the customer.

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(Continued on Sheet No. 6-4)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Effective: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Minimum Requirements for Distribution System Interconnection

Interconnection Fees

The Company shall not charge any fees for interconnection other than those authorized by this schedule.

The Company shall charge each customer that applies for interconnection service a nonrefundable application fee of \$100.00 for single phase installations up to 25 kW and \$500.00 for single phase installations over 25 kW and for three phase installations, payable at the time the application is submitted.

Where an interconnection study is required to determine the feasibility, impact, and cost of safely connecting the customer's generation facilities to the Company's distribution system, the customer shall deposit with the Company an amount as follows:

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Installation Type	Deposit (\$)
Single phase installation up to 25 kW*	500
Single phase installation – 26 kW to 100 kW and three phase installation up to 100 kW*	1,000
Single phase and three phase installation – 101 kW to 500 kW*	3,000
Single phase and three phase installation greater than 500 kW*	5,000

*Based on total rated generating capacity.

Such deposit shall be paid in advance and apply to each installation at the Company's distribution voltages up to 35 kV.

The Company shall apply the deposit to the Company's actual costs, including applicable taxes, to perform the system impact study associated with the interconnection. If such costs are greater than the amount of the deposit, the customer shall pay such additional costs to the Company. If such costs are less than the amount of the deposit the Company shall refund the balance of the deposit to the customer.

Additional Fees

The customer is responsible for all equipment and installation costs of the customer's facility.

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The Company may require an inspection of the inverter settings of a static inverter-connected generator with capacity in excess of 10 kW prior to interconnection. The customer shall pay a charge of \$115.00 for each inspection.

Deleted: December 21, 2005

Deleted: Cycle 1 January 2006

(Continued on Sheet No. 6-5)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Effective: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Minimum Requirements for Distribution System Interconnection

Additional Fees (Cont'd)

The Company may require an inspection of the protective equipment settings of a non-static inverter-connected generator prior to interconnection. The customer shall pay a charge of \$115.00 for each inspection.

The customer shall pay any additional charges, as determined by the Company, for equipment, labor, metering, testing or inspections requested by the customer.

Construction or Upgrade Fees

If the interconnection requires construction or an upgrade of the Company's system which, save for the generation facility would not be required, the Company will assess the customer the actual cost including applicable taxes of such construction or upgrade. Payment terms for such construction or upgrade will be agreed to and specified in the construction contract. The Company and the customer may negotiate for alternatives in order to reduce any costs or taxes applicable thereto.

Resolution of Disputes

The Company or the customer who is a non-mercantile, non-residential customer may seek resolution of any disputes which may arise out of this schedule, including the interconnection and the referenced Technical Requirements in accordance with the Commission Rules.

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Special Terms and Conditions of Service

This schedule is subject to the Company's Terms and Conditions of Service and all provisions of the standard service schedule under which the customer takes service. If applicable, the customer shall also take the appropriate service under the provisions of Schedule COGEN/SPP, Schedule SBS and/or Schedule NEMS.

Deleted: November 29, 2005

Deleted: 04-169-EL-UNC

Deleted: December 21, 2005

Deleted: Cycle 1 January 2006

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Effective: _____

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Availability of Service

This schedule is available to customers having sources of electrical energy supply other than the Company with standby service requirements of 50,000 KW or less. Energy provided hereunder shall be solely for consumption at the customer's premises and shall not be resold. The customer shall contract for one or more of the following services:

Supplemental Service

Service provided to the customer to supplement the customer's power production facilities or other sources of electrical energy supply where additional power in excess of that normally supplied by the customer's other source of supply is required to meet the customer's total requirements. If the customer contracts for backup and maintenance service as defined below, then supplemental service excludes such backup and maintenance service.

Backup Service

Service provided to the customer when the customer's power production facilities or other sources of electrical energy supply are unavailable due to unscheduled maintenance.

Maintenance Service

Service provided to the customer when the customer's power production facilities are unavailable due to scheduled maintenance which has been approved in advance by the Company.

Conditions and Limitations of Standby Service Availability

The Company reserves the right to limit the total backup and maintenance contract capacity for all customers served under this schedule.

The conditions and limitations of standby service include, but are not limited to, the available capacity of the Company's facilities, the possibility of causing any undue interference with the Company's obligations to provide service to any of its other customers and the extent to which such backup and/or maintenance service will impose a burden on the Company's system or any system interconnected with the Company.

The provision for the Company providing backup and/or maintenance service to the customer is conditionally provided on the assumption that the customer installs, operates and maintains suitable and sufficient equipment, as specified in the Company's technical requirements for interconnection and the Public Utilities Commission of Ohio's distribution interconnection rules, as applicable, to protect the customer's facilities and the Company's system from damages resulting from such parallel operation, and upon the further condition that the Company shall not be liable to the customer for any loss, cost, damage, or expense which the

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(Continued on Sheet No. 27-2)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 13, 2006

Effective: Cycle 1 January 2007

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Conditions and Limitations of Standby Service Availability (Cont'd)

customer may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of or in any manner connected with such parallel operation, unless such loss, cost, damage, or expense is caused by the negligence of the Company, its agents, or employees, and upon further condition that the customer shall not be liable to the Company for any loss, cost, damage or expense which the Company may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of, or in any manner connected with such parallel operation, unless such loss, cost, damage, or expense is caused by the negligence of the customer, its agents or employees.

Detents shall be used on the necessary metering to prevent reverse rotation.

Interval metering is required to take service under this schedule. If interval metering is not already installed at the time SBS service is requested, the customer is responsible for all equipment and installation costs associated with such interval metering.

Supplemental Service

The customer shall contract for a specific amount of supplemental contract capacity according to the provisions of the applicable firm service rate schedule (hereinafter referred to as supplemental schedule). Any demand or energy not identified as backup or maintenance service shall be considered supplemental service and billed according to the applicable rate schedule. If the supplemental schedule requires KVA billing, then the metered demand shall be adjusted to KVA accordingly.

If the customer has not signed a supplemental service contract, the customer will be billed for all supplemental demand in excess of either backup and/or maintenance contract capacities on the appropriate supplemental service schedule and shall thereafter be subject to the terms and conditions of said supplemental service schedule.

Monthly Charges for Standby Service

Standby Service includes backup and maintenance service, as determined below. In the event that the customer chooses not to contract for backup or maintenance service, the customer's minimum monthly billing demand under the supplemental schedule shall be subject to negotiation between the Company and the customer and/or imposition by the Public Utilities Commission of Ohio after review of the specific facts and circumstances concerning the reliability of the cogeneration facility and its potential impact on the Ohio Power system.

Backup Service1. Determination of Backup Contract Capacity

The backup contract capacity in KW shall be initially established by mutual agreement between the customer and the Company for electrical capacity sufficient to meet the maximum backup requirements which the Company is expected to supply.

