
Name of Applicant

PART 2 FORM

PART 2 DATE: April 25, 2014

Ohio Power Company (“Company” or “AEP Ohio”) is procuring energy for its Standard Service Offer (“SSO”) customers through a competitive bidding process (“CBP”), consistent with the Opinions and Orders of the Public Utilities Commission of Ohio (“PUCO” or “Commission”) in Case No. 12-3254-EL-UNC, Case No. 11-346-EL-SSO and Case No. 11-348-EL-SSO.

The Part 2 Application consists of the online Part 2 Form and pre-bid security. Before completing this Part 2 Form, please review the CBP Rules and the Master Energy Supply Agreement so that you understand the conditions under which the auction will be conducted. Terms not explicitly defined in the Part 2 Form are defined in the Glossary, the CBP Rules, or the Master Energy Supply Agreement. These documents are posted to www.AEPOhioCBP.com as they become available.

By having completed and signed the Part 1 Form, you agreed to the CBP Rules and agreed to accept the provisions contained in the Master Energy Supply Agreement.

Information and materials that you submit in this Part 2 Application may be provided on a confidential basis to the Commission and their representatives. Representatives from AEP Ohio will decide whether the form of pre-bid security documents submitted is acceptable; pre-bid security documents other than cash will be redacted prior to providing such documents to AEP Ohio representatives for review so as not to reveal an Applicant’s identity or the amount of the Applicant’s Indicative Offer.

Upon completion of the Part 2 Application process, the names of Registered Bidders will be provided to other Registered Bidders on a confidential basis, as well as the total Initial Eligibility aggregated across all Registered Bidders. As part of this Part 2 Application, you are required to certify that you will keep confidential the list of Registered Bidders and total Initial Eligibility that are provided to you.

Name of Applicant

INSTRUCTIONS FOR APPLICATION

There are two (2) parts to the application process. In the Part 1 Application, interested parties apply to become Qualified Bidders. In the Part 2 Application, each Qualified Bidder makes certifications, provides an Indicative Offer, and posts pre-bid security to become a Registered Bidder. Only a Qualified Bidder may present a Part 2 Application.

The exclusive method for a Qualified Bidder to respond to the requirements of the Part 2 Application is by completing the online Part 2 Form, uploading the required attachments to the application website, and separately providing a pre-bid letter of credit or cash.

Please complete all sections. If a Section does not pertain to you, you will be required to check a box and move on to the next Section.

I. Part 2 Application Submission

All Qualified Bidders are expected to use the online Part 2 Form to submit information required by the Part 2 Application including all necessary documents except for a pre-bid letter of credit or cash. Qualified Bidders must:

- Complete the online Part 2 Form in its entirety;
- Upload to the application website **one (1) electronic copy** of the letter of intent to provide a guaranty or letter of reference if such documents are required by Section 1.2 of the Part 2 Form;
- Either: (i) send by overnight delivery service a pre-bid letter of credit to the following address: NERA – AEP Ohio Auction Manager, 1835 Market Street, Suite 1205, Philadelphia, PA 19103; or: (ii) post cash according to the instructions provided by the Auction Manager; and
- Sign and upload to the application website **one (1) electronic copy** of the signature pages provided by the Auction Manager upon submission of the online Part 2 Form. **The Part 2 Application is not complete until all such signature pages have been duly completed and uploaded to the application website.**

*A “day” is a business day and all times are Eastern Prevailing Times (“EPT”).
The online Part 2 Form MUST be received by the Auction Manager no later than 12 PM (noon) EPT on April 25, 2014 (the Part 2 Date).*

Inquiries may be directed to the Auction Manager by:

- telephone (215) 568-0200
- through the “Ask a Question” page on the CBP website at www.AEPOhioCBP.com

Name of Applicant

II. Application Review

Notifications

The Auction Manager, for the purposes of the auction, provides all notifications to the Representative by email. Any notification or other written communication from the Auction Manager to a Qualified Bidder that is sent by email will be sent to the email address provided for the Representative and the Representative's Nominee(s). Any such notification or communication will be deemed received by the Qualified Bidder at the time of delivery or transmission, provided that when delivery or transmission occurs after 6 PM on a business day or occurs on a day that is not a business day, receipt will be deemed to occur at 9 AM on the following business day. Any communication from the bidder to the Auction Manager by email, for example to advise the Auction Manager that the online Part 2 Form has been updated, should be addressed to AEP-CBP@nera.com.

