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September 16, 2024

Jenifer French, Chair
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

Steven T. Nourse
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Re: *In the Matter of the Application of Ohio Power
Company for Approval of a Reasonable Arrangement
Under R.C. 4905.31 and OAC Chapter 4901:1-38, Case
No. 24-734-EL-AEC*

Chair French:

This correspondence provides notice to the Public Utilities Commission of Ohio that the reasonable arrangement approved by the Commission in the above-captioned case has been executed in accordance with the Commission's September 4, 2024 Finding and Order and Attachment C of the Application in this case. That executed contract is attached for inclusion in the case record.

Thank you for your attention to this matter.

Respectfully Submitted,

cc: Parties of Record

ATTACHMENT C

PROPOSED REASONABLE ARRANGEMENT

CONTRACT FOR REASONABLE ARRANGEMENT AND ELECTRIC SERVICE

THIS CONTRACT FOR REASONABLE ARRANGEMENT AND ELECTRIC SERVICE (the “Contract”) is entered into by and between Ohio Power Company, its successors and assigns (the “Company” or “AEP Ohio”), and Intel Corporation, its permitted successors and assigns (the “Customer” or “Intel”), and is effective as set forth below (the “Effective Date”).

WITNESSETH

WHEREAS, AEP Ohio is a regulated public utility subject to the authority of the Public Utilities Commission of Ohio (“PUCO” or “Commission”); and

WHEREAS, under Section 4905.31 of the Ohio Revised Code, a utility and a customer may enter into any financial device practicable or advantageous to the Parties (defined herein) interested, including a device to recover costs incurred, such as revenues foregone, in conjunction with any economic development program of the utility; and

WHEREAS, under Section 4901:1-38-05 of the Ohio Administrative Code (“OAC”) and Section 4905.31 of the Ohio Revised Code, the Commission has authority to approve a reasonable arrangement between a utility and a customer; and

WHEREAS, the Company currently provides temporary electric service to the Customer at the Customer’s manufacturing facility and other operations being developed in New Albany, Licking County, Ohio, (the “Facility”); and

WHEREAS, Customer is investing in the Facility and its employees to construct a state-of-the-art manufacturing operation and the total electric supply available to serve the Facility is 500 MW; and

WHEREAS, Customer plans to develop its semiconductor manufacturing and other operations on an integrated basis, including the possibility of third party operators located at or nearby the Facility; and

WHEREAS, on July 19, 2024, the Company and Customer submitted to the Commission Joint Application for a reasonable arrangement in Commission Case No. 24-734-EL-AEC (the “Application”); and

WHEREAS, the Joint Application was approved by the Commission in its September 4, 2024, Order (the “Order”); and

WHEREAS, Company and Customer intend that this Contract shall implement the reasonable arrangement and constitute an electric service agreement and that service to the Facility

through the equipment described in this Contract will be governed by the service terms included in this Contract.

NOW, THEREFORE, in consideration of the above recitals, which are hereby incorporated in this Contract, and of the Commission's Order approving the Joint Application for the reasonable arrangement, the Company and the Customer agree as follows:

1. Definitions.

- a. "CIAC" and "Contribution in aid of construction" have the same meaning as in the Company's Tariffs.
- b. "Distribution Investment Rider" or "DIR" shall mean AEP Ohio DIR, as approved by the Commission.
- c. "Green Chapel Station" means a new station which will be connected to AEP Ohio's existing 138kV transmission network including up to six transformers (138kV, 225MVA) to reduce voltage to 34kV, which is the voltage at which AEP Ohio will provide service to Intel. AEP Ohio will also install other equipment, including breakers, reactors, and meters, including special circuit breakers needed to address Intel's unique service quality needs (estimated at \$740,000), which Intel will pay for through a CIAC charge. The total estimated cost of AEP Ohio's distribution investment is \$95.1 million.
- d. "Party" shall mean AEP Ohio or Intel individually, and "Parties" shall mean Intel and AEP Ohio collectively.
- e. "Tariffs" shall mean the Company's tariffs, including terms and conditions of service, approved by the Commission as applicable to service to Intel relating to matters not addressed in this Contract.
- f. Terms such as "herein," "hereunder," and other similar compounds of the word "here" shall mean and refer to this entire Contract rather than any particular part.
- g. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Application.
- h. Certain other definitions, as required, appear in subsequent parts of this Contract.

