

Request for Qualifications for Governmental Aggregation of Eligible Residential and Small Commercial Electric and Natural Gas Customers in DP&L and Vectren/Dominion Utility Territories

Response to Request for Qualifications For Municipal Aggregations in Ohio

Supplier Overview

Company Name: [AEP Energy, Inc.](#)

Principal Address: [155 W. Nationwide Boulevard, Columbus, Ohio 43215](#)

Proposal Contact Person: [Rob Barkley](#)

Contact Phone: [\(614\) 583.3912](#)

Cell Phone: [\(614\) 499.1764](#)

Contact Email: rbarkley@aepenergy.com

Business Type (C-Corp, S-Corp, Partnership, etc.): [Corporation](#)

Name of Parent Company (if any): [American Electric Power Co., Inc.](#)

Do you have an Ohio Office? [Yes](#)

Company Website: www.aepenergy.com

Describe your company's organizational structure including parent, affiliate and subsidiary companies.

[AEP Energy is a subsidiary of American Electric Power Co., Inc.](#)

Please indicate any and all physical electric generation assets that are owned and or controlled by your company. Indicate whether ownership and or control are within your organization or a parent company.

[American Electric Power Company, Inc. \(AEP Energy, Inc.'s parent company\) is one of the largest electric utilities in the United States, delivering electricity to more than 5.3 million](#)

customers in 11 states AEP ranks among the nation's largest generators of electricity, owning nearly 38,000 megawatts of generating capacity in the U.S. AEP also owns the nation's largest electricity transmission system, a more than 40,000-mile network. In 2013, AEP had revenues of \$15.4 billion and assets worth \$56.4 billion. AEP is rated Baa2 by Moody's and BBB by S&P. AEP Energy provides its electricity through open market purchases and from its affiliate, AEP Generation Resources, which currently owns approximately 8,668 MWs of generation, excludes retiring plants) AEP has recently announced that it is selling a portion of its Ohio generation assets. Our operations team is highly qualified to purchase and deliver electricity throughout PJM, MISO and ERCOT. AEP Energy's PUCO Certification Number is 09-2010-EL-CRS.

Indicate how many years you have been in the electric supply business. List all states in which you are currently licensed to supply electricity generation and natural gas (if applicable) and indicate approximate volume of sales.

AEP has been in the electric supply business for over 100 years. AEP Energy has been a competitive electric supplier since 2002.

Please indicate the number of residential accounts currently served respectively through municipal electric aggregation and natural gas aggregation programs. Preference may be given to suppliers with significant previous municipal aggregation experience.

We currently serve over 50,000 municipal electric aggregation customers and we will begin to offer to serve natural gas aggregations behind Columbia Gas and Duke during 2016. We may begin to serve natural gas aggregations behind Dominion and Vectren in the second half of 2017.

Please indicate from where the generation needed to serve our electricity load will be provided. Indicate whether the transmission agreements needed are in place to deliver the power.

AEP Energy provides its power from a portfolio of its generating assets and its purchases of power in the market.

If an affiliate, do you have the Parental Guarantee from the Parent Company that is sufficient to cover the exposure of your portfolio with this buying group added? AEP Energy will work with your communities to provide the necessary assurances.

What is the rating of your Company's or Parent Company's long-term unsecured debt?

Moody Baa2 S&P BBB

Has the organization filed for bankruptcy in the past 3 years? No

Has the organization been subject to litigation for failure to supply contracted electricity within the past 3 years? No

If requested, would supplier be prepared to provide its most recent annual report or audited financial statements? Yes, the financial statements of American Electric Power Corp can be found at: <http://www.aep.com/investors/FinancialFilingsAndReports/>

PUCO Certification Number(s): [09-2010-EL-CRS and 12-254G \(1\)](#)

What year did Company begin selling electricity to residential retail customers? [2002](#)

What year did Company begin selling natural gas to retail customers? [2014](#)

List any Governmental Aggregation Opt-Out Programs you have served or are currently serving.

