

EXHIBIT E

**In the Matter of the Application of)
Ohio Power Company to Establish)
a Competitive Bidding Process for)
Procurement of Energy to Support its)
Standard Service Offer)**

Case No. 12-3254-EL-UNC

Exhibit E

NERA Summary of Experience

21 December 2012



Introduction

Ohio Power Company d/b/a AEP Ohio (“AEP Ohio”), in its application to the Public Utilities Commission of Ohio (“PUCO” or “Commission”) to establish a Competitive Bidding Process (“CBP”) for procurement of energy to support its Standard Service Offer (“SSO”), is recommending NERA Economic Consulting (“NERA”) to be the auction manager for auctions under the CBP. NERA has extensive experience in conducting energy auctions and is imminently qualified to manage auctions under the CBP. We present highlights of this experience in the present document.

NERA is committed to combine in-depth expertise in auction theory, restructuring, regulation and power markets to design and manage procurement auctions using a disciplined and independent approach. NERA maintains dedicated staff trained in management of competitive bidding processes. NERA is focused on assisting Electric Distribution Utilities (“EDUs”) with procurement of supply for their SSO or default service customers. This has included a number of competitive bidding processes in a variety of jurisdictions for a range of energy products including block energy, slice-of-system products, load following class-specific products, renewable energy credits and new generation.

Summary of Experience

NERA has conducted the New Jersey Basic Generation Service (“BGS”) Auctions for the four New Jersey EDUs each year since their inception in 2002. These auctions simultaneously procure full requirements service for all BGS (or default service) customers in the state. The auction format is a descending-price clock auction, which promotes transparency and market-based pricing. NERA participates in the stakeholder process regarding the design of the BGS Auction, supports the EDUs in promoting the auction opportunity, respond to all bidder inquiries and maintains a dedicated web site (www.bgs-auction.com), administers the qualification process including the receipt of indicative offers and pre-bid security, manages the auctions, and submits a report to the New Jersey Board of Public Utilities (“Board”). The auctions are also monitored by Board Staff and their consultant.

In 2004, NERA was the auction manager for the first competitive bidding processes in Ohio. At that time, the PUCO had ordered the FirstEnergy Ohio EDUs to hold a descending-price clock auction as a market test for their filed Rate Stabilization Plan. The PUCO had the choice between accepting the results of the auction to procure full-requirements service for FirstEnergy's Standard Service Offer ("SSO") Load for the period January 1, 2006 to December 31, 2008 or rejecting the auction results in favor of the Rate Stabilization Plan Pricing. NERA provided advice regarding the detailed auction rules, designed the bidding procedure, and served as auction manager. NERA was also auction manager for this process in 2005.

NERA has served as auction manager as well for procurement of a variety of products to support default service customers in Pennsylvania and in Illinois. In particular:

- Since 2007, NERA is the auction manager for the PPL Electric Utilities, first under the Competitive Bridge Plan and more recently under their Default Service Programs. NERA has conducted over twenty (20) solicitations for full requirements products, block energy, and renewable energy credits.
- Since 2009, NERA is the auction manager for procurement of supply for default service customers of Philadelphia Electric Company ("PECO"). NERA has conducted up to several RFPs per year to procure full requirements products and energy blocks for a variety of customer classes and terms.
- From 2006 to 2012, NERA was the auction manager for procurement of full requirements supply for default service customers for one or more of the FirstEnergy Pennsylvania utilities, using both RFPs and descending-price clock auctions.
- From 2009 to 2012, NERA has served as Procurement Administrator for the Illinois Power Agency for procurement of block energy, renewable energy, and new renewable generation to support the default customers of Commonwealth Edison Company ("ComEd"). Previously, NERA has also served as Auction Manager for procurement of full requirements products and block energy for ComEd.

NERA also experience elsewhere nationally and internationally as auction manager for a variety of power products. Selected additional experience is provided in the following table.

Table 1. Selected Additional Experience.

| <i>Year</i> | <i>EDU / Commission</i> | <i>Supply Up for Bid</i> | <i>Highlights</i> |
|--------------------|---|---|--|
| 2009 – 2011 | Atlantic City Electric, Jersey Central Power & Light, Rockland Electric Company (New Jersey) | Up to 65 MW of new solar generation projects | <ul style="list-style-type: none"> • Administer three (3) solicitations per year under a Request for Proposals • Maintain web site as source of information and respond to bidder inquiries • Evaluate proposals from qualified bidders • Consider input from stakeholders before presenting final recommendations for awards to the Board in a full factual report |
| 2007-2008 | National Commission of Energy (Spain) | Baseload Power (2,000 MW) | <ul style="list-style-type: none"> • Administer four (4) solicitations per year under a descending clock auction • Maintain web site as source of information and respond to bidder inquiries • Qualify bidders and assess creditworthiness • Provide full factual report to Commission |
| 2004-2007 | Ontario Ministry of Energy (Canada) | 2,500 MW of clean generation and 300 MW of renewable capacity, energy efficiency and demand response | <ul style="list-style-type: none"> • Design and administer a solicitation under an RFP for the development of new generation capacity within the province • Financially-Settled New Tolling Capacity, including 2,500 MW of “clean” generation by 2007, up to 300 MW of renewable energy capacity, energy efficiency and demand response products • Provide advice on terms and conditions of RFP and standard contract • Evaluate bids • Model system to assess impact of new generation |
| 2005 | Commission for Energy Regulation (Ireland) | 400MW of new capacity | <ul style="list-style-type: none"> • Design and administer an RFP during the transition to competition • Develop a contract structure (Gas-Indexed CFD) that would provide the financial certainty necessary for an independent generator to finance a new power plant and would allow for operation in a new market structure • Develop an evaluation method for the selection of one or more new generation units • Assess the financial worthiness of proposals for new generation |

| <i>Year</i> | <i>EDU / Commission</i> | <i>Supply Up for Bid</i> | <i>Highlights</i> |
|-------------|---|---|--|
| 2004 | Acquirente Unico (Italy) | Purchase of energy under a contract for difference structure for 50% of Italian electricity | <ul style="list-style-type: none"> • Provide advice to the default service provider (the single buyer) in Italy regarding the appropriate contract structure and contract volumes necessary to optimize their hedging and tariff requirements • Design and administer auction to purchase electricity contracts |
| 2003 | Jersey Central Power & Light (New Jersey) | 300 MW of green energy for residential customers | <ul style="list-style-type: none"> • Work with stakeholder to examine various alternatives to select the proposal most likely to lead to a successful Green Power pilot program • Answer bidder • Qualify bidders and evaluate bids • Prepared a full factual report for the Board and recommendations for award |

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