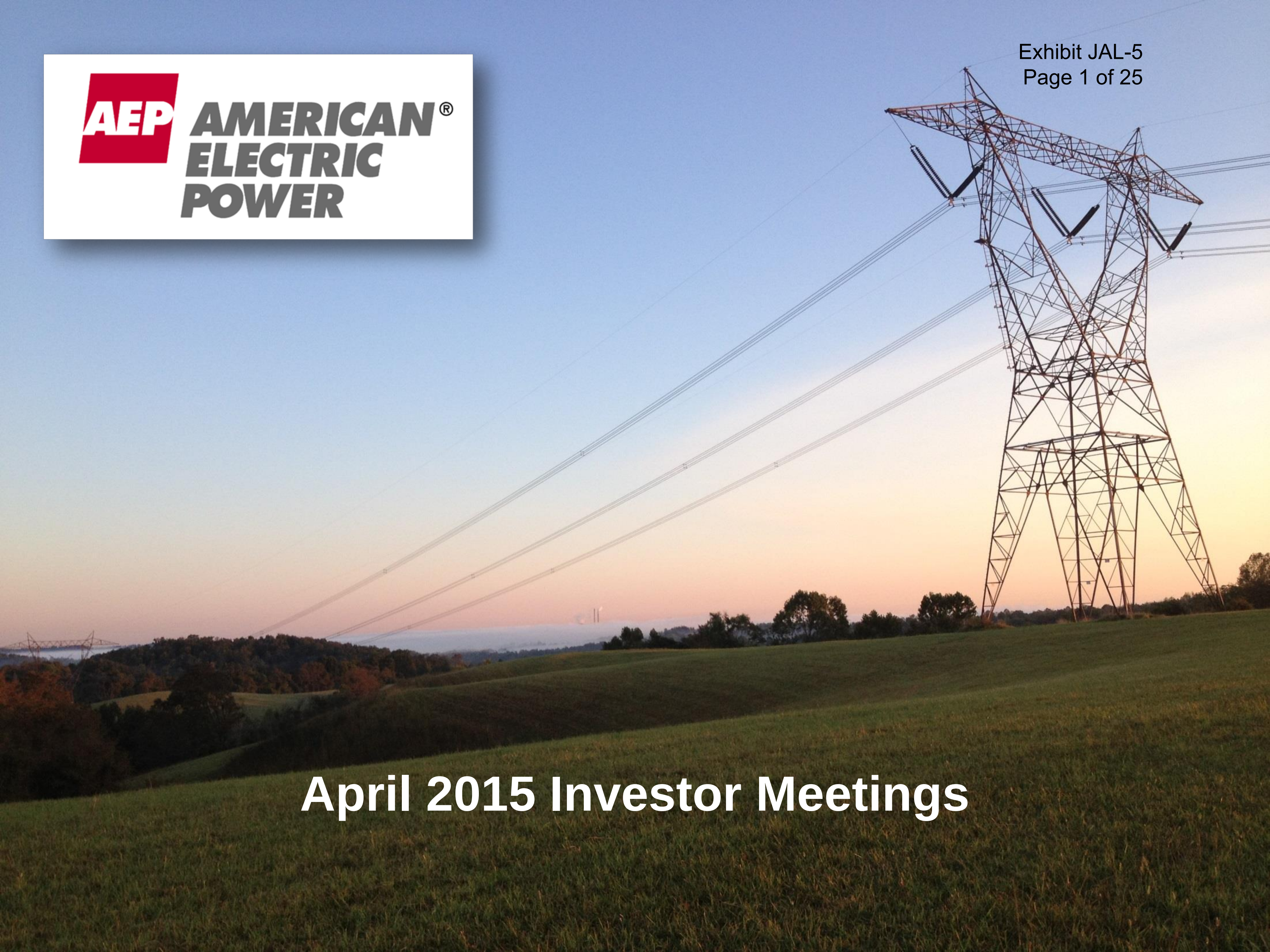
AEP AMERICAN ELECTRIC POWER
April 2015 Investor Meetings

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: the economic climate, growth or contraction within and changes in market demand and demographic patterns in our service territory, inflationary or deflationary interest rate trends, volatility in the financial markets, particularly developments affecting the availability of capital on reasonable terms and developments impairing our ability to finance new capital projects and refinance existing debt at attractive rates, the availability and cost of funds to finance working capital and capital needs, particularly during periods when the time lag between incurring costs and recovery is long and the costs are material, electric load, customer growth and the impact of retail competition, weather conditions, including storms and drought conditions, and our ability to recover significant storm restoration costs, available sources and costs of, and transportation for, fuels and the creditworthiness and performance of fuel suppliers and transporters, availability of necessary generation capacity and the performance of our generation plants, our ability to recover increases in fuel and other energy costs through regulated or competitive electric rates, our ability to build or acquire generation capacity and transmission lines and facilities (including our ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs, new legislation, litigation and government regulation, including oversight of nuclear generation, energy commodity trading and new or heightened requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances or additional regulation of fly ash and similar combustion products that could impact the continued operation, cost recovery and/or profitability of our generation plants and related assets, evolving public perception of the risks associated with fuels used before, during and after the generation of electricity, including nuclear fuel, a reduction in the federal statutory tax rate could result in an accelerated return of deferred federal income taxes to customers, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance, resolution of litigation, our ability to constrain operation and maintenance costs, our ability to develop and execute a strategy based on a view regarding prices of electricity and other energy-related commodities, prices and demand for power that we generate and sell at wholesale, changes in technology, particularly with respect to new, developing, alternative or distributed sources of generation, our ability to recover through rates or market prices any remaining unrecovered investment in generation units that may be retired before the end of their previously projected useful lives, volatility and changes in markets for capacity and electricity, coal, and other energy-related commodities, particularly changes in the price of natural gas, changes in utility regulation and the allocation of costs within regional transmission organizations, including ERCOT, PJM and SPP, the transition to market for generation in Ohio, including the implementation of ESPs, our ability to successfully and profitably manage our separate competitive generation assets, changes in the creditworthiness of the counterparties with whom we have contractual arrangements, including participants in the energy trading market, actions of rating agencies, including changes in the ratings of our debt, the impact of volatility in the capital markets on the value of the investments held by our pension, other postretirement benefit plans, captive insurance entity and nuclear decommissioning trust and the impact of such volatility on future funding requirements, accounting pronouncements periodically issued by accounting standard-setting bodies and other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes, cyber security threats and other catastrophic events.

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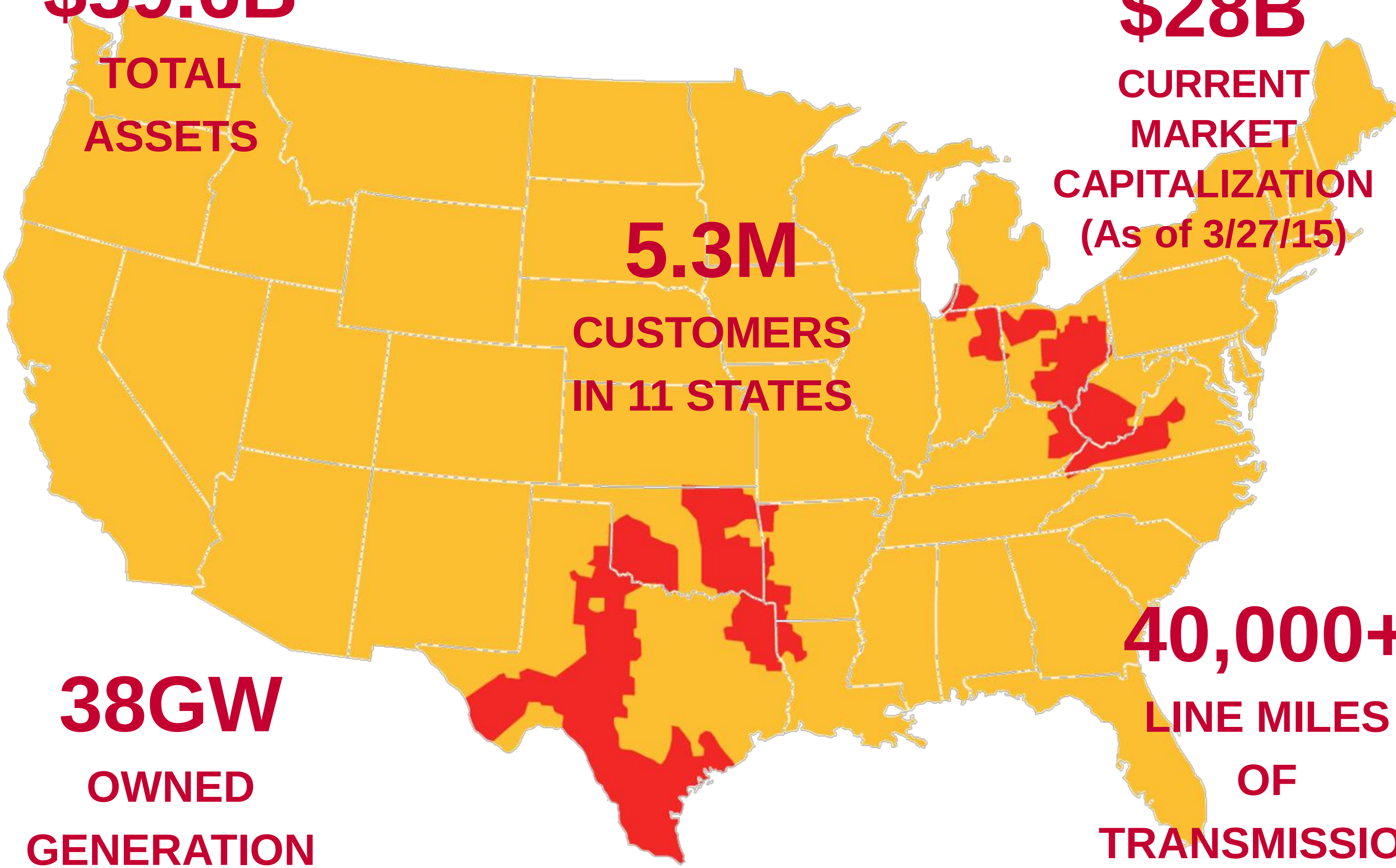
American Electric Power Company Overview



