

**ELECTRIC DISTRIBUTION COMPANY/
ALTERNATIVE ELECTRIC SUPPLIER AGREEMENT
FOR INDIANA MICHIGAN POWER COMPANY'S
MICHIGAN RETAIL ACCESS PROGRAM**

THIS AGREEMENT is made and entered into as of _____, 20__, between Indiana Michigan Power Company, an Indiana Corporation ("Company") and _____, a _____ ("AES"). The Company and the AES are sometimes herein referred to singularly as a "Party" or collectively as the "Parties."

WITNESSETH:

WHEREAS, the Company is a public utility, subject to the jurisdiction of the Michigan Public Service Commission ("MPSC") as to retail electric service provided within its Michigan service territory and the Federal Energy Regulatory Commission ("FERC") for FERC jurisdictional matters; and

WHEREAS, the Company has established an Choice Program for Retail Access Service as described in its Retail Open Access Tariffs and rules filed with the Michigan Public Service Commission; and

WHEREAS, the AES desires to enroll Customers into the Choice Program and will participate in the Electric Choice Program in accordance with the terms and conditions of this Agreement, the Tariffs and rules and the Michigan Public Service Commission orders; and

WHEREAS, the AES intends to offer and sell one or more competitive energy services approved as part of the Company's Choice Program ("Competitive Energy Services"); and

WHEREAS, an agreement between the Company and the AES is needed as part of the Company's AES registration process to establish and govern the business relationship between the Parties under the Company's Choice Program.

NOW THEREFORE, in consideration of the promises and mutual covenants herein contained, and subject to the terms and conditions herein contained, the Parties hereby agree as follows:

Article 1. Definitions.

1.1 Whenever used herein, the following terms shall have the respective meanings set forth below, unless a different meaning is plainly required by the context:

- A. "AEPCH" shall mean the Market Data ClearingHouse operated by AEP., which coordinates and communicates data related to such things as, but not limited to,

enrollment and switching, estimation and reconciliation, settlement, and billing and reporting.

- B. "Agreement" shall mean this Electric Distribution Company/Alternative Electric Supplier Agreement for Indiana Michigan Power Company's Michigan Retail Access Program.
 - C. "Business Day" shall mean any calendar day or computer processing day in the Eastern U.S. time zone, on which the general office of the Company is open for business with the public.
 - D. "Choice Program" shall mean the program implemented by the Michigan Public Service Commission to provide electric utility customers with choice pursuant to Public Acts 141, 142 and 286.
 - E. "Company's Retail Tariff" shall mean the Company's tariff on file with the Commission, including all standard terms and conditions of service, terms and conditions of service for Choice Program participants, and open access distribution rate schedules.
 - F. "EBT" shall mean electronic business transactions.
 - G. "EDI" shall mean electronic data interchange.
 - H. "FERC" shall mean the Federal Energy Regulatory Commission or any successor thereto.
 - I. "MPSC" shall mean Michigan Public Service Commission.
 - J. "PJM OATT" shall mean The Open Access Transmission Tariff of the PJM Interconnection LLC or any successor thereto, on file with the FERC.
- 1.2 Additional definitions controlling this Agreement are contained in the MPSC rules and orders and/or the Company's Terms and Conditions and Rate Schedules (Retail Tariff), or appear in subsequent parts of this Agreement, as required.
- 1.3 Unless the context plainly indicates otherwise, words imparting the singular number shall be deemed to include the plural number (and vice versa); terms such as "hereof," "herein," "hereunder" and other similar compounds of the word "here" shall mean and refer to the entire Agreement rather than any particular part of the same.

Article 2. Scope of Agreement.

- 2.1 The Parties named in this Agreement are bound by the terms set forth herein and otherwise incorporated herein by reference.

- 2.2 This Agreement shall govern the business relationship between the Parties and constitutes a part of the Company's registration process, the successful completion of which is necessary before the AES is authorized to begin providing one or more Competitive Energy Services in the Company's Michigan service territory.
- 2.3 This Agreement does not cover any transmission or ancillary services that are necessary to provide any Competitive Retail Electric Service. Any such services shall be obtained, either by the AES or its customer, in accordance with PJM's OATT, as required by the Company's Retail Tariff.

Article 3. Representations and Warranties.

