



Legal Department

American Electric Power  
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Columbus, OH 43215-2373  
AEP.com

December 1, 2014

Barcy F. McNeal  
Docketing Division Chief  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus Ohio 43215-3793

Re: *In the Matter of the Fuel Adjustment Clauses for Ohio  
Power Company*, Case Nos. 14-1544-EL-FAC  
and 89-6007-EL-TRF

Dear Ms. McNeal:

On August 8, 2012, the Commission issued an Opinion and Order approving a modified Electric Security Plan in Case Nos. 11-346-EL-SSO, et al. (ESP II Opinion and Order) modified and adopted an Electric Security Plan for Ohio Power Company (AEP Ohio). The August 8 Opinion and Order continued AEP Ohio's Fuel Adjustment Clause (FAC) mechanism and established the Alternative Energy Rider (AER) as the mechanism by which AEP Ohio is to separately recover its prudently-incurred alternative energy compliance costs. The ESP II Opinion and Order indicated that the Company is to make quarterly filings of the AER in conjunction with quarterly filings for the FAC. On November 13, 2013, the Commission issued an Opinion and Order in Case No. 12-3254-EL-UNC (CBP Opinion and Order) that approved and modified the Company's application to establish a Competitive Bidding Process and authorized the Company to unbundle the FAC and establish the Auction Phase-In Rider (APIR) and Fixed Cost Rider (FCR) in its place.

With this filing, the Company submits its updated APIR (including the applicable seasonality factor) and FCR for the 1<sup>st</sup> quarter of 2014 as well as its AER quarterly filing covering the same time period, to become effective on January 1, 2015.

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Under the Commission's December 14, 2011 Finding and Order in Case No. 11-5906-EL-FAC, the adjusted FAC rates automatically become effective unless the Staff raises issues prior to the billing cycle during which the quarterly adjustments are to become effective.

The rates being proposed by AEP Ohio separate APIR, FCR and AER rates for the Columbus Southern Power and Ohio Power rate zones pursuant to the Commission's August 8 Order. The allocation of AER costs to the rate zones is consistent with the methodology the Company has used to establish FAC rates by zone in its filings for each quarter of 2012 as well as the instant filing.

**Schedule 1:** This schedule shows the current APIR rate by delivery voltage in Column A. Column B shows the forecast component (FC) rate that would be necessary to recover the estimated APIR expense for the 1<sup>st</sup> quarter of 2015 as calculated on Schedule 10. Column C shows the reconciliation adjustment (RA) that would be necessary to collect the actual fuel under-recovery experienced from the previous quarter as calculated on Schedule 3. Column D is the sum of the FC component and the RA component.

**Schedule 2:** This schedule shows the Company's estimates of the fuel cost by month it is expecting to incur in the 1<sup>st</sup> quarter of 2015.

**Schedule 3:** This schedule is no longer used.

**Schedule 4:** This schedule shows the current AER rate by delivery voltage in Column A. Column B shows the forecast component (FC) rate that would be necessary to recover the estimated REC expense for the 1<sup>st</sup> quarter of 2015. Column C shows the reconciliation adjustment (RA) that would be necessary to recover the actual REC over/under-recovery experienced from the previous quarter. Column D is the sum of the FC component and the RA component.

**Schedule 5:** This schedule shows the Company's estimates of the REC cost by month it is expecting to incur in the 1<sup>st</sup> quarter of 2015. Schedule 5 calculates the rates by voltage that would be necessary to recover the forecast costs.

**Schedule 6:** This schedule shows the over/under-recovery of REC expense for the months of July, August and September 2014. Schedule 6 calculates the adjustment to the AER rates that would be necessary to recover the over/under-recovery during the 1<sup>st</sup> quarter of 2015. Also, shown on page 6 and included in the total AER cost is an amount representing the revenue requirement associated with solar panels installed by the Company to help meet the renewable energy requirements of SB221, as well as other renewable energy costs.

**Schedule 7:** This schedule shows the current FCR rate by delivery voltage in Column A. Column B shows the forecast component (FC) rate that would be necessary to recover the estimated FCR expense for the 1<sup>st</sup> quarter of 2015 as calculated on Schedule 8. Column C shows the reconciliation adjustment (RA) that would be necessary to collect the actual FCR under-recovery experienced from the previous quarter. Column D is the sum of the FC component and the RA.

**Schedule 8:** This schedule shows the Company's estimates of FCR costs it is expecting to incur in the 1<sup>st</sup> quarter of 2015. Schedule 8 calculates the rates by voltage that would be necessary to recover the forecast costs.