Acknowledgment of Receipt

The exclusive method for a Qualified Bidder to respond to the requirements of the Part 2 Application is by completing the online Part 2 Form, uploading the required attachments to the application website, and separately providing a pre-bid letter of credit or cash. The attachments consist of the letter of intent to provide a guaranty or letter of reference if such documents are required by Section 1.2 of the Part 2 Form as well as signature pages provided by the Auction Manager. The "Part 2 Materials" consist of information submitted through the online Part 2 Form, the letter of intent to provide a guaranty or letter of reference if such documents are required by Section 1.2 of the Part 2 Form, as well as the pre-bid letter of credit or cash. Upon first submission of Part 2 Materials, the Auction Manager acknowledges receipt by email.

Timing of Part 2 Application Review

The last day of the Part 2 Window is called the Part 2 Date. If Part 2 Materials are received before 12 PM (noon) on any day during the Part 2 Window, the Auction Manager acknowledges receipt on the day the Part 2 Materials are received with the results of an initial review and with any signature pages that the Auction Manager can prepare on the basis of the information provided to that point in the Part 2 Form. If Part 2 Materials are received after 12 PM (noon) on any day during the Part 2 Window prior to the Part 2 Date, the Auction Manager sends the acknowledgment of receipt along with the initial review and any signature pages that the Auction Manager can prepare on the basis of the information provided to that point in the Part 2 Form by 12 PM (noon) of the next day.

Name of Applicant

Deficiencies in the Part 2 Materials

If the Part 2 Materials are incomplete or require clarification, the Auction Manager sends a deficiency notice to the Qualified Bidder. If a Qualified Bidder receives a first deficiency notice from the Auction Manager regarding any item of the Part 2 Form, the Qualified Bidder has until 12 PM (noon) on the Part 2 Date, or until 6 PM on the day following the business day during which such deficiency notice is sent, whichever comes later, to respond. If a Qualified Bidder receives a first deficiency notice from the Auction Manager regarding pre-bid security (the pre-bid letter of credit, cash, the letter of intent to provide a guaranty, or the letter of reference), the Qualified Bidder has until 12 PM (noon) on the Part 2 Date, or by 6 PM on the second day following the business day during which such deficiency notice is sent, whichever comes later, to respond. If the Qualified Bidder does not correct or adequately explain the deficiency within the time allowed, the Part 2 Application may be rejected.

Signature Pages

The Auction Manager provides signature pages to the Qualified Bidder that the Auction Manager prepares on the basis of information submitted in the online Part 2 Form. The Qualified Bidder has until 12 PM (noon) on the Part 2 Date, or until 6 PM on the day following the business day during which the Auction Manager provides a signature page, whichever comes later, to upload the completed signature page to the application website. If the signature page does not conform to the requirements or if the Qualified Bidder fails to upload a signature page, the Auction Manager sends a deficiency notice to the Qualified Bidder. If a Qualified Bidder receives a first deficiency notice from the Auction Manager regarding a signature page, the Qualified Bidder has until 12 PM (noon) on the Part 2 Date, or until 6 PM on the day following the business day during which such deficiency notice is sent to the Qualified Bidder, whichever comes later, to respond. If the Qualified Bidder does not correct or adequately explain the deficiency within the time allowed, the Part 2 Application may be rejected.

Late Applications

No late Part 2 Applications will be accepted under any circumstances.

Part 2 Notification

A Qualified Bidder is registered as a bidder pursuant to a successful Part 2 Application if its Part 2 Materials are received on or before 12 PM (noon) on the Part 2 Date and if its Part 2 Application is complete. All Qualified Bidders that successfully complete the Part 2 Application become Registered Bidders. The Auction Manager notifies each Qualified Bidder regarding its status by the Part 2 Notification Date.