- 3.1 The AES represents and warrants that it is a _____, duly organized and existing under the laws of the State of _____, that it is authorized to do business, and is in good standing in the State of Michigan and that it is licensed by the Michigan Public Service Commission to provide Competitive Energy Services.
- 3.2 The AES represents and warrant that is has completed all required actions relative to membership in the PJM Interconnection LLC and is authorized by PJM Interconnection LLC to transact business with regard to transmission service.
- 3.3 Each person executing this Agreement for the respective Parties expressly represents and warrants that he or she has authority to bind the entity on whose behalf this Agreement is executed.
- 3.4 Each Party represents and warrants that (a) it has the full power and authority to execute this Agreement and to fulfill its terms and conditions; (b) the execution and performance of this Agreement have been duly authorized by all necessary corporate or other action by such Party; and (c) this Agreement constitutes such Party's legal, valid and binding obligation, enforceable against such Party in accordance with its terms.
- 3.5 Each Party represents and warrants that there are no actions at law, suits in equity, proceedings or claims pending against it before any federal, state, foreign or local court, tribunal or government agency or authority that might materially delay, prevent or hinder the performance of its obligations hereunder.
- 3.6 Each Party represents and warrants that it is and shall remain in compliance with all applicable laws and tariffs, including applicable rules and regulations of the Commission.

- 3.7 The AES represents and warrants that it has obtained a certification from the MPSC to provide one or more Competitive Retail Electric Services to retail customers located within the Company's service territory under the Choice Program, and that it will maintain that certification in good standing throughout the life of this Agreement.
- 3.8 The AES represents and warrants that the information provided by the AES in the Provider Registration Application is true and accurate. The AES further represents and warrants that, within 21 days of becoming aware of such facts, it will notify the Company in writing, in accordance with Article 16 hereof, if there are any changes in the financial or credit information supplied to the Company on the AES's Registration Application, or if there are any material changes to any other information supplied on that Application.
- 3.9 The AES represents and warrants that it will obtain authorization from each of its customers or prospective customers before it seeks to obtain from the Company that customer's historical demand and energy usage data.
- 3.10 If either Party learns that any of the representations and/or warranties contained in this Agreement has been violated, such Party shall immediately notify the other Party in writing.
- 3.11 All representations and warranties contained in this Article shall continue for the term of this Agreement.

Article 4. Obligations of the Parties.

- 4.1 The Company and the AES shall cooperate in order to ensure the provision of any Competitive Energy Service by the AES to customers in accordance with MPSC orders, the Company's Retail Tariff, and PJM's OATT, as applicable. Each Party shall (a) exercise all reasonable care, diligence and good faith in the performance of its duties pursuant to this Agreement; and (b) carry out its duties in accordance with applicable recognized professional standards in accordance with the requirements of this Agreement.
- 4.2 The AES and the Company shall supply to each other all data, materials or other information specified in this Agreement, or that may otherwise be reasonably required by the AES or the Company in connection with their obligations under this Agreement, in a thorough and timely manner. The AES will comply with any and all information and data transfer protocols (including EBT and EDI standards) that may be adopted, and modified from time to time, by either the

Company or the AEPCH. The AES will also comply with any requirements of the AEPCH regarding the coordination and communication of information and/or data transfers.

- 4.3 The AES shall (a) obtain and maintain a certification from the Commission and any licenses, permits or other authorizations from any other federal, state or local agencies required to offer and/or sell Competitive Energy Services in the Company's Choice Program; (b) complete all applications and/or forms, and execute any agreements required for the AES's participation in the Company's Choice Program; (c) demonstrate to the Company, prior to enrolling any customers, that the AES has the requisite technical competence (*e.g.*, communication capabilities) to comply with EBT and EDI standards for the exchange of information, as set, and modified from time to time, by either the Company or the AEPCH; and, (d) if required, provide to the Company, and maintain during the term of this Agreement, the type (in the format and amount specified by the Company) of financial security (*i.e.* collateral) required by the Company to safeguard the Company and its customers from losses or additional costs incurred due to any non-performance on the part of the AES. The foregoing requirements represent conditions precedent to the Company's obligations hereunder.

Article 5. Load Profiles and Forecasts.

- 5.1 During the term of this Agreement, the Company intends to post average customer load profile information, for classes that will utilize load profiling to its website at <http://www.indianamichiganpower.com>. These profiles are for informational purposes only and the Company makes no representations or warranties of any kind regarding either the availability or use of such load profiles.

Article 6. Confidentiality of Information.

