

Legal Department

November 10, 2016

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

Steven T. Nourse

Senior Counsel – Regulatory Services (614) 716-1608 (P) (614) 716-2014 (F) stnourse@aep.com Re: In the Matter of the Application of Ohio Power Company for Authority to Establish a Standard Service Offer Pursuant to R.C. 4928.143, in the Form of an Electric Security Plan, Case No. 13-2385-EL-SSO; In the Matter of the Application of Ohio Power Company for Approval of Certain Accounting Authority, Case No. 13-2386-EL-AAM; Ohio Power Company, Case No. 89-6007-EL-TRF

Dear Attorney Examiners:

Enclosed is Ohio Power Company's IRP compliance tariff, which is being filed in accordance with the Commission's Fourth Entry on Rehearing dated November 3, 2016 in the above-captioned case. Upon approval of the proposed tariff, the Company will update its tariffs previously filed electronically with the Commission's Docketing Division.

Thank you for your attention to this matter.

Regards,

//s/ Steven T. Nourse

cc: Parties of Record

RIDER IRP-D (Interruptible Power - Discretionary)

Availability of Service

Service pursuant to this rider is available to customers that were receiving the interruptible credit as of May 31, 2015 and have provided reasonable evidence to the Company that their electric service can be interrupted within a 10-minute notice period. Customers shall contract for electrical capacity sufficient to meet normal maximum requirements but not less than 1,000 KW of interruptible capacity.

The total interruptible power contract capacity for all customers served under this rider, contracts and agreements offered by the Company will be limited to 75,000 KW in the Columbus Southern Power Rate Zone and 450,000 KW in the Ohio Power Rate Zone. Loads of new customers locating within the Company's service area or load expansions by existing customers may be offered interruptible service as part of an economic development or competitive response incentive. Such interruptible service shall not be counted toward the limitation on total interruptible power contract capacity, as specified above, and will not result in a change to the limitation on total interruptible power contract capacity.

The Company <u>will</u> communicates interruption information to the customer, <u>monitors customer load and receives customer replacement electricity decisions</u>_tthrough its Customer Communications System or a successor system. All costs associated with providing the initial, required Customer Communications System will be borne by the customer.

Enrollment, Registration and Participation in PJM Demand Response Programs

To participate in this rider, the customer must allow the Company to register the customer with PJM as a capacity only, annual emergency or pre-emergency demand response resource with a 30-minute notification time and offer such capability into the PJM reliability pricing model auctions for the PJM planning/delivery year (June 1 through May 31). To the extent that the customer's capability had already been offered prior to January 1, 2017 into a PJM reliability pricing model auction by any entity other than the Company, the customer must agree to remit to the Company any such related compensation from PJM for periods after May 31, 2015.

Under PJM's current rules, participation in this rider does not preclude the customer from also participating in other PJM demand response programs, such as the economic and ancillary service programs, through a third party CSP.

Interruption Conditions

The Company reserves the right to interrupt, in its sole discretion, service under this rider at any time to comply with PJM requirements for capacity only, annual emergency or pre-emergency demand response resources. Such interruptions shall be designated as Discretionary Interruptions and shall not exceed 200 hours of interruption during any year. For the purposes of this provision, a year shall be defined as a consecutive twelve (12) month period commencing on May 1 and ending on April 30. Discretionary Interruptions will be called simultaneously for all customers served under this rider.

In addition to the annual limitation as specified above, the hours of Discretionary Interruption shall be limited as follows:

Filed pursuant to Order dated August 8, 2012 in Case No. 11-346-EL-SSO

RIDER IRP-D (Interruptible Power - Discretionary)

- 1. A Discretionary Interruption, beginning and ending as specified in the Interruption Notice provision below, shall constitute one (1) event.
- 2. A Discretionary Interruption event shall not be less than three (3) consecutive hours, unless there are less than three (3) hours of Discretionary Interruption remaining for the year.
- 3. There shall not be more than 12 hours of Discretionary Interruption per day.
- 4. During the calendar months of March through November, there shall not be more than one (1) Discretionary Interruption event per day.

RIDER IRP-D (Interruptible Power - Discretionary)

Interruption Conditions (Cont'd)

5. During the calendar months of December, January and February, there shall not be more than two (2) Discretionary Interruption events per day. Any such Discretionary Interruption events shall be separated by not less than three (3) consecutive hours without Discretionary Interruption.

