

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.)	

**OHIO POWER COMPANY’S MOTION FOR INTERIM RELIEF TO CONDUCT
MARCH 2018 SSO AUCTION
AND REQUEST FOR EXPEDITED RULING**

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 March 2018 full requirements auction proposed in the Company’s Amended Application, as modified by the Stipulation filed in these proceedings on August 25, 2017. See Amended Application at 9-10 (§IV.A.1); Settlement at 35 (§III.M-N). In order to facilitate the March 2018 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); a ruling on this request by January 10, 2018 would be timely.

Pursuant to Rule 4901-1-12(C), counsel for AEP Ohio contacted counsel for all parties on December 19, 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,

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

35 (§III.M-N). The Commission previously granted interim relief to conduct the November 2017 auction in advance of a merit decision in this proceeding. (See September 27, 2017 Entry.) While the post-hearing briefs will be completed as of December 21, 2017 and Company expects a merit decision to be issued prior to the scheduled March 2018 auction, the pre-notice and other activities leading up to the March 2018 auction will commence in mid-January; therefore, interim relief is needed.

In order 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 March 2018 SSO auction as proposed in the Company's Amended Application and Mr. Weiss's direct testimony, as modified by the Stipulation. Allowing the Company to conduct the March 2018 SSO auction would not prejudice The Office of the Ohio Consumers' Counsel ("OCC"), the only party opposing the Stipulation, and nothing herein precludes OCC from challenging the Commission's approval of the Stipulation.¹

Maintaining consistency in the Company's auction schedule and holding the March 2018 auction as proposed is preferable to the Company waiting until after a Commission decision on the Stipulation 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 Commission

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

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-related 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 March 2018 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 March 2018 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 January 10, 2018. Pursuant to Rule 4901-1-12(C), counsel for AEP Ohio contacted counsel for all parties on December 19, 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.

Accordingly, AEP Ohio respectfully requests that the Commission approve its request for interim relief and authorize the Company to conduct its March 2018 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,

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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 21st day of December, 2017, via electronic transmission.

/s/ Steven T. Nourse

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Summary: Motion - Ohio Power Company's Motion for Interim Relief to Conduct March 2018 SSO Auction and Request for Expedited Ruling electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company