Name of Applicant

PART 2 FORM

1.1 Basic Applicant Information

Name of Applicant (Company Name)

Is the Representative's contact information the same as provided in the Applicant's Part 1 Form?

Yes

No

If YES, please proceed to Section 1.2.

If NO, Please provide updated information below.

Representative's Contact Information

Last Name

Given Name(s)

Title

Street Address

City

State

Zip Code

Telephone No.

Cell Phone No. (optional)

Email Address

Name of Applicant

1.2 Indicative Offer and Pre-Bid Security

First Item: Indicative Offer and Minimum Pre-Bid Security

Please provide your Indicative Offer in Table 1.1 below. An Indicative Offer specifies two (2) numbers of tranches. The first number represents the number of tranches that the Qualified Bidder is willing to bid at the Minimum Starting Price and the second number represents the number of tranches that the Qualified Bidder is willing to bid at the Maximum Starting Price. The Indicative Offer must be such that:

- The number of tranches specified in the Indicative Offer at the Minimum Starting Price does not exceed the number of tranches specified at the Maximum Starting Price;
- The number of tranches at the Maximum Starting Price does not exceed the load cap, which is set at 80% of the volume;
- The number of tranches at the Maximum Starting Price does not exceed your credit-based tranche cap.

In the auction itself, you are not required to bid the number of tranches in your Indicative Offer. However, your Initial Eligibility to bid in the auction will be determined by the total number of tranches in your Indicative Offer at the Maximum Starting Price.

Table 1.1 Indicative Offer

| | | |
|--|--|----------|
| Indicative Offer (number of tranches) | | |
| Minimum Starting Price: | | Tranches |
| Maximum Starting Price: | | Tranches |

You are required to submit an executed pre-bid letter of credit or cash for an amount equal to \$500,000 multiplied by the number of tranches in your Indicative Offer at the Maximum Starting Price. Please enter this minimum amount of pre-bid security in the table below.

Table 1.2 Minimum Pre-Bid Security Calculation

| | |
|---|----|
| <i>Amount of pre-bid letter of credit or cash</i> | \$ |
| All Bidders: This amount is equal to \$500,000 multiplied by the number of tranches in the Indicative Offer at Maximum Starting Price | |

Name of Applicant

Second Item: Cash

A bidder must provide either cash or a pre-bid letter of credit for at least the amount of the minimum pre-bid security calculated in Table 1.2. Are you providing cash for this amount?

Yes **No**

If YES, please provide all information required by this item.

If NO, please proceed to the next item.

I acknowledge that the AEP Ohio may draw upon the cash posted by the bidder if the bidder: (i) has made a material omission or misrepresentation in the Part 1 Application or the Part 2 Application submitted to participate in AEP Ohio's CBP for purposes of procuring supply under the Master Energy Supply Agreement; (ii) has violated the CBP rules for AEP Ohio's CBP for purposes of procuring supply under the Master Energy Supply Agreement; (iii) has won tranches in AEP Ohio's CBP for purposes of procuring supply under the Master Energy Supply Agreement and has failed to execute the Master Energy Supply Agreement within three (3) business days of the acceptance of the results by the Commission; or (iv) has won tranches in AEP Ohio's CBP for purposes of procuring supply under the Master Energy Supply Agreement and has failed to meet the creditworthiness requirements of the Master Energy Supply Agreement within three (3) business days of the acceptance of the auction results by the Commission.

Signature of Representative of bidder posting cash

Date

AEP Ohio will not pay interest on cash held for the purposes of pre-bid security. AEP Ohio will return such cash within one (1) business day of the Commission's decision if the Commission rejects the results of the auction. If the Commission accepts the results of the auction, cash will be returned: (i) the business day after the Commission decision if the bidder does not win any tranches; (ii) the business day after the bidder executes the Master Energy Supply Agreement and meets the creditworthiness requirements under the Master Energy Supply Agreement if the bidder wins tranches in the auction. AEP Ohio will return cash within the timeframes provided in this paragraph only if AEP Ohio has received a request, on the Bidder's letterhead, for the return of the posted cash including wiring instructions.