(Continued on Sheet No. 27-3)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: Cycle 1 January 2006

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Backup Service (Cont'd)1. Determination of Backup Contract Capacity (Cont'd)

The customer shall specify the desired backup contract capacity to the nearest 50 KW. Changes in the backup contract capacity are subject to the provisions set forth in the Term of Contract.

~~Deleted:~~ as well as the desired service reliability as specified under the Monthly Backup Charge

2. Backup Service Notification Requirement

Whenever backup service is needed, the customer shall verbally notify the Company within 1 hour. Such notification shall be confirmed in writing within 5 working days and shall specify the time and date such use commenced and termination time and date. If such notification is not received, the customer shall be subject to an increase in contract capacity in accordance with the provisions of the schedule under which the customer receives supplemental service and such backup demand shall be considered supplemental demand and billed accordingly.

3. Backup Demand Determination

Whenever backup service is supplied to the customer for use during forced outages, the customer's 30-minute integrated KW demands shall be adjusted by subtracting the amount of backup contract capacity supplied by the Company. In no event shall the adjusted demands be less than 0. The monthly billing demand under the supplemental service schedule shall be the maximum adjusted 30-minute integrated demand. If both backup and maintenance service are utilized during the same billing period, the customer's 30-minute integrated demands will be adjusted for both in the appropriate period. Whenever the customer's maximum 30-minute integrated demand at any time during the billing period exceeds the total of the supplemental service contract capacity and the specific request for backup and/or maintenance service, the excess demand shall be considered as supplemental demand in the determination of the billing demands under the appropriate supplemental service schedule.

4. Backup Service Energy Determination

Whenever backup service is utilized, backup energy shall be calculated for each 30-minute interval as the lesser of (a) the backup contract capacity divided by two (2) or (b) total metered energy in that interval. Metered energy for purposes of billing under the appropriate supplemental schedule shall be derived by subtracting the backup energy from the total metered energy for the billing month.

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(Continued on Sheet No. 27-4)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Backup Service (Cont'd)5. Monthly Backup ChargeDistribution Backup Charges:

					Distribution	
Backup Demand Charge (\$ per KW):						
Secondary Voltage:					5.22	
Primary Voltage:					3.36	
Subtransmission Voltage:					0.29	
Transmission Voltage:					0.15	

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(Continued on Sheet No. 27-5)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 13, 2006

Effective: Cycle 1 January 2007

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Market-based Generation Backup ChargesDemand (Capacity) Charge

The customer will be charged for PJM capacity requirements based on the customer's backup contract capacity multiplied by: the previous 1-year Equivalent Demand Forced Outage Rate (EFORd, %) of the customer's generator(s); the Forecast Pool Requirement (FPR) factor for the AEP Locational Delivery Area posted annually by PJM; the PJM Capacity Cost (\$/MW-Day) for the AEP Locational Delivery Area; and the applicable Demand Loss Factor (DLF). A final zonal scaling factor (ZSF) will be added for weather-normalized load, using PJM's forecast zonal load factor used in the corresponding Base Residual auction.

$$\text{Monthly Demand Charge} = \text{EFORd}(\%) \times \text{FPR} \times \text{ZSF} \times \text{PJM Capacity Cost} \\ (\$/\text{MW-Day}) \times \text{days in month} \times \text{DLF} / 1,000$$

As an example, assume a customer with a 5,000 kW generating unit has a 5% EFORd for the previous year. The FPR multiplier is 1.079. The Zonal Scaling Factor is 1.02867. The RPM clearing price for the base residual auction in PJM is \$100 / MW-Day. The customer would pay monthly:

$$5,000 \times 0.05 \times 1.079 \times 1.02867 \times \$100 \times 31 / 1,000 = \$860.20$$

The customer outage rate will be based on the EFORd from submitted Generation and Availability Data System (GADS) data from the previous 12 month period ending September 30. If a full 12 month history is not available for the customer's unit(s), the average EFORd will be calculated using the class average EFORd for the corresponding unit type(s) as published by NERC and posted annually to the PJM website by November 30.

The PJM Capacity Cost will be the PJM Capacity Resource Clearing Price for the pertinent Delivery Year, as posted by PJM following the Reliability Pricing Model (RPM) base residual auction.

The Demand Charge shall be further adjusted by any additional demand-related charges implemented by PJM in the future. Such adjustment shall only be to the extent such charges are not otherwise specifically included in charges to the customer under this Schedule or under any Applicable Riders.

(Continued on Sheet No. 27-x)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 13, 2006

Effective: Cycle 1 January 2007

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Market-based Generation Backup Charges (Cont'd)Energy Charge

The customer will be charged for PJM energy requirements based on the customer's backup energy multiplied by the Energy Loss Factor (ELF) and multiplied by the sum of Hourly Real-time Locational Marginal Price (LMP), Operating Reserve Charges (OR), Spinning Reserve Charges (SR), Regulation Service Charges (RegS), Black Start Service Charges (BSS), Reactive Service Charges (ReacS) and Day-ahead Scheduling Reserve Charges (DaSR).

$$\text{Hourly Energy Charge} = \text{ELF} * (\text{LMP} + \text{OR} + \text{SR} + \text{RegS} + \text{BSS} + \text{ReacS} + \text{DaSR}) / 1,000$$

The Hourly Real-time LMP shall be the AEP Zonal LMP as-posted by PJM. Prices are finalized five PJM business days after the end of the month. PJM energy-related charges that are not assessed on an hourly \$/MWH basis shall be converted and applied on an average \$/MWH basis.

The Hourly Energy Charge shall be further adjusted by any additional energy-related charges implemented by PJM in the future. Such adjustment shall only be to the extent such charges are not otherwise specifically included in charges to the customer under this Schedule or under any Applicable Riders.

The total monthly backup charge is the sum of the Distribution Backup Charge and the Market-based Generation Backup Charges.

(Continued on Sheet No. 27-x)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 13, 2006

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: Cycle 1 January 2007

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Maintenance Service1. Determination of Maintenance Contract Capacity

The customer may contract for maintenance service by giving at least 6 months' advance written request as specified in the Term of Contract. Such notice shall specify the amount to the nearest 50 KW not to exceed the customer's maximum maintenance service requirements during the planned maintenance outages, and the effective date for the amount of contracted maintenance service.

2. Maintenance Service Notification Requirements

A maintenance outage shall be considered as any maintenance service request that has been scheduled at a time consented to by the Company. A maintenance outage may not be scheduled at any time during the "Peak Season", defined by PJM as the weeks containing the 24th through 36th Wednesdays of a calendar year (typically the second week of June through the first week of September). Written notice shall be provided by the customer at least 30 days in advance of such outage or a lesser period by mutual agreement.

If such notification is not received, the customer shall be subject to an increase in supplemental service contract capacity according to the provisions of the supplemental service schedule under which the customer is served and such maintenance service demand shall be considered as supplemental load in the determination of the billing demands.