Emergency Interruptions pursuant to the AEP Emergency Operating Plan, for system integrity purposes or for emergency sales to other utilities, shall not count toward the total hours of interruption specified above or toward the five (5) limits specified above.

Interruption Notice

The Company will endeavor to provide the customer as much advance notice as possible of a Discretionary Interruption. Such notice shall specify the starting and ending hour of the Discretionary Interruption. Discretionary Interruptions shall begin and end on the clock hour. The Company shall provide notice to the customer a minimum of 100 minutes prior to the commencement of a Discretionary Interruption. After such notice, the customer will be required to interrupt service within 100 minutes if so requested by the Company. In emergency situations, the customer will be required to interrupt service immediately.

Failure to Comply With A Request For Interruption

- 1. If the customer fails to interrupt load as requested by the Company for a Discretionary Interruption, the customer will be required to pay for the entire uninterrupted energy for the duration of the Discretionary Interruption at two (2) times the Replacement Electricity price offered by the Company. The uninterrupted energy will be calculated for each 30-minute period during the Discretionary Interruption as one-half of the difference between the 30-minute integrated demand and the sum of the customer's contract capacities under any schedule where service is not interrupted.
- 1. If the customer fails to interrupt load in accordance with this rider, as requested by the Company for an Emergency Interruption, the customer will be required to refund all rate discounts received under this rider during the preceding 12 months for the uninterrupted demand. The uninterrupted demand will be calculated as the difference between the maximum 30-minute integrated demand during each Emergency Interruption and the sum of the customer's contract capacities under any schedule where service is not interrupted. The rate discount will be the demand credit as specified in this rider. In addition, the monthly Demand Credit—will be suspended until the customer's financial obligations to the Company are satisfied.
- 2. Any costs incurred by the Company due to customer non-performance or unavailability, including but not limited to charges from PJM or incremental costs of purchasing replacement capacity in an incremental auction will be the customer's responsibility.
- 3. If the customer fails to interrupt load as requested by the Company during an Emergency Interruption, the Company further reserves the right to:
 - a) Interrupt the customer's entire load.

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RIDER IRP-D (Interruptible Power - Discretionary)

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RIDER IRP-D (Interruptible Power-Discretionary)

Failure to Comply With A Request For Interruption (Cont'd)

b) Discontinue service to the customer under this rider if the customer fails to interrupt load twice during any 12-month period as requested by the Company. The Company may thereafter charge the customer, as specified in the Term of Contract provision of this rider, for any additional costs beyond the firm service rate incurred by the Company as a result of the customer transferring to firm service without providing proper notice.

Term of Contract

The customer shall contract for capacity sufficient to meet normal maximum power requirements under the applicable standard service rate schedule. In no event will the amount of interruptible capacity contracted for be less than 1,000 KW at any delivery point. The Company will not be required to supply capacity in excess of that contracted for except by mutual agreement. In the absence of such agreement, if the customer's demand exceeds the contract capacity, the Company may promptly notify the customer to reduce demand and may interrupt the service if such reduction is not accomplished.

Contracts under this rider shall be made for an initial period of not less than 2 years and shall remain in effect unless either party shall give at least 1-year's written notice to the other of the intention to discontinue service from the Companythrough any PJM delivery year (June 1 through May 31) in which the Company has bid the customer's interruptible resources.

A new initial contract period will not be required for existing customers who increase their contract capacity requirements after the original notice period unless new or additional facilities are required, in which case, the Company may, at its option, require a longer initial contract period.

While the customer will be required to provide at least 1-year's notice to discontinue service from the Company, the customer will be required to provide 5-year's notice prior to transferring to firm service. Concurrent with providing the Company with notice to transfer to firm service, the customer will also be required to enter into a firm service contract or agreement that will become effective at the end of the notice period.

The customer may transfer to firm service with less than 5-year's notice, upon mutual agreement between the customer and the Company, subject to the following conditions:

- 1. If the Company has sufficient capacity to provide the customer firm service and would incur no additional costs beyond the firm service rate until after the 5-year contract notice requirement is fulfilled, the customer will be billed under the applicable firm service schedule.
- 2. If the Company has insufficient capacity to provide the customer firm service prior to the expiration of the notice period, the customer will be billed under the applicable firm service schedule plus all additional costs incurred by the Company in obtaining power from alternative electricity suppliers in order to provide firm service to the customer.