Are you providing with this Part 2 Form a request, on your letterhead, for the return of the posted cash including wiring instructions?

Yes **No**

Name of Applicant

Third Item: Pre-Bid letter of Credit

A bidder must provide either cash or a pre-bid letter of credit for at least the amount of the minimum pre-bid security calculated in Table 1.2. Are you providing a pre-bid letter of credit for this amount?

Yes No

If applicable, please provide in the space below any special instructions for returning the pre-bid letter of credit after the auction. Otherwise, the pre-bid letter of credit will be returned to the issuing bank. (optional)

The Auction Manager will return the pre-bid letter of credit within one (1) business day of the Commission's decision if the Commission rejects the results of the auction. If the Commission accepts the results of the auction, the pre-bid letter of credit will be returned: (i) the business day after the Commission decision if the bidder does not win any tranches; (ii) the business day after the bidder executes the Master Energy Supply Agreement and meets the creditworthiness requirements under the Master Energy Supply Agreement if the bidder wins tranches in the auction.

Fourth Item: Additional Pre-Bid Security

Please refer to your Part 1 Notification for instructions concerning the pre-bid security that you must provide to support your Indicative Offer.

Does your Part 1 Notification state that you are required to provide additional pre-bid security?

Yes No

If NO, please proceed to Section 1.3.

If YES, please check all that apply below.

- Letter of intent to provide a guaranty from the named Guarantor on the Part 1 Form
- Letter of reference from a bank
- Additional amount as cash or through the pre-bid letter of credit

These documents should be in the form provided on the CBP website or incorporating only those modifications accepted during the Part 1 Application process. Any modification accepted for the benefit of one bidder will be available to other bidders on an optional basis.

COMPLETE TABLE 1.3 (ON THE NEXT PAGE) TO STATE THE AMOUNTS OF ADDITIONAL PRE-BID SECURITY PROVIDED WITH THIS PART 2 APPLICATION.

Name of Applicant

Table 1.3 Additional Pre-Bid Security Calculation

The amount of additional pre-bid security required is equal to the Independent Credit Requirement (“ICR”) minus \$500,000 provided as cash or a pre-bid letter credit multiplied by the number of tranches in your Indicative Offer at the Maximum Starting Price. This amount for the first auction under AEP Ohio’s CBP was \$100,000 per tranche; **the amount for the second and subsequent auctions under AEP Ohio’s CBP for ESP II will be \$0 per tranche. For the second and subsequent auctions under AEP Ohio’s CBP for ESP II, this table is provided for informational purposes only and is not required for the Part 2 Application. (See Section IV.2.8 of the CBP Rules).**

NOTE: Stand-alone Applicants that are not relying on a Guarantor and that are granted a sufficient credit line to cover the amount of additional pre-bid security to support their Indicative Offers are not required to post additional pre-bid security. All other Applicants are required to post additional pre-bid security in the form of a letter of intent to provide a guaranty and/or a letter of reference for this additional amount. Alternatively, the pre-bid letter of credit or cash may be increased by the additional amount.

| | |
|--|---|
| <p>(a) Please enter the amount of additional pre-bid security that you are submitting in the form of a letter of intent to provide a guaranty from the Guarantor.</p> <p>NOTE: The Guarantor must meet the Minimum Rating.</p> | \$ |
| <p>(b) Please enter the amount of additional pre-bid security that you are submitting in the form of a letter of reference from a bank.</p> | \$ |
| <p>(c) Please enter the amount of additional pre-bid security that you are providing in the form of an additional amount as cash or on the pre-bid letter of credit.</p> <p>NOTE: A bidder may always elect to increase its pre-bid letter of credit or cash by the additional amount instead of providing a letter of intent to provide a guaranty and/or a letter of reference.</p> | \$ |
| <p>Total (sum of (a), (b) and (c)).</p> <p>NOTE: This total must equal or exceed \$100,000 multiplied by the number of tranches in the Indicative Offer at the Maximum Starting Price.</p> | <p>Total amount:</p> <p style="text-align: center;">\$</p> |

Name of Applicant

1.3 Certifications by Representative

Each Applicant must consult the list of Qualified Bidders provided with the Part 1 Notification in order to determine whether it can make the certifications. Unless noted otherwise, the certifications apply from the time of qualification of bidders until the decision on auction results by the Commission.

