

**ALTERNATIVE ELECTRIC SUPPLIER APPLICATION
OF AEP RETAIL ENERGY PARTNERS LLC**

1. Name, Michigan office address, and company website:

**AEP Retail Energy Partners LLC
110 W. Michigan Ave. Suite 1000A
Lansing, MI 48933
www.aepretailenergy.com**

2. Contact person or agent, telephone number, and email:

**David Hesser
(614) 583-6399
dhesser@aep.com**

3. If principal place of business is outside of Michigan, provide name, address, telephone number, and email:

**AEP Retail Energy
P.O. Box 1415
Columbus, Ohio 43216
(866) 823-6738
MichiganRetail@AEP.com**

4. Name, telephone number of 24-hour contact person for the customers, and email:

**(800) 950-2725
M-F 9 AM – 7PM
Saturday 8 AM – 12 PM
MichiganRetail@AEP.com**

Callers may leave a message 24-hours, 7 days a week, and will receive a prompt response during business hours.

5. Type of legal entity (corporate, partnership, etc.):

**Limited Liability Company
EIN 27-1545791**

6. Specify type of provider (utility, marketer, utility affiliate, independent power producer):

Marketer

7. Business affiliation (Whether utility or other):

See organizational chart attached at Appendix A.

8. FERC authorization type(s) and number(s), if required:

FERC approved AEP Retail Energy's application for market-based rate authority and rate schedule for the sale of energy, capacity, and ancillary services in Docket ER-727-000 on April 22, 2010. See Letter Order, attached at Appendix B.

9. Broker's name, address, telephone number, and e-mail (if applicable): (list all)

**Muirfield Energy, Inc.
5850 Venture Drive, Suite C, Dublin, OH 43017
Perry Oman (poman@muirfieldenergy.com)
614-336-8877**

**Great Lakes Energy Co., Inc.
332 Clearview Court, Broadview Heights, OH 44147
Michael Kennedy 440-582-4662**

**Energy Professionals, LLC
13100 56th Court Street, Suite 703
Clearwater, FL 33760
Jim Warrick (jwarrick@agrgroupinc.com)
727-572-0600**

**World Energy Solutions, Inc.
446 Main Street
Worcester, MA 01608
Jay Proia, (jayproia@worldenergy.com)
508-459-8131**

10. Please list past or future planned name changes (if applicable): N/A

11. Has the applicant or any predecessor of the applicant during your company's history:

- Mislead a potential customer into signing a contract: **No**
- Defaulted on a contract: **No**
- Did not abide by the terms of the contract: **No**
- Committed any violations of law or business ethics in connection with the provision of energy or energy-related products and services anywhere in the

United States that resulted in a conviction or acceptance of a penalty for said behavior: **No**

12. Submit, with this application or under separate cover if confidential:

- Certificate for Authority to Transact Business in Michigan (if Foreign Corp, LLC, LPC).

See Certificate attached at Appendix C.

- Audited financial statements of the applicant for its two most recent fiscal years or other documentation, by affidavit, providing detailed factual data pertaining to applicant's financial standing.

American Electric Power Company, Inc.'s audited financial statements can be accessed at www.aep.com/investors/edgar/.

- Provide the means for the required \$100,000 bond or letter of credit to ensure adequate service to customers in Michigan.

American Electric Power Company, Inc. will provide a letter of credit in the amount of \$100,000.

13. A supplier must demonstrate that it has the necessary technical and managerial capabilities to ensure adequate service to customers in Michigan. Please provide the applicant's:

- Corporate/Company history with biographies of key personnel;

See biographies attached at Appendix D.

- Safety record including any citations resulting from violations of any governmental or electric industry rule or regulation covering the sale of electric generation;

No safety violations

- Service quality and reliability, including any violations or failures to perform on contracts or other obligations to sell or otherwise provide power.

No service failures

- In addition, applicant shall attach a separate affidavit that attests to:
 - (a) Applicant's technical ability to safely and reliably generate or otherwise obtain and deliver electricity and provide any other proposed services;

(b) The employees of the applicant that will be installing, operating and maintaining generation or transmission facilities within this state, or any entity with which the applicant has contracted to perform those functions within this state; and

(c) List the requisite knowledge, skill, and competence to perform those functions in a safe and responsible manner in order to provide safe and reliable service.

See Affidavit of David Hesser, attached at Appendix E.