$59.6B

TOTAL ASSETS

$28B

CURRENT MARKET CAPITALIZATION (As of 3/27/15)

5.3M

CUSTOMERS IN 11 STATES

38GW

OWNED GENERATION

40,000+

LINE MILES OF TRANSMISSION

Note: Statistics as of December 31, 2014, except market capitalization which is as of February 26, 2015

FINANCIAL INFORMATION

2015-2017 Capital Spending Forecast

Capital & Equity Contributions
$ in millions, excluding AFUDC
2015: $4.4B; 2016: $3.8B
2017: $3.9B

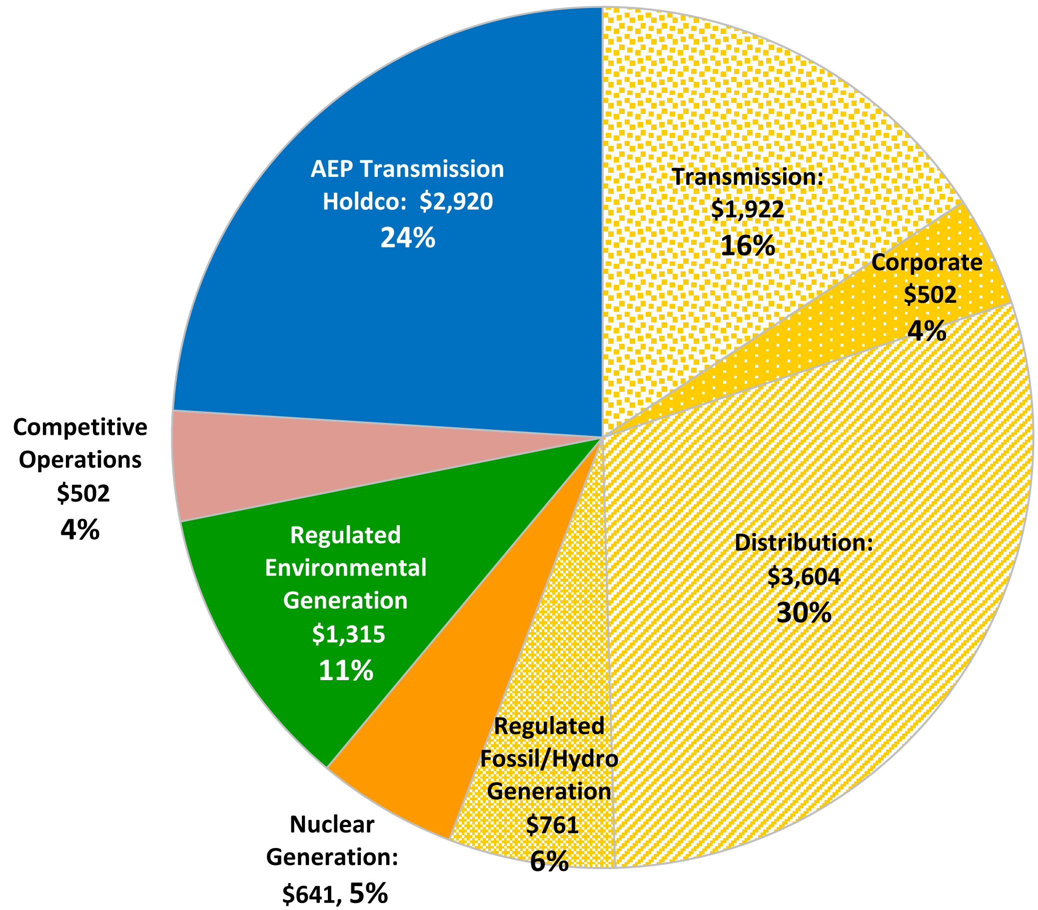
Regulated Generation Investment - $2.7B

Regulated Distribution Investment - $3.6B

Regulated Transmission Investment - $4.8B

Capital & Equity Contributions

$12B 2015-2017, excluding AFUDC

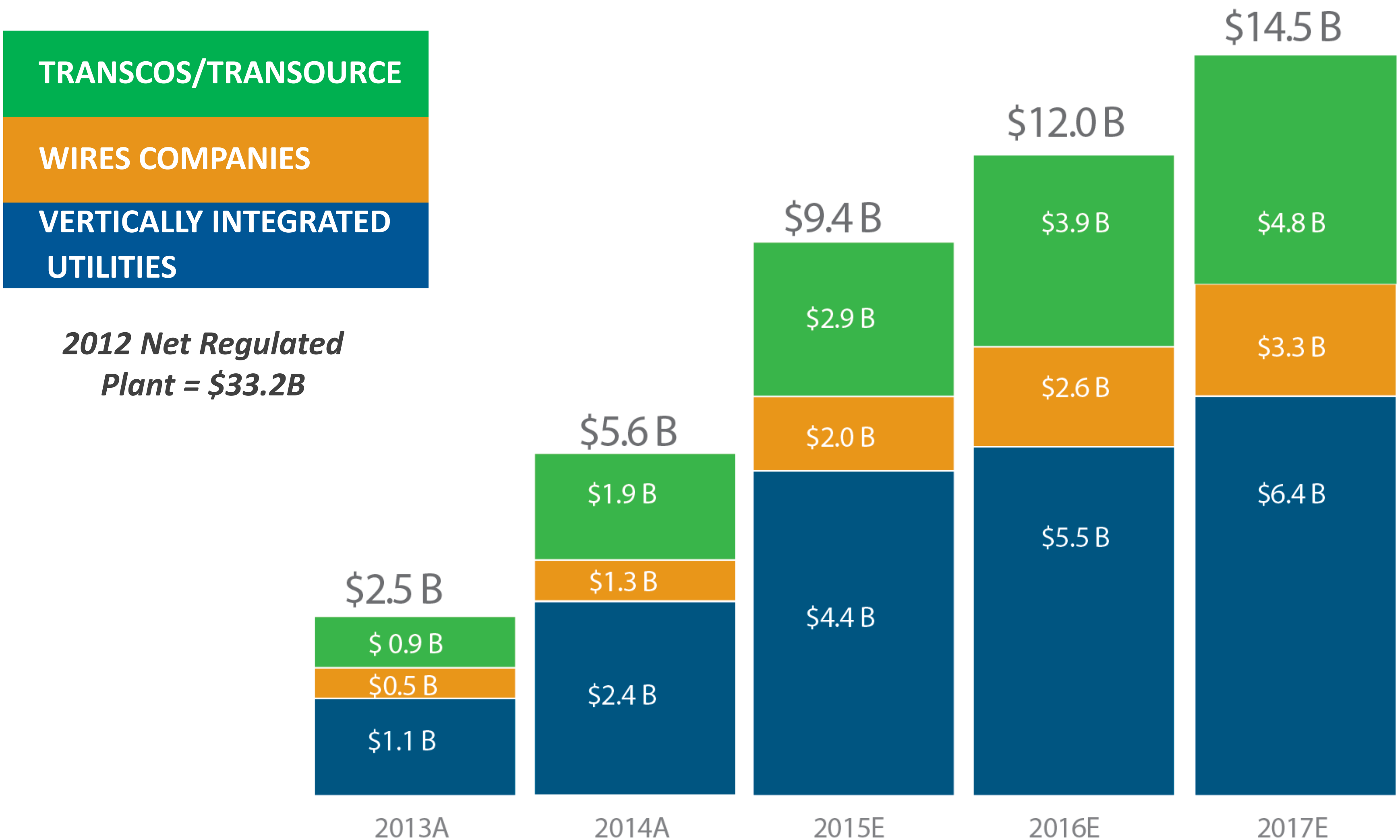


96% of capital allocated to regulated businesses; 70% allocated to wires

Regulated Rate Base Growth

Cumulative change from 2012 base

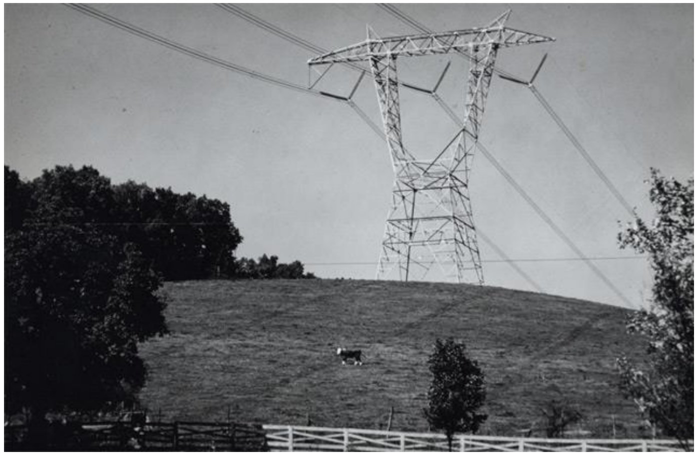
2012 Net Regulated Plant = $33.2B

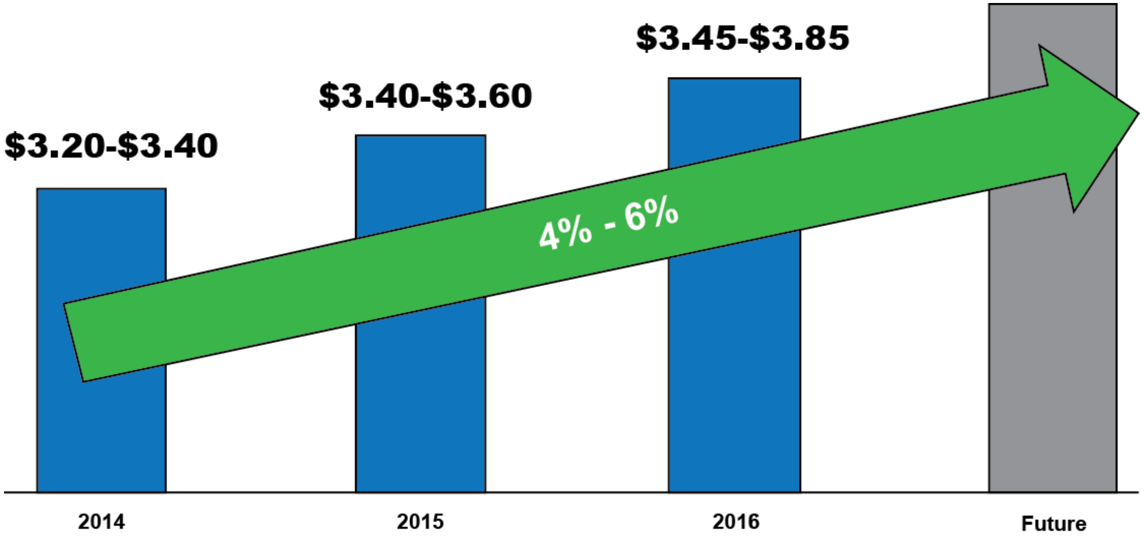


7.5% CAGR in Net Regulated Plant

Forecasted 4-6% EPS Growth Rate Reaffirmed

4% - 6% EPS growth is off of 2014 original guidance range





Earnings growth achieved through capital investment and rate recovery, identified sustainable cost savings and O&M spending discipline

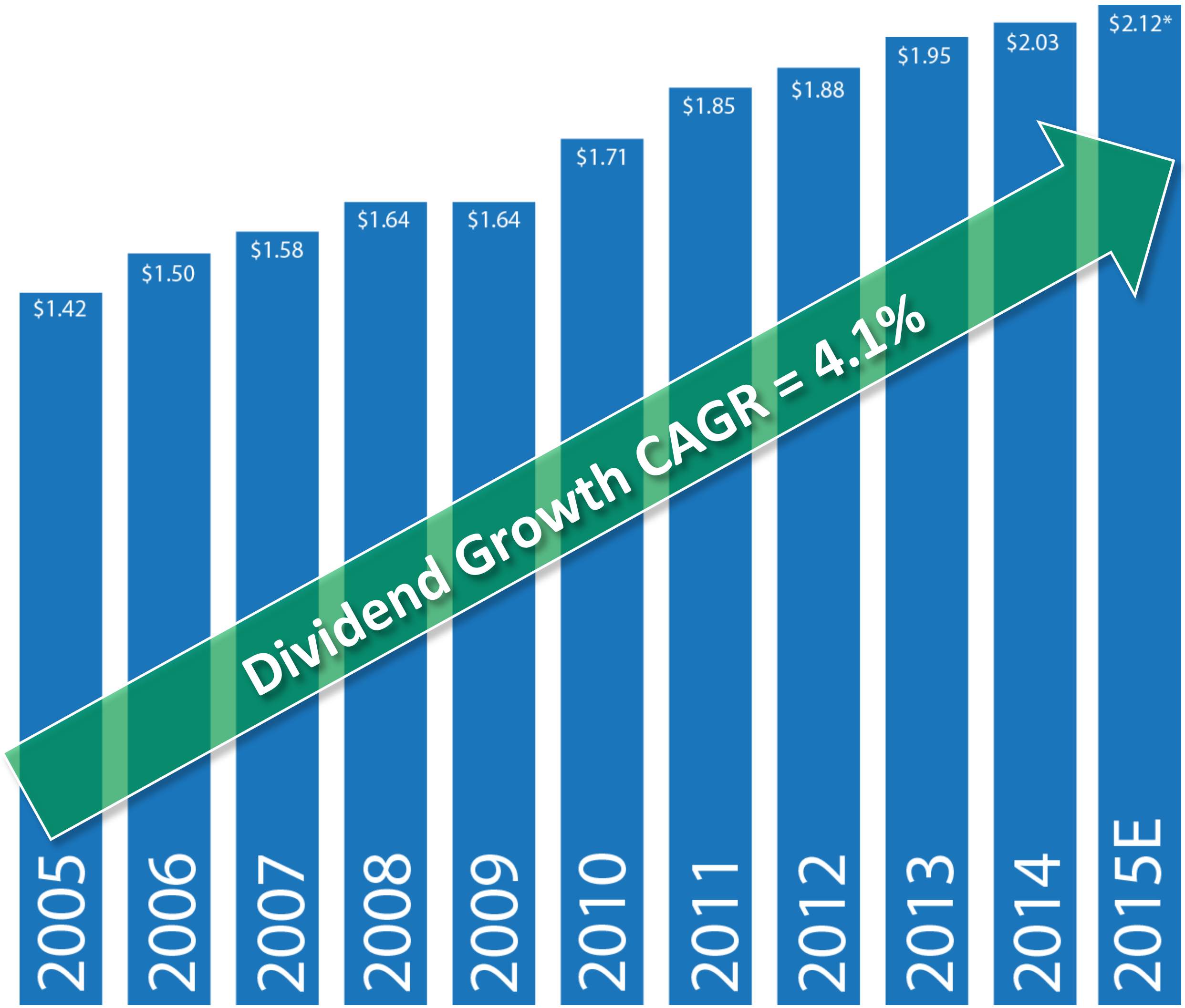
EPS Growth + Dividend Yield = 8% - 10% Annual Return Opportunity

Dividend

Targeted payout ratio of 60-70% of operating earnings

Supported by earnings from regulated operations

Paid 419 consecutive quarters