(Continued on Sheet No. 27-6)

~~Deleted: Backup Service (Cont'd)~~~~¶ Demand Charge: (Cont'd)~~

~~¶ The total monthly backup charge is equal to the selected monthly backup demand charge times the backup contract capacity. Whenever the allowed outage hours for the respective reliability level selected by the customer are exceeded during the contract year, the customer's unadjusted 30-minute integrated demands shall be used for billing purposes under the appropriate supplemental schedule for the remainder of the contract year.~~

~~Deleted: major~~

~~Deleted: greater than 5,000 KW or for longer than 7 days and may be~~

~~Deleted: Written notice shall be provided by the customer at least 6 months in advance of such scheduled outages or a lesser period by mutual agreement and shall specify the KW amount of maintenance service required, as well as the dates and times such use will commence and terminate. A major maintenance service request shall not exceed the KW capacity of the customer's power production facilities as listed in the customer's service contract.~~

~~¶ A minor maintenance outage shall be considered as any maintenance service request of 5,000 KW or less and for a period of less than 7 days and may be scheduled at a time consented to by the Company.~~

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Maintenance Service (Cont'd)3. Maintenance Service Demand Determination

Whenever a specific request for maintenance service is made by the customer, the customer's 30-minute integrated demands will be adjusted by subtracting the maintenance service requested in the hours specified by the customer. The monthly billing demand under the supplemental service schedule shall be the maximum adjusted 30-minute integrated demand.

If both backup and maintenance service are utilized during the same billing period, the customer's 30-minute integrated demands will be adjusted for both in the appropriate hours. In no event shall the adjusted demands be less than 0.

Whenever the maximum 30-minute integrated demand at any time during the billing period exceeds the total of the supplemental contract capacity and the specific request for maintenance and/or backup service, the excess demand shall be considered as supplemental load in the determination of the billing demands.

Deleted: 3. Major Maintenance Service Limitation

1] The customer shall be limited to one major maintenance outage of 30-days duration for each generator listed in the customer's service contract in each contract year. Additional major maintenance outages or outages exceeding 30 days' duration may be requested by the customer and shall be subject to approval by the Company. At the time in which any such additional or prolonged maintenance occurs, the customer shall provide to the Company notarized verification that energy provided under this provision is for maintenance use only.1]

Deleted: 4**Deleted: 5**4. Maintenance Service Energy Determination

Whenever maintenance service is used, maintenance energy shall be calculated for each 30-minute interval as the lesser of (a) the KW of maintenance service requested divided by two (2) or (b) total metered energy in that interval. Metered energy for purposes of billing under the appropriate supplemental service schedule shall be derived by subtracting the maintenance energy from the total metered energy for the billing period.

Deleted: multiplied by the number of hours of maintenance use5. Monthly Maintenance Service Energy Charge**Deleted: 6**

In addition to the monthly charges established under the supplemental service schedule, the customer shall pay the Company for maintenance energy as follows:

(Continued on Sheet No. 27-7)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Monthly Charges for Standby Service (Cont'd)Maintenance Service (Cont'd)Distribution Maintenance Service Energy Charge

		Distribution	
Maintenance Energy Charge (\$ per KWH):			
Secondary		0.84100	
Primary		0.54100	
Subtransmission		0.04700	
Transmission		0.02400	

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Market-based Generation Maintenance Service Energy Charge

The customer will be charged for PJM energy requirements based on the customer's maintenance energy multiplied by the Energy Loss Factor (ELF) and multiplied by the sum of Hourly Real-time Locational Marginal Price (LMP), Operating Reserve Charges (OR), Spinning Reserve Charges (SR), Regulation Service Charges (RegS), Black Start Service Charges (BSS), Reactive Service Charges (ReacS) and Day-ahead Scheduling Reserve Charges (DaSR).

$$\text{Hourly Energy Charge} = \text{ELF} * (\text{LMP} + \text{OR} + \text{SR} + \text{RegS} + \text{BSS} + \text{ReacS} + \text{DaSR}) / 1,000$$

The Hourly Real-time LMP shall be the AEP Zonal LMP as-posted by PJM. Prices are finalized five PJM business days after the end of the month. PJM energy-related charges that are not assessed on an hourly \$/MWH basis shall be converted and applied on an average \$/MWH basis.

The Hourly Energy Charge shall be further adjusted by any additional energy-related charges implemented by PJM in the future. Such adjustment shall only be to the extent such charges are not otherwise specifically included in charges to the customer under this Schedule or under any Applicable Riders.

The total monthly maintenance charge is the sum of the Distribution Maintenance Energy Charge and the Market-based Generation Maintenance Energy Charge.

(Continued on Sheet No. 27-x)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 13, 2006

Effective: Cycle 1 January 2007

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)

Loss Factors

Demand losses will be applied to the Market-based Generation Backup Demand (Capacity) Charge using the following factors:

Secondary = 1.0990

Primary = 1.0596

Subtransmission/Transmission = 1.0341

Energy losses will be applied to the Market-based Generation Backup and Maintenance Energy Charges using the following factors:

Secondary = 1.0729

Primary = 1.0344

Subtransmission/Transmission = 1.0096

(Continued on Sheet No. 27-x)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 13, 2006

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: Cycle 1 January 2007

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Local Facilities Charge

Charges to cover interconnection costs (including but not limited to suitable meters, relays and protective apparatus) incurred by the Company shall be determined by the Company and shall be collected from the customer. Such charges shall include the total installed cost of all local facilities. The customer shall make a 1 time payment for the Local Facilities Charge at the time of the installation of the required additional facilities, or, at his option, up to 36 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt nor the maximum rate permitted by law. If the customer elects the installment payment option, the Company may require a security deposit equal to 25% of the total cost of interconnection.

Special Provision for Customers with Standby Contract Capacities of Less than 100 KW

Customers requesting backup and/or maintenance service with contract capacities of less than 100 KW shall be charged a monthly demand rate as follows:

	Generation	Distribution	Total
Demand Charge (\$ per KW)	0.56	1.92	2.48

However, in those months when backup or maintenance service is used, the demand charge shall be waived provided the customer notifies the Company in writing prior to the meter reading date and such services shall be billed according to the charges for electric service under the applicable demand-metered rate schedule.

Contracts for such service shall be executed on a special contract form for a minimum of 1 year. Contract standby capacity in KW shall be set equal to the capacity of the customer's largest power production facility.

Customers eligible for this provision who desire market-based Standby Service will be responsible for the costs of installation of interval metering and will be subject to the market-based charges shown above.

(Continued on Sheet No. 27-8)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 13, 2006

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: Cycle 1 January 2007

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Delayed Payment Charge

Bills are due and payable in full by mail, checkless payment plan, electronic payment plan or at an authorized payment agent of the Company within 21 days after the mailing of the bill. On accounts not so paid, an additional charge of 5% of the unpaid balance will be made.

