



Legal Department

May 3, 2016

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

Re: *In the Matter of the Application Seeking Approval of Ohio Power Company's Proposal to Enter into an Affiliate Power Purchase Agreement for Inclusion in the Power Purchase Agreement Rider*, Case No. 14-1693-EL-RDR; *In the Matter of the Application of Ohio Power Company for Approval of Certain Accounting Authority*, Case No. 14-1694-EL-AAM

Steven T. Nourse
Senior Counsel –
Regulatory Services
(614) 716-1608 (P)
(614) 716-2014 (F)
stnourse@aep.com

Dear Attorney Examiners:

On May 15, 2014, Ohio Power Company (AEP Ohio) filed its Amended Application in this proceeding. On December 14, 2015, AEP Ohio, the Staff and other intervenors filed a Joint Stipulation and Recommendation to resolve the issues presented in the Amended Application and other matters (Stipulation). Pursuant to the Commission's March 31, 2016 Opinion and Order in this proceeding (Opinion and Order), the Company's Amended Application was approved and modified, consistent with the terms of the Stipulation and the modifications made in the Opinion and Order. According to the Opinion and Order, the net effects will flow through the rider beginning on June 1, 2016.

In accordance with the directives in the Opinion and Order, AEP Ohio previously submitted its compliance tariff relating to the Power Purchase Agreement (PPA) Rider effective on April 5, 2016. On May 2, 2016, the Company filed an application for rehearing that, among other things, contemplated an OVEC-only PPA Rider based on certain conditions and discussed that the rider could potentially be converted to being bypassable. Accordingly, I am enclosing the first PPA Rider quarterly update to be effective June 1, 2016, which sets forth two alternatives. Attachment A is the update based on the OVEC-only nonbypassable option and Attachment B is the OVEC-only bypassable version. Both alternatives reflect forecasted data relating to June through September 2016, to transition from the zero rate effective April 5 to the full FAC-style approach to be in effect starting with the 4th Quarter of 2016; because April financial results have not been finalized, the current alternatives only reflect a forecast for the four months of June through September. From the 4th Quarter forward, the quarterly update filings would propose a rate reflecting both the prior quarter reconciliation to actual results and projections for the next/future quarter.

Consistent with the outcome of rehearing, the Company requests affirmative Commission approval to implement one of these non-zero alternatives starting June 1, 2016. Thank you for your attention to this matter.

Respectfully Submitted,

//s/ Steven T. Nourse

cc: Parties of Record

Attachment A

PPA Quarterly Filing

Schedule 1

	<u>Residential</u>	<u>GS Non-Demand</u>	<u>Secondary</u>	<u>Primary</u>	<u>Sub/Tran</u>	<u>Lighting</u>	<u>Total</u>
2015 5CP	3,221	118	2,030	889	1,249	-	7,507
Allocation	43%	2%	27%	12%	17%	0%	
Revenue Requirement	\$ 3,336,907	\$ 122,700	\$ 2,102,932	\$ 921,037	\$ 1,294,424	\$ -	\$ 7,778,000
Forecasted kWh	4,722,905,433	247,288,871	3,924,345,776	2,049,310,341	3,507,464,842	71,100,387	
Rate (\$/kWh)	0.0007065	0.0004962	0.0005359	0.0004494	0.0003690	0.0000000	
Gross Up Factor	1.00938	1.00938	1.00938	1.00938	1.00938	1.00938	
Final Rate (\$/kWh)	0.0007131	0.0005009	0.0005409	0.0004536	0.0003725	0	

OHIO POWER COMPANY
Calculation of Quarterly PPA For Billing During
June 2016 through September 2016
FC Component

Line	Description	Forecast Period - June - September 2016				Total
		June	July	August	September	
<u>TOTAL COMPANY</u>						
	PPA Charge/(Credit) Forecast	2,318,000	1,033,000	1,861,500	2,565,500	\$ 7,778,000

Forecasted Load

All kWh	kWh
Residential	14,168,716,300
GS Non-Demand	741,866,612
Secondary	11,773,037,329
Primary	6,147,931,023
Sub/Tran	10,522,394,525
Lighting	213,301,160
Total	43,567,246,949

OHIO POWER COMPANY
Calculation of Quarterly PPA For Billing During
January 2016 through March 2016
Reconciliation Component (Actuals)

Line	Month	PPA Revenue		PPA Cost		PPA (Over)/Under Recovery	
1	Beginning Balance					\$	-
2	Jan-16	\$	-	\$	-	\$	-
3	Feb-16	\$	-	\$	-	\$	-
4	Mar-16	\$	-	\$	-	\$	-
5	Ending Balance	\$	-	\$	-	\$	-

Attachment B

PPA Quarterly Filing

Schedule 1

	<u>Residential</u>	<u>GS Non-Demand</u>	<u>Secondary</u>	<u>Primary</u>	<u>Sub/Tran</u>	<u>Lighting</u>	<u>Total</u>
2015 5CP (Non-Shopping)	2,138	57	321	32	161	-	2,708
Allocation	79%	2%	12%	1%	6%	0%	
Revenue Requirement	\$ 6,139,947	\$ 163,435	\$ 920,606	\$ 92,862	\$ 461,150	\$ -	\$ 7,778,000
Forecasted kWh	3,185,058,667	114,109,000	598,248,333	74,524,333	555,201,667	37,499,333	
Rate (\$/kWh)	0.0019277	0.0014323	0.0015388	0.0012461	0.0008306	0.0000000	
Gross Up Factor	1.00938	1.00938	1.00938	1.00938	1.00938	1.00938	
Final Rate (\$/kWh)	0.0019458	0.0014457	0.0015532	0.0012578	0.0008384	0	

OHIO POWER COMPANY
Calculation of Quarterly PPA For Billing During
June 2016 through September 2016
FC Component

Line	Description	Forecast Period - 3rd Quarter 2016				
		June	July	August	September	Total
	<u>TOTAL COMPANY</u>					
1	PPA Charge/(Credit) Forecast	2,318,000	1,033,000	1,861,500	2,565,500	\$ 7,778,000

Forecasted Load

Shopping kWh	kWh
Residential	9,555,176,000
GS Non-Demand	342,327,000
Secondary	1,794,745,000
Primary	223,573,000
Sub/Tran	1,665,605,000
Lighting	112,498,000
Total	13,693,924,000

OHIO POWER COMPANY
Calculation of Quarterly PPA For Billing During
January 2016 through March 2016
Reconciliation Component (Actuals)

Line	Month	PPA Revenue		PPA Cost		PPA (Over)/Under Recovery	
1	Beginning Balance					\$	-
2	Jan-16	\$	-	\$	-	\$	-
3	Feb-16	\$	-	\$	-	\$	-
4	Mar-16	\$	-	\$	-	\$	-
5	Ending Balance	\$	-	\$	-	\$	-

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

5/3/2016 4:32:12 PM

in

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

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