Here is a partial list of the electric municipal aggregation communities that we serve:

[Coldwater, Ft. Recovery and Jeffersonville \(Dayton Power & Light\)](#)

[Bradford, Botkins, Ft. Loramie, Lockington, Russia, and Sidney \(Dayton Power & Light\)](#)

[The City of Athens, Bucyrus, Fremont, and Mount Vernon, Athens County, the Villages of Amesville and Trimble \(AEP Ohio\)](#)

[The City of Oxford \(Duke\)](#)

[Bethel Township \(Ohio Edison & Dayton Power & Light\)](#)

Total Mcf natural gas volume your company serves under the government aggregation: [AEP Energy is not currently serving any natural gas aggregations, but plans to in the very near future.](#)

Total natural gas customers your company serves under the government aggregation: [AEP Energy is not currently serving any natural gas aggregations; however, AEP Energy serves over 60,000 natural gas customers across Columbia Gas of Ohio, Duke, Dominion, and Vectren.](#)

Briefly describe your company's qualifications to deliver electricity and natural gas to a diverse mix of customers aggregated in a retail environment.

[American Electric Power Company, Inc. \(AEP Energy, Inc's parent company\) operates in 11 states serving more than 5.3 million customers with 39,000 megawatts of generating capacity. In 2011, AEP had revenues of \\$15.1 billion and assets worth \\$52 billion. AEP is rated Baa2 by Moody's and BBB by S&P. AEP Energy purchases its electricity from the open market and from its generating resources. Our operations team is highly qualified to purchase and deliver electricity throughout PJM, MISO and ERCOT. AEP Energy's PUCO Certification Number is 09-2010-EL-CRS.](#)

If you do not intend to use your own generation, explain how your power will be sourced and your qualifications for trading electric contracts in the market.

AEP owns approximately 38,000 megawatts of generating capacity – approximately 11,000 megawatts of its generating capacity is controlled by its competitive supply business, AEP Generation Resources and AEP Energy is part of AEP Generation Resources. As part of its portfolio approach AEP Energy may also purchase supplies from the competitive electric markets.

Explain the customer service aspects for answering questions regarding the implementation of the winning bid.

For Opt-Out questions:

AEP Energy’s Customer Care team has 30 full time professionals that support our customers.

Our Customer Care representatives are available via phone, e-mail, live chat or social media Monday thru Friday 8:00 am to 7:00 pm EST. All e-mails to care@aepenergy.com are answered within 24 hours.

For customers currently on competitive supply: Same as above.

Explain your process used to scrub customer data so as to only include eligible customers with the City/Village/County limits.

AEP Energy will coordinate with the community, the utility (ECL) and as necessary, use an out-sourced solution for geo-coding mailers to ensure only the appropriate residents and businesses receive mailers.

Financial Overview

Describe any financial assurances intended to financially back your obligations to supply retail electric generation services. The financial statements of American Electric Power Corp can be found at: <http://www.aep.com/investors/FinancialFilingsAndReports/>

Customer Service Information

Please provide the name, telephone and email address of the person to contact regarding a request for proposal.

Rob Barkley, Senior Director Community Affairs & Strategic Partnerships, rbarkley@aepenergy.com, (614) 583.3912

Will this contact be the person directly responsible for the City/Village/County’s account?

Yes

If a resident calls with questions regarding municipal aggregation, even though it may be a billing question, how are those calls handled at the supplier level?

AEP Energy’s Customer Care team has 30 full time professionals that support our customers.

Our Customer Care representatives are available via phone, e-mail, live chat or social media Monday thru Friday 8:00 am to 7:00 pm EST. All e-mails to care@aepenergy.com are answered within 24 hours.

Litigations and Defaults

Describe any and all investigations, indictments, or pending litigation by any federal, state, or local jurisdiction relating to the submitting entity, any officer, director, partner, or member of any affiliate or company. [None](#)

List all civil penalties, judgments, consent decrees, and other sanctions within the last five years, as a result of any violation of any law, rule, regulation, or ordinance in connection with any business activities relating to the submitting entity, any officer, director, partner, or member of any affiliate or related entity. [None](#)

Describe, in detail, any situation in which your company (either alone or in a joint venture), or a subsidiary of your company, defaulted or was deemed to be in noncompliance of your contractual obligations to deliver energy or other ancillary customer service. Explain the situation, its outcome and all other relevant facts. [None](#)

References

Please provide 3 aggregation community references. Include the name, contact person and phone number of each community. Briefly describe the product or service provided to each community.

