



An AEP Company

BOUNDLESS ENERGY™

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March 22, 2018

Asim Z. Haque
Chairman, Public Utilities Commission of Ohio
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

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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), this report updates 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). Through this report, I would like to update the Commission on generation developments and discuss AEP Ohio's plans to implement the PPA Rider Stipulation in this docket.

On May 9, 2017 AEP completed the sale of AEP's 330-megawatt (MW) share of the Zimmer Plant to Dynegy and the purchase of Dynegy's 312-MW share of Conesville Plant. AEP now owns 92 percent, or 1,461 MW, of Conesville Plant. Dayton Power & Light owns the remaining 129 MW of Conesville Unit 4. The Stuart Plant is expected to be retired by June 1, 2018.

On February 26, 2018, AEP, Duke, and Dayton Power and Light announced that they have finalized an agreement to sell the retired coal-fired Walter C. Beckjord power plant in Clermont County, Ohio, to Commercial Liability Partners.

AEP retains ownership of the 595 MW Cardinal Unit 1, however, as of March 1, 2018 operation of the Cardinal Plant was transferred to Buckeye Power. Buckeye Power will operate the Cardinal Plant for AEP through the Cardinal Operating Agreement.

On December 13, 2017 AEP Ohio filed in this docket a report entitled "Ohio Renewable Energy Manufacturing & Company Establishment Analysis" conducted by Navigant Consulting, Inc. Submittal of this report fulfills Paragraph III.D.12.e of the Joint Stipulation and Recommendation of the PPA Rider Stipulation.

Further, the Company will study 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

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

3/22/2018 4:22:48 PM

in

Case No(s). 17-0882-EL-UNC

Summary: Report (2018 GTD) electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company