The following certifications are those contained in Section VIII.4 of the CBP Rules for the auctions under AEP Ohio's CBP. Please consult the CBP Rules, the Communications Protocols, as well as the Rules and Protocols for Participation by Associated Bidders (Associated Bidder Protocols) to understand the criteria for associations and the definition of Confidential Information.

Sanctions can be imposed on an Applicant for failing to disclose information relevant to determining associations, for coordinating with another bidder, or for failing to abide by any of the certifications that it will have made in its Part 1 and Part 2 Applications. Such sanctions can include, but are not limited to, termination of the Master Energy Supply Agreement, loss of all rights to provide Energy Supply for AEP Ohio to serve any load won by such Applicant, forfeiture of financial guarantees and other fees posted or paid, prosecution under applicable state and federal laws, debarment from participation in future competitive bidding process, and other sanctions that may be appropriate.

The Auction Manager, in its report submitted to the Commission at the conclusion of the auction, will make a recommendation on a possible sanction for any Applicant that violates any of its undertakings under the Part 1 or the Part 2 Application process or that fails to disclose information required by the Part 1 or the Part 2 Application process.

The following certifications (1) through (8) will apply from the time of qualification of bidders until three (3) business days after the decision on auction results by the Commission.

1. I certify that the Applicant is not associated with another Qualified Bidder.

Signature of Representative

Date

If unable to make certification 1, please identify the Qualified Bidder(s) with which the Applicant is associated and the nature of the association.

Name of Applicant

2. I certify that, other than parties explicitly named in the Part 1 Application as parties with whom the Applicant has entered into a bidding agreement, joint venture for the purpose of bidding in the auction, bidding consortium or other arrangement pertaining to bidding in the auction, the Applicant has not entered into any agreement with another Qualified Bidder, directly or indirectly, regarding bids in the auction, including, but not limited to, the amount to bid at certain prices, when or at what prices bids are to be withdrawn, or the amount of exit prices.

Signature of Representative

Date

3. An Advisor is an entity or person(s) that will be advising or assisting the Applicant with Bidding Strategy in the auction, with estimation of the value of tranches, or with the estimation of the risks associated with providing Energy Supply. Please certify to ONE of the following:

- (i) I certify that the Applicant has not retained an Advisor;

Signature of Representative

Date

- (ii) I certify that the Applicant has retained an Advisor, the Advisor will not provide any similar advice or assistance to any other Qualified Bidder, and the Advisor will not be privy to Confidential Information Relative to another Qualified Bidder's Bidding Strategy.

Signature of Representative

Date

- (iii) I certify that the Applicant has retained an Advisor that will provide similar advice or assistance to another Qualified Bidder, or that will be privy to Confidential Information Relative to another Qualified Bidder's Bidding Strategy, but appropriate protections have been put into place to ensure that the Advisor does not serve as a conduit of information between, or as a coordinator of the bidding strategies of, multiple bidders. If so, please describe such appropriate protections in the space below.

Signature of Representative

Date

If you are unable to make certification 3, please name the Advisor and the Qualified Bidder(s) concerned. If you certify to 3(iii) above, please describe the appropriate protections in place in the space below.

