

**BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Ohio	)	
Power Company for Authority to Establish a	)	
Standard Service Offer Pursuant to Section	)	Case No. 16-1852-EL-SSO
4928.143, Revised Code, in the Form of an	)	
Electric Security Plan.	)	

In the Matter of the Application of Ohio	)	
Power Company for Approval of Certain	)	Case No. 16-1853-EL-AAM
Accounting Authority.	)	

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**OHIO POWER COMPANY’S MOTION FOR INTERIM RELIEF TO CONDUCT  
NOVEMBER 2017 SSO AUCTION AND REQUEST FOR EXPEDITED RULING**

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Pursuant to Rule 4901-1-12 of the Ohio Administrative Code, Ohio Power Company (“AEP Ohio” or the “Company”) respectfully moves the Public Utilities Commission of Ohio (“Commission”) for interim relief authorizing the Company to conduct the November 2017 full requirements auction proposed in the Company’s Amended Application, as modified by the Settlement filed in these proceedings on August 25, 2017. *See* Amended Application 9-10 (§IV.A.1); Settlement at 35 (§III.M-N). In order to facilitate the November 2017 auction and comply with pre-auction notice requirements, the Company requests that this motion be considered on an expedited basis pursuant to Rule 4901-1-12(C). Pursuant to Rule 4901-1-12(C), counsel for AEP Ohio contacted counsel for all parties on September 15, 2017, and requested that any party that opposes this motion or the Company’s request for expedited ruling respond. Some parties confirmed that they do not oppose the motion or request to expedite. Other parties have not responded. No party, however, has indicated that it opposes AEP Ohio’s request.

The grounds for this motion are set forth more fully in the accompanying memorandum in support.

Respectfully submitted,

/s/ Christen M. Blend

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## **MEMORANDUM IN SUPPORT**

Ohio Power Company (“AEP Ohio” or the “Company”) procures generation for standard service offer (“SSO”) customers through competitive declining clock auctions in which potential suppliers bid to provide tranches of the SSO load. *See* Case Nos. 13-285-EL-SSO, *et al.*, Opinion and Order at 31 (Feb. 25, 2015). After the Public Utilities Commission of Ohio (“Commission”) approves the results of each auction, winning bidders execute the Master Standard Service Offer Supply Agreement (“MSA”), which defines the winning bidders’ and the Company’s rights and obligations concerning the provision of SSO supply. *See* Direct Testimony of David B. Weiss (“Weiss Test.”) at 4 (Nov. 23, 2016). All current MSAs that have been or will be executed during the current term of the Company’s third electric security plan (“ESP III”) are scheduled to expire on May 31, 2018. *Id.* at 5.

On November 23, 2016, the Company filed an Amended Application and supporting testimony proposing to modify and extend the term of ESP III from May 31, 2018, through May 31, 2024. *See* Am. Appl. at 3 (Nov. 23, 2016). To ensure that its SSO obligation is met on and after June 1, 2018, the Company has proposed to conduct two auctions prior to that date, in November 2017 and March 2018. Weiss Test. at 5. Each of the auctions would seek to procure 50% (or 50 tranches) of SSO load, broken out into three separate products: 16 tranches of 36-month product, 17 tranches of 24-month product, and 17 tranches of 12-month product. *Id.*

AEP Ohio and numerous other parties to these proceedings filed a Joint Stipulation and Recommendation (“Settlement”) on August 25, 2017, recommending that the Commission approve AEP Ohio’s application as modified by the Settlement and extend the term of ESP III from, May 31, 2018, through May 31, 2024. *See* Settlement at 3 (§III.A) (Aug. 25, 2017). The Settlement adopts the Company’s SSO auction-related proposals with only minor changes. *Id.* at

35 (§III.M-N). The evidentiary hearing on the Settlement is scheduled to begin on November 1, 2017. Entry at ¶ 10(c) (Sept. 5, 2017). The Commission’s decision on the Settlement in these proceedings will not be final before the Company’s proposed November 2017 SSO auction will take place.

