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Public Utilities Commission of Ohio Authorizes Tariff for AEP Ohio's Data Center Customers, Requires End of Moratorium on New Services for Data Centers

Related Professionals

Michael J. Settineri

Joshua R. Eckert

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The Public Utilities Commission of Ohio issued a **decision** authorizing AEP Ohio to implement a new data center-specific tariff that will be applicable to many data center customers signing up for new or expanded services in AEP Ohio's service territory. The new tariff also applies to "mobile data centers" which includes facilities for mining of cryptocurrency. The Commission's order was a result of a 14-month long contested proceeding in which AEP Ohio reached a settlement with some (but not all) parties to implement the tariff. Against the objection of many data center end users and developers, the Commission approved the **settlement** on July 9, 2025 with a minor modification to the tariff's proposed collateral requirements.

The new tariff will include more stringent financial and operational requirements for data center customers in AEP Ohio's service territory with new loads greater than 25 megawatts in the aggregate. The tariff will also apply to existing AEP Ohio data center customers that expand their loads by more than 25 megawatts.

Some of the enhanced requirements applicable to non-grandfathered data centers under the new tariff will include:

- increased monthly minimum billing demand charges up to a maximum of 85% of contracted-for capacity depending on the data center's load (compared to 65% under AEP Ohio's previously applicable tariff);
- increased collateral requirements for data centers not having credit ratings of A- and A3 with S&P and Moody's, respectively, and cash or cash equivalents greater than ten times the required amount of collateral;
- a maximum "load ramp" period of four years in any contract for service under the new tariff; and
- a minimum contract length of eight years after the end of the load ramp period.

Customers receiving service under the new tariff must pay all minimum charges for their entire contract term or pay an “exit fee” equal to three years of minimum charges for any early termination. This “exit fee” option is not available until the end of the fifth year following the conclusion of the load ramp period set forth in the contract.

The new tariff provides customers with two options to reduce their contract capacity. First, if there is equipment in place to instantaneously curtail the customer’s load and prevent it from exceeding its contract capacity, the customer can use behind-the-meter generation to offset its contract capacity when signing up for a new or expanded service. Second, subject to certain conditions during the contract term, a customer can request that AEP Ohio attempt to assign up to 25% of its contract capacity to another customer.

In addition, the settlement implements a strict new process for the study and establishment of electric service for data center customers. That process includes deadlines for customers to request a formal load study, pay for that study, and execute agreements with AEP Ohio. Failure to meet these deadlines will result in the customer’s request for electric service being deemed withdrawn, resulting in the customer moving to the end of the line for any new service request. The process is summarized below:

- Within 45 days of the new tariff becoming effective, prospective data center customers in AEP Ohio’s queue must request a formal load study and pay a fee for that study (estimated to be between \$10,000 and \$100,000 depending on the size and complexity of the service);
- After payment of a study fee by a prospective data center customer, AEP Ohio will “make reasonable efforts” to complete its formal load study within 60 days (for projects requiring regional transmission upgrades) or 45 days (for all other projects);
- After completion of a study and AEP Ohio’s development of a service plan, the customer will have 60 days to execute a letter of agreement and electric service agreement. The letter of agreement will require the customer to reimburse AEP Ohio for 100% of construction costs if the customer cancels or delays the project by more than 12 months. The electric service agreement will include AEP Ohio’s good-faith estimate of the date that it will be able to energize service, and that date will be the start of the customer’s contract term under the new tariff.

All customers requesting service under the new tariff will be required to identify a specific site for the data center and own or have the exclusive right to the land at that location.

The Commission’s order authorizing AEP Ohio to implement this new data center tariff also requires AEP Ohio to end its moratorium on signing up new data center customers. According to AEP Ohio, that moratorium was instituted in March 2023 to allow AEP’s transmission planning group to study the impacts of an anticipated 30,000 megawatts of additional load from data centers.

Per the Commission’s order, the new tariff will take effect upon AEP Ohio’s filing of two final form tariffs with the Commission. AEP Ohio filed a [proposed final form](#) of the new tariff with the Commission on July 11, seeking the Commission’s approval. Parties to the proceeding may also file applications for rehearing on the Commission’s order by August 8, but those applications will not prevent the new tariff from taking effect unless otherwise ordered by the Commission. AEP Ohio must lift the moratorium when the new tariff goes into effect.

The following Vorys attorneys have knowledge of AEP Ohio's data center tariff and the Commission's decision: Michael J. Settineri (614.464.5462, mjsettineri@vorys.com) and Joshua R. Eckert (614.464.5420, jreckert@vorys.com).