* Subject to approval by Board of Directors

2014-2017 Financing Plan & Credit Metrics

$ in millions	2014A	2015E	2016E	2017E
Cash from Operations - Excl. Impact of Bonus Depreciation & FIT Payments	4,000	4,000	4,900	4,900
Impact of Bonus Depreciation	700	600	-	-
Federal Cash Taxes Refunded (Paid)	(100)	(400)	(800)	(800)
Cash from Securitization *	-	-	300	-
Capital & JV Equity Contributions	(4,200)	(4,400)	(3,800)	(3,900)
Other Investing Activities	(300)	(200)	(200)	(200)
Common Dividends @ $2.03/share 2014; $2.12/share - 2014 - 2017 **	(1,000)	(1,000)	(1,000)	(1,000)
Excess (Required) Capital	(900)	(1,400)	(600)	(1,000)
Financing ($ in millions)	**2014A**	**2015E**	**2016E**	**2017E**
Excess (Required) Capital	(900)	(1,400)	(600)	(1,000)
Debt Maturities (Senior Notes, PCRBs)	(1,500)	(1,700)	(1,200)	(1,800)
Securitzation Amortizations	(300)	(300)	(300)	(300)
AGR Credit Facility ***	-	500	-	-
Equity Issuances (DRP/401K)	100	100	100	100
Debt Capital Market Needs (New)	(2,600)	(2,800)	(2,000)	(3,000)
Financial Metrics	**2014A**	**2015E**	**2016E**	**2017E**
Debt to Capitalization Target	Mid 50s			
FFO/Total Debt ****	Mid -to- Upper teens			

* $300MM OH deferred fuel securitization (subject to regulatory approval)

** Assumes current quarterly dividend of $0.53 per share; dividend evaluated by board of directors each quarter; stated targeted payout ratio range is 60-70%

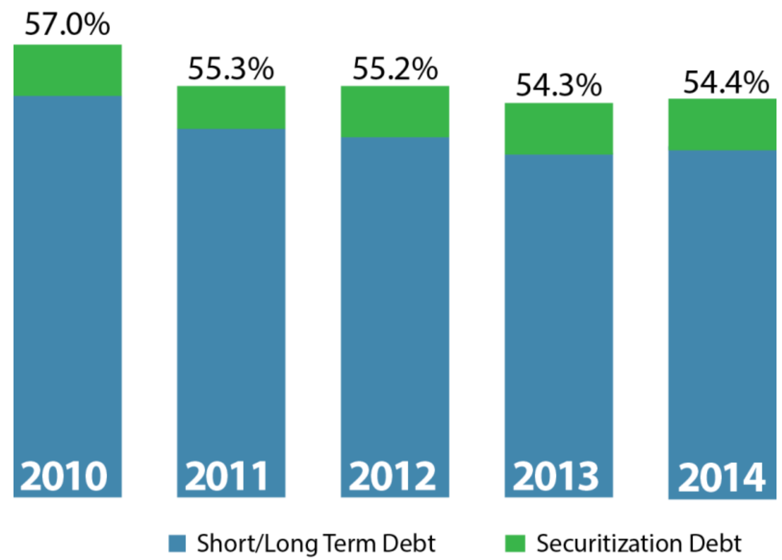
*** Interim credit facility matures May 2015, and is assumed to be refinanced for modeling purposes.

