

Net Energy Metering Service

Attached are AEP Ohio's net metering tariffs: Schedule NEMS, Schedule NEMS – H and OAD – Schedule NEMS. Also attached is a sample Net Energy Metering Service Application. The following information is provided to expand on some components of these tariffs.

- The generator must be located on the customer-generator's premises. Premises as defined by the Ohio Administrative Code – 3745-27-01(P) states:

(6) "Premises" means one of the following:

(a) Geographically contiguous property owned by an entity.

(b) Noncontiguous property that is owned by an entity and connected by a right-of-way that the entity controls and to which the public does not have access. Two or more pieces of property that are geographically contiguous and divided by public or private right-of-way or rights-of-way are a single premises.

- The generator is intended primarily to offset part or all of the customer-generator's electricity needs. The customer-generator can produce more electricity than it needs during a monthly billing period; however, it can't produce more than it needs over a rolling 12 month period. **If the generating system is initially over-sized or ever produces more energy than is needed for any 12 month period, the account doesn't qualify for the net metering tariffs.**
- AEP Ohio doesn't buy the electricity produced from the customer's generator. On Schedule NEMS, when a billing period results in net excess energy or negative kWh's (i.e. the generator has produced more electricity than what was needed) a monetary credit is calculated and applied to the current bill, with any remaining credit carried forward to the next billing period. To calculate the credit amount, the negative kWh's are multiplied by all of the generation-rate charges and riders of the respective standard service schedule for the account. The credit doesn't include any distribution and transmission rate charges and riders, nor are the negative kWh's accumulated and applied to future billing periods.
- On OAD - Schedule NEMS, when a billing period results in net excess energy or negative kWh's (i.e. the generator has produced more electricity than what was needed) treatment of the negative kWh's is determined according to terms of service of the respective Competitive Retail Electric Service (CRES) provider (a.k.a. the generation service provider). Under deregulation the rates and contract terms of the CRES providers aren't regulated by the PUCO. Also, there is no credit on any distribution and transmission rate charges and riders of AEP Ohio, nor are the negative kWh's accumulated and applied to future billing periods.
- As with ALL tariffs, these are subject to change from time to time. **Under no circumstance is there a commitment or guarantee from AEP Ohio that you will be "grandfathered" under the terms of these tariffs for the duration that you operate your generating equipment system.**

P.U.C.O. NO. 20

SCHEDULE NEMS
(Net Energy Metering Service)Availability of Service

This schedule is available to customers with 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.

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 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 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.

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 Company, upon written request of the customer, shall install at the customer's expense 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).

Filed pursuant to Orders dated December 14, 2011 in Case Nos. 11-346-EL-SSO, 11-348-EL-SSO, 11-351-EL-AIR, and 11-352-EL-AIR

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Pablo Vegas, President
AEP Ohio

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SCHEDULE NEMS
(Net Energy Metering Service)

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.

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SCHEDULE NEMS-H
(Net Energy Metering Service - Hospitals)Availability of Service

This schedule is available to hospital customers with 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.

To qualify for service under this schedule, a customer must be a hospital, as defined in section 3701.01 of the Revised Code, that is also a customer-generator. Section 3701.01 of the Revised Code currently defines "hospital" to include public health centers and general, mental, chronic disease and other types of hospitals and related facilities, such as laboratories, outpatient departments, nurses' home facilities, extended care facilities, self-care units and central service facilities operated in connection with hospitals, and also includes education and training facilities for health professions personnel operated as an integral part of a hospital, but does not include any hospital furnishing primarily domiciliary care.

Conditions of Service

1. A qualifying hospital customer is one whose generating facility complies with all the following requirements:
 - a. is located on the customer-generator's premises; and
 - b. 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.
2. The hospital 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.

Metering

Net energy metering shall be accomplished using either two meters or a single meter capable of registering the flow of electricity in each direction. One meter or register shall be capable of measuring the electricity generated by the hospital customer at the time it is generated. If the existing electrical meter installed at the customer's facility is not capable of separately measuring the electricity the hospital customer generates at the time it is generated, the Company, upon written request of the hospital customer, shall install at the customer's expense 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.

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SCHEDULE NEMS-H
(Net Energy Metering Service - Hospitals)Monthly Charges

Monthly charges for energy, and demand where applicable, to serve the customer's 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 hospital 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 , GS-3 or GS-4 depending on the customer's load characteristics).

All electricity flowing from the Company to the hospital customer shall be charged as it would have been if the hospital customer were not taking service under this schedule.