PART II - COMPLIANCE COMMITMENT

A supplier must meet certain terms and conditions in order to retain its license as an Alternative Energy Supplier including: Financial Capability, Product/Service disclosure, Product/Service labeling and marketing practices, Customer enrollment, Customer confidentiality, Customer data requests, Customer involuntary service termination, Broker relationship, Reciprocity, State fee and revenue collection, Reporting, Customer education, and Service quality.

Suppliers shall be expected to fully comply with the provisions of this agreement as well as 2000 PA 141 and any Commission implementation orders related to this act. Failure to do so may result in revocation of the supplier's license to serve in accordance with the provisions of Section 10(c) of 2000 PA 141, leading to termination of the privilege to provide retail electric service in Michigan.

By signing this form the applicant and its representative: (1) certify that the information provided herein is accurate and complete, and (2) agree to abide by the provisions of this agreement.

Signature:  _____

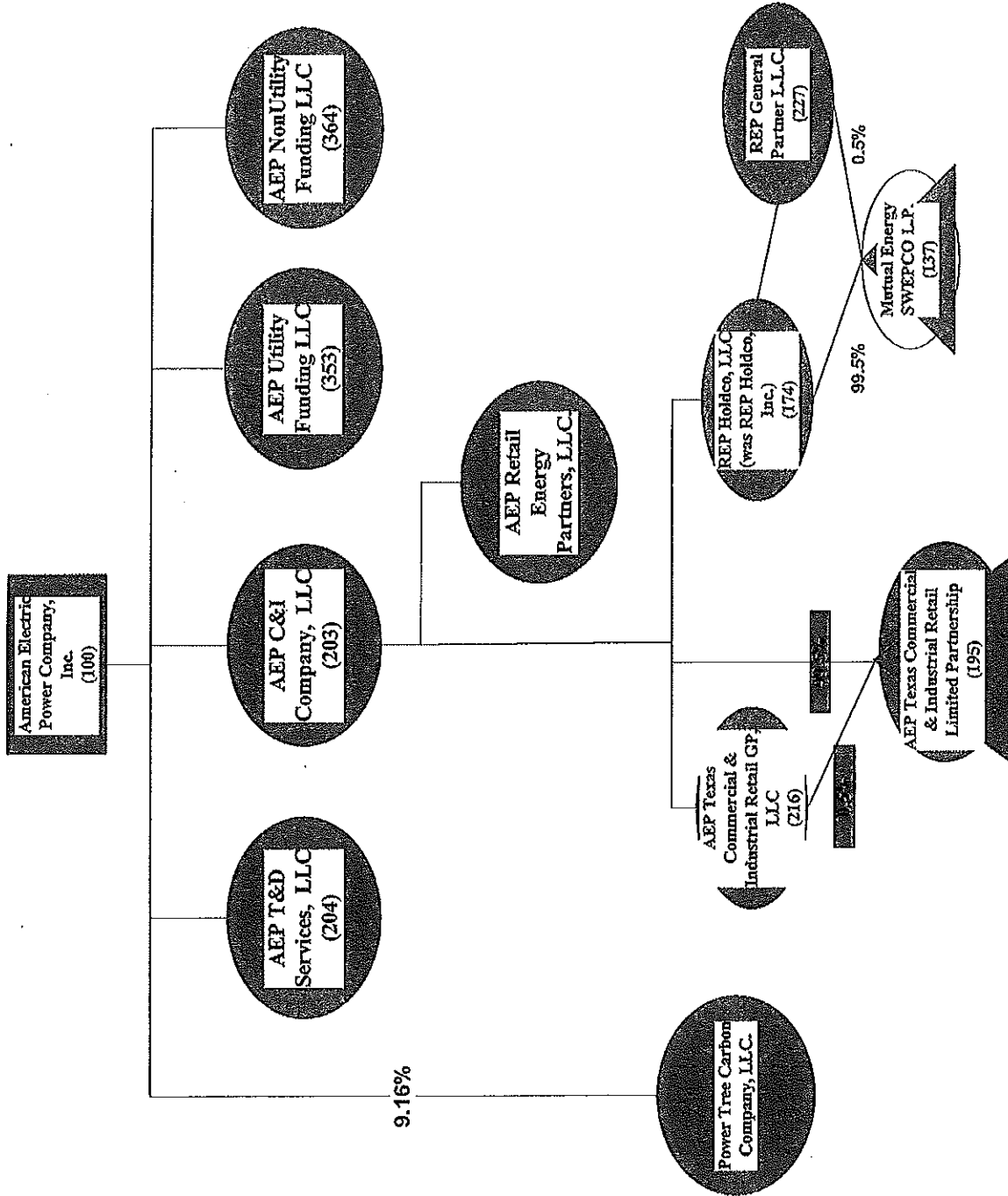
Date: 11-29-11

Name: GREG HALL

Title: VICE PRESIDENT

APPENDIX A

FIRST-TIER LLCs



AS OF January 1, 2010

APPENDIX B

FEDERAL ENERGY REGULATORY COMMISSION
Washington, D.C. 20426

In Reply Refer To:
AEP Retail Energy Partners LLC
Docket Nos. ER10-727-000
ER10-727-001

April 22, 2010

Mr. Steven J. Ross
Attorney for AEP Retail Energy Partners LLC
Steptoe & Johnson LLP
1330 Connecticut Ave., N.W.
Washington, DC 20036

Reference: Market-Based Rate Authorization

Dear Mr. Ross:

On February 12, 2010, as amended on March 23, 2010, you filed on behalf of AEP Retail Energy Partners LLC (AEP Retail) an application for market-based rate authority with an accompanying rate schedule. The proposed market-based rate schedule provides for the sale of energy, capacity, and ancillary services at market-based rates.¹ AEP Retail requests waivers commonly granted to similar market-based rate applicants.

Your filings were noticed on February 17, 2010, and March 24, 2010 and with comments, protests or interventions due on or before March 5, 2010 and March 30, 2010. None was filed.

Pursuant to the authority delegated to the Director, Division of Electric Power Regulation - West, under 18 C.F.R. § 375.307, your submittal filed in the referenced dockets is accepted for filing,² effective April 14, 2010, as requested. Based on your representations, AEP Retail Energy Partners LLC (AEP Retail) meets the criteria for a Category 1 seller in the Central, Southeast, Southwest, and the Northwest regions and a