**** Excludes securitization debt

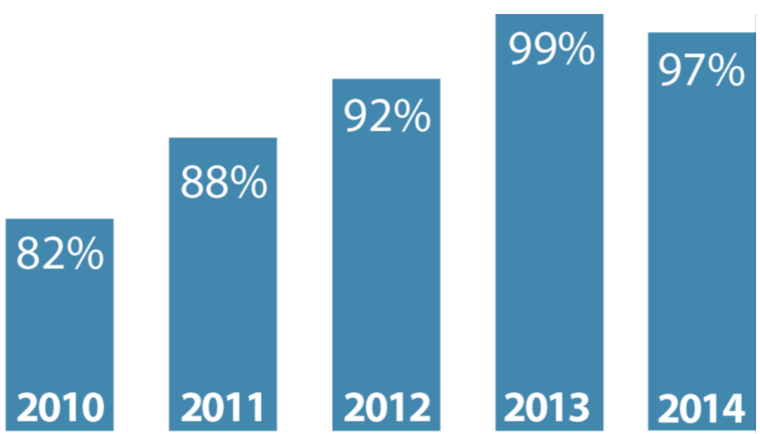
Anticipated cash flows cover planned capital investment while maintaining solid credit metrics

Capitalization & Liquidity

Total Debt / Total Capitalization



Qualified Pension Funding



Credit Statistics

	Actual	Target
FFO Interest Coverage	5.4	>3.6x
FFO to Total Debt	21.8%	15%-20%

Note: Credit statistics represent the trailing 12 months as of 12/31/2014

Liquidity Summary

(unaudited)	12/31/2014 Actual	
($ in millions)	Amount	Maturity
Revolving Credit Facility	$1,750	Jul-18
Revolving Credit Facility	$1,750	Jun-17
Total Credit Facilities	$3,500	
Plus		
Cash & Cash Equivalents	$163	
Less		
Commercial Paper Outstanding	(602)	
Letters of Credit Issued	(63)	
Net Available Liquidity	**$2,998**	

Strong balance sheet, solid credit metrics and adequate liquidity

Current 2015 Rate Cases

West Virginia

Base rate case filed June 30, 2014

- Requested increase of $226M with an ROE of 10.62%
- Hearing took place on Jan. 20, 2015
- Initial briefs and reply briefs were filed on Mar.6,2015 and Mar.17, 2015 respectively
- Order due May 27, 2015

Kentucky

Base rate case filed December 23, 2014

- Requested increase of $ $70M, consisting of $38M for Mitchell and $11M for tree trimming and reliability, with an ROE of 10.62%
- Hearing commences May 5, 2015
- Rates can go in effect July 1, 2015

AEP Ohio Regulatory Filings

*Plants included in PPA filing:

Unit/Plant	MW
Cardinal Unit 1	592 MW
Conesville	Unit 4 (CCD): 339 MW Units 5&6: 810 MW
Stuart	4 Coal Units: 600 MW
Zimmer	330 MW
Total	2,671 MW

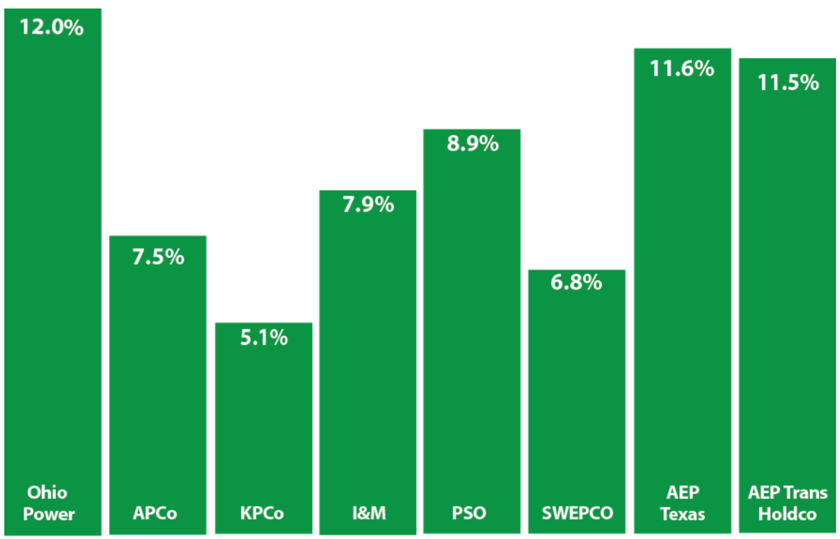
Purchase Power Agreement Filing

- Stabilizes retail rates in AEP Ohio's service area and protects reliability and the economy in Ohio.
- Utilize PPA recovery mechanism approved in ESP III, to include 100% of AEPGR's share of 4 plants * for the remaining life of the units
- PPA is FERC jurisdictional, with projected initial ROE of approximately 11.2%
- Estimated rate base is $1.6B, with 50/50 cap structure
- Average remaining life of assets is 20 years

Strong Regulated Results

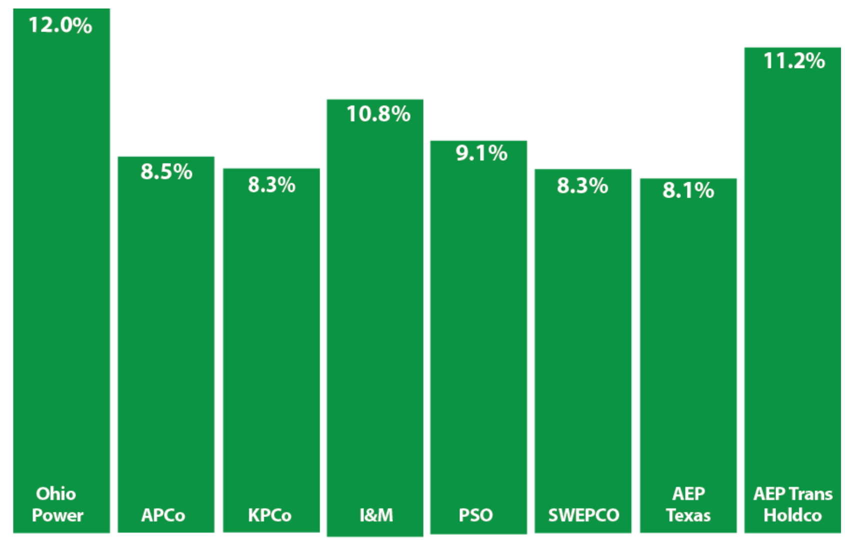
Twelve Months Ended 12/31/2014 Earned ROEs & Pro-forma 2015 (Operating Earnings*)