Applicable Riders

Monthly Charges computed under this schedule shall be adjusted in accordance with the following applicable riders:

Rider	Riders Applicable to All SBS Customers Sheet No.	Additional Riders Applicable to Special Provision <100 kW SBS Customers Sheet No.
Universal Service Fund Rider	60-1	
Energy Efficiency Fund Rider	61-1	
KWH Tax Rider	62-1	
Gross Receipts Tax Credit Rider	63-1 (Dist. Portion)	63-1 (Gen. Portion)
Property Tax Credit Rider	64-1	
Municipal Income Tax Rider	65-1 (Dist. Portion)	65-1 (Gen. Portion)
Franchise Tax Rider	66-1 (Dist. Portion)	65-1 (Gen. Portion)
Regulatory Asset Charge Rider	67-1	
Provider of Last Resort Charge Rider	69-1	
Transmission Cost Recovery Rider	75-1	
IGCC Cost Recovery Charge Rider		76-1
Major Storm Cost Recovery Rider	77-1	
Generation Cost Recovery Rider		78-1
Green Pricing Option Rider	79-1	

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(Continued on Sheet No. 27-x)

Filed pursuant to Order dated May 2, 2007 in Case No. 06-1153-EL-UNC

Issued: August 27, 2007

Effective: Cycle 1 September 2007

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)

Term of Contract

Contracts under this schedule will be made for an initial period of not less than 1 year and shall continue thereafter until either party has given 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for initial periods longer than 1 year.

A 6-month advance written request is required for any change in supplemental, backup or maintenance service requirements, except for the initial standby service contract. All changes in the standby service contract shall be effective on the contract anniversary date. The Company shall either concur in writing or inform the customer of any conditions or limitations associated with the customer's request within 60 days.

Notwithstanding any contractual requirement for longer than 90 days' notice to discontinue service, customers may elect to take service from a qualified CRES Provider, pursuant to the terms of the applicable Open Access Distribution Schedule, by providing 90 days' written notice to the Company. If upon completion of such 90-day notice period, the customer has not enrolled with a qualified CRES Provider, then the customer must continue to take service under the Company's standard service schedules for a period of not less than twelve (12) consecutive months.

(Continued on Sheet No. 27-9)

Filed pursuant to Order dated May 2, 2007 in Case No. 06-1153-EL-UNC

Issued: August 27, 2007

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: Cycle 1 September 2007

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Service.

At its discretion, the Company may require that Company-owned metering be installed to monitor the customer's generation. The Company reserves the right to inspect the customer's relays and protective equipment at all reasonable times.

Customers taking service under this rate schedule who desire to transfer to firm full requirements will be required to give the Company written notice of at least 36 months. The Company reserves the right to reduce the notice period requirement dependent upon individual circumstances.

Definitions

AEP Locational Delivery Area: The location where energy is delivered or received in regard to the PJM market-based capacity auctions. AEP is included in one of four Locational Delivery Areas for planning year 2007-2010.

Base Residual Auction: The Base Residual Auction is part of a multi-auction structure designed to procure resource commitments to satisfy the PJM region's unforced capacity obligations.

Black Start Service Charges: All transmission service customers must purchase black start service from PJM. Black start service is required to ensure that the power grid can restart following a complete system blackout. The critical units needed for system restoration are compensated for the costs incurred for maintaining blackstart service capability. These charges are derived from annual revenue requirements that are submitted by those generators providing the service, and are approved by the Federal Energy Regulatory Commission. Black start is a cost-based service. PJM and North American Electric Reliability Council (NERC) require black start service capability within a control area. To the extent that other generators within the AEP control area provide blackstart service capability, AEP is required to pay a share of the other generators' black start costs.

Capacity (MW): Firm energy delivered to load located electrically within the PJM Interconnection.

Capacity Resource Clearing Price (\$/MW-day): The market-based price of capacity based on optimized results from the PJM capacity auction with the objective of minimizing capacity procurement costs given the supply offers, level of capacity resource commitments relative to reliability requirements, and possible locational constraints. The Capacity Resource Clearing Price within each unconstrained LDA is the marginal value of system capacity.

(Continued on Sheet No. 27-x)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: Cycle 1 January 2006

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Definitions (Cont'd)

Day-ahead Scheduling Reserve Charges: The Day-ahead Scheduling [30-Minute] Reserve Market, scheduled to take effect in June 2008, is an offer-based market that will clear existing reserve requirements for supplemental, 30-minute reserves on the PJM System. The Day-ahead Scheduling Reserve Market is designed to create an explicit value for an additional ancillary service (reserve capacity that can be deployed within 30 minutes) in the PJM Markets that encourages generation and demand resources to provide Day-ahead scheduling reserves. Scheduling reserves are charges to all loads, decrement bids, and exports.

EFORd (Equivalent Demand Forced Outage Rate, %): The portion of time a unit is in demand but is unavailable due to a forced outage or forced de-rating. Demand hours are defined as the time interval each day on a particular system in which there is a heavy demand for electricity. For PJM, it is the time period 08:00-22:00. The PJM pool-average EFORd for the 2007/08 planning year is **6.17%**.

Forecast Pool Requirement (FPR): The amount, stated in percent, equal to one hundred plus the percent reserve margin for the PJM RTO required pursuant to the Reliability Assurance Agreement (RAA), as approved by the Reliability Committee pursuant to Schedule 4 of the RAA. The FPR for the 2007/08 planning year is **1.0790**.

Locational Marginal Price (LMP, \$/MWh): The hourly integrated market clearing marginal price for energy at the location the energy is delivered or received. PJM locational marginal prices are based on actual system conditions, including transmission losses and congestion costs, at five-minute intervals.

Operating Reserve Charges (\$/MWh): To ensure adequate operating reserves, daily credits are provided for generation resources that operate per PJM dispatch requests; market participants are guaranteed to fully recover daily offered amounts relative to day-ahead and real-time bus Locational Marginal Prices (LMPs). Day-ahead charges are allocated based on load, and balancing operating reserve charges are allocated based on day-ahead and real-time deviations from scheduled PJM quantities for units not following PJM MW dispatch requests. Effective Fall 2008 (date not specified), the allocation of the balancing operating reserve charges will change – these charges will be allocated based on a combination of deviations and real time loads.

Planning Year: The PJM planning year is June 1 through May 31st.

Reactive Charges: All transmission service customers, including those that use network service to serve internal load, must purchase reactive supply service from PJM. Reactive supply service is required to maintain transmission voltages within acceptable reliability limits. Generators providing this service receive revenue based on a FERC-approved, cost-based service agreement. AEP units supply reactive supply service, and in addition, must pay reactive supply service charges to all other units that have FERC-approved reactive supply service revenue rights within the AEP transmission zone.