¹ AEP Retail requests authorization to sell ancillary services in the markets administered by PJM Interconnection, L.L.C. (PJM), and the Midwest Independent Transmission System Operator, Inc. (Midwest ISO).

² AEP Retail Energy Partners LLC, FERC Electric Tariff Volume No. 1, Original Sheet No. 1 and Substitute Original Sheet No. 2.

Category 2 seller in the Northeast and the Southwest Power Pool (SPP) and is so designated.³

You state that AEP Retail does not own and operate any generation and transmission facilities. You state that AEP Retail is an indirect, wholly-owned subsidiary of American Electric Power, Inc. (AEP) who is affiliated with public utilities that operate within the PJM market and the SPP market. You state that AEP Retail is affiliated with transmission owning entities that offer service under the PJM and the SPP open access transmission tariffs on file with the Commission and therefore has mitigated any transmission market power.⁴ Further, you affirmatively state that AEP Retail has not erected barriers to entry and will not erect barriers to entry into the relevant market.

AEP Retail states that neither it nor its affiliates owns generation and or transmission facilities in regions other than the Northeast and SPP regions. You also represent that AEP Retail, and no utility affiliates operate in regions other than Northeast and SPP.

Market-Based Rate Authorization

The Commission allows power sales at market-based rates if the seller and its affiliates do not have, or have adequately mitigated, horizontal and vertical market power.⁵

You state that AEP Retail relies on the data from Covanta's recently accepted

³ *Market-Based Rates for Wholesale Sales of Electric Energy, Capacity and Ancillary Services by Public Utilities*, Order No. 697, FERC Stats. & Regs. ¶ 31,252, at P 848-50, *clarified*, 121 FERC ¶ 61,260 (2007), *order on reh'g*, Order No. 697-A, FERC Stats. & Regs. ¶ 31,268, *clarified*, 124 FERC ¶ 61,055, *order on reh'g*, Order No. 697-B, FERC Stats. & Regs. ¶ 31,285 (2008), *order on reh'g*, Order No. 697-C, FERC Stats. & Regs. ¶ 31,291 (2009), *order on reh'g*, Order No. 697-D, 130 FERC ¶ 61,206 (2010). AEP Retail must file an updated market power analysis in compliance with the regional reporting schedule adopted in Order No. 697. Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 882.