**Schedule 9:** This Schedule shows the over/under-recovery of FCR expense for the months of July, August and September 2014. Schedule 9 calculates the adjustment to the FCR rates that would be necessary to recover the over/under-recovery during the 1<sup>st</sup> quarter of 2015.

**Schedule 10:** This schedule shows the Company's estimates of APIR costs it is expecting to incur in January, February and March of 2015. Schedule 10 calculates the rates by voltage that would be necessary to recover the forecast costs.

**Schedule 11:** This Schedule shows the over/under-recovery of APIR expense for the months of July, August and September 2014. Schedule 11 calculates the adjustment to the APIR rates that would be necessary to recover the over/under-recovery during the 1<sup>st</sup> quarter of 2015.

Regards,

/s/ Steven T. Nourse  
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**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Auction Phase In Rider**  
**January 2015 through March 2015**  
**Summary - Proposed Auction Phase In Rider**

**COLUMBUS SOUTHERN POWER RATE ZONE**

		A	B	C	D
		Schedule 10		Schedule 11	
		Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
Line	Delivery Voltage				
1	Secondary	5.11036	5.13244	-0.41392	4.71852
2	Primary	4.93307	4.95404	-0.39953	4.55451
3	Sub/Transmission	4.83479	4.85498	-0.39155	4.46343

**OHIO POWER RATE ZONE**

		A	B	C	D
		Schedule 10		Schedule 11	
		Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
Line	Delivery Voltage				
1	Secondary	4.36793	5.13244	-0.41392	4.71852
2	Primary	4.21640	4.95404	-0.39953	4.55451
3	Sub/Transmission	4.13241	4.85498	-0.39155	4.46343

**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Quarterly FAC For Billing During**  
**January 2015 through March 2015**  
**FC Component**

Line	Description	Forecast Period - 1st Quarter 2015			
		January	February	March	Total
<b><u>TOTAL COMPANY</u></b>					
1	Purchased Power (Energy)	-	-	-	\$ -
2	Energy & Capacity Value of Renewables (RECs moved to Rider AER)	-	-	-	\$ -
3	FAC for Retail Load (Total Company)	\$ -	\$ -	\$ -	\$ -
4	Retail Non-Shopping Sales - Generation Level Kwh	1,514,977,327	1,394,017,978	1,229,893,007	4,138,888,312
5	Auction:				
	10%	151,497,733	139,401,798	122,989,301	413,888,831
	25%	378,744,332	348,504,495	307,473,252	1,034,722,078
	25%	378,744,332	348,504,495	307,473,252	1,034,722,078
	40%	605,990,931	557,607,191	491,957,203	1,655,555,325
	100%	1,514,977,327	1,394,017,978	1,229,893,007	4,138,888,312

## Schedule No Longer Used

**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Quarterly AER For Billing During**  
**January 2015 through March 2015**  
**Summary - Proposed AER Rate**

**COLUMBUS SOUTHERN POWER RATE ZONE**

Line	Delivery Voltage	A	B	C	D
		Schedule 5		Schedule 6	
		Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.17491	0.14604	0.06948	0.21552
2	Primary	0.16884	0.14096	0.06706	0.20802
3	Sub/Transmission	0.16548	0.13814	0.06572	0.20386

**OHIO POWER RATE ZONE**

Line	Delivery Voltage	A	B	C	D
		Schedule 5		Schedule 6	
		Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.10312	0.14604	0.06948	0.21552
2	Primary	0.09955	0.14096	0.06706	0.20802
3	Sub/Transmission	0.09757	0.13814	0.06572	0.20386



**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Quarterly AER For Billing During**  
**January 2015 through March 2015**  
**FC Component**

Line	Description	Forecast Period - 1st Quarter 2015			
		January	February	March	Total
	<b><u>TOTAL COMPANY</u></b>				
1	Renewable Energy Credits	1,900,000	1,900,000	1,900,000	\$ 5,700,000
2	Retail Non-Shopping Sales - Generation Level Kwh	1,514,977,327	1,394,017,978	1,229,893,007	4,138,888,312
3	<b><u>TOTAL COMPANY</u></b>				
4	CSP % for Retail Load				\$ 5,700,000
5	CSP % Non-Shopping Sales				4,138,888,312
6	FC Component of AER Rate At Generation Level - Cents/kWh				<u>0.13772</u>
		<b>Secondary</b>	<b>Primary</b>	<b>Sub/Trans</b>	
7	FC Component of AER Rate At Generation Level	0.13772	0.13772	0.13772	
8	Loss Factor	1.0604	1.0235	1.0031	
9	<b>FC at the Meter Level - Cents/kWh</b>	<b>0.14604</b>	<b>0.14096</b>	<b>0.13814</b>	

