



Legal Department

September 1, 2016

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 Alternative Energy Rider and
Auction Cost Recovery Rider for Ohio Power Company,
Case No. 15-1052-EL-RDR.*

Steven T. Nourse
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Dear Ms. McNeal:

On February 25, 2015, the Commission Issued an Opinion and Order adopting certain portions of AEP Ohio's Electric Security Plan in Case Nos. 13-2385-EL-SSO, et.al (Opinion and Order). The Opinion and Order provided for the implementation of an auction cost reconciliation rider (ACRR) and the elimination of the Company's current auction phase-in rider (APIR) and fixed cost rider (FCR) in addition to the FAC mechanism, following a final true-up of all costs incurred through May 2015. The Opinion and Order also provided for continuation of the Alternative Energy Rider (AER). On June 1, 2015, the Company filed its Application to initiate this proceeding for purposes of filing quarterly updates to the ACRR and AER.

Under the Opinion and Order, the adjusted AER and ACRR rates become effective unless the Staff raises issues prior to the billing cycle during which the quarterly adjustments are to become effective.

Accordingly, the Company submits its 4th Quarter ACRR and AER for October through December of 2016, to become effective with the first billing cycle of October, 2016 (September 28).

Schedule 1: Shows calculation of the ACRR. Additionally, this schedule includes the under-recovered balance from AEP Ohio's expired Transmission Cost Recovery Rider as of the April 2016 billing month as approved for recovery in this case by the Commission's April, 27, 2016 Finding and Order in Case No. 15-2051-EL-RDR.

Schedule 2: 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 4th quarter of 2016. 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 3: This schedule shows the Company's estimates of the REC cost by month it is expecting to incur in the 4th quarter of 2016. Schedule 3 calculates the rates by voltage that would be necessary to recover the forecast costs.

Schedule 4: This schedule shows the over/under-recovery of REC expense for the months of April, May and June of 2016. Schedule 4 calculates the adjustment to the AER rates that would be necessary to recover the over/under-recovery during the 4th quarter of 2016. Also, shown 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 5: This schedule shows the redline tariff for the ACRR.

Schedule 6: This schedule shows the redline tariff for the AER.

Respectfully Submitted,

/s/ Steven T. Nourse

AEP Ohio Proposed Auction Cost Recovery Rider
October - December 2016

<u>Line</u>	<u>Auction Costs</u>	<u>AEP Ohio</u>
1	Incremental Auction Costs	\$ 213,996
2	Paid to Auction Winners	\$ 159,724,445
3	Billed to SSO Customers	\$ (152,715,311)
4	Previous Quarter (Over)/Under	\$ (1,468,388)
5=1+2+3+4	(Over)/Under Collection	<u>\$ 5,754,742</u>
6		
7	Gross-Up Factor	100.435%
8		
9=5*7	Revenue Requirement	\$ 5,779,789
10		
11	Transmission Cost Recovery Rider Under Collection	<u>\$ 714,130</u>
12		
13=9+11	Total Revenue Requirement	\$ 6,493,919
14		
15	Forecast kWh (April - June 2016)	3,376,646,677
16		
17=13/15	Auction Cost Recovery Rider \$/kWh	<u><u>\$ 0.0019232</u></u>

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
October 2016 through December 2016
Summary - Proposed AER Rate

COLUMBUS SOUTHERN POWER RATE ZONE

Line	Delivery Voltage	A	B	C	D
		Schedule 3		Schedule 4	
		Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.11961	0.11031	-0.00559	0.10472
2	Primary	0.11545	0.10648	-0.00539	0.10109
3	Sub/Transmission	0.11314	0.10435	-0.00528	0.09907

OHIO POWER RATE ZONE

Line	Delivery Voltage	A	B	C	D
		Schedule 3		Schedule 4	
		Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
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OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
October 2016 through December 2016
FC Component