Name of Applicant

4. I certify that the Applicant is not a party to any contract for the purchase of power that might be used as a source for Energy Supply, and that (i) would require the disclosure of any Confidential Information (Confidential Information Relative to Bidding Strategy or Confidential Information Regarding the Auction) to the counterparty under such a contract; or (ii) that would require the disclosure of any Confidential Information (Confidential Information Relative to Bidding Strategy or Confidential Information Regarding the Auction) to any other party; or (iii) that would provide instructions, direct financial incentives, or other inducements for the Applicant to act in a way determined by the counterparty in the agreement and/or in concert with any other bidder in the auction. Notwithstanding the above, the Applicant may, during negotiations prior to the auction for contractual arrangements as a source for Energy Supply were the Applicant to be a winner at the auction, discuss with the counterparty to such arrangements the nature of the standard products to be purchased, the volume, and the price at which the Applicant is willing to buy these products, so long as such arrangements do not result in violation of (i), (ii) or (iii) above.

Signature of Representative

Date

If unable to make certification 4, please disclose the contractual terms that prevent the Applicant from making the certification, identify the counterparty, and if applicable, the party to whom information disclosure must be made under the terms of the contract.

5. I certify that the Applicant does not have any knowledge of Confidential Information Relative to Bidding Strategy of any other Qualified Bidder.

Signature of Representative

Date

If unable to make certification 5, please name the other Qualified Bidder(s) and the nature of the Confidential Information.

Name of Applicant

6. I certify that the Applicant will not disclose Confidential Information Relative to its Bidding Strategy except to: (i) bidders that were explicitly named in the Part 1 Application as parties with which it has entered into a bidding agreement, joint venture for the purpose of bidding in the auction, bidding consortium, or other arrangement pertaining to bidding in the auction; (ii) bidders with which it is associated as disclosed in the Part 2 Application; (iii) its Advisors; and (iv) its financial institution.

Signature of Representative

Date

If unable to make certification 6, please identify the entity receiving such information and explain the reasons for such disclosure.

7. I certify that, other than entities with which the Applicant is affiliated and other than bidders with which it has entered into a bidding agreement, joint venture for purposes of the auction, bidding consortium, or other arrangement pertaining to the auction, no party has agreed to defray any of the costs of participating in the auction, including the cost of preparing the bid, the cost of any financial guarantees, or any other participation cost.

Signature of Representative

Date

If unable to make certification 7, please identify the party defraying the participation cost and provide an explanation.

Name of Applicant

8. I agree that the submission of any bid in the auction creates a binding and irrevocable offer to provide the slice-of-system energy-only product under the terms set forth in the Master Energy Supply Agreement and that a binding and enforceable contract to provide Energy Supply with respect to the number of tranches that the Applicant wins in the auction shall arise under the Master Energy Supply Agreement. I understand that AEP Ohio can collect on the pre-bid letter of credit or AEP Ohio can draw upon cash posted if the Qualified Bidder wins tranches but fails to execute the Master Energy Supply Agreement or fails to comply with the creditworthiness requirements as set forth in the Master Energy Supply Agreement within three (3) days of the acceptance of the auction results by the Commission.

Signature of Representative

Date

The following certifications (9), (10) and (11) will apply from the date on which you make the certifications.

9. I certify that if the Applicant is registered to participate in the auction, the Applicant will not disclose at any time information regarding the initial eligibility across all bidders in the auction or the list of Registered Bidders, including but not limited to the number of Registered Bidders, the identity of any one of the Registered Bidders (including the bidder itself), or the fact that an entity has not been registered for participation in the auction.

Signature of Representative

Date

If unable to make certification 9, please identify the party receiving such information and must explain the reasons for such disclosure.

Name of Applicant

- 10.** I certify that the Applicant will not disclose any Confidential Information Regarding the Auction to any party except to its Advisors and to bidders with which the Applicant is associated as disclosed in this Part 2 Application.

Signature of Representative

Date

If unable to make certification 10, please identify the entity receiving such information and explain the reasons for such disclosure.

- 11.** I certify that the Applicant will destroy all documents, written or electronic, provided by the Auction Manager that contain Confidential Information Regarding the Auction within five (5) days of the decision on results by the Commission, or earlier if so instructed by the Auction Manager.

Signature of Representative

Date

If unable to make certification 11, please provide an explanation.

Name of Applicant

1.4 Justification of Omissions

If you are unable to provide all documents or all information requested in this Part 2 Application, please fully justify any omissions in the space provided below.

End of Part 2 Form