Line 7 x Line 8

**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Quarterly AER For Billing During**  
**January 2015 through March 2015**  
**RA**

Line	Month	Renewable Revenue	Renewable Cost	AER (Over)/Under Recovery	
1	Beginning Balance			\$ (4,656,850)	
2	Jul-14	\$ (1,374,985)	\$ 1,878,678	\$ 3,253,663	
3	Aug-14	\$ (189,253)	\$ 1,889,040	\$ 2,078,293	
4	Sep-14	\$ (142,047)	\$ 1,894,675	\$ 2,036,722	
5	Ending Balance	\$ (1,706,285)	\$ 5,662,393	\$ 2,711,828	
6	Total (Over)/Under Recovery Balance			\$ 2,711,828	
7	Loss Adjusted Retail Sales Billing Period - kWh			4,138,888,312	
8	RA Component at Generation - Cents/kWh			0.06552	
9			Secondary	Primary	Sub/Trans
10	RA Component of FAC Rate At Generation Level		0.06552	0.06552	0.06552
11	Loss Factor		1.0604	1.0235	1.0031
12	RA at the Meter Level - Cents/kWh	Line 10 x Line 11	0.06948	0.06706	0.06572

**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Quarterly Fixed Cost Rider For Billing During**  
**January 2015 through March 2015**  
**Summary - Proposed Fixed Cost Rider**

**COLUMBUS SOUTHERN POWER RATE ZONE**

Line	Delivery Voltage	A	B	C	D
		Schedule 8		Schedule 9	
		Current FCR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.74587	0.65617	-0.20085	0.45532
2	Primary	0.72000	0.63336	-0.19387	0.43949
3	Sub/Transmission	0.70566	0.62070	-0.18999	0.43071

**OHIO POWER RATE ZONE**

Line	Delivery Voltage	A	B	C	D
		Schedule 8		Schedule 9	
		Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.59287	0.65617	-0.20085	0.45532
2	Primary	0.57230	0.63336	-0.19387	0.43949
3	Sub/Transmission	0.56090	0.62070	-0.18999	0.43071

**OHIO POWER COMPANY**  
**Forecast of Fixed Cost Rider**  
**January 2015 through March 2015**

Schedule 8

<b>Line</b>	<b>Description</b>			
<b><u>TOTAL COMPANY</u></b>		<b><u>Total</u></b>		
1	Fixed FAC Costs	\$25,500,000		
2	Retail Non-Shopping Sales - Generation Level kWh	4,138,888,312		
3	Fixed Cost Rider Rate At Generation Level - \$/kWh	0.0061611		
<b><u>TOTAL COMPANY</u></b>		<b><u>Secondary</u></b>	<b><u>Primary</u></b>	<b><u>Sub/Trans</u></b>
4	Fixed Cost Rate At Generation Level	0.0061611	0.0061611	0.0061611
5	Loss Factor	1.0604	1.0235	1.0031
6	Fixed Cost Rate At Meter Level - \$/kWh	0.0065333	0.0063062	0.0061801
7	Tax Gross-Up	1.00435	1.00435	1.00435
8	<b>Fixed Cost Rider Charge - \$/kWh</b>	<b>0.0065617</b>	<b>0.0063336</b>	<b>0.0062070</b>

**OHIO POWER COMPANY**  
**Calculation of Fixed Cost Rider**  
**RA Component July - September 2014**

**Schedule 9**

Line	Description	FCR Revenue	FCR Costs	FCR (Over)/Under Recovery	Total (Over)/Under Recovery
1	<b>Beginning Balance</b>				\$ -
2	Jul-14	\$ 9,998,160	\$ 6,532,574	\$ (3,465,586)	\$ (3,465,586)
3	Aug-14	\$ 9,652,522	\$ 6,864,687	\$ (2,787,835)	\$ (2,787,835)
4	Sep-14	8,644,341	\$ 7,092,441	\$ (1,551,900)	\$ (1,551,900)
5	<b>Ending Balance</b>	\$ 28,295,023	\$ 20,489,702	\$ (7,805,321)	\$ (7,805,321)
6	Retail Non-Shopping Sales - Generation Level kWh				4,138,888,312
7	Reconciliation Component at Generation - \$/kWh				<u>(0.0018858)</u>
		<b>Secondary</b>	<b>Primary</b>	<b>Sub/Trans</b>	
8	Reconciliation Component at Generation - \$/kWh	(0.0018858)	(0.0018858)	(0.0018858)	
9	Loss Factor	1.0604	1.0235	1.0031	
10	Reconciliation Component at the Meter Level - \$/kWh	-0.0019998	-0.0019303	-0.0018917	
11	Tax Gross-Up	1.00435	1.00435	1.00435	
12	<b>Reconciliation Adjustment Component - \$/kWh</b>	<b>-0.0020085</b>	<b>-0.0019387</b>	<b>-0.0018999</b>	