Line	Description	Forecast Period - 4th Quarter 2016			
		October	November	December	Total
	<u>TOTAL COMPANY</u>				
1	Renewable Energy Credits	\$ 1,221,000	\$ 1,231,000	\$ 1,240,000	\$ 3,692,000
2	Retail Non-Shopping Sales - Generation Level Kwh	1,088,467,871	1,094,220,030	1,366,167,756	3,548,855,658
3	FC Component of AER Rate At Generation Level - Cents/kWh				0.10403
		Secondary	Primary	Sub/Trans	
4	FC Component of AER Rate At Generation Level	0.10403	0.10403	0.10403	
5	Loss Factor	1.0604	1.0235	1.0031	
6	FC at the Meter Level - Cents/kWh	0.11031	0.10648	0.10435	

Line 4 x Line 5

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
October 2016 through December 2016
RA

Line	Month	Renewable Revenue	Renewable Cost	AER (Over)/Under Recovery	
1	Beginning Balance			\$ (242,798)	
2	Apr-16	\$ 974,689	\$ 437,537	(537,151.70)	
3	May-16	\$ 804,256	\$ 1,174,055	369,799.63	
4	Jun-16	\$ 925,945	\$ 1,149,175	223,229.92	
5	Ending Balance	\$ 2,704,890	\$ 2,760,767	\$ (186,920)	
6	Total (Over)/Under Recovery Balance			\$ (186,920)	
7	Loss Adjusted Retail Sales Billing Period - kWh			3,548,855,658	
8	RA Component at Generation - Cents/kWh			-0.00527	
9			Secondary	Primary	Sub/Trans
10	RA Component of FAC Rate At Generation Level		(0.00527)	(0.00527)	(0.00527)
11	Loss Factor		1.0604	1.0235	1.0031
12	RA at the Meter Level - Cents/kWh	Line 10 x Line 11	-0.00559	-0.00539	-0.00528

OHIO POWER COMPANY

Cancels ~~5th~~ ^{6th} ~~4th~~ ^{5th} Revised Sheet 469-1
Revised Sheet No. 469-1

P.U.C.O. NO. 20

AUCTION COST RECONCILIATION RIDER

Effective Cycle 1 ~~July-October~~ 2016, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Auction Cost Reconciliation Rider ~~credit~~ of ~~0.127160.19232~~¢/KWH. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Filed pursuant to Order dated February 25, 2015 in Case No. 13-2385-EL-SSO

Issued: ~~June-September~~ 1, 2016

Issued by
Julia Sloat, President
AEP Ohio

Effective: Cycle 1 ~~July-October~~ 2016

OHIO POWER COMPANY

~~17th~~ ^{18th} Revised Sheet No. 492-1
 Cancels ~~16th~~ ^{17th} Revised Sheet No. 492-1

P.U.C.O. NO. 20

ALTERNATIVE ENERGY RIDER

Ohio Power Rate Zone

Effective Cycle 1 ~~July-October~~ 2016, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Alternative Energy Rider charge per kWh as follows:

<u>Delivery Voltage</u>	<u>Charge (¢/kWh)</u>
Secondary	0.1196 ^{0.10472}
Primary	0.11545 ^{0.10109}
Subtransmission/Transmission	0.11314 ^{0.09907}

Columbus Southern Power Rate Zone

Effective Cycle 1 ~~July-October~~ 2016, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Alternative Energy Rider charge per kWh as follows:

<u>Delivery Voltage</u>	<u>Charge (¢/kWh)</u>
Secondary	0.1196 ^{0.10472}
Primary	0.11545 ^{0.10109}
Subtransmission/Transmission	0.11314 ^{0.09907}

This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Filed pursuant to Order dated February 25, 2015 in Case No. 13-2385-EL-SSO

Issued: ~~June-September~~ 1, 2016

Issued by
 Julia Sloat, President
 AEP Ohio

Effective: Cycle 1 ~~July-October~~ 2016

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Summary: Correspondence -4th Quarter 2016 ACRR and AER of Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company