In order to avoid procuring all of the tranches in one auction, to capture any favorable market conditions that may presently exist and to be consistent with the Commission’s prior directives regarding the SSO auction schedule, *see* ESP III, Opinion and Order at 31, and the Company’s proposals in these proceedings, *see* Weiss Test. at Ex. DBW-1A, AEP Ohio respectfully requests that the Commission issue an order authorizing the Company to conduct the November 2017 SSO auction as proposed in the Company’s Amended Application and Mr. Weiss’s direct testimony, as modified by the Settlement. Allowing the Company to conduct the November 2017 SSO auction would not prejudice The Office of the Ohio Consumers’ Counsel (“OCC”), (the only party expected to oppose the Settlement) so long as nothing herein precludes OCC from challenging the Commission’s approval of the Settlement.<sup>1</sup>

Maintaining consistency in the Company’s auction schedule and holding the November 2017 auction as proposed is preferable to the Company waiting until after a Commission decision on the Settlement to procure all of its SSO supply, or to the Company procuring all of its SSO supply through one auction held less than 60 days before June 1, 2018 delivery if “a subsequent SSO is not authorized by the Commission by April 1, 2018.” ESP III, Opinion and Order at 31. Indeed, continuing with the November and March auction schedule that the

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<sup>1</sup>AEP Ohio is proposing to conduct a standard service auction in advance of the Order in this case. . While the Settlement includes a proposed charge (Competitive Incentive Rider) to increase the price of the Standard Service Offer for consumers, AEP Ohio is not by this motion seeking to implement the Competitive Incentive Rider in advance of an Order in this case.

Commission previously approved in the ESP III case will minimize uncertainty and rate volatility for SSO customers. *See id.* It will also provide certainty to suppliers interested in participating in the Company's SSO auctions. OCC's litigation position will not be prejudiced by the Commission granting this motion, as OCC is not expected to challenge the SSO auction proposals contained in the Company's Amended Application, as modified by the Settlement. *See* Amended Application 9-10 (§IV.A.1); Settlement at 35 (§III.M-N). In fact, OCC has indicated to the undersigned counsel that it does not oppose the Company's present request in this motion for conducting the November 2017 auction (for the standard service offer) as proposed so long as OCC continues to have the right to challenge Commission approval of the Settlement.

In order to facilitate the November 2017 auction and provide sufficient notice, information, and application time to potential bidders in advance of the auction, the Company requests expedited ruling on this motion. Specifically, in order for the Company and its auction manager to conduct an orderly and robust process leading up to the auction, the Company requests that the Commission issue an order granting this motion on or before September 27, 2017. Pursuant to Rule 4901-1-12(C), counsel for AEP Ohio contacted counsel for all parties on September 15, 2017, and requested that any party that opposes this motion or the Company's request for expedited ruling respond. Some parties confirmed that they do not oppose the motion or request to expedite. Other parties have not responded. No party, however, has indicated that it opposes AEP Ohio's request.

For the foregoing reasons, AEP Ohio respectfully requests that the Commission approve its request for interim relief and authorize the Company to conduct its November 2017 SSO auction as proposed in the Company's Amended Application, as modified by the Settlement filed

in these proceedings on August 25, 2017. *See* Amended Application 9-10 (§IV.A.1); Settlement at 35 (§III.M-N). .

Respectfully submitted,

/s/ Christen M. Blend

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## **CERTIFICATE OF SERVICE**

In accordance with Rule 4901-1-05, Ohio Administrative Code, the PUCO's e-filing system will electronically serve notice of the filing of this document upon the following parties. In addition, I hereby certify that a service copy of the foregoing was sent by, or on behalf of, the undersigned counsel to the following parties of record this 18th day of September, 2017, via electronic transmission.

/s/ Christen M. Blend

Christen M. Blend

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**This foregoing document was electronically filed with the Public Utilities**

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**9/18/2017 4:10:29 PM**

**in**

**Case No(s). 16-1852-EL-SSO, 16-1853-EL-AAM**

Summary: Motion - Ohio Power Company's Motion for Interim Relief to Conduct November 2017 SSO Auction and Request for Expedited Ruling electronically filed by Ms. Christen M. Blend on behalf of Ohio Power Company