

**From:** Marie Fagan  
**To:** Christopher, Mahila  
**Cc:** Windle, Rodney  
**Subject:** RE: Draft AEP Ohio OVEC Audit  
**Date:** Tuesday, September 8, 2020 3:42:14 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image007.png](#)

Okay, thanks v much for the head start

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**From:** mahila.christopher@puco.ohio.gov <mahila.christopher@puco.ohio.gov>  
**Sent:** Tuesday, September 8, 2020 2:59 PM  
**To:** Marie Fagan <marie@londoneconomics.com>  
**Cc:** rodney.windle@puco.ohio.gov  
**Subject:** RE: Draft AEP Ohio OVEC Audit

Hi Marie,  
Please find attached Staff's initial comments on LEI's latest draft of the AEP Ohio, 2018-2019 PPA rider audit final report. This may help you get a head start on Staff's editorial suggestions. The comments can be discussed further at tomorrow's meeting.

\*\*If you could please note that Staff still needs final acquiescence from PUCO Admin. regarding the overall tone of the draft report!

Staff's main observation regarding the tone of the draft is the following:

- Milder tone and intensity of language would be recommended such as the language on page 10, para 3: "Therefore, keeping the plants running does not seem to be in the best interests of the ratepayers"
- Reduced subjectivity and level of detail/specifics would be required such as the language on page 26, para 2: "HB 6 also provides subsidies for two large nuclear power plants in Ohio, and for that reason is the center of a federal bribery investigation. First Energy Corporation and the company's political action committee, and Generation Now, a 501 (c) (4) non-profit group are charged with paying \$60 million to advocate for the passage of HB 6. The case has led to federal charges against Ohio House Speaker Larry Householder and four associates."

I am attaching a redlined Word version of the draft for your perusal/review. If you could, please take a look and incorporate Staff's comments as far as possible? Please let me know of any questions, comments, and concerns.

Thank you

**Mahila Christopher**  
Public Utilities Commission of Ohio  
Office of the Federal Energy Advocate  
Utility Specialist  
(614) 728-6954  
[www.PUCO.ohio.gov](http://www.PUCO.ohio.gov)  


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**From:** Christopher, Mahila  
**Sent:** Tuesday, September 8, 2020 1:09 PM  
**To:** Marie Fagan <marie@londoneconomics.com>  
**Cc:** Windle, Rodney <rodney.windle@puco.ohio.gov>  
**Subject:** RE: Draft AEP Ohio OVEC Audit

Hi Marie-

As per the RFP, the Final Report is due to be filed on the 16<sup>th</sup> of September:

1. Audit Proposals Due February 28, 2020
2. Award Audit March 11, 2020
3. Audit Conducted March 11, 2020 through September 1,
4. 2020 Draft Audit Report Presented to Staff September 1, 2020
5. Final Audit Report Filed with Commission September 16, 2020

Should Staff reach our edits to LEI by 2:00pm today, would it be possible for LEI to send an updated draft to the Company tomorrow?

Thank you

**Mahila Christopher**  
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**From:** Marie Fagan <marie@londoneconomics.com>  
**Sent:** Tuesday, September 8, 2020 12:29 PM  
**To:** Christopher, Mahila <mahila.christopher@puco.ohio.gov>  
**Cc:** Windle, Rodney <rodney.windle@puco.ohio.gov>  
**Subject:** RE: Draft AEP Ohio OVEC Audit

Okay, will do. Once we have your comments I'll have a good idea of how long it will take to address them, but I would guess we can complete it by the end of the week in any case, and likely sooner than that. So that means we can get the draft to Ed by this Friday 11<sup>th</sup> or maybe a day or so sooner, at least in electronic format. I think that the week that Ed wants for AEP Ohio review is reasonable, which means that they would get their review back to us by about Sept 18.<sup>th</sup> We would then address their comments (again, that should take a day or so, unless comments are extensive). Then we would provide you with the final report including workpapers the week of Sept. 21.

Best,  
Marie

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**From:** mahila.christopher@puco.ohio.gov <mahila.christopher@puco.ohio.gov>  
**Sent:** Tuesday, September 8, 2020 9:32 AM

# Natural Resources Defense Council Exhibit 2 Page - 2

**To:** Marie Fagan <[marie@londoneconomics.com](mailto:marie@londoneconomics.com)>  
**Cc:** [rodney.windle@puco.ohio.gov](mailto:rodney.windle@puco.ohio.gov)  
**Subject:** FW: Draft AEP Ohio OVEC Audit  
**Importance:** High

Hi Marie,  
Staff should be able to communicate our comments on the draft by tomorrow's meeting.  
If you could, please assess Edward's question based on this and let me know if you have any concerns with his request for a week to review the draft for confidentiality and factual inaccuracies?