2014 Earned Regulated ROE's



Regulated Operations ROE of 9.0%
as of December 31, 2014

2015 Pro-forma Regulated ROE's

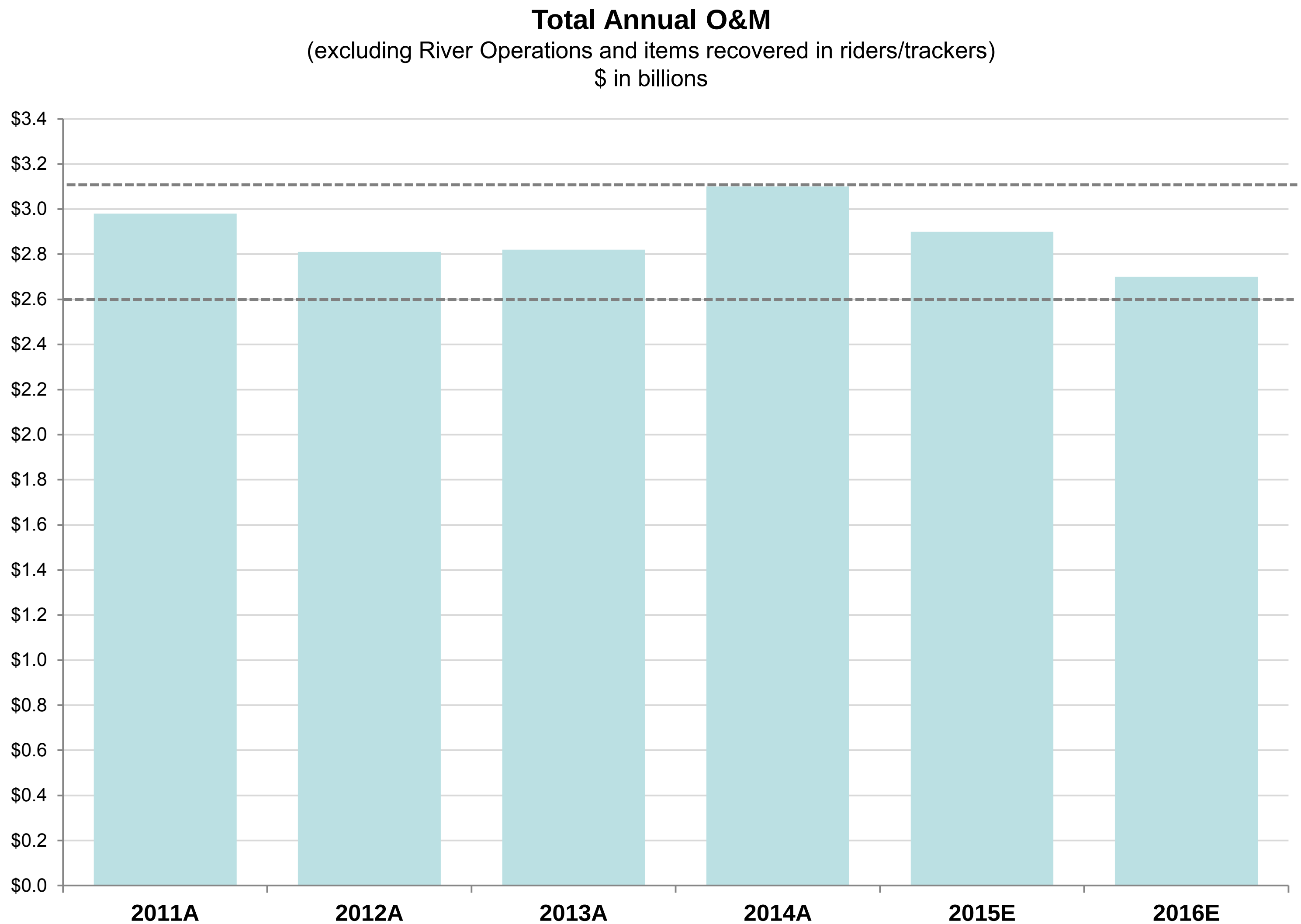


Expected Regulated Operations ROE of 9.6%
Pro-Forma 2015

** operating adjusts GAAP results by eliminating any material non operating items and is not weather normalized*

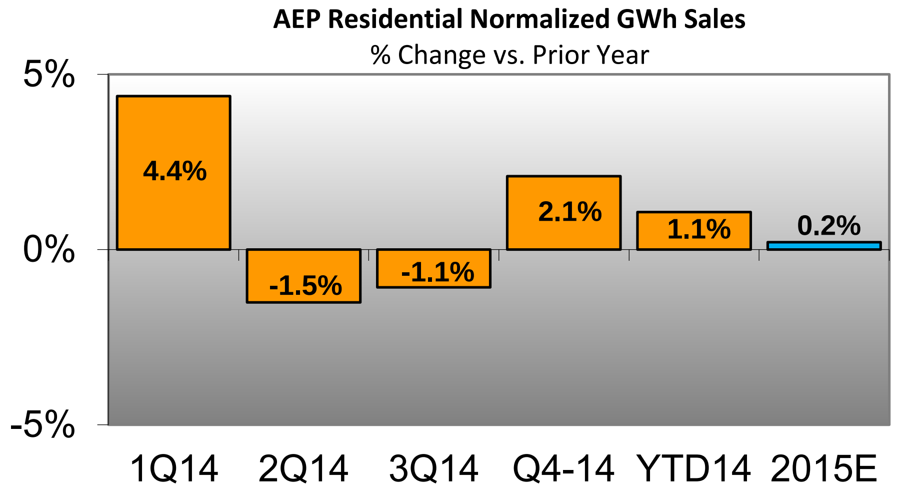
Lower O&M in 2015 helps improve 2015 ROE outlook from 9.0% to 9.6%

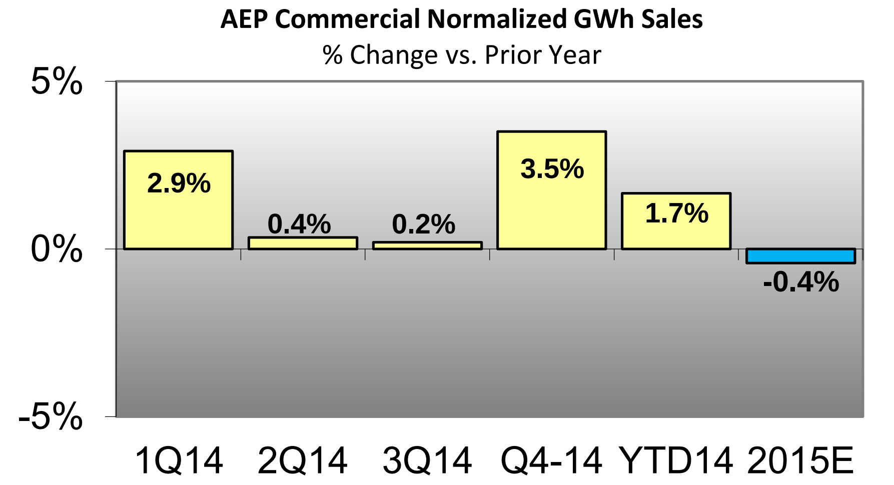
O&M Projections

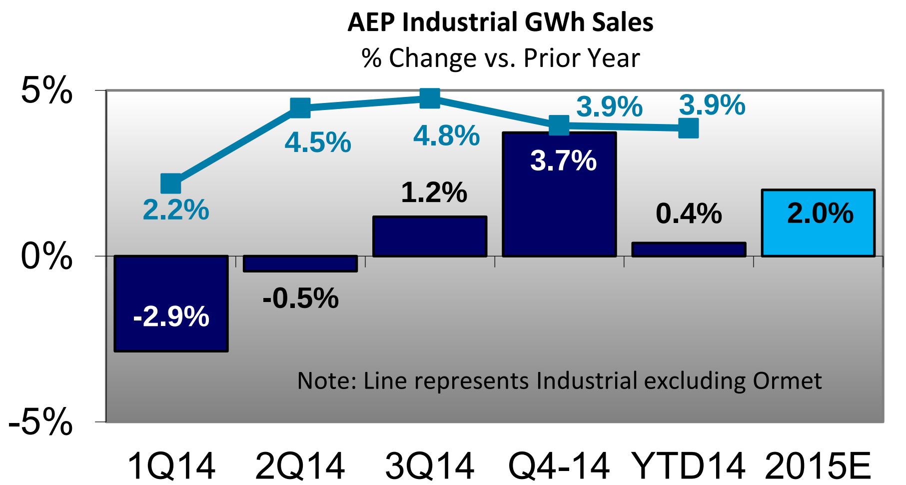


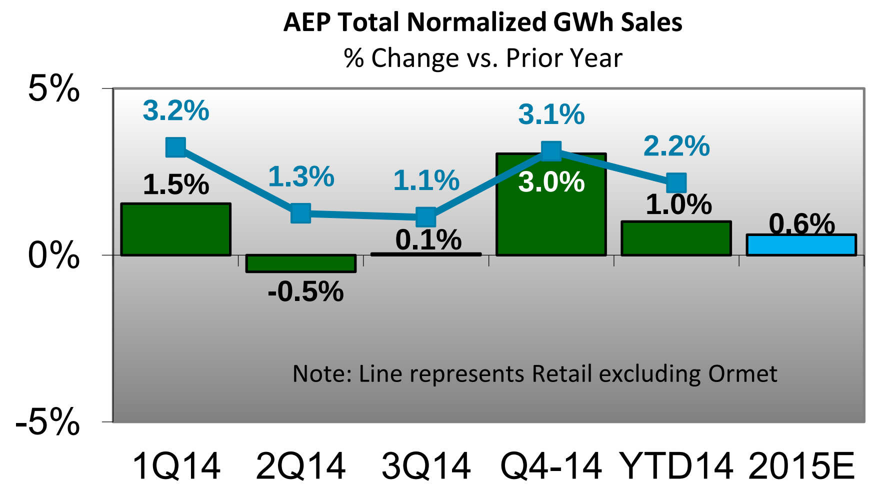
Continue O&M cost discipline through LEAN initiatives while reinvesting as needed to support our operations, customers and employees