(Continued on Sheet No. 27-x)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE SBS
(Standby Service)Definitions (Cont'd)

Regulation Service Charges: Regulation service is used to provide a continuous balance of resources with load, while attempting to maintain a frequency of 60 Hz. AEP provides regulation service with generating units that have the capability to quickly adjust their output. AEP is charged for regulation service based on a defined percentage of its daily peak load obligations.

Reliability Pricing Model (RPM): In the PJM Region, the basis for the capacity market design is the Reliability Pricing Model (RPM). The goal of RPM is to align capacity pricing with system reliability requirements and to provide transparent information to all market participants.

Spinning Reserve Charges: Spinning reserves are defined as the energy (MWs) that can come from units that are already online (i.e. spinning) and can provide incremental energy within ten minutes. Spinning reserves ensure that PJM can respond to a sudden loss of generation or increased demand and still maintain system control. AEP is charged for spinning reserve based on a defined percentage of daily peak load obligations. Generating units providing such obligation are awarded first based on unused spinning MWs on a real-time basis; and then, if there is not enough spinning reserve available, additional resources may be brought online based on their submitted offers and capability.

Zonal Scaling Factor: To determine capacity obligations, zonal weather-normalized RTO-coincident summer peak loads are allocated to the wholesale and retail customers in each zones (for example, the AEP Zone), using methodologies that typically employ the customer's shares of RTO actual peaks. Final Zonal Scaling Factors are determined for each zone by October 31 prior to the start of the Delivery Year to account for load growth, or changes in resources, obligations, or zonal weather-normalized summer peaks. The Zonal Scaling Factor for the 07/08 planning year is **1.02867**.

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio

SCHEDULE NEMS
(Net Energy Metering Service)

Availability of Service

This schedule is available to customers on a first come, first served basis, who own and operate qualifying customer-generator facilities designed to operate in parallel with the Company's system. Customers served under this schedule must also take service under the applicable standard service schedule.

The total rated generating capacity of all customers-generators served under this schedule shall be limited to one percent of the Company's aggregate retail customer peak demand.

Conditions of Service

1. A qualifying customer is one whose generating facility complies with all the following requirements:
 - a. is fueled by solar, wind, biomass, landfill gas, or hydropower, or uses a microturbine or a fuel cell;
 - b. is owned and operated by the customer and is located on the customer-generator's premises;
 - c. is designed and installed to operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers and without presenting safety hazards to Company and customer personnel; and
 - d. is intended primarily to offset part or all of the customer-generator's electricity needs.
2. The rated generating capacity of the customer-generator's facility shall count toward the one percent availability limit as of the date the Company receives the customer's net metering application. Such date shall not be modified due to an incomplete application unless such application omits the facility's rated generating capacity. However, if the customer-generator's facility does not begin operation within six months from the date the application is received by the Company, the application shall be considered void, and shall no longer count toward the one percent limit.
3. The customer's generating equipment shall be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code. All equipment and installations shall comply with all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers and Underwriters Laboratories, as well as any additional control and testing requirements adopted by the Commission.

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Deleted: December 21, 2005

Deleted: Cycle 1 January 2006

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: _____

SCHEDULE NEMS
(Net Energy Metering Service)Metering

Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in each direction. If the existing electrical meter installed at the customer's facility is not capable of measuring the flow of electricity in two directions, the customer shall be responsible for all expenses for the purchase and installation of an appropriate meter with such capability.

The Company may, at its own expense and with written consent of the customer, install one or more additional meters to monitor the flow of electricity.

Monthly Charges

Monthly charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the Company's standard service schedule under which the customer would otherwise be served, absent the customer-owned generation source. If a non-residential customer's qualifying customer-generator facility has a total rated generating capacity of more than 10 kW, service shall be provided under the Company's standard demand-metered schedule (Schedule GS-2 or GS-3 depending on the customer's load characteristics).

If the Company supplies more kWh of electricity to the customer than the customer-generator's facility feeds back to the Company's system during the billing period, all energy charges of the customer's standard service schedule shall be calculated using the customer's net energy usage for the billing period.

If the customer-generator's facility feeds more kWh of electricity back to the Company's system than the Company supplies to the customer during the billing period, only the generation-related energy charges of the customer's standard service schedule, including all applicable generation-related riders, shall be calculated using the customer's net energy supplied to the Company. All other energy charges shall be calculated using an energy value of zero (0) kWh. If the customer's net billing under the standard service schedule is negative during the billing period, the negative net billing shall be allowed to accumulate as a credit to offset billing in the next billing period. The customer may request, in writing, a refund of accumulated credit that is no greater than an annual true-up of accumulated credits over a twelve month period.

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Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Service and all provisions of the standard service schedule under which the customer takes service. This schedule is also subject to the applicable provisions of the Company's Minimum Requirements for Distribution System Interconnection.

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Deleted: December 21, 2005

Deleted: Cycle 1 January 2006

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Effective: _____

Issued by
Kevin E. Walker, President
AEP Ohio

MINIMUM REQUIREMENTS FOR DISTRIBUTION SYSTEM INTERCONNECTION

Applicability

This schedule is applicable to any customer with cogeneration, small power production facilities, and/or other on-site facilities producing electrical energy who wishes to operate such facilities in parallel with the Company's distribution system at voltages up to 35 kV. This schedule is not applicable to the interconnection and parallel operation of facilities which the Federal Energy Regulatory Commission has determined to be subject to its jurisdiction. A customer who has a facility that does not qualify for simplified interconnection pursuant to the PUCO's distribution interconnection rules (O.A.C. § 4901:1-22) (Commission Rules) and the Company's technical requirements for interconnection (Technical Requirements), incorporated herein by reference, may negotiate a separate interconnection agreement with the Company and the terms and conditions of this schedule shall apply to such customers to the extent that the negotiated interconnection agreement does not conflict with this schedule.

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Distributed GenerationPurpose

The purpose of this schedule is to implement Ohio Revised Code Section 4928.11, which calls for uniform interconnection standards that are not unduly burdensome or expensive and also ensure safety and reliability, to the extent governing authority is not preempted by federal law. This schedule states the terms and conditions that govern the interconnection and parallel operation of a customer's facility with the Company's distribution system.

Customer Request For Interconnection

Any customer seeking to physically connect facilities to the Company's distribution system, which facilities may be used in parallel operation with the Company's distribution system, shall file an interconnection application and sign an interconnection agreement with the Company. For facilities for which the referenced Technical Requirements are applicable, the customer and Company shall execute a simplified interconnection agreement. For all other facilities, the customer and the Company shall execute an interconnection agreement which may be different from the simplified agreement, but which shall conform with the provisions of this schedule, to the extent applicable. Copies of all applicable forms and the Company's Technical Requirements are available upon request.

