



Legal Department

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December 7, 2016

Honorable Greta See  
Honorable Sarah Parrot  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, Ohio 43215-3793

**Matthew J. Satterwhite**  
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Re: 14-1693-EL-RDR and 14-1694-EL-AAM Joint Exhibit 1 AEP Ohio PPA  
Stipulation

Judges See and Parrot:

Please find attached the indexing corrections discussed at the hearing in this case on January 6, 2016. The Company discussed the indexing issues with Witness William Allen on the stand during the hearing. Mr. Allen explained the clerical issue with the citations that resulted from changes to the documentation during settlement discussions.

The Bench asked that the Company file a letter outlining the changes so it was clear in the Commission docket. The changes discussed on the record were:

- 1) Page 20 of the stipulation take the reference in paragraphs III.D.9.c and d that relates to Conesville cofiring costs that currently shows "III.D.10" and change to "III.D.9."
- 2) Page 27 in paragraph III.D13.a of the Stipulation, the citation on line two of the page should be changed from "III.D.16" to "III.D.15."

Attached is a copy of the relevant pages impacted by the indexing error.

Thank you and please let me know if there is any further action needed in relation to remedying this clerical issue for Joint Exhibit 1.

Cordially,

  
Matthew J. Satterwhite  
Senior Counsel

cc: Parties of Record

for both units Conesville 5 and 6. This annual MMBTU limit is 37.5% of the unit's design level. AEP Ohio and its affiliates commit the units will maximize usage of natural gas when it is available and economic.

- c. Conesville unit 6 will retire, refuel, or repower to 100% natural gas by December 31, 2029. If PJM pursues a Reliability Must Run (RMR) arrangement or equivalent mechanism for continued operation of the unit due to transmission reliability impacts of retiring of the unit, AEP Ohio and its affiliate will retire, refuel, or repower the unit at the end of such RMR arrangement or equivalent mechanism. Except as provided in Sections III.A.6 (potential depreciation rate change) and III.D.9 (Conesville co-firing costs), no costs to retire, refuel, or repower Conesville Unit 6 shall be recovered through the PPA Rider.
- d. Conesville Unit 5 will retire, refuel, or repower to 100% natural gas by December 31, 2029. If PJM pursues a RMR arrangement or equivalent mechanism for continued operation of the unit due to transmission reliability impacts of retiring of the unit, AEP Ohio and its affiliate will retire, refuel, or repower the unit at the end of such RMR arrangement or equivalent mechanism. Except as provided in Sections III.A.6 (potential depreciation rate change) and III.D.9 (Conesville co-firing costs), no costs to retire, refuel, or repower Conesville Unit 5 shall be recovered through the PPA Rider.

10. AEP Ohio and its affiliates will retire, refuel, or repower Cardinal Unit 1 to 100% natural gas by December 31, 2030.<sup>12</sup> If PJM pursues a RMR arrangement or equivalent mechanism for continued operation of the unit due to transmission reliability impacts of retiring

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<sup>12</sup> Buckeye Power, Inc. is not participating in Sections III.D.10-12 of this Stipulation.

achievement of EE/PDR above and beyond the agreed upon savings benchmarks in Section III.D. ~~14.~~ **15.**

- b. A provision to file a cost/benefit study for a full deployment of Volt/VAR Optimization equipment on all of its distribution circuits and substations, including Volt-Amp Reactive power and Conservation Voltage Reduction technology. The cost/benefit study shall be broken down by distribution circuit and substation, to determine the total amount of investment which would be cost-effective.
- c. When AEP Ohio files the cost/benefit study, it will also include a proposal for seeking cost recovery of deployment of all cost-effective Volt/VAR technology. AEP Ohio agrees not to seek any additional incentive for installing the equipment or shared savings for any resulting energy savings. If the filing is approved, the Company agrees to deploy the equipment in a timely manner.
- d. AEP Ohio shall keep the equipment operational during the useful life of the equipment and shall file annual reports with the Commission stating the amount of energy reductions, peak demand reduction, and monetary savings and greenhouse gas emission reductions resulting from this equipment.
- e. AEP Ohio and Staff agree that they will support Sierra Club's full intervention in Case No. 13-1939-EL-RDR, if the Commission adopts this Stipulation without material modification.
- f. AEP Ohio will use its best efforts to seek approval for the energy and peak demand reductions to be used as a compliance tool under the Clean Power Plan.

14. AEP Ohio agrees, within 90 days of a Commission order adopting this Stipulation, to form a working group in conjunction with Staff and other interested parties, to

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

Summary: Correspondence -indexing corrections electronically filed by Mr. Matthew J Satterwhite on behalf of Ohio Power Company