**OHIO POWER COMPANY**  
**Amended Filing -Forecast Component - November 2014 through December 2014**  
**Summary 100% (Energy Only) Auction**  
**FC Component January through March 2014 Summary**

Schedule 10

Line	Description	Summary 100% (Energy Only) Auction		
	<b><u>TOTAL COMPANY</u></b>	<b><u>Price</u></b>	<b><u>Seasonal Factor</u></b>	<b><u>Seasonal Price</u></b>
1	Auction Clearing Price 10% - Oct. (February Auction)	\$42.78 / MWh	0.9743	\$41.68 / MWh
	Auction Clearing Price 25% - Nov & Dec.(May Auction)	\$50.00 / MWh	0.9743	\$48.72 / MWh
	Auction Clearing Price 25% - Nov. & Dec. (September Auction)	\$48.05 / MWh	0.9743	\$46.82 / MWh
	Auction Clearing Price 40% - January through March 2015 (November Auction)	\$51.37 / MWh	0.9743	\$50.05 / MWh
				<b><u>Total</u></b>
2	Auction Costs			\$499,714
3	Variable FAC for Retail Load*			\$0
4	Retail Non-Shopping Sales - Generation Level kWh			4,138,888,312
5	Variable FAC Component Rate At Generation Level - \$/kWh			-
6	Auction Cost Component Rate At Generation Level - \$/kWh			0.0001207
7	Auction Price Component Rate At Generation Level - \$/kWh			0.0480705
	<b><u>TOTAL COMPANY</u></b>	<b>Weighted Auction % Split</b>	<b><u>Secondary</u></b>	<b><u>Primary</u></b>
8	Variable FAC Component Rate At Generation Level	0%	-	-
9	Auction Cost Component Rate At Generation Level		0.0001207	0.0001207
10	Auction Price Component Rate At Generation Level	100%	0.0480705	0.0480705
11	Total FAC and Auction Costs		0.0481912	0.0481912
12	Loss Factor		1.0604	1.0235
13	Auction Phase-In Rider Rate At Meter Level - \$/kWh		0.0511021	0.0493258
14	Tax Gross-Up**		1.00435	1.00435
15	<b>Auction Phase-In Rider Charge - \$/kWh</b>		<b>0.0513244</b>	<b>0.0495404</b>
				<b>0.0485498</b>

\* FAC for Retail Load is the cost of the non-auctioned load

\*\* Tax Gross-up includes: CAT Tax of 0.260%, PUCO Assessments of 0.140%, and OCC Assessments of 0.033%.

**OHIO POWER COMPANY**  
**Calculation of Auction Phase-In Rider**  
**RA Component July - September 2014**

**Schedule 11**

Line	Description	APIR Revenue	APIR Costs	APIR (Over)/Under Recovery	Total (Over)/Under Recovery
1	<b>Beginning Balance</b>			\$	(8,046,334)
2	Jul-14	\$ 42,209,172	\$ 40,462,513	\$ (1,746,659)	(1,746,658.61)
3	Aug-14	\$ 42,681,592	\$ 42,855,310	\$ 173,718	173,718.18
4	Sep-14	\$ 38,226,307	\$ 31,759,805	\$ (6,466,502)	(6,466,501.93)
5	<b>Ending Balance</b>	\$ 123,117,071	\$ 115,077,629	\$ (8,039,442)	\$ (16,085,776)
6	Retail Non-Shopping Sales - Generation Level kWh				4,138,888,312
7	Reconciliation Component at Generation - \$/kWh				<u>(0.0038865)</u>
8	Reconciliation Component at Generation - \$/kWh	<u>Secondary</u> (0.0038865)	<u>Primary</u> (0.0038865)	<u>Sub/Trans</u> (0.0038865)	
9	Loss Factor	1.0604	1.0235	1.0031	
10	Reconciliation Component at the Meter Level - \$/kWh	<u>-0.0041213</u>	<u>-0.0039780</u>	<u>-0.0038985</u>	
11	Tax Gross-Up	1.00435	1.00435	1.00435	
12	<b>Reconciliation Adjustment Component - \$/kWh</b>	<b><u>-0.0041392</u></b>	<b><u>-0.0039953</u></b>	<b><u>-0.0039155</u></b>	

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**in**

**Case No(s). 14-1544-EL-FAC, 89-6007-EL-TRF**

Summary: Application of Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company