To the extent possible, interconnection to the Company's distribution system shall take place within the following time frames:

1. Where no construction is required by the Company and the facility qualifies for simplified interconnection pursuant to the review procedure contained in the Commission Rules, interconnection shall be permitted within four weeks of the Company's receipt of a completed interconnection application in compliance with the terms and conditions of this schedule. Prior to actual interconnection, the customer must execute the interconnection agreement.

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Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Effective: _____

Issued by
Kevin, E. Walker, President
AEP Ohio

MINIMUM REQUIREMENTS FOR DISTRIBUTION SYSTEM INTERCONNECTION

Customer Request For Interconnection (Cont'd)

2. Where construction or system upgrades of the Company's distribution system are required, the Company shall provide the customer, in a timely fashion, an estimate of the schedule and the customer's cost for the construction or upgrades. If the customer desires to proceed with the construction or upgrades, the customer and the Company shall enter into a contract. The contract shall contain a construction schedule listing target commencement and completion dates, and an estimate of the customer's costs for construction or upgrades. Assuming the customer is ready, the interconnection shall take place no later than two weeks following the completion of such construction or upgrades. The Company shall employ best reasonable efforts to complete such system construction or upgrades in the shortest time reasonably practical.
3. All interconnection applications shall be processed by the Company in a non-discriminatory manner. The Company shall promptly provide the customer a written notice of the Company's receipt of the application. The Company will endeavor to place such notice in the U.S. Mail or respond by Email within three business days after the application has been received by the Company's personnel designated on the application form. The Company shall provide the customer with a copy of the review procedure and a target date for processing the application. If the application is viewed as incomplete, the Company must provide a written notice within 10 days of receipt of the application by the Company's personnel designated on the application form that the application is not complete together with a description of the information needed to complete the application and a statement that processing of the application cannot begin until the information is received. The Company's target date shall permit interconnection in a timely manner pursuant to the requirements of the Commission Rules. Interconnection applications will be processed in the order that they are received. It is recognized that certain interconnection applications may require minor modifications while they are being reviewed by the Company. Such minor modifications to a pending application shall not require that it be considered incomplete and treated as a new or separate application. Minor modifications would not include at least the following: changes in facility size or location; any change requiring a new impact study; or any other substantive change.
4. If the Company determines that it cannot connect the customer's facility within the time frames required by the Commission Rules, the Company will notify the customer in writing of that fact as soon as possible. The notification will identify the reason or reasons the interconnection could not be completed within the time frames stated, and provide an estimated date for completion. This section shall not limit the rights of a customer for relief under Ohio Revised Code Chapter 4905.

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Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Issued by
Kevin, E. Walker, President
AEP Ohio

Effective: _____

P.U.C.O. NO. 18

MINIMUM REQUIREMENTS FOR DISTRIBUTION SYSTEM INTERCONNECTION

Technical Requirements

The Company shall maintain a copy of the Technical Requirements at its business office such that the Technical Requirements are readily available to the public. The Company shall provide the Commission Staff with a copy of the Technical Requirements. Standards adopted by IEEE shall supersede the applicable provisions of the Company's Technical Requirements effective the date that IEEE adopts such standards. However, any interconnection made or initiated prior to the adoption of any national standard promulgated by IEEE shall not be subject to that standard. Regarding any IEEE minimum standard, or any guideline that the IEEE may promulgate, the Company may amend the Technical Requirements to the minimum extent required to address unique local conditions, and shall provide such amendments to the Staff and make such amendments available to customers. All Technical Requirements, including superseding standards adopted by IEEE, are incorporated herein by reference.

Metering

Any metering installation, testing, or recalibration required by the installation of the customer's generation facilities shall be provided consistent with the Electric Service and Safety Standards pursuant to Ohio Revised Code Chapter 4928, and specifically O.A.C. § 4901:1-10-05 (Metering) and, as applicable, § 4901:1-10-28 (C) (Net Metering).

Liability Insurance

Prior to interconnection with the Company, the customer must provide the Company with proof of insurance or other suitable financial instrument sufficient to meet its construction, operating and liability responsibilities pursuant to this schedule. At no time shall the Company require that the applicant negotiate any policy or renew any policy covering any liability through a particular insurance company, agent, solicitor, or broker. The Company's receipt of evidence of liability insurance does not imply an endorsement of the terms and conditions of the coverage.

System Impact and Facilities Studies

For those facilities that do not qualify for simplified interconnection pursuant to the review procedure included in the Commission Rules, the Company may require a supplemental review, service study, coordination study, facilities study or Company system impact study prior to interconnection. In instances where such studies are required, the scope of such studies shall be based on the characteristics of the particular generation facility to be interconnected and the Company's system at the specific proposed location. By agreement between the Company and the customer, studies related to interconnection of the generation facility may be conducted by a qualified third party. The cost of an impact facilities study performed by the Company shall be included in the costs set forth in the Interconnection Fees section of this schedule. The Company shall provide the customer with a target date for completion of any required system impact or facilities study. Any such study conducted by the Company shall be shared with the customer.

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Deleted: December 21, 2005

Deleted: Cycle 1 January 2006

(Continued on Sheet No. 6-4D)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Effective: _____

Issued by
Kevin, E. Walker, President
AEP Ohio

MINIMUM REQUIREMENTS FOR DISTRIBUTION SYSTEM INTERCONNECTION

Interconnection Fees

The Company shall not charge any fees for interconnection other than those authorized by this schedule.

The Company shall charge each customer that applies for interconnection service a nonrefundable application fee of \$100.00 for single phase installations up to 25 kW and \$500.00 for single phase installations over 25 kW and for three phase installations, payable at the time the application is submitted.

Where an interconnection study is required to determine the feasibility, impact, and cost of safely connecting the customer's generation facilities to the Company's distribution system, the customer shall deposit with the Company an amount as follows:

Deleted: system impact

Installation Type	Deposit (\$)
Single phase installation up to 25 kW*	500
Single phase installation - 26 kW to 100 kW and three phase installation up to 100 kW*	1,000
Single phase and three phase installation - 101 kW to 500 kW*	3,000
Single phase and three phase installation greater than 500 kW*	5,000

*Based on total rated generating capacity.

Such deposit shall be paid in advance and apply to each installation at the Company's distribution voltages up to 35 kV.

The Company shall apply the deposit to the Company's actual costs, including applicable taxes, to perform the system impact study associated with the interconnection. If such costs are greater than the amount of the deposit, the customer shall pay such additional costs to the Company. If such costs are less than the amount of the deposit the Company shall refund the balance of the deposit to the customer.

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Deleted: December 21, 2005

Deleted: Cycle 1 January 2005

Additional Fees

The customer is responsible for all equipment and installation costs of the customer's facility.

The Company may require an inspection of the inverter settings of a static inverter-connected generator with capacity in excess of 10 KW prior to interconnection. The customer shall pay a charge of \$115.00 for each inspection.

