

Addendum I – Refresh Process Addendum

I. Introduction

Registered Bidders in the first auction and second auction under AEP Ohio's competitive bidding process ("CBP") must participate in a "Refresh" Process. The Refresh Process occurs after the first auction, which starts April 28, 2015, and before the second auction. In this Refresh Process, bidders may update their indicative offers and will then be required to ensure that their pre-bid security is sufficient for their updated indicative offer. In this Refresh Process, Registered Bidders also renew their certifications and may provide updated preliminary interest for each product.

II. Updated Indicative Offer and Pre-Bid Security

Each Registered Bidder is required to update its indicative offer at the maximum starting price. The updated indicative offer at the maximum starting price determines the Registered Bidder's initial eligibility in the second auction.

If the pre-bid security that the Registered Bidder posted in the first auction remains sufficient to support the indicative offer at the maximum starting price in the second auction, no action is required on the part of the Registered Bidder.

If the pre-bid security that the Registered Bidder posted in the first auction has become insufficient to support the indicative offer at the maximum starting price in the second auction (because the Registered Bidder has increased its indicative offer from the first to the second auction), then the Registered Bidder will be required to update its minimum pre-bid security as follows:

- If the Registered Bidder submitted a pre-bid letter of credit, the Registered Bidder must provide an amendment to the pre-bid letter of credit that changes the amount. The amount of the amendment must be equal to the number of tranches from the updated indicative offer at the maximum start price times \$500,000;
- If the Registered Bidder submitted cash, the Registered Bidder must provide an additional amount equal to: (i) the difference between the number of tranches from the updated indicative offer and the indicative offer in the first auction; times: (ii) \$500,000.

Pursuant to its Part 1 Notification, a Registered Bidder may have posted additional pre-bid security in the form of a Letter of Intent to Provide a Guaranty or Letter of Reference. A Registered Bidder is NOT required to update these documents during the course of the Refresh process.¹

III. Preliminary Interest and Certifications

During the Refresh Process, a Registered Bidder will be asked to update its preliminary interest as necessary. Each Registered Bidder will also be required to renew some of the certifications made in the application process. These certifications will be provided within the Refresh Process Form and will serve to remind bidders of their continuing obligations in the second auction.

¹ If a bidder is required to provide Additional Pre-Bid Security in the second auction, but was not required to do so in the first auction, then the bidder will receive specific instructions from the Auction Manager.

IV. Process and Key Dates

Registered Bidders must complete the Refresh Process by:

1. Entering all information required by the Refresh Process Form;
2. Signing and scanning the Refresh Process form;
3. Emailing the completed Refresh Process Form to AEP-CBP@nera.com; and
4. Ensuring that Pre-Bid Security is sufficient to support the updated indicative offer, which may require a Registered Bidder to amend its pre-bid letter of credit to increase the amount or to post additional cash pre-bid security.

Any amendment to the pre-bid letter of credit should be sent by overnight delivery service to NERA – AEP Ohio Auction Manager, 1835 Market Street, Suite 1205, Philadelphia, PA 19103. Any posting of additional cash should be made according to the instructions provided by the Auction Manager.

The key dates in the Refresh Process are as follows:

Activity	Date
Refresh Process starts for indicative offer and pre-bid letters of credit	Wednesday, April 29, 2015
Deadline for Refresh	12PM (noon) on Tuesday, May 5, 2015
Refresh notification	Friday, May 08, 2015

In its Refresh Notification, a Registered Bidder that successfully completes the Refresh Process will receive:

- A Refresh Notification with its Updated Indicative Offer and Updated Total Initial Eligibility across all Registered Bidders in the second auction;
- A Schedule for the second auction;
- Confidential login credentials for the second auction; and
- Any updates in the auction parameters to be used for the second auction.

The Auction Manager will inform Registered Bidders that successfully complete the Refresh Process of the Round 1 Starting Price for the second auction on Thursday, May 07, 2015.