2. Effective Date and Term.

- a. Pursuant to the terms of the reasonable arrangement proposed in the Joint Application, as approved by the Commission in its Order (the "Approved Arrangement") and the Company's Tariffs, as applicable, the Effective Date of this Contract shall be on the date the Application was approved (September 4, 2024). This Contract shall terminate as of the conclusion of the final billing cycle that is 240 months after the date that Intel commences operations with service through the Green Chapel Station (such date the "Commencement Date") and such 240 month period, the "Term". The Customer may elect, at its sole discretion for any reason, to terminate the Contract at any time by providing

advance written thirty (30) day notice to Company. If Customer's notice of termination is provided prior to the date Customer's investment to construct the Facility equals or exceeds \$20 billion, then Customer shall pay to the Company an exit fee in the amount of the lesser of \$94,500,000.00 or the then-current net book value of the Green Chapel station equipment as determined by AEP Ohio according to its accounting records. For purposes of this provision, "net book value" means original installed costs (including allowance for funds used during construction and construction work in progress) less accumulated depreciation. Company shall provide Customer with an invoice setting forth the amount of the exit fee with supporting documentation for the exit fee within fourteen (14) days of receiving Customer's notice of termination. Customer shall pay such invoice within ninety (90) days of invoice issuance. Upon payment of the exit fee, Customer shall have no further obligations to Company under this Agreement.

- b. If Customer's notice of termination is provided after the date Customer's investment to construct the Facility equals or exceeds \$20 billion, then such termination shall be effective at the later of the end of the thirty (30) day notice period or the date the Customer provides adequate supporting documentation to Company that Customer's investment in the Facility equals or exceeds \$20 billion. Customer shall thereafter have no further obligation to Company under this Contract.
- c. This Contract shall also terminate if the Commission subsequently modifies the Approved Arrangement as proposed in the Joint Application and the Company and the Customer agree in writing to terminate the Contract and absent approval of a different reasonable arrangement, Intel understands that any electric service it requests going forward will be under the then-existing tariff and rates applicable to distribution service based on the actual voltage level delivered to Intel.

3. Service, Conditions and Adjustments.

- a. The Company agrees to furnish to the Customer, during the Term, and the Customer agrees to take from the Company, subject to Company's standard Terms and Conditions of Service as regularly filed with the Commission and subject to any provision of this Contract modifying those terms, transmission and distribution service of the character specified herein that shall be: 1) purchased by the Customer for the Facility which will have a service address of 11511 Green Chapel Rd, New Albany, Ohio; or 2) designated by Intel to one or more third-parties as proposed by the Joint Application. The said electric energy shall be delivered at reasonably close maintenance to constant potential and frequency, and it shall be measured by a meter or meters owned and installed by the Company and located inside the Company-owned substation and metered at

138,000 volts.

- b. The electric energy delivered hereunder shall be alternating current at approximately 34,500 volts, 4-wire, 3-phase, and it shall be delivered at the load side of the 34.5-kV reactors inside the Company substation, which shall constitute the point of delivery under this Contract.
- c. The two fabs that Intel will initially construct represent Phase One of Intel's investment at the new Licking County site. Intel may build additional fabs at the Licking County site based on developing market conditions, including future demand for semiconductors and manufacturing costs. Intel may, directly, or by enabling a third party, construct other facilities on or nearby the Facility for its use or for the use by third parties working with Intel.
- d. In addition to the fabs, the Facility will include other operations which will provide synergies to the manufacturing, such as office space, air separation machines, water recycling facility, and data centers at the site or on nearby land. The total electric supply available to serve the Facility will be 500 MW for semiconductor manufacturing and other operations that enhance the semiconductor manufacturing development.
- e. At no cost to Intel, AEP Ohio will separately meter and bill third-parties designated by Intel using a portion of the 500 MW based on the same rates, rate schedules, terms and conditions approved in the Joint Application. This portion of the 500 MW can include third-parties located on the Intel property, adjacent to the property or nearby, provided that: (i) the load will be served through the Green Chapel Station or otherwise agreed by the Parties, (ii) physical space is available in the Station for the required service connections and (iii) either the third-party or Intel pays for the incremental cost of building out to serve that customer.
- f. During this Phase One (two fabs and other operations), the total available electric supply to serve the Facility will be 500 MW, subject to any system engineering constraints. During the period leading up to the full operation of the two fabs, if the load used for other operations together with the increasing amount of power needed to supply the fabs would lead to a total demand exceeding 500 MW, Intel will be obligated to reduce that other operations load to preserve the capacity needed as the fabs become fully operational; this reduction may be achieved by curtailing the load, developing behind-the-meter generation or through another solution but under no circumstance shall AEP Ohio be obligated under this reasonable arrangement to provide capacity exceeding 500 MW.
- g. Any future development or increase of capacity requirements by Intel and AEP