(Continued on Sheet No. 6-5D)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Effective: _____

Issued by
Kevin, E. Walker, President
AEP Ohio

MINIMUM REQUIREMENTS FOR DISTRIBUTION SYSTEM INTERCONNECTION

Additional Fees (Cont'd)

The Company may require an inspection of the protective equipment settings of a non-static inverter-connected generator prior to interconnection. The customer shall pay a charge of \$115.00 for each inspection.

The customer shall pay any additional charges, as determined by the Company, for equipment, labor, metering, testing or inspections requested by the customer.

Construction or Upgrade Fees

If the interconnection requires construction or an upgrade of the Company's system which, save for the generation facility would not be required, the Company will assess the customer the actual cost including applicable taxes of such construction or upgrade. Payment terms for such construction or upgrade will be agreed to and specified in the construction contract. The Company and the customer may negotiate for alternatives in order to reduce any costs or taxes applicable thereto.

Resolution of Disputes

The Company or the customer who is a non-mercantile, non-residential customer may seek resolution of any disputes which may arise out of this schedule, including the interconnection and the referenced Technical Requirements in accordance with the Commission Rules.

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Special Terms and Conditions of Service

This schedule is subject to the Company's Terms and Conditions of Open Access Distribution Service and all provisions of the OAD service schedule under which the customer takes service. If applicable, the customer shall also take the appropriate service under the provisions of Schedule OAD-SBS and/or Schedule OAD-NEMS.

Deleted: November 29, 2005

Deleted: 04-169-EL-UNC

Deleted: December 21, 2005

Deleted: Cycle 1 January 2006

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Effective: _____

Issued by
Kevin, E. Walker, President
AEP Ohio

SCHEDULE OAD - SBS
(Open Access Distribution - Standby Service)Availability of Service

This schedule is available to customers with cogeneration, small power production facilities, and/or other on-site sources of electrical energy supply, with standby distribution service requirements of 50,000 KW of less and who request and receive electric generation service from a qualified CRES Provider.

Conditions of Standby Service Availability

The provision for the Company providing standby distribution service to the customer is conditionally provided on the assumption that the customer installs, operates and maintains suitable and sufficient equipment, as specified in the Company's technical requirements for interconnection and the Public Utilities Commission of Ohio's distribution interconnection rules, as applicable, to protect the customer's facilities and the Company's system from damages resulting from such parallel operation, and upon the further condition that the Company shall not be liable to the customer for any loss, cost, damage, or expense which the customer may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of or in any manner connected with such parallel operation, unless such loss, cost, damage, or expense is caused by the negligence of the Company, its agents, or employees, and upon further condition that the customer shall not be liable to the Company for any loss, cost, damage or expense which the Company may suffer by reason of damage to or destruction of any property, including the loss of use thereof, arising out of, or in any manner connected with such parallel operation, unless such loss, cost, damage, or expense is caused by the negligence of the customer, its agents or employees.

Deleted: "Guide for Safe Integration of Non-Utility (NUG) Facilities Interconnected To The Company's Electric System."

Detents shall be used on the necessary metering to prevent reverse rotation.

Determination of Standby Contract Capacity

The standby contract capacity in KW shall be initially established by mutual agreement between the customer and the Company for distribution capacity sufficient for the delivery of the customer's maximum standby requirements to be provided by a qualified CRES Provider.

The customer shall specify the desired standby contract capacity to the nearest 50 KW. Changes in the standby contract capacity are subject to the provisions set forth in the Term of Contract.

Monthly Standby Charge

	Secondary	Primary	Subtransmission	Transmission
Demand Charge (\$/KW)	5.22	3.36	0.29	0.15

The minimum monthly standby charge is equal to the demand charge times the standby contract capacity plus all applicable riders.

Deleted: November 29, 2005

Deleted: 04-169-EL-UNC

Deleted: December 28, 2005

Deleted: Cycle 1 January 2006

(Continued on Sheet No. 27-2D)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-UNC

Issued: _____

Effective: _____

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE OAD - SBS
(Open Access Distribution - Standby Service)Local Facilities Charge

Charges to cover interconnection costs (including but not limited to suitable meters, relays and protective apparatus) incurred by the Company shall be determined by the Company and shall be collected from the customer. Such charges shall include the total installed cost of all local facilities. The customer shall make a one time payment of the Local Facilities Charge at the time of the installation of the required additional facilities, or, at the customer's option, up to 36 consecutive equal monthly payments reflecting an annual interest charge as determined by the Company, but not to exceed the cost of the Company's most recent issue of long-term debt nor the maximum rate permitted by law. If the customer elects the installment payment option, the Company may require a security deposit equal to 25% of the total cost of interconnection.

Special Provision for Customers with Standby Contract Capacities of Less than 100 KW

Customers requesting standby service with contract capacities of less than 100 KW shall be charged a monthly demand rate of \$1.92/KW. However, in those months when standby service is used, the demand charge shall be waived provided the customer notifies the Company in writing prior to the meter reading date and such services shall be billed according to the applicable demand-metered open access distribution rate schedule.

Contracts for such service shall be executed on a special contract form for a minimum of one year. Standby contract capacity in KW shall be set equal to the capacity of the customer's largest power production facility.

Transmission Service

Transmission service for customers served under this schedule will be made available under the terms and conditions contained within the applicable Open Access Transmission Tariff as filed with the Federal Energy Regulatory Commission and as specified in the Company's Terms and Conditions of Open Access Distribution Service.

Metering and Billing Options

The customer has the option of selecting the Company and/or an alternative supplier for metering, meter data management or billing services. Such services provided to the customer by an alternative supplier must be arranged through the CRES Provider who provides energy services to the customer. Unless the customer explicitly designates otherwise, the Company shall continue to provide such services.

- 1) An alternative provider of metering services must be registered with the Company as a qualified Meter Service Provider (MSP) as specified in the Company's Supplier Terms and Conditions of Service. The MSP shall be responsible for providing, installing and maintaining the billing meter. Such metering must be of a type approved by the Company and must meet the Company's standards for safety, reliability and accuracy. The Company's meter must be removed by qualified personnel and returned to the Company at either the expense of the MSP or the customer. Once the Company's meter has been received and inspected by the Company, then a credit equal to the credit specified in the applicable demand-metered open access distribution rate schedule shall apply.

(Continued on Sheet No. 27-3D)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 28, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE OAD - SBS
(Open Access Distribution - Standby Service)Metering and Billing Options (cont'd)

If the customer has received metering services from an MSP and subsequently elects to have the Company once again provide, install and maintain the metering, then the customer shall pay a one-time charge based on the type of meter required.