All electricity generated by the hospital customer shall be credited at the market value as of the time the hospital customer generated the electricity. The market value of the hospital customer's generated electricity shall be the hourly AEP East Load Zone Real-Time Locational Marginal Price (LMP) established by PJM.

The hospital customer's monthly bill shall reflect the net of Company charges for electricity flowing from the Company to the hospital customer and the market value credit for electricity generated by the hospital customer. If the customer's net billing is negative during the billing period, the net credit dollar amount shall be used to offset billing in subsequent billing periods. 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.

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P.U.C.O. NO. 20

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

This schedule is available to customers with 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.

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 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 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.

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 Company, upon written request of the customer, shall install at the customer's expense 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.

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AEP Ohio

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

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.

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Net Energy Metering Service Application

Customer's Name: _____

Service Address: _____

City: _____ State: OH Zip Code: _____

Account Number: _____

Telephone Number: _____ E-mail Address: _____

Contact Person (if different than Customer): _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone Number: _____ E-mail Address: _____

This is an application by the above named customer ("Customer") for Net Energy Metering Service (NEMS) from **Ohio Power Company** ("Company"). The Company provides NEMS under one of two tariff schedules: The Company's Schedule NEMS applies to "non-shopping" customers who receive generation service under the Company's standard service offer. The Company's Open Access Distribution (OAD) – Schedule NEMS applies to "shopping" customers who receive generation service from a competitive retail electric service (CRES) provider. The Company will apply the appropriate tariff schedule based on whether the Customer is a non-shopping Customer or a shopping Customer. If the Customer switches from non-shopping status to shopping status (or vice versa), the Company will switch the applicable tariff schedule as appropriate to reflect the Customer's new status.

The Customer qualifies for NEMS because the generating facility uses as its fuel either solar, wind, biomass, landfill gas or hydropower or uses a micro-turbine or fuel cell which is located on the Customer's premises (located at the same address as the Customer's account) and operates in parallel with the Company's transmission and distribution systems and is intended to offset part or all of the Customer's requirements for electricity. Generating equipment which is oversized, as compared to the Customer's demand, may not qualify for NEMS and may incur additional interconnection costs. The Customer must complete an interconnection application and receive approval to interconnect in order to qualify for NEMS. An Interconnection Agreement must be secured and the Customer's equipment must be verified before NEMS may begin. If the Customer is served by a CRES provider, the Customer should make arrangements with its CRES provider to receive NEMS credits in accordance with OAC 4901:1-21-13.

The Customer-generator facility qualifies for NEMS as it is a **Solar** type generator, which is one of those qualifying facilities identified in the tariff and restated above. The total rated generating capacity of the Customer-generator to be used and billed under Schedule NEMS or OAD – Schedule NEMS is _____ kW.

The Customer acknowledges that the Customer has read the Company's Schedule NEMS and OAD – Schedule NEMS and agrees to all terms and conditions contained therein, including without limitation those specified in the Company's Minimum Requirements for Interconnection Service. Specifically, the Customer understands and agrees that a meter, which is capable of

Net Energy Metering Service Application

registering the flow of electricity in each direction, must be in service at the facility. If a meter is not in service with this capability, the Customer must submit a written request for the Company at the Customer's cost to acquire, install, maintain, and read an approved meter. All costs related to this meter shall be borne by the Customer.

The Customer acknowledges and agrees that operation of the Customer's generation facility is intended primarily to offset part or all of the Customer's electricity requirements in accordance with the Company's Schedule NEMS or OAD – Schedule NEMS. The Customer confirms that the Customer's current electricity need is _____ kWh per year. The Customer acknowledges and agrees that the electricity in kWh received by the Company from the Customer's generation facility may not exceed the Customer's electricity needs in any twelve month period. The Customer further acknowledges and agrees that excessive generation by the Customer's generation facility, as determined solely by the Company, is cause for disqualification of service under Schedule NEMS or OAD – Schedule NEMS.

The Customer is aware the Public Utilities Commission of Ohio ("Commission") may, at any time, alter the rules, regulations, or tariff schedules that apply to NEMS, and if the Commission does so, the Customer's service will be subject to the new rules, regulations, or tariff schedules established by the Commission. The Customer understands and agrees that service under the current terms and conditions of Schedule NEMS or OAD – Schedule NEMS does not convey a right to service under those terms and conditions in the future: the Customer will have no "grandfathered" rights if the Commission approves changes to the rules, regulations, or "tariff schedules" applicable to NEMS.

Requested By:

Approved By:

Customer Name (Print)

Name (Print)

Authorized Signature

Company Signature

Date

Date

Rejected By:

Name (Print)

Company Signature

Reason for Rejection

Date