- 6.1 Customer-specific information will not be provided to the AES without a customer's affirmative authorization, and the AES shall keep confidential all customer-specific information supplied by the Company, unless the AES has the customer's affirmative authorization to do otherwise.
- 6.2 All Company information made available by the Company to the AES pursuant to this Agreement, including, without limitation, class load profile data and information regarding the Company's computer systems or communications systems, shall not be disclosed to third parties without written consent from the Company.

6.3 If the AES becomes legally compelled to disclose any of the information required to be kept confidential pursuant to Sections 6.1 and 6.2, the AES shall immediately notify the Company of the requirement to disclose. In such case, the AES shall cooperate with the Company to enable it to obtain protective treatment of the information. If the AES is nonetheless required to disclose information the AES shall furnish only that portion of the information, which is legally required.

Article 7. Billing Options Offered to the AES's Customers.

7.1 The following billing options are available to the AES's customers under the Company's Choice Program: Separate Company and AES bills (Dual Billing); and Company consolidated billing. Before the AES may offer any of its customers Company consolidated billing, the AES shall execute the appropriate addendum to this Agreement that specifies the terms under which each billing option may be offered to the AES's customers.

Article 8. Metering Service Options Offered to the AES's Customers.

8.1 The following retail metering service options will be available to some or all of the AES's customers under the Company's Choice Program, beginning on or after (DATE): the provision by a meter service provider ("MSP") of an electric meter, including meter sale or rental, and/or physical metering service, including meter installation, removal, maintenance, repair, calibration, and testing; and the provision by a meter data management agent ("MDMA") of meter information service, including data collection, processing (validation, editing, and estimation), storage, and communication. Before the AES may offer any of these types of services to any of its customers, the AES shall execute the appropriate addendum to this Agreement that specifies the terms under which the option may be offered to the AES's customers.

Article 9. Effective Date and Termination of Agreement.

9.1 The term of this Agreement shall commence on the date of execution by the last Party to execute this Agreement ("Effective Date") and shall continue for a period of one year, unless sooner terminated as provided in Section 9.2. Notwithstanding the Effective Date, the AES acknowledges that it may not begin supplying any Competitive Energy Services prior to the time it is in compliance with the provisions of this Agreement, MPSC orders and rules, and the Company's Retail Tariff.

- 9.2 This Agreement shall or may be terminated as follows:
- 9.2.1 In the event the AES ceases to provide any Competitive Energy Service to customers in the Company's service territory or otherwise withdraws from the Choice Program, and so notifies the Company in writing in accordance with the notice requirements of Article 18, this Agreement shall terminate thirty (30) days following the date on which the AES ceases to have any active customers.
- 9.2.2 In the event of a Default (as defined in Section 10.1 of Article 10) by either Party ("Defaulting Party"), the other Party ("Non-Defaulting Party") may terminate this Agreement by providing written notice to the Defaulting Party, without prejudice to any remedies at law or in equity available to the Non-Defaulting Party by reason of the event of Default.
- 9.3 Upon termination of this Agreement, the AES shall no longer be registered with the Company or authorized to provide Competitive Energy Services in the Company's Choice Program.
- 9.4 The termination of this Agreement for any reason shall not relieve the Company or the AES of any obligation accrued or accruing prior to such termination.

Article 10. Events of Default and Remedies.

- 10.1 A Default under this Agreement shall occur if either Party (a) is the subject of a bankruptcy, insolvency or similar proceeding; (b) makes an assignment for the benefit of its creditors; (c) applies for, seeks consent to, or acquiesces in the appointment of a receiver, custodian, trustee, liquidator or similar official to manage all or a substantial portion of its assets; (d) violates any material federal, state or local code, regulation and/or statute applicable to the supply of Competitive Energy Services; (e) fails to pay the other Party when any payment is due; (f) breaches any of the representations and warranties in Article 3; or (g) fails to satisfy any other material obligation under this Agreement, the MPSC orders and rules, the Company's Retail Tariff, or PJM's OATT, within the requisite time frames; or if the AES's MPSC certification or FERC license, or any other required authorization, is actually revoked, the AES will immediately be in Default of this Agreement.
- 10.2 In the event of a Default, the Non-Defaulting Party shall be entitled to (a) suspend enrolling any new AES customers; (b) pursue any and all available legal and equitable remedies available to it,

including proceeding against the collateral provided by the AES to the Company; and/or (c) terminate this Agreement by written notice to the Defaulting Party, without any liability or responsibility whatsoever, except for obligations arising prior to the date of termination.

