



An AEP Company

BOUNDLESS ENERGY™

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March 30, 2017

Asim Z. Haque
Chairman, Public Utilities Commission of Ohio
Public Utilities Commission of Ohio
180 East Broad Street
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*Re: In the Matter of Ohio Power Company's Generation Transition
Docket, Case No. 17-882-EL-UNC*

Dear Chairman Haque:

On behalf of Ohio Power Company (AEP Ohio), I am initiating this docket as the Generation Transition docket under Paragraph III.D.12 of the Joint Stipulation and Recommendation in Case Nos. 14-1693-EL-RDR and 14-1694-EL-AAM (PPA Rider Stipulation). In this initial report, I would like to update the Commission on recent generation developments and discuss AEP Ohio's plans to implement the PPA Rider Stipulation in this docket.

On January 30, 2017, a public announcement was made regarding the planned retirement of Stuart Station in June 2018. AEP Generation Resources owns 26% of Stuart Units 1-4 and those units were part of the Affiliate PPA proposal originally included in the PPA Rider cases.

On February 23, 2017 a public statement was issued by AEP announcing that it would sell its 330-megawatt share of Zimmer Plant to Dynegy and purchase Dynegy's 312-megawatt share of Conesville Plant. After the transaction is complete, AEP would own 92% of Conesville. This agreement simplifies the ownership structure of the plants and was an additional step forward in the continued strategic evaluation to determine the future of Conesville Plant.

To continue implementing the PPA Rider Stipulation, AEP Ohio will engage an independent third party in 2017 to perform an analysis on how to bring or encourage companies to establish renewable energy companies with headquarters and manufacturing plants in Ohio and how to transition the current power plant workforce to such job opportunities. In compliance with the PPA Stipulation Section III.D.12.e, this analysis will be included in the Company's 2018 annual filing in this docket.

Further, the Company will use this analysis as the basis for its study analyzing how the property tax revenue and loss of jobs may be replaced post-retirement of the co-owned units, as stated in the PPA Stipulation Section III.D.12.f and III.D.12.g. This study will be included in a future annual filing in this docket.

In the 2021 annual filing, the Company will produce a unit-by-unit load flow analysis identifying any transmission upgrades and/or non-transmission alternatives as outlined in Section III.D.12.c of the PPA Stipulation. By June 1, 2021 AEP Ohio will identify specific transmission upgrades and/or non-transmission alternatives that would completely alleviate any identified reliability concerns as outlined in Section III.D.12.d of the PPA Stipulation.

If by January 1, 2024 the ownership of the co-owned units has not been consolidated, meaning the units are exclusively owned by a single entity, AEP Ohio will report in this docket the steps it has taken to consolidate said ownership in compliance with Section III.D.12.b of the PPA Stipulation.

By June 1, 2024 AEP Ohio will file in this docket, subject to agreement with the joint owners of the plants, a plan to retire, repower, or refuel the jointly-owned units. In compliance with Section III.D.12.i this plan will incorporate scenarios for potential early retirement.

AEP Ohio and its affiliates will commits to continue to pursue the transfer or sale of its contractual entitlement of the OVEC units as well as the other jointly owned units. The Company will file a status report on June 30 each year in regards to the OVEC entitlement. The transfer or sale of the jointly owned units will be made periodically in this docket in compliance with Section III.D.12.h of the PPA Stipulation.

Thank you for your attention to this matter.

Respectfully Submitted,

//s/ Steven T. Nourse

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Summary: Correspondence - Letter to Chairman Haque submitted by Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company