- 1) [City of Upper Arlington](#)
[Bob Lamb, Community & Economic Development Manager](#)
[\(614\) 583 - 5046](#)

- 2) [City of Mount Vernon](#)
[Richard Mavis, Mayor](#)
[\(740\) 393 – 9517](#)

- 3) [City of Bucyrus](#)
[Jeff Wagner, Service/Safety Director](#)
[\(419\) 562 – 6767 x221](#)

Billing and Reporting Information

Will billing and payment, as well as all primary customer service functions be handled by DP&L, Vectren & Dominion? [Yes – customer service for the distribution service will be handled by the local utilities.](#)

Pricing Options, Products and Services

With our referendum on the ballot in November, 2016, and assuming all Rules of Governance and Operation are in place and a final request for pricing is soon after certification of election results, do you see your company being able to implement a rate in the February/March/April, 2016 timeframe? **Yes**

For optimal pricing to the customer, what would you generally see as the most effective length of contract assuming a February/March/April, 2016 start date?

There are multiple risk factors along with length of contract that should be considered for optimal pricing for any community, and we would welcome the opportunity to discuss them with you and/or the community before a product is selected.

Is your company able to provide fixed, all inclusive (including energy, capacity, transmission and distribution losses, RPA charges, imbalances, load factor adjustments, congestion charges, ancillary services, and applicable taxes) price quotes for electricity supply for 12, 24 and 36 months as well as variations in between for residential and small commercial customers as defined by the "Act"?

Yes.

Pricing Guarantee for Electricity. If the rates for Tariff Service to a particular rate class are set below the selected winning bid during the term of this agreement, will your company provide the services to participating customers in such rate class at a price equal to the rate for Tariff Service or, after taking all steps necessary under the terms of our agreement, terminate the agreement and return all participating customers to their applicable LDCs? Yes _____ No _____ If yes, please provide sample language or contract terms for such Price Match Guarantee.

We do not provide a Price Match Guarantee; however, we do not charge any Early Termination Fees, so if a customer elects to return to the utility during the term of our agreement then they are free to do so and we will not charge them any penalties or fees.

Is your company able to provide fixed, all inclusive natural gas price quotes for 12, 24 and 36 months as well as variations in between for residential and small commercial customers as defined by the "Act"?

We offer various natural gas pricing options.

Which pricing options will you be able to quote: (check all that apply)

The pricing options which AEP Energy can offer will be limited by the utilities' ability to bill them. We will provide multiple pricing options whenever possible.

Fixed Price: _____

Variable Price: _____

Percent off utility's avoidable cost pricing: _____

Percent off total delivered price: _____

Other? Explain _____

A consultant fee payable by the selected supplier on a monthly basis is required. The fee amount is \$0.00075/kWh and \$0.005/therm. Only suppliers agreeing to the consultant fee are eligible to bid. This is a rate equal to the rate specified in our Consulting Services Agreement with each of the communities we represent.

Identify value added products and services that you would offer. If there is additional value unrelated to products and services, such as rebates and/or incentives, describe what they might be and how the City/Village/County might benefit. [AEP Energy's affiliate, AEP On-site Generation, may be able to work with your communities' to identify potential behind the meter solar projects.](#)

Describe demand management and energy efficiency services to be provided to each class of customers.

Terms and Conditions

In the event the information submitted is unclear, AGE may request additional information or explanation. The Supplier will answer all requests for additional information in writing, and these responses shall become part of the Supplier's qualifications. Suppliers failing to provide adequate information on any issues in a timely manner to allow for a comprehensive evaluation by the City/Village/County shall be considered unresponsive, and their proposals shall be subject to rejection.

Suppliers must demonstrate compliance with all legal and regulatory requirements and must be certified and approved by all applicable or required Ohio agencies and each utility. A current environmental disclosure statement must also be provided (if applicable).

A sample supply agreement with applicable terms and conditions MUST be included.

A phone interview with your company may be requested so that select government authorities may ask questions pertinent to your company.

Procedures

Please submit the answers to the RFQ on or before March 28, 2014, electronically by email to info@agellc.com.

Do not contact the City/Village/County or its' representatives directly.

Questions regarding this RFQ should be directed to Affordable Gas & Electric, who will compile, administer and recommend a qualified list of suppliers to ultimately send a Request for Proposal to:

Jeff Haarmann
Affordable Gas & Electric Company, LLC
10749 E Garden Rd
Mt. Vernon, IL 62864
Phone: (618) 204-0115
Email: jhaarmann@supernovapartners.com

AGE reserves the right to narrow its' list of qualified suppliers to bid to based on the responses of this RFQ. Once a qualified list of suppliers is selected, a formal RFP with specific bid specs will be sent.