- 2) An alternative provider of meter data management services must be registered with the Company as a qualified Meter Data Management Agent (MDMA) as specified in the Company's Supplier Terms and Conditions of Service. The MDMA shall be responsible for the collection of metered data and for providing data to the Company and other entities as required for billing purposes.
- 3) A provider of consolidated billing must be registered with the Company as a qualified Billing Agent (BA) as specified in the Company's Supplier Terms and Conditions of Service. The BA shall then provide to the customer a consolidated monthly bill specifying the supplier and charges for generation, transmission, distribution and other services. Unless the customer chooses a BA to provide a consolidated bill, or the customer's CRES Provider has made arrangements with the Company to provide a Company-issued consolidated bill, the Company will provide a separate billing for distribution services under the provisions of this schedule.

Delayed Payment Charge

- 1) Bills from the Company are due and payable in full by mail, checkless payment plan, electronic payment plan, or at an authorized payment agent of the Company within 21 days after the mailing of the bill. On accounts not so paid, an additional charge of five percent (5%) of the unpaid balance will be made.
- 2) Should a partial payment be made in lieu of the total payment of the amount owed to the Company, the payment provisions of this schedule shall apply. If a partial payment is made, such partial payment shall be applied to the various portions of the customer's bill in the following order: (a) past due distribution, Standard Offer Service generation and transmission charges, (b) past due CRES Provider charges, (c) current CRES Provider charges, (d) current distribution, Standard Offer Service generation and transmission charges, and (e) other past due and current non-regulated charges.
- 3) If the BA fails to provide payment to the Company by the date of the next monthly bill, the Company will thereafter directly bill the customer for distribution service. In addition, the financial instrument as specified in the Supplier Terms and Conditions of Service will be forfeited to the extent necessary to cover bills due and payable to the Company. Any remaining unpaid amounts and associated fees are the responsibility of the customer.

(Continued on Sheet No. 27-4D)

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio

SCHEDULE OAD - SBS
(Open Access Distribution - Standby Service)Applicable Riders

Monthly charges computed under this schedule shall be adjusted in accordance with the following applicable Riders:

Title	Sheet No.
OAD - Universal Service Fund Rider	60-1D
OAD - Energy Efficiency Fund Rider	61-1D
OAD - KWH Tax Rider	62-1D
OAD - Gross Receipts Tax Credit Rider	63-1D
OAD - Municipal Income Tax Rider	65-1D
OAD - Franchise Tax Rider	66-1D
OAD - Regulatory Asset Charge Rider	67-1D
OAD - Provider of Last Resort Charge Rider	69-1D
OAD - Major Storm Cost Recovery Rider	77-1D
OAD - Green Pricing Option Rider	79-1D

Term of Contract

Contracts under this schedule will be made for an initial period of not less than one year and shall continue thereafter until either party has given 6 months' written notice to the other of the intention to terminate the contract. The Company will have the right to make contracts for initial periods longer than one year.

Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Open Access Distribution Service.

At its discretion, the Company may require that metering be installed to monitor the customer's generation. The Company reserves the right to inspect the customer's relays and protective equipment at all reasonable times.

Filed pursuant to Order dated May 2, 2007 in Case No. 06-1153-EL-UNC

Issued: August 27, 2007

Issued by
Kevin E. Walker, President
AEP Ohio

Effective: Cycle 1 September 2007

P.U.C.O. NO. 18

SCHEDULE OAD-NEMS
(Open Access Distribution - Net Energy Metering Service)Availability of Service

This schedule is available to customers on a first come, first served basis, who own and operate qualifying customer-generator facilities designed to operate in parallel with the Company's system. Customers served under this schedule must also take service under the applicable Open Access Distribution (OAD) service schedule.

The total rated generating capacity of all customers-generators served under this schedule shall be limited to one percent of the CRES Provider's aggregate customer peak demand in the Company's service territory.

Conditions of Service

1. A qualifying customer is one whose generating facility complies with all the following requirements:
 - a. is fueled by solar, wind, biomass, landfill gas, or hydropower, or uses a microturbine or a fuel cell;
 - b. is owned and operated by the customer and is located on the customer-generator's premises;
 - c. is designed and installed to operate in parallel with the Company's system without adversely affecting the operation of equipment and service of the Company and its customers and without presenting safety hazards to Company and customer personnel; and
 - d. is intended primarily to offset part or all of the customer-generator's electricity needs.
2. The rated generating capacity of the customer-generator's facility shall count toward the one percent availability limit as of the date the Company receives the customer's net metering application. Such date shall not be modified due to an incomplete application unless such application omits the facility's rated generating capacity. However, if the customer-generator's facility does not begin operation within six months from the date the application is received by the Company, the application shall be considered void, and shall no longer count toward the one percent limit.
3. The customer's generating equipment shall be installed in accordance with the manufacturer's specifications as well as all applicable provisions of the National Electrical Code. All equipment and installations shall comply with all applicable safety and performance standards established by the National Electrical Code, the Institute of Electrical and Electronic Engineers and Underwriters Laboratories, as well as any additional control and testing requirements adopted by the Commission.

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Deleted: November 29, 2005

Deleted: 04-169-EL-UNC

Deleted: December 21, 2005

Deleted: Cycle 1 January 2006

(Continued on Sheet No. 28-2D)

Filed pursuant to Order dated March 28, 2007 in Case No. 05-1500-EL-COI

Issued: _____

Effective: _____

Issued by
Kevin E. Walker, President
AEP Ohio

P.U.C.O. NO. 18

SCHEDULE OAD-NEMS
(Open Access Distribution - Net Energy Metering Service)Metering

Net energy metering shall be accomplished using a single meter capable of registering the flow of electricity in each direction. If the existing electrical meter installed at the customer's facility is not capable of measuring the flow of electricity in two directions, the customer shall be responsible for all expenses for the purchase and installation of an appropriate meter with such capability.

The Company may, at its own expense and with written consent of the customer, install one or more additional meters to monitor the flow of electricity.

Monthly Charges

Monthly charges for energy, and demand where applicable, to serve the customer's net or total load shall be determined according to the Company's OAD service schedule under which the customer would otherwise be served, absent the customer-owned generation source. If a non-residential customer's qualifying customer-generator facility has a total rated generating capacity of more than 10 kW, service shall be provided under the Company's OAD demand-metered schedule (Schedule OAD-GS-2 or OAD-GS-3 depending on the customer's load characteristics).

Energy charges under the OAD service schedule shall be based on the customer's net energy for the billing period. In no event shall the customer's net energy for the billing period be less than zero for purposes of billing under the OAD service schedule.

Special Terms and Conditions

This schedule is subject to the Company's Terms and Conditions of Open Access Distribution Service and all provisions of the OAD service schedule under which the customer takes service. This schedule is also subject to the applicable provisions of the Company's Minimum Requirements for Distribution System Interconnection.

Filed pursuant to Order dated November 29, 2005 in Case No. 04-169-EL-UNC

Issued: December 21, 2005

Effective: Cycle 1 January 2006

Issued by
Kevin E. Walker, President
AEP Ohio