Thank you

**Mahila Christopher**  
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**From:** Edward J Locigno <[ejlocigno@aep.com](mailto:ejlocigno@aep.com)>  
**Sent:** Tuesday, September 8, 2020 9:19 AM  
**To:** Marie Fagan <[marie@londoneconomics.com](mailto:marie@londoneconomics.com)>  
**Cc:** Andrea E Moore <[aemoore@aep.com](mailto:aemoore@aep.com)>; Christopher, Mahila <[mahila.christopher@puco.ohio.gov](mailto:mahila.christopher@puco.ohio.gov)>; Shelli A Sloan <[sasloan@aep.com](mailto:sasloan@aep.com)>; Steven T Nourse <[stnourse@aep.com](mailto:stnourse@aep.com)>  
**Subject:** RE: Draft AEP Ohio OVEC Audit  
**Importance:** High

Mahila/Marie

When can we expect the report to review for confidentiality and factual inaccuracies? We need a solid week really at least to review it. Please let me know. Thank you!



**EDWARD J LOCIGNO** | REGULATORY ANALYSIS & CASE MGR  
[EJLOCIGNO@AEP.COM](mailto:EJLOCIGNO@AEP.COM) | D:614.716.3495 | C:614.619.9460  
1 RIVERSIDE PLAZA, COLUMBUS, OH 43215

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**From:** Marie Fagan <[marie@londoneconomics.com](mailto:marie@londoneconomics.com)>  
**Sent:** Wednesday, September 2, 2020 3:09 PM  
**To:** Edward J Locigno <[ejlocigno@aep.com](mailto:ejlocigno@aep.com)>  
**Cc:** Andrea E Moore <[aemoore@aep.com](mailto:aemoore@aep.com)>  
**Subject:** [EXTERNAL] Draft AEP Ohio OVEC Audit

This is an **EXTERNAL** email. **STOP. THINK** before you **CLICK** links or **OPEN** attachments. If suspicious please click the '**Report to Incidents**' button in Outlook or forward to [incidents@aep.com](mailto:incidents@aep.com) from a mobile device.

Dear Ed,  
This is to confirm that LEI provided the draft OVEC audit report to the Commission Staff. The process now, as I understand it, is that Staff will review, and after that we will provide it to AEP Ohio for redacting. At that time, we can talk about a secure way to provide it to you, perhaps uploading to the data room.  
Thank you for all your help with the audit.  
Best,  
Marie



Marie N. Fagan, PhD  
Chief Economist  
London Economics International  
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*London Economics International, LLC ("LEI") is an economic and financial consulting company with two decades of experience advising both private and public entities in energy and infrastructure markets. LEI publishes bi-annual market reviews of all US and Canadian regional power markets available at [www.londoneconomicspress.com](http://www.londoneconomicspress.com).*

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**From:** Christopher, Mahila  
**To:** Marie Fagan  
**Cc:** Windle, Rodney  
**Subject:** RE: an edit needed for AEP Ohio OVEC final audit report  
**Date:** Friday, September 11, 2020 1:58:00 PM  
**Attachments:** [image003.png](#)  
[image003.png](#)  
[image004.png](#)  
[image005.png](#)  
[image006.png](#)

Hi Marie,  
Thank you for the heads up. Staff would recommend that you share this proposed edit with the Company as well.

Let me know if you have any questions.

**Mahila Christopher**

Public Utilities Commission of Ohio  
Office of the Federal Energy Advocate  
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**From:** Marie Fagan <[marie@londoneconomics.com](mailto:marie@londoneconomics.com)>  
**Sent:** Friday, September 11, 2020 12:17 PM  
**To:** Christopher, Mahila <[mahila.christopher@puco.ohio.gov](mailto:mahila.christopher@puco.ohio.gov)>  
**Cc:** Windle, Rodney <[rodney.windle@puco.ohio.gov](mailto:rodney.windle@puco.ohio.gov)>  
**Subject:** an edit needed for AEP Ohio OVEC final audit report

Hi Mahila,  
I just realized there was an edit I wanted to make to page 10, where we said "However, LEI's analysis shows that the OVEC contract overall is not in the best interest of AEP Ohio ratepayers." that I missed in the last version of the report. I'll edit it when we get the version back from AEP Ohio next week-- I'll delete that sentence and tinker with the rest of the paragraph so it reads smoothly.  
Best,  
Marie



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*London Economics International, LLC ("LEI") is an economic and financial consulting company with two decades of experience advising both private and public entities in energy and infrastructure markets. LEI publishes bi-annual market reviews of all US and Canadian regional power markets available at [www.londoneconomicspress.com](http://www.londoneconomicspress.com).*

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**1/27/2022 2:39:53 PM**

**in**

**Case No(s). 18-1004-EL-RDR**

Summary: Exhibit NRDC Ex 2 electronically filed by Mr. Ken Spencer on behalf of  
Armstrong & Okey, Inc.