⁴ *Pennsylvania-New Jersey-Maryland Interconnection*, 81 FERC ¶ 61,257 (1997), *Southwest Power Pool, Inc.* Docket No. ER10-678-000 (March 18, 2010) (unpublished letter order) and *American Electric Power Company and Central and South West Corporation*, 92 FERC ¶ 61,016 (2000). Southwest Power Pool, Inc., SPP Documents and Filings, <http://www.spp.org/section.asp?group=215&pageID=27> (last visited April 1, 2010).

⁵ Order No. 697, FERC Stats. & Regs. ¶ 31,252 at P 62, 399, 408, 440.

market power analyses to demonstrate that AEP Retail passes both the pivotal supplier and the wholesale market share screens for the PJM market.⁶ You also rely on AEP Retail affiliates' recently filed market power analysis for the SPP region to demonstrate that AEP Retail passes both the pivotal supplier and the wholesale market share screens in the balancing authority areas outside of the Public Service Company of Oklahoma and Southwest Electric Power Company balancing authority areas within the SPP market.⁷ Accordingly, AEP Retail's submittal satisfies the Commission's requirements for market-based rate authority regarding horizontal market power outside of the Public Service Company of Oklahoma balancing authority area and the Southwest Electric Power Company balancing authority area.

Based on your representations, AEP Retail's submittal also satisfies the Commission's requirements for market-based rates regarding vertical market power.

AEP Retail's request for waiver of Subparts B and C of Part 35 of the Commission's regulations requiring the filing of cost-of-service information, except for sections 35.12(a), 35.13(b), 35.15 and 35.16 is granted. AEP Retail's request for waiver of Part 41, Part 101, and Part 141 of the Commission's regulations concerning accounting and reporting requirements is granted.⁸ Notwithstanding the waiver of the accounting and reporting requirements here, AEP Retail is expected to keep its accounting records in accordance with generally accepted accounting principles.

AEP Retail requests blanket authorization under Part 34 of the Commission's regulations for all future issuances of securities and assumptions of liability. A separate notice was published in the Federal Register establishing a period during which protests could be filed. None was filed. AEP Retail is authorized to issue securities and assume obligations or liabilities as guarantor, indorser, surety, or otherwise in respect of any security of another person; provided that such issue or assumption is for some lawful object within the corporate purposes of AEP Retail, compatible with the public interest,

⁶ *Covanta Plymouth Renewable Energy Limited Partnership*, Docket No. ER10-395-000 (March 10, 2010) (unpublished letter order) and *Covanta Energy Marketing LLC*, Docket No. ER10-409-000 (March 10, 2010) (unpublished letter order) (Covanta).

⁷ See *AEP Power Marketing, Inc.*, 109 FERC ¶ 61,276 (2004), *reh'g denied*, 112 FERC ¶ 61,320 (2005). The Commission determined that AEP does not have market-based rate authority within the Public Service Company of Oklahoma balancing authority area and the Southwest Electric Power Company balancing authority area.

⁸ *Citizens Energy Corp.*, 35 FERC ¶ 61,198 (1986); *Citizens Power and Light Corp.*, 48 FERC ¶ 61,210 (1989) (*Citizens Power*); *Enron Power Marketing, Inc.*, 65 FERC ¶ 61,305 (1993), *order on reh'g*, 66 FERC ¶ 61,244 (1994) (*Enron*).

and reasonably necessary or appropriate for such purposes.⁹

AEP Retail must file electronically with the Commission Electric Quarterly Reports.¹⁰ AEP Retail further must timely report to the Commission any change in status that would reflect a departure from the characteristics the Commission relied upon in granting market-based rate authority in accordance with Order No. 697.¹¹

This action does not constitute approval of any service, rate, charge, classification, or any rule, regulation, or practice affecting such rate or service provided for in the filed documents; nor shall such action be deemed as recognition of any claimed contractual right or obligation affecting or relating to such service or rate; and such acceptance is without prejudice to any findings or orders which have been or may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against any of the applicant(s).

This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

⁹ *Citizens Power*, 48 FERC ¶ 61,210; *Enron*, 65 FERC ¶ 61,305.