Article 11. Dispute Resolution.

- 11.1 Any disputes involving transmission service shall be handled in accordance with PJM's OATT.
- 11.2 Disputes between an AES's customer and the AES shall be the sole responsibility of the AES.
- 11.3 Disputes between a customer of the Company and the Company shall be subject to the Company's existing customer dispute resolution procedures.

Article 12. Force Majeure.

- 12.1 Neither party shall be liable for any delay in performing or for failing to perform its respective obligations under this Agreement due to any event of Force Majeure including a catastrophic weather condition (but not fluctuations in temperature no matter how extreme), flood, fire, lightning, epidemic, quarantine restriction, war, sabotage, act of a public enemy, earthquake, insurrection, riot, civil disturbance, strike, walkout, lockout or other labor dispute, work stoppage caused by jurisdictional and/or similar disputes, restraint by court order or public authority, or action or non-action by, or inability to obtain authorization or approval from, any governmental authority, or any combination of these causes, which by the exercise of due diligence and foresight such Party could not reasonably have been expected to avoid and which by the exercise of due diligence is unable to overcome. Financial loss or other economic hardship of either Party shall not constitute an event of Force Majeure under this Agreement.
- 12.2 The obligations of either Party, so far as they are affected by the Force Majeure event, shall be suspended during the continuation of such inability and circumstance and shall, so far as possible, be remedied within a reasonable period of time. During such Force Majeure event, both Parties shall take all reasonable steps to comply with this Agreement notwithstanding the occurrence of the event. This section shall not require the settlement of any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to its interest. It is understood and agreed that the settlement of strikes, walkouts, lockouts or other labor disputes shall be entirely within the discretion of the Party involved in the strike, walkout, lockout or other labor dispute.

Article 13. Regulatory Authorizations and Jurisdiction.

- 13.1 The Company and the AES are subject to, and shall comply with, all existing or future applicable federal, state and local laws, and all existing or future duly promulgated orders or other duly authorized actions of governmental authorities having jurisdiction over the matters covered by this Agreement.
- 13.2 This Agreement is subject to change in the future to reflect any relevant changes required by the MPSC or other Michigan state agency having jurisdiction, or by virtue of any federal or state law or regulation, and such changes shall be deemed to be binding upon the Parties, except where the right to terminate is exercised in accordance with the terms of this Agreement.
- 13.3 Any references to FERC-jurisdictional matters in this Agreement are intended solely for informational purposes and are not intended to accord any jurisdictional authority over such matters to the Commission. If anything stated herein is found by the FERC to conflict with or to be inconsistent with any provision of the Federal Power Act ("FPA"), or any rule, regulation, order or determination of the FERC under the FPA, the applicable FERC rule, regulation, order or determination of the FERC shall control.

Article 14. Limitation of Liability.

- 14.1 The Company shall have no liability to the AES for any consequential, indirect, incidental, special, ancillary, punitive, exemplary, or other damages, including lost profits, lost revenues, or other monetary losses arising out of any errors or omissions.
- 14.2 The Company shall switch customers to the AES consistent with the MPSC orders and rules and the Company's Retail Tariff, and shall have no liability to the AES arising out of or related to a customer's decision to switch among competitive service providers and/or the Company, unless the Company is grossly negligent in switching or failing to switch a customer.
- 14.3 The Company shall not have any duties or liabilities other than those specifically set forth in this Agreement.

Article 15. Indemnification.

- 15.1 To the fullest extent permitted by law, the AES shall defend, indemnify and hold harmless the Company from and against any and all claims and/or liabilities for losses, expenses, damage to property, injury to or death of any person, including the Company's employees or any third parties,

or any other liability incurred by the Company, including reasonable attorneys' fees, relating to performance under this Agreement, except to the extent that a court of competent jurisdiction determines that the losses, expenses or damage were caused wholly or in part by any grossly negligent or willful act of omission of the Company.

15.2 The AES's obligation to defend, indemnify and hold harmless under this Article shall survive termination of this Agreement, and shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the AES under any statutory scheme, including any workers compensation acts, disability benefit acts or other employee benefit acts.

Article 16. Notices.

