

**AEP Ohio CBP
Stakeholder Workshops
Second Portion of the Second Workshop
Friday, November 9, 2012**

Stakeholder Workshop Agenda

Thursday

- **12:30PM–1:30PM**
 - Review general comments received from stakeholders on the “Proposal for Key Elements of the CBP” document
 - Presentation on Bidding Rules and Communications Protocols
- **2:00PM–5:00PM**
 - Stakeholder input and discussion

Friday

- **12:30PM–1:30PM**
 - Presentation on Master Energy Supply Agreement (“MESA”)
- **2:00PM–5:00PM**
 - Stakeholder input and discussion

Three Stakeholder Workshops Planned

ESP Opinion and Order	Wednesday, August 8, 2012
Key Elements of CBP posted to web site	Monday, October 22, 2012
First Stakeholder Workshop	Thursday, October 25, 2012
Initial Written Comments due	Monday, October 29, 2012
Draft CBP Documents posted to web site	Monday, November 05, 2012
Second Stakeholder Workshop	Thursday, November 08, 2012 and Friday, November 09, 2012
Written Comments on Draft CBP Documents due	Tuesday, November 13, 2012
Third Stakeholder Workshop (if needed)	Tuesday, November 27, 2012

Draft documents posted on November 5



AEP Ohio Competitive Bidding Process for SSO Supply

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Documents

Documents relating to AEP Ohio's CBP are provided below.

- **Drafts of Key Documents of CBP**

- AEP Energy Supply Agreement - DRAFT 
- AEP Bidding Rules - DRAFT 
- AEP Communications Protocols - DRAFT 

Click on "Information" and
then on "Documents" link

Topic 1 | Overview of Master Energy Supply Agreement (“MESA”)

AEP Ohio's Master Energy Supply Agreement

Based on Duke's Master SSO Supply Agreement with modifications to account for:

- Energy-Only Product
 - Eliminated other SSO components
 - Eliminated LSE designation
- Load Settlement of Energy
 - InSchedule Process
 - Allows for true-ups for significant deviations
- Credit Requirements
 - Tables reflect AEP Ohio's credit requirements

Energy-only Product

Deviates from Duke's MSSA:

- Replace concepts tied to serving SSO customers (e.g., SSO Load) with concepts representing the energy-only nature of the product (e.g., Energy Load). See Article 1
- Removed requirement for Supplier to qualify as an LSE
- Removed references to obligation to provide services that an LSE would provide but that are not required for an energy-only product; see, for instance, Article 3 (General Terms and Conditions) as well as Article 6 (Billing, Payment and Netting)

Load Settlement of Energy

Add process to schedule “energy-only” product:

- Load identified using best available PJM data as of InSchedule deadline would be used to determine energy volumes for which suppliers are responsible (see Article 4 on Scheduling)
- True-ups with suppliers only in the case of significant deviations from load identified during PJM 60-day reconciliation process
- Use of final reconciled loads when the initial backcast is outside of an 80-120% band of the final load (see: “Hourly Energy Share Adjustment” in Article 1)

Credit Requirements

Small modifications in line with AEP Ohio corporate policies:

- Based on proposed key elements, credit caps for MTM higher for some credit ratings
- ICT per tranche adapted to supply period for the products in first CBP
- Affiliates share a single credit line
- Guaranty amounts may be increased unilaterally by Guarantor, without AEP Ohio's consent

Supplier Default – Contingency Plan

Details of Contingency Plan are in the Bidding Rules:

- Step-up process no longer a part of the contingency plan
- Step-up process tends not to be in the interest of customers
 - If default occurs when market price is below contract level, could replace at lower cost from market than from existing suppliers
 - If default occurs when market price is above contract level, other suppliers will not accept new tranches at contract price when they can sell at a high price elsewhere

Reminder | Comment Process

Stakeholder Process Overview

- Stakeholders have an opportunity to ask questions and provide comments at this workshop
- Draft documents (dated Nov. 5) are in MS word for comments
- Submit written comments via email to OhioCBP@aep.com
- Comments may be provided as redlines using the Microsoft Word version of the draft documents posted to the CBP website

Written Comments Due: 6PM EST on Tuesday, November 13, 2012