¹⁰ *Revised Public Utility Filing Requirements*, Order No. 2001, FERC Stats. & Regs. ¶ 31,127, *reh'g denied*, Order No. 2001-A, 100 FERC ¶ 61,074, *reh'g denied*, Order No. 2001-B, 100 FERC ¶ 61,342, *order directing filing*, Order No. 2001-C, 101 FERC ¶ 61,314 (2002), *order directing filing*, Order No. 2001-D, 102 FERC ¶ 61,334 (2003). Attachments B and C of Order No. 2001 describe the required data sets for contractual and transaction information. Public utilities must submit Electric Quarterly Reports to the Commission using the EQR Submission System Software, which may be downloaded from the Commission's website at <http://www.ferc.gov/docs-filing/eqr.asp>.

¹¹ *Reporting Requirement for Changes in Status for Public Utilities with Market-Based Rate Authority*, Order No. 652, FERC Stats. & Regs. ¶ 31,175, *order on reh'g*, 111 FERC ¶ 61,413 (2005); 18 C.F.R. § 35.42 (2009).

Docket Nos. ER10-727-000 and ER10-727-001.

5

Questions regarding the above order should be directed to:

Federal Energy Regulatory Commission
Attn: Michelle Barnaby
Phone: (202) 502-8407
Office of Energy Market Regulation
888 First Street, N.E.
Washington, D.C. 20426

Sincerely,

Steve P. Rodgers, Director
Division of Electric Power
Regulation - West

APPENDIX C

Michigan Department of Licensing and Regulatory Affairs

Filing Endorsement

This is to Certify that the **APPLICATION FOR CERTIFICATE OF AUTHORITY**
for
AEP RETAIL ENERGY PARTNERS LLC

ID NUMBER: D9228L

received by facsimile transmission on June 28, 2011 is hereby endorsed
Filed on July 1, 2011 by the Administrator.

The document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.

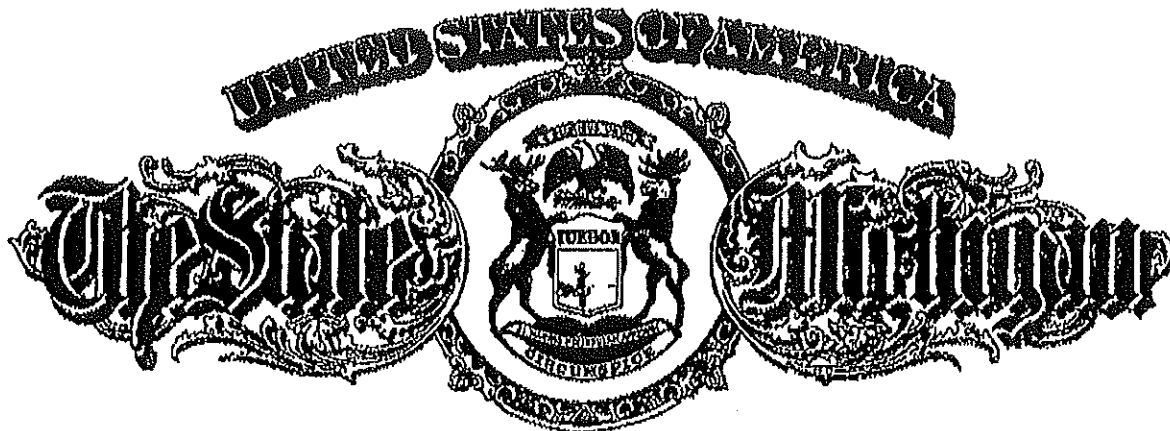


In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 1ST day of July, 2011.

A handwritten signature in black ink, appearing to read "A. Schefke".

Director

Bureau of Commercial Services



Department of Licensing and Regulatory Affairs
Lansing, Michigan

This is to Certify That

AEP RETAIL ENERGY PARTNERS LLC

a limited liability company existing under the laws of the State of DELAWARE was validly authorized to transact business in Michigan on the 01st day of July, 2011, in conformity with 1993 PA 23.

The company is authorized to transact in this state any business of the character set forth in its application which a domestic company formed under this act may lawfully conduct. This authority shall continue as long as the company retains its authority to transact such business in the jurisdiction of its organization, its authority to transact business in this state has not been suspended or revoked, and the company has not surrendered its authority to transact business in this state.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.



In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 01st day of July, 2011.

[Signature] Director

Sent by Facsimile Transmission
D9228L

Bureau of Commercial Services

APPENDIX D

Employment histories may be confirmed with the AEP Human Resources department at 1-888-237-2363.