16.1 Any written notice required or appropriate hereunder shall be deemed properly made, given to, or served on the Party to which it is directed, when sent by overnight mail or United States mail, postage prepaid, and addressed as follows:

If to the AES:

If to the Company:

American Electric Power
James B. Purdy
Provider Support
One Riverside Plaza, 13th Floor
Columbus, OH 43215

16.2 Notice of any change in any of the above addresses shall be given in writing in the manner specified in this Article.

16.3 Notices received after the close of a Business Day shall be deemed received on the next Business Day.

Article 17. Not a Joint Venture.

17.1 Unless specifically stated in this Agreement to be otherwise, the duties, obligations, and liabilities of the Parties are intended to be separate and not joint or collective. Nothing contained in this

Agreement shall ever be construed to create an association, trust, partnership or joint venture or to impose a trust or partnership duty, obligation, or liability on or with regard to either Party. Each Party shall be liable individually and severally for its own obligations under this Agreement.

Article 18. Conflicts Between this Agreement and the Company's Retail Tariff or PJM's OATT.

18.1 Should a conflict exist or develop between the provisions of this Agreement and the relevant provisions of the Company's Retail Tariff or PJM's OATT, as approved by the MPSC and the FERC, respectively, the provisions of the Company's Retail Tariff and/or PJM's OATT shall prevail.

Article 19. Amendments or Modifications.

19.1 Except as provided in Section 13.2 of Article 13 of this Agreement, no amendment or modification shall be made to this Agreement, in whole or in part, except by an instrument in writing executed by authorized representatives of the Parties, and no amendment or modification shall be made by course of performance, course of dealing or usage of trade.

Article 20. Taxes.

20.1 All present or future federal, state, municipal or other taxes imposed on the AES by any taxing authority shall be the liability of the AES. The AES shall pay all such taxes to the applicable taxing authority to the extent required or permitted by law. If the Company is required to remit any taxes imposed upon customers directly to any applicable taxing authority, other than taxes collected by the Company directly from the AES's customers, then the AES shall indemnify the Company against, and will pay the Company for, all such tax amounts upon demand.

Article 21. Waiver of Rights.

21.1 No term or condition of this Agreement shall be deemed to have been waived and no breach excused unless such waiver or consent to excuse is in writing and signed by the Party claimed to have waived or consented to such excuse. The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect.

Article 22. General Provisions.

- 22.1 The Parties agree that the normal rule of construction, to the effect that any ambiguities are to be resolved against the drafting Party, shall not be employed in the interpretation of this Agreement.
- 22.2 To the extent not subject to the exclusive jurisdiction of the FERC, the formation, validity, interpretation, execution, amendment and termination of this Agreement shall be governed by the laws of the State of Michigan.
- 22.3 The headings contained in this Agreement are used solely for convenience and do not constitute a part of the Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.
- 22.4 This Agreement is intended solely for the benefit of the Parties hereto. Nothing in this Agreement shall be construed to create any duty, or standard of care with reference to, or any liability to, any person not a Party to this Agreement.
- 22.5 Neither Party shall have any right, power, or authority to enter any agreement or undertaking for, or on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- 22.6 Cancellation, expiration or early termination of this Agreement shall not relieve the Parties of obligations that by their nature, survive such cancellation, expiration or termination, including, without limitation, payment of any amounts due, warranties, remedies, promises of indemnity and confidentiality.
- 22.7 Should any provision of this Agreement be held invalid or unenforceable, such provision shall be invalid or unenforceable only to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable any other provision hereof, unless it materially changes the Agreement of the Parties.
- 22.8 Each of the Parties hereto acknowledges that it has read this Agreement, and the Company's Retail Supplier Terms and Conditions of Service, understands them, and agrees to be bound by their terms. This Agreement is intended by the Parties as a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement. All prior written or oral understandings or offers pertaining to this Agreement are hereby abrogated and withdrawn.

Article 23. Assignment and Delegation.

- 23.1 This Agreement may not be assigned by either the Company or the AES without the prior written consent of the non-assigning party, which consent shall not be unreasonably withheld. However, the Company may assign any or all of its rights and obligations under this Agreement, without the AES's consent, to any entity succeeding to all or substantially all of the transmission and/or distribution facilities of the Company.
- 23.2 When duly assigned in accordance with the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the assignee. Any assignment in violation of this Article shall be void.

IN WITNESS WHEREOF, The Parties have caused this Agreement to be executed by their respective authorized officials on the dates written below, to be effective on the later date.

Indiana Michigan Power Company
(the "Company")

(the "AES")

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____