Normalized Load Trends





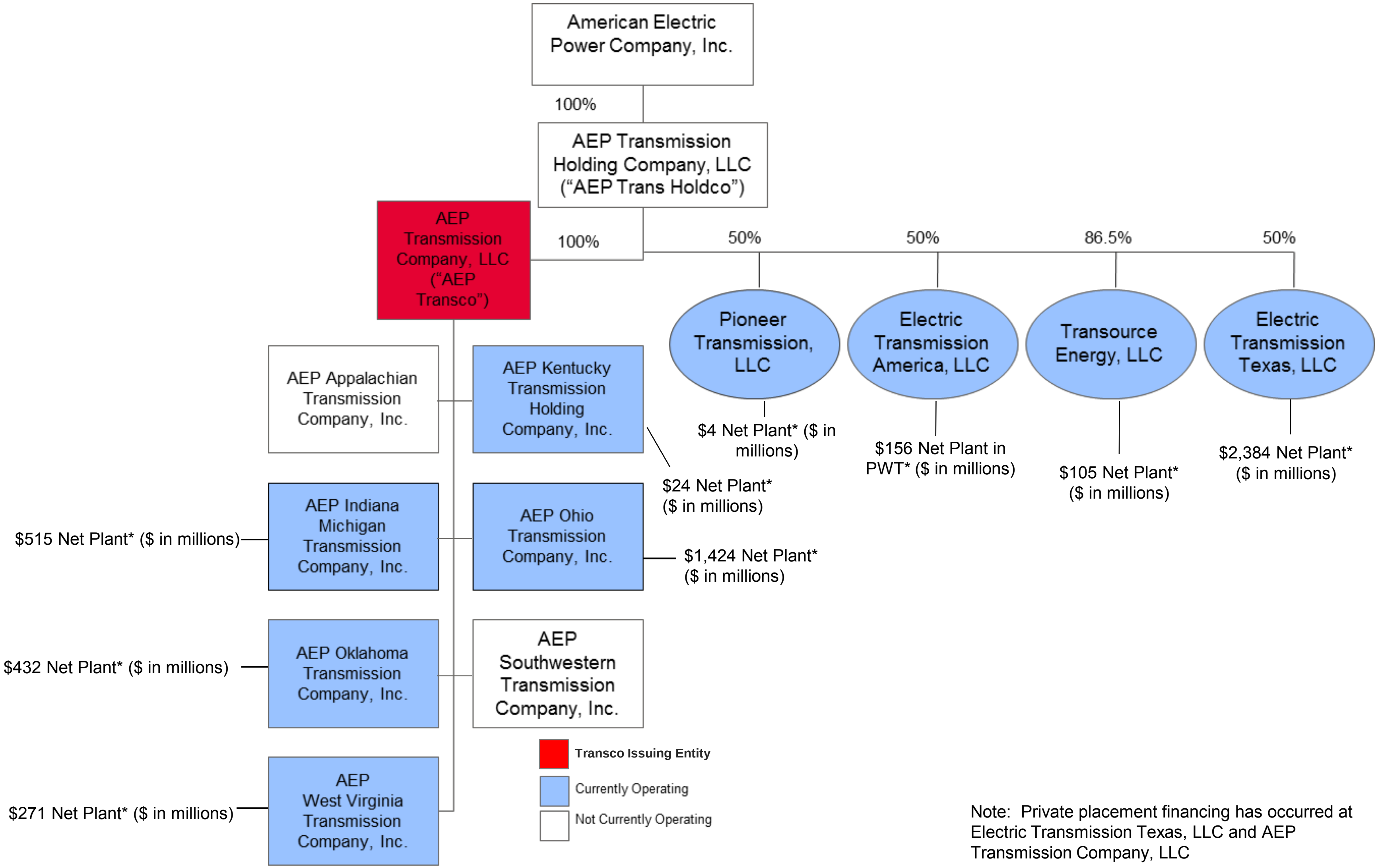




Note: Charts reflect connected load and exclude firm wholesale load & Buckeye Power backup load.

TRANSMISSION GROWTH

Transmission Ownership Structure



Note: Private placement financing has occurred at Electric Transmission Texas, LLC and AEP Transmission Company, LLC

* As of 1/31/2015

Transmission Holdco

4 types of projects:

- Regional projects for retirements, renewables, economic and market efficiencies
- Local reliability plans
- Aging infrastructure
- Customer-driven projects

Non-firm joint venture projects not included; high case investment is strictly related to the existing Transcos (no assumption for securing competitive opportunities); no projects included above subject to loss due to FERC Order 1000 right of first refusal

Transmission Projects/Pipeline - PJM

Aging Infrastructure

Asset Description	Transco	In-Service Date
Rebuild, replace over 500 miles of 138 kV, and below, transmission lines	MULTI	Dec-2019
Replace obsolete reactors on 8 765 kV transmission lines	MULTI	Dec-2019
Replace/upgrade key 345/138 kV transformers and increase spare complement	MULTI	Dec-2019
Replace/upgrade obsolete circuit breakers, switches and protection & control at 5 765 kV stations	MULTI	Dec-2019
Add monitoring and communications to support development of the Asset Health Center	MULTI	Dec-2019
Replace/upgrade obsolete circuit breakers, switches and protection & control at key 345 kV stations	MULTI	Dec-2019

Regional Projects

Asset Description	Transco	In-Service Date
Muskingum River - Sporn 345 kV	OH/WV	Jun-15
Kammer 345/138 kV Rebuild/Expansion	WV	Dec-15
Biers Run 345/138 kV New Station/Lines	OH	Jun-16
Baker 765/345 kV Expansion	KY	Jun-16
Sorenson 765/345 kV New Station/Lines	IN	Jun-16
Kanawha Valley Area Reinforcement Project	WV	Oct-16
Allen 345/138 kV Expansion/Lines	IN/OH	Jun-17
Wyoming 765 kV Shunt Reactors	WV	Jun-18

Local Reliability Projects

Asset Description	Transco	In-Service Date
Northern Fort Wayne 138 kV Improvements	IN	Jun-15
McClung Area Improvement Project	WV	Jun-17
Corey - Pokagon 138 kV Conversion/Rebuild	MI	Jun-17
Marietta Area 138/69 kV Upgrade (Phase 1 of 3)	OH	Jun-18
Marcellus Area Improvements	MI	Jun-18

Customer Projects

Asset Description	Transco	In-Service Date
Ball State Service Upgrades	IN	Dec-15
Shale Energy Customer Projects (Various)	OH/WV	Dec-15
West Lima Refinery	OH	Dec-15
Columbia Gas 138 kV Service	WV	Jun-16
Nottingham 138 kV New Station/Lines	OH	Jun-17

Project pipeline excludes investment related to future potential approval of VA Transco or any Order 1000 projects

Transmission Projects/Pipeline – SPP & ERCOT

Customer Projects		
Asset Description	Transco/JV	In-Service Date
Grady POD/Phase 2	OK	Dec-2015
Foraker POD	OK	May-2015
Talawanda POD	OK	Jun-2016
Darlington II POD	OK	Jun-2016
Wildhorse POD	OK	Jun-2016
Prairie Chicken POD	OK	Jun-2016
Roosevelt POD	OK	Jun-2016

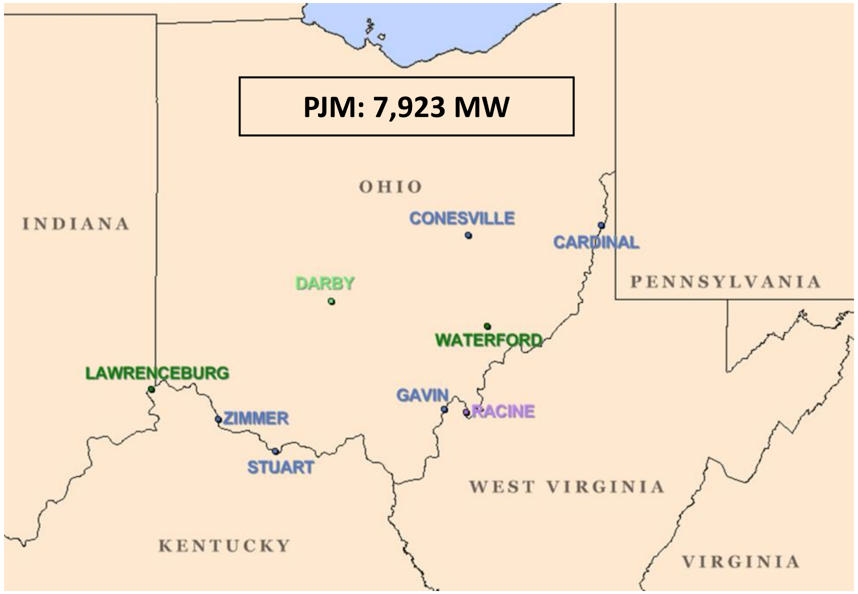
Local Reliability Projects		
Asset Description	Transco/JV	In-Service Date
Barney Davis to Naval Base 138 kV	ETT	Dec-2015

Regional Projects		
Asset Description	Transco/JV	In-Service Date
Lobo to North Edinburg 345 kV	ETT	Jun-2016
North Edinburg to Loma Alta 345 kV (50%)	ETT	Jun-2016
Lobo to Molina 138 kV	ETT	May-2015
Chisholm to Gracemont 345 kV	OK	Mar-2018
Valliant to NW Texarkana 345 kV	MULTI	Jun-2015
Bluebell to Pratville 138 kV	OK	Jun-2015
Darlington to Roman Nose	OK	Jun-2016
Iatan-Nashua	Transource	2015
Sibley-Nebraska City	Transource	2017

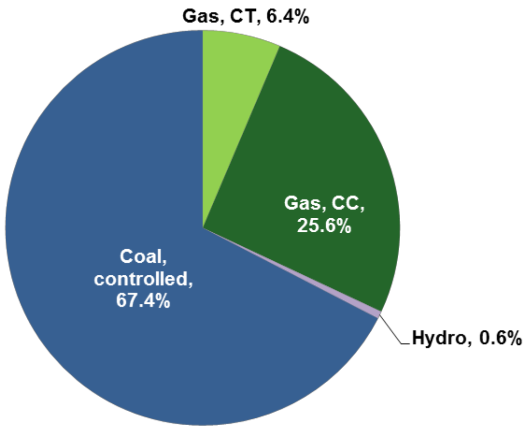
Project pipeline excludes investment related to future potential approval of SW Transco or any Order 1000 projects

COMPETITIVE OPERATIONS

AEP Generation Resources Footprint



Capacity by Fuel Type



Fleet Characteristics 01/01/2015
(excludes 2,470 MW from retiring plants)