Greg B. Hall – President AEP Energy Partners
614-583-6408; gbhall@aep.com

Greg Hall is responsible for the oversight and direction of AEP Retail Energy Partners LLC (AEPREP). In addition to AEPREP, is also responsible for AEP Energy Partners, AEP Texas Commercial & Industrial Retail Limited Partnership, Desert Sky Wind Farm and Trent Mesa Wind Farm. Mr. Hall was named to his current position in October 2006. Prior to that, Hall held positions of increasing responsibility within AEP's Commercial Operations group that include:

- Vice President - Energy Marketing – November 2002 to September 2006
- Promoted from originator to manager to director of Energy Marketing – January 2000 through November 2002
- First energy associate with AEP Energy Services – 1998 to 2000

Hall holds a Master of Arts degree in geography from The Ohio State University and a Bachelor of Science degree in geography from Brigham Young University.

David Hesser – Managing Director Business Operations
614-583-6399 – dhesser@aep.com

David Hesser has over 14 years experience in the energy industry and risk management. He began his career as a Risk Analyst with Dynegy Inc (NGC Corporation) in 1996. He then progressed to Power Trader, Manager Wholesale Power Structuring, and Director of Business Operations with various energy companies.

Hesser has been employed with AEP since November 2004. He currently oversees the day-to-day operations of AEPREP. Prior to joining AEPREP Mr. Hesser was responsible for Risk Management and Structuring for AEP Energy Partners (AEPEP). AEPEP is AEP's unregulated wholesale power marketing affiliate which is responsible for among other things, hedging AEPREP's retail sales.

Courtney Mehan – Manager, Retail Sales and Marketing
614-583-3903 – cemehan@aep.com

Courtney Mehan is responsible for the general operations of AEP Retail Energy. This includes review of financial performance, analysis and management of contracts, oversight of commercial operations, and regulatory matters. Ms. Mehan has 11 years experience in the energy industry with a focus on building customer relationships through sales and marketing. Other skills include Structuring, Trading, and Market Analysis. Ms. Mehan received a Bachelor of Arts in Economics from Denison University.

Brian Whitlatch – Managing Director Energy Trading & Marketing

614-583-7067 – bpwhitlatch@aep.com

Brian Whitlatch is responsible for AEP's unregulated wholesale marketing, trading, and load and asset management in ERCOT, PJM, and MISO. His primary focus is optimizing AEP Energy Partners' generating assets in ERCOT, as well as its wholesale and retail load obligations in ERCOT, PJM, and MISO. AEP Energy Partners' wholesale load obligations include serving the load of ten municipalities and seven electric cooperatives.

Whitlatch joined AEP in 2000 and was named to his current position in April 2009. Prior to that, he has held positions of increasing responsibility within the AEP Commercial Operations group that include:

- Energy Associate – 2000 – 2003
- Originator including rotations in Real-Time Trading, Market Analysis, Options Trading, and Structuring – 2003 – 2007
- Manager – Energy Marketing – 2007 – 2008
- Director of Energy Marketing – April 2008 – April 2009

Whitlatch holds a Master of Business Administration from The Ohio State University and a Bachelor of Science degree in Economics and Psychology from Denison University.

Eric Sherman – Manager South Trading

614-583-7010 – ersherman@aep.com

Eric joined AEP in 2001, after graduating from Miami University. He previously held positions as a Coal Buyer for AEP's eastern fleet. For the past 4 years, he has traded power and natural gas in SERC. Eric is responsible for AEP's unregulated trading and asset management in ERCOT, PJM, and MISO. His primary focus is trading power and natural gas for AEP's unregulated operations. Additionally, Sherman is responsible for optimizing AEP Energy Partners' generating assets in ERCOT, as well as its wholesale and retail load obligations in ERCOT, PJM, and MISO.

Matthew Milovich – Energy Trading Analyst III

614-583-7234 – mmilovich@aep.com

Matthew Milovich has been employed with AEP since 2003. He started as a Risk Analyst with the Portfolio and Margin Analysis group before becoming an Analyst on the AEP's Regulated PJM and MISO trading desk. Mr. Milovich moved to AEP Energy

Partners in 2011 as a Trading Analyst and Power Scheduler. Mr. Milovich sends the load forecasts for PJM and MISO regions to ACES and does the same for customers in Texas.