Ohio's obligations to provide service to the Facility beyond 500 MW is anticipated to be addressed in a separate reasonable arrangement or tariffed service.

- h. During the 20-year Term, the Facility will be billed under AEP Ohio's Schedule GS (General Service) Demand Metered Transmission or successor tariff and, absent a Commission directive, the Facility shall not be migrated to a different tariff without the consent of Intel. Customer contract capacity (reserved capacity) shall be designated (increased or decreased) annually by Intel (at least twelve months in advance of the applicable year), not to exceed 500 MW. Capacity designations may be made more frequent than annually with the agreement of both Joint Applicants. Within 60 days of receiving the annual load designation, AEP Ohio will identify any system engineering constraints that prevent AEP Ohio from serving the requested load and will simultaneously indicate what the maximum available capacity will be for the applicable year. In order to ensure the desired contract capacity, Intel may be required to temporarily waive spare transformer availability.
- i. As approved by the Order, Customer will be charged under AEP Ohio's applicable transmission voltage rate schedules throughout the Term. Specifically, AEP Ohio will serve Intel at 34kV, which is primary voltage, and AEP Ohio will charge Intel pursuant to the applicable transmission service rate schedule as if AEP Ohio were serving Intel at 138 kV and Intel had built its own distribution station to receive and meter power at transmission voltage. Under the current tariffs, the applicable schedule is AEP Ohio's Schedule GS (General Service), Demand Metered Transmission, pursuant to which Intel would pay a per month customer charge, an excess reactive demand charge, and all applicable riders, including the Basic Transmission Cost Rider, the KWH Tax Rider (unless Intel self-assesses such tax), and the Universal Service Fund Rider. Intel will pay the incremental CIAC of installing special circuit breakers needed to address Intel's unique service quality needs (estimated at \$680,000) but will not be required to pay CIAC for Green Chapel Station or any other facilities needed to serve Intel.
- j. The Company will utilize its existing DIR mechanism to recover the costs associated with its construction of the Green Chapel Station. Specifically, the capital investment will be recovered through the DIR; AEP Ohio will recover the associated return on rate base, property tax, and depreciation expense as with any other investment included in the DIR, except that the annual revenue caps would not apply to the service plan investment recovery.
- k. To the extent that any additional component of the unique Green Chapel Station is considered Customer-requested work, premium service or CIAC not paid by Intel, AEP Ohio will recover such costs through the DIR as part of the overall station costs.

4. **Service.** Nothing herein is intended to modify, reduce, or increase the obligations that AEP Ohio has with respect to delivery, metering or other utility services that it provides Intel pursuant to the Tariff other than described in this Contract. It is therefore the Parties' understanding that AEP Ohio will continue to meter the load at a voltage level at which the Parties have agreed for the purposes of administering and billing this Contract.
5. **Additional Customer Options.** Notwithstanding Paragraph 2 of this Contract, during the Term, the Customer shall have the right, but not the obligation, to participate in additional arrangements or opportunities that may become available or offered by the Company and approved by the Commission, or additional programs offered by PJM, as applicable. Intel may, at its discretion, receive service from a competitive retail electric service supplier.
6. **Assignment.** The Customer may assign this Contract with the written consent of the Company.
7. **Notices.** Any notice required or desired by either Party to be given hereunder shall be made:

If to the Company at:

American Electric Power Service
Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
ATTN: Steven T. Nourse

If to the Customer at:

Intel Corporation
2200 Mission College Blvd.
Santa Clara, CA 95054
ATTN: General Counsel
Reference ID: FMSC Legal, State of Ohio


With a copy, which will not be notice, to:
Intel-Legal-Notices@intel.com

With copy to:

Boehm, Kurtz and Lowry
36 East Seventh Street
Cincinnati, Ohio 45202
ATTN: Michael Kurtz

Either Party may submit to the other Party a written notice of a change in location, address, or title of contact person and such notice shall serve to modify this Section 6 of this Contract. Any communications required to be in writing pursuant to this Contract shall be delivered by first class U.S. Mail, courier service, or commonly used forms of electronic communication (e.g., fax or email) consistent with the provisions set forth in this Section 8. Notice shall be deemed to be received upon actual receipt if delivered by courier, fax or email, or three (3) days after postmarked if sent by first class U.S. Mail, postage prepaid.

- 8. Other Events of Default; Termination.** The Parties agree that upon ninety (90) days' prior written notice, the Company may terminate this Contract if the Customer becomes insolvent, makes a general assignment for the benefit of creditors, or admits in writing its inability to pay debts as they mature, if any court appoints a trustee or receiver for the Customer or any part of the Customer's assets, or if proceedings are instituted by or against the Customer under any provisions of the Federal Bankruptcy Code or any state insolvency law or result in an adjudication in bankruptcy or insolvency. The Company shall not have any liability to the Customer if the Company terminates this Contract pursuant to this paragraph. Nothing in this paragraph prevents the Company from implementing its Tariffs for matters not addressed in this Contract, such as disconnection of service for non-payment.
- 9. Reporting.** Subject to such confidentiality requirements as may be appropriate, and under O.A.C. 4906:1-38-06, the Customer shall, no later than April 30th of each year after the Effective Date, provide the Company and Commission Staff with an annual report that demonstrates the Customer's compliance with the applicable commitments set forth in the Application.
- 10. Dispute Resolution.** If a dispute arises out of this Contract the Parties agree first to try in good faith to settle the dispute. If settlement is not possible and the dispute relates to a subject matter which is within the Commission's exclusive or primary jurisdiction, the matter shall be taken to the Commission. If the dispute concerns a question outside of the Commission's jurisdiction, and the Parties are unable to resolve such dispute through negotiations then either Party may initiate litigation in the appropriate court or forum and Company and Customer knowingly, intentionally and irrevocably waive their right to trial by jury in such litigation.
- 11. Mutual Cooperation.** The Customer and the Company agree to provide mutual and timely support for purposes of effectively administering this Contract, at no cost to the other. Such support shall include, without limitation, reasonable and timely access to documents and personnel of the other Party.
- 12. Governing Law and Continuing Jurisdiction.** The validity, construction and performance of this Contract shall be determined in accordance with the laws of the State of Ohio not taking into account any conflict of law provisions.
- 13. Interpretation.** The Contract, all addenda, exhibits and documents referenced or incorporated by reference herein, and the Company's service contracts and standard tariffs (including the terms and conditions of service), as applicable to Customer and as amended from time to time by the Commission, sets forth the entire agreement between the Parties. Nothing in this Contract or in the Approved Arrangement shall prevent or foreclose Customer from availing itself of additional arrangements or opportunities that may become available or offered by Company. In the event of any conflict between the Company's service contracts or standard tariffs and this Contract,

DocuSigned by:

 By _____
 Title Vice President, Ohio Site Manager

**This foregoing document was electronically filed with the Public Utilities
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9/16/2024 9:13:27 AM

in

Case No(s). 24-0734-EL-AEC

Summary: Notice Completion of Reasonable Arrangement and Executed Contract.
electronically filed by Mr. Steven T. Nourse on behalf of Ohio Power Company.