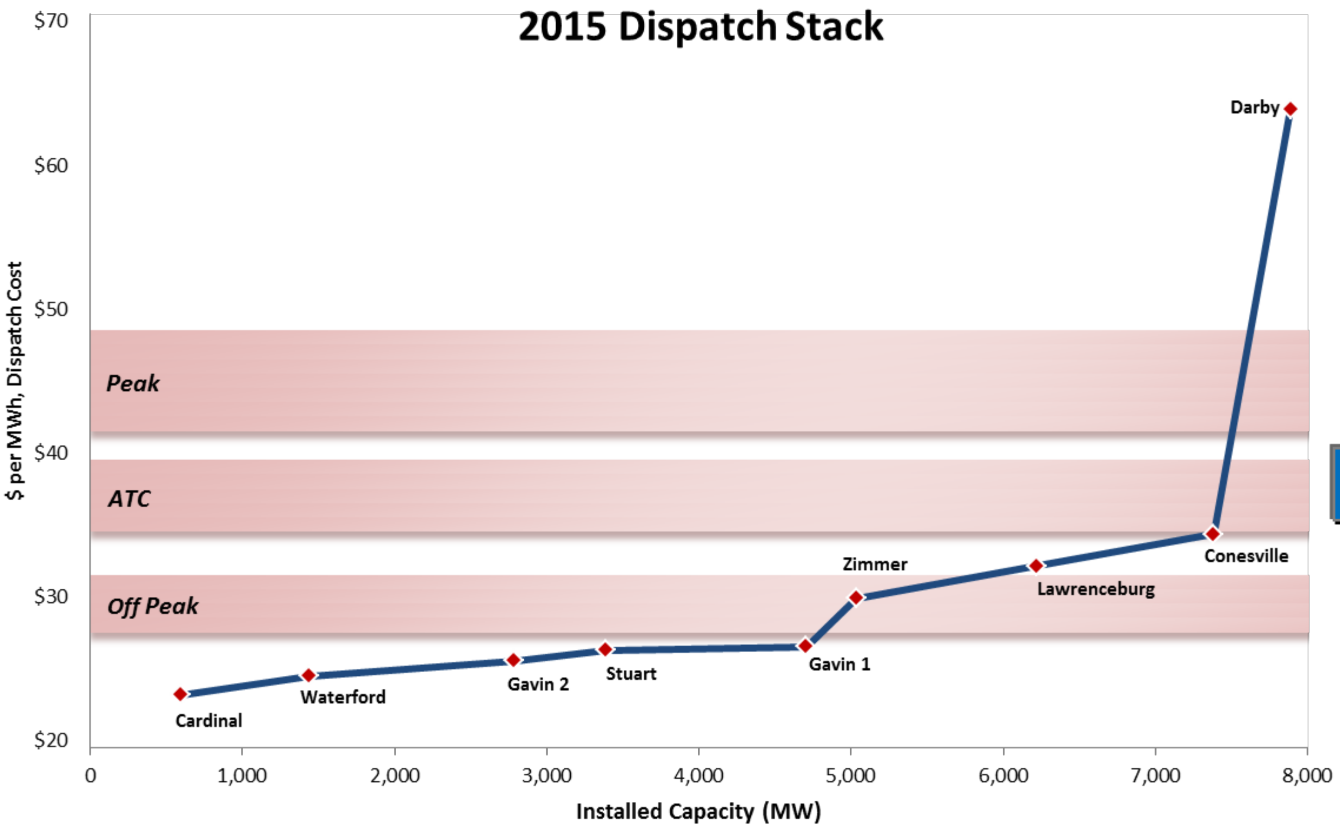
(MW)

Wholly-owned, AEP operated, 69% of fleet		
Gavin	2,665	Coal, controlled
Cardinal 1*	595	Coal, controlled
Conesville 5, 6*	810	Coal, FGD only
Waterford	840	Gas, CC , SCR
Darby	507	Gas, CT
Racine	48	Hydro
Joint Venture, AEP operated, 4% of fleet		
Conesville 4*	339	Coal, controlled
Joint Venture, operated by others, 12% of fleet		
Zimmer*	330	Coal, controlled
Stuart*	603	Coal, controlled
Capacity / energy entitlements, 15% of fleet		
Lawrenceburg	1,186	Gas, CC, SCR
Total	**7,923**	

* Part of the proposed PPA filed in Ohio

Note: The portfolio also includes AEP Energy Partners' assets in ERCOT consisting of the Oklaunion Coal Plant PPA (355MW), Wind Farms (311MW) and Renewable PPAs (177MW)

AEP Generation Resources: Expected Generation



Note: post-retirement view of generation stack; includes fuel, emissions and consumables costs

Generation from fleet expected to be in the range of 37-40 million MWh*

* Excludes ~2 million MWh of expected generation from retiring units

Fleet is well-positioned from a cost and operational perspective to participate in the competitive market

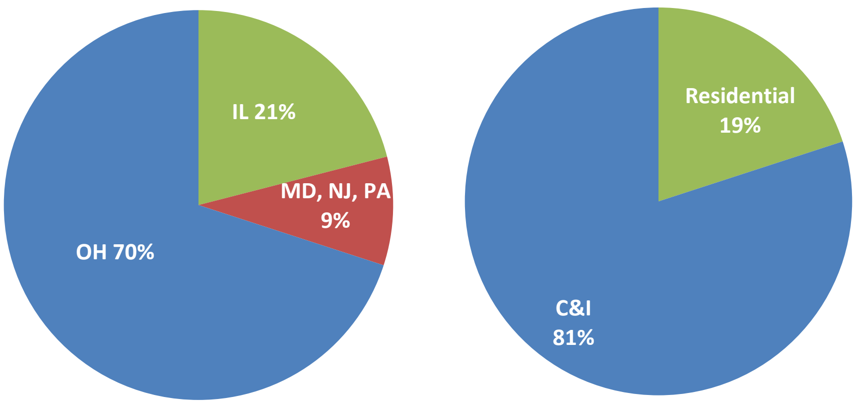
Energy Sales Opportunities

2015 Energy Sales Opportunity

Short Term	20 - 40%
Financial Instruments	20 - 40% (Financial Instruments and Wholesale Customers together)
Wholesale Customers (Muni, Co-op, Utility Auction)	
Competitive Retail Customers	25 - 40%

AEP Energy (Retail) Profile

2014 Delivered Load



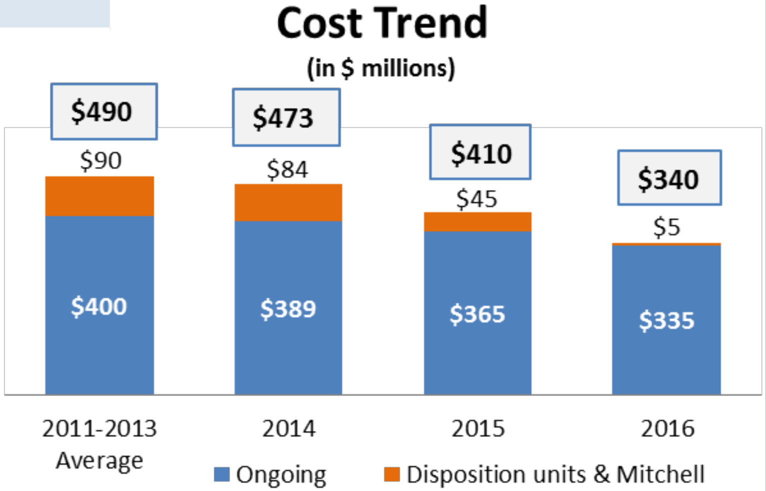
- Currently serving 260,000 customers
- Served approximately 12 TWh of load in 2014
- Provide hedging opportunities for AGR
- Customer growth in western PJM

80% of expected gross margin in 2015 is secured by energy hedges, RPM capacity, and Ohio Electric Security Plan

AEP Energy Supply: Earnings & Cost Management

Estimated (in $ millions)	2014A	2015 Range	2016 Range
Energy/Capacity Gross Margin	**$1,342**	**$965 - $1,035**	**$590 - $790**
Costs	473	410	340
EBITDA	**$869**	**$555 - $625**	**$250 - $450**
Capital Expenditures	150	142	146
Cash Flow*	**$719**	**$413 - $483**	**$104 - $304**

** Excludes income taxes, interest and changes in working capital*



AEP Integration Q&A

What does the "integration" of AEP into PJM mean?

It means that PJM Interconnection begins managing AEP's eastern, or ECAR (East Central Area Reliability Council), control area on Friday, Oct. 1, 2004. PJM now has functional control of the flow of wholesale electricity over AEP's nearly 22,300 miles of high-voltage transmission lines in AEP's seven-state eastern region. PJM is responsible for the reliability of that transmission system, as well as for administering competitive wholesale electricity markets for AEP and other market participants.

AEP's transmission and generation operations, commercial processes and data systems have been integrated into those of PJM. While AEP continues to use its low-cost generation to serve the needs of its native-load customers, and to sell available generation to other parties, it is performing those functions somewhat differently.

How long has PJM been a regional transmission organization (RTO)?

The Federal Energy Regulatory Commission granted PJM full status as an RTO Dec. 18, 2002. In 1997, PJM had become the first fully functioning independent system operators (ISO) responsible for safe, reliable operation of the transmission system as well as for administration of the competitive wholesale electric power market.