Trading Analyst, ERCOT, PJM & MISO Trading Desk, AEP Energy Partners 2011
Trading Analyst, PJM & MISO Trading Desk, AEP Commercial Operations 2010 - 2011
Risk Analyst, Portfolio and Margin Analyst, AEP Commercial Operations 2003 - 2010

Thad Ness – Reliability Standards Compliance Manager
614-716-2053 – tkness@aep.com

Thad Ness is responsible for the management of NERC Reliability Compliance program at American Electric Power (AEP) and its subsidiaries. Mr. Ness began his career with AEP as a Load Research Analyst in 1997. Ness progressed through various positions within the company in System Planning, Industry Restructuring Readiness and Transmission Operation to his current position as Reliability Standards Compliance Manager in the Regulatory Services department.

Mr. Ness holds a Master of Arts degree in Urban Affairs and Public Policy from the University of Delaware, and a Bachelor of Science degree in Energy Management from Minnesota State University – Moorhead.

Terry Turpen – Manager Risk Management
614-583-6782 – tgturpen@aep.com

Terry Turpen has over 11 years experience in the energy industry. He began his career as a system analyst and energy control with AMP-OHIO in 1999. Turpen has been employed with AEP since December 2000 and progressed to Lead Real-time Power Trader with AEP. The most recent six years of experience have been with AEP Commercial Operations - PJM RTO Market Operations until his current position as Manager, Risk Management, which he started November 1, 2010. Turpen is responsible for risk management and structuring for AEP Energy Partners.

Dale L. Woodruff – Manager AEPEP Market Settlements
614-583-6225; dlwoodruff@aep.com

Dale Woodruff has over 13 years experience in the energy industry. He began his career with Dayton Power & Light in the Regulatory Services department. Woodruff joined the Settlements team at AEP in 2000 and progressed from Analyst to Supervisor Wholesale Billing & Invoicing.

Woodruff was named to his current position in August 2009 and is responsible for the RTO and Commodity settlements within the ERCOT market for AEP Energy Partners, Inc. and AEP.

Mr. Woodruff holds a Bachelor of Science degree in Accounting/Finance from Wright State University.

Kevin T. Weber – Manager Business Operations
614-583-3915; ktweber@aep.com

Kevin Weber has over 6 years experience in the energy industry. He began his career with AEP as a Business Analyst and has held several positions including Energy Trader, Energy Trading & Marketing Analyst, and Manager of Business Operations to date.

Mr. Weber was named to his current position in January 2011 and is responsible for billing and customer care for AEPREP's customers, as well as supporting all other areas of the business. Mr. Weber holds a degree in Business Administration from the University at Buffalo.

APPENDIX E

APPENDIX E

GENERAL AFFIDAVIT

**State of Ohio
County of Franklin**

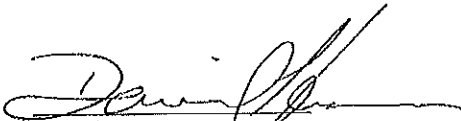
BEFORE ME, the undersigned Notary, on this 29th day of November, personally appeared David Hesser, known to me to be a credible person, who being by me first duly sworn, on his oath, deposes and says:

Statement of Facts

AEP Retail Energy LLC employs and has the technical ability to safely and reliably deliver electricity in a competent manner, as well as provide any other proposed services, to perform those functions within the state. The management team listed in Appendix D, together with their employees, possesses the necessary knowledge and experience to capably manage the responsibilities for complete retail operations, supply, and acquisition functions, market interface and customer service to meet all service level commitments.

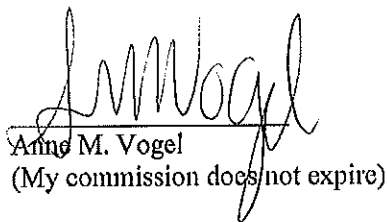
The employees identified in the attached application have the requisite knowledge, skill, and competence to perform the above functions in a safe and responsible manner in order to provide safe and reliable service.

The financial statements of American Electric Power, Inc., incorporated by reference herein, accurately represent the financial strength behind the Company, and attest to its ability to secure the required \$100,000 bond of credit in order to ensure adequate service to customers in Michigan.



David Hesser
Managing Director Business Operations

Subscribed and sworn to before me, this 29th day of November, 2011.



Anne M. Vogel
(My commission does not expire)

Notary Seal



Anne M. Vogel, Attorney At Law
NOTARY PUBLIC - STATE OF OHIO
My commission has no expiration date
Sec. 147.03 R.C.