Did AEP sell its transmission system to PJM?

No. AEP, through its operating subsidiaries in its eastern region, continues to own the transmission system – the high-voltage lines, substations and other transmission-related facilities. PJM now functionally controls the system, provides electricity transmission services over it and acts as the Reliability Coordinator for the AEP control area.

What companies are joining PJM along with AEP?

Dayton Power and Light, based in Dayton, Ohio, is joining PJM at the same time as AEP. Also, approximately 20 municipal electric companies, cooperatives and generators located within the AEP footprint are joining PJM at that time.

What other companies belong to PJM?

Three hundred transmission owners, load-serving entities, market buyers, sellers and traders of electricity are members of PJM. On May 1, 2004, 21 organizations joined PJM, including Commonwealth Edison, the Chicago-based unit of Exelon. Allegheny Energy of Hagerstown, Md., joined PJM April 2, 2002. The region that includes Allegheny Energy, Commonwealth Edison and – now – AEP often is called "PJM West."

Dominion, based in Richmond, Va., and Duquesne Light Co., based in Pittsburgh, have announced plans to join PJM.

How can PJM control a transmission system distant from its base of operations?
PJM is able to functionally control and monitor systems from its control centers in Valley Forge and Greensburg, Pa. A model of AEP's eastern transmission system has been incorporated into the sophisticated systems PJM uses to monitor the grid. In fact, PJM will not only be able monitor AEP's eastern system, but also systems around it that could affect the AEP system.

Why did AEP decide to join PJM?
FERC encourages utilities to join regional transmission organizations (RTOs) to support and foster robust wholesale power markets. A condition of AEP's merger in 2000 with Central & South West Corp. was AEP's entry into a FERC-approved RTO.

AEP chose PJM over other RTOs because it is the most established and mature of the FERC-approved RTOs adjacent to AEP's eastern service territory and has a proven performance record.

How will AEP's membership in PJM benefit consumers and the competitive electricity marketplace?
Retail customers will benefit from enhanced transmission service reliability. PJM also operates the largest competitive wholesale electricity market in the world. Membership in PJM will provide:
- Greater access to low-cost generation for transmission owners and other load-serving entities within the PJM footprint. The PJM region has nearly 135,000 megawatts of generation.
- Efficient energy, capacity and ancillary services markets where all market participants can buy and sell.
- Attractive customer options, such as real-time spot market trading and day-ahead pricing, among others.
- Market monitoring to ensure the rules are followed.
- The certainty of supply that comes from a liquid spot market for electricity.
- Many market participants attracted by fair, visible pricing.

What costs will AEP incur because of its membership in PJM?
AEP's administrative costs related to PJM membership are expected to be approximately $50 million annually.

Will AEP customers experience cost increases as a result of AEP joining PJM?
Cost/benefit studies filed with the applicable state commissions show that AEP customers will not experience increased costs and may realize net benefits. Rate freezes in some AEP jurisdictions would prevent an immediate impact on customers.

How long has the AEP integration process taken?
AEP and PJM reached agreement in May 2002 that AEP would seek to join PJM. In late 2002, AEP requested approval from the applicable state commissions to transfer functional control of transmission. That regulatory process continued into August 2004. Virginia state law prohibited transfer of functional control of transmission assets in that state prior to July 2004. FERC approved AEP's application to join PJM in April 2003, affirmed its approval this year and established the integration date of Oct. 1.

The training, and the technical and logistical changes, required for AEP's integration into PJM started in 2002 and continued until the integration date.

What is the impact of AEP's membership in PJM on AEP's work force?
Minimal impact is expected in terms of number of jobs and changes to existing jobs. The primary impact is the training required. Several hundred transmission, commercial operations and generation employees have received training to adapt to changes associated with the PJM integration – mainly, use of new systems and processes. The integration will not change the day-to-day responsibilities of most AEP employees.

Was PJM affected by the August 2003 blackout?
Impact of the blackout on PJM was minimal.

How does PJM communicate emergency information?
When PJM operators believe emergency operation procedures may be implemented, or after the procedures already are initiated, PJM will relay that information to public utility commissions and state emergency management agencies as needed. PJM's communication system will supplement, not replace, existing emergency communications procedures of individual member companies.

PJM has a separate system for communicating with member transmission owners.

Will PJM and the Midwest ISO (MISO) have a formal relationship?
Coordination and cooperation will exist between PJM and the Midwest ISO. In August 2004, FERC accepted the terms of a Joint Operating Agreement

between the entities. The JOA establishes or formalizes a series of measures to enhance data exchange and other communications, flowgate coordination, coordination of long-term transmission planning, and emergency procedures between the two RTOs. It represents a major step toward development of a common market, which FERC advocates.

KEY STATISTICS*	**PJM** *in 1993 when PJM was the PJM Inter-connection Association*	**PJM** *before adding ComEd and other NICA companies*	**PJM** *with ComEd and other NICA companies added on May 1, 2004*	**American Electric Power (AEP)** *Oct. 1 integration*	**Dayton Power & Light (DP&L)** *Oct. 1 integration*	**PJM** *with AEP and DP&L added (current as of Oct. 1, 2004)*	**Dominion Virginia Power** *Nov. 1 integration*	**Duqu Light** *Jan. 1 integra*
member companies	10	270	280	na	na	300		
millions of people served	22	25	35	7.75	1.25	44	5.5	1.5
peak load in megawatts	46,429	63,762	85,000	19,690	3,130	107,820	15,580	2,720
megawatts of generating capacity	55,575	76,000	106,000	23,800	4,450	134,250	22,800	3,400
miles of transmission lines	6,821	20,000	26,000	22,300	1,000	49,300	6,100	620
gigawatt-hours of annual energy	235,700	348,700	446,000	145,400	19,250	610,650	89,700	14,550
generation sources	540	660	800	136	48	984	81	18
square miles of territory	48,700	79,000	91,000	40,700	6,000	137,700	25,750	800
area served	5 states + DC	7 states + DC	8 states + DC	7 states in the East	1 state	2 states + DC	2 states	1 state
** all numbers approximate*								

Exhibit JAL-7

INTERROGATORY

INT-1-003 Please confirm that it is the Company's position that the Commission does not need to approve the proposed PPAs

RESPONSE

The Company is not seeking approval by the Commission of either the Affiliated PPA or the OVEC/ICPA contract, as both of those agreements would be subject to economic regulation by FERC as wholesale power contracts. As further described below, the Company is seeking recovery of the costs associated with these wholesale contracts as part of the Company's retail rates in Ohio – through the PPA Rider.

With regard to the proposed Affiliated PPA, the Company requests that the Commission find that it is reasonable and prudent for AEP Ohio to enter into this life-of-unit purchase contract with AEPGR. Consistent with the details reflected in the proposed contract and as further explained in testimony, the Company also requests that the Commission acknowledge that its up-front approval of the Affiliated PPA for retail recovery is a one-time prudence review that will not be revisited later during the term of the contract should economic conditions or cost/price projections change in the future. This situation is similar to the Commission's approval of AEP Ohio's decision to enter into a 20-year renewable energy purchase agreement in *ESP II*, where the Commission approved as prudent the Company's decision to enter into the Timber Road renewable energy purchase agreement (REPA); the costs recovered through retail rates (*i.e.*, through the PPA Rider) are still subject to ongoing financial audits but not subsequent prudence audits. Legacy costs to be recovered through the contracts would be accepted as part of the up-front prudence review, future costs relating to AEP Ohio's obligations and responsibilities under the Affiliate PPA would be subject to Commission review; whereas, the wholesale rate collected by the Seller would not (though the Commission has the opportunity to pursue such issues before the FERC if it desired to do so).

Regarding the OVEC contract, the Company is requesting inclusion of the contract in the PPA Rider – which is an existing contract that does not expire until 2040. Because OVEC is a legacy contract and the Commission has routinely permitted recovery of OVEC costs as being prudent, there is no need to review the prudence of entering into the OVEC contract or the terms and conditions of the OVEC contract. The contract between AEP Ohio and OVEC is already valid and accepted as a just and reasonable wholesale power contract under the Federal Power Act. The contract is and remains subject to FERC's Federal Power Act jurisdiction under the plain terms of the contract, regardless of the orders that the Ohio Commission issues in this proceeding. AEP Ohio only seeks an order of the Ohio Commission approving retail recovery of the costs it incurs as a result of that valid, FERC-approved contract – through the PPA Rider.

Prepared By: Counsel

OHIO POWER COMPANY'S RESPONSES TO
INDUSTRIAL ENERGY USERS-OHIO DISCOVERY REQUESTS
PUCO CASE NO. 14-1693-EL-RDR
FIFTH SET

INTERROGATORY

INT-5-001 Based upon the U.S. Environmental Protection Agency's ("EPA") issuance of its final rules under the Clean Power Plan, has AEP-Ohio updated Dr. Pearce's projections regarding the net cost/benefit of AEP-Ohio's proposed PPA Rider? If so, identify such updated analysis.

RESPONSE

No.

Prepared by: Kelly D. Pearce

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in

Case No(s). 14-1693-EL-RDR, 14-1694-EL-AAM

Summary: Testimony Exhibits (Exhibits JAL-5 thru JAL-8) of Jonathan A. Lesser, Ph.D. on Behalf of Industrial Energy Users-Ohio electronically filed by Mr. Matthew R. Pritchard on behalf of Industrial Energy Users-Ohio