Filed pursuant to Order dated August 8, 2012 in Case No. 11-346-EL-SSO

RIDER IRP-D (Interruptible Power - Discretionary)

Firm Service Designation

The customer must designate a firm service contract capacity for such service.

Replacement Electricity

When a Discretionary Interruption is called pursuant to the Interruption Conditions provision contained herein, and if requested by the customer, the Company will use its best efforts to supply replacement electricity in order for the customer to avoid an interruption. The customer will be required to specify an hourly KW capacity, in multiples of 1,000 KW, of such replacement electricity 65 minutes in advance of the commencement of each hour of the Discretionary Interruption.

The purchase and delivery of such replacement electricity will be subject to the following terms and conditions of service:

- 1. The customer agrees to pay the price offered by the Company. Such price shall be provided by the Company 100 minutes in advance of the commencement of each hour of the Discretionary Interruption.
- 2. Best efforts shall mean actions of the Company that are reasonable, prudent and consistent with good utility practice. Best efforts do not include fiduciary or extraordinary actions.
- 3. Once replacement electricity is being supplied to the customer, if the customer is notified that replacement electricity is no longer available, the terms of this provision will cease to apply and the customer must comply with all other provisions of this rider regarding interruption.
- 4. If any replacement electricity source fails to deliver scheduled replacement electricity, the Company reserves the right to interrupt service to the customer. Further, the customer will indemnify and hold the Company harmless for any damages to persons or property occurring at the customer's premises resulting from the interruption of the customer when the replacement electricity source fails to deliver replacement electricity as scheduled.
- 5. The Company reserves the right to interrupt the sale of replacement electricity to the customer if, in the sole judgement of the Company, such electricity is required to maintain service to the Company's customers with a higher priority of service according to the AEP Emergency Operating Plan, for system integrity purposes or for emergency sales to other utilities. Any such interruption shall be remedied as quickly as reasonably possible and must be preceded by the exhaustion of other reasonable alternatives consistent with good utility practice to avoid the interruption.
- 6. All costs of any metering, communications and other equipment necessary for providing replacement electricity will be borne by the customer. Such costs will include the costs of any equipment required to verify the scheduled delivery of replacement electricity from a replacement electricity source to the Company.

Filed pursuant to Order dated August 8, 2012 in Case No. 11-346-EL-SSO

RIDER IRP-D (Interruptible Power-Discretionary)

7. The customer will be responsible for all costs resulting when the demand exceeds the replacement electricity capacity specified by the customer. The Company will compensate the customer for replacement electricity available for, but not used by the customer at a rate of 2.5¢ per KWH, except when the unused replacement electricity causes additional costs to the Company by creating operating instability on the Company's system. If the unused replacement electricity causes additional costs due to system instability, the Company shall notify the customer as soon as possible so the customer can take appropriate action to prevent incurring further costs.

Monthly Rate

In addition to the monthly charges for service under the applicable standard service rate schedule under which the customer receives service, the customer shall receive a Demand Credit for monthly interruptible demand as follows:

Generation Demand Credit (\$ per KW)

Delivery Voltage	OPCO	CSP
	Rate Zone	Rate Zone
Secondary	(8.21)	(8.21)
Primary	(8.21)	(8.21)
Subtransmission	(8.21)	(8.21)
Transmission	(8.21)	(8.21)

The Demand Credit shall apply to the customer's monthly interruptible demand. Monthly interruptible demand shall be the difference between the monthly billing demand determined in accordance with the standard service rate schedule under which the customer receives service and the customer designated firm service contract capacity. In no event shall the customer's monthly interruptible demand be greater than the customer's interruptible service contract capacity.

Since the customer and not the Company will be compensated by PJM for emergency energy, the customer shall agree to turn over to the Company any emergency energy payments.

The Demand Credit as specified above shall be reduced to collect any substandard performance charges incurred by the Company that are not paid by the customer at fault for the substandard performance.

Special Terms and Conditions

By participating in this rider, the customer is agreeing to commit its demand response capabilities hereunder to the Company for integration in the Company's energy efficiency and peak demand reduction programs. In delivery years when there are no emergency or pre-emergency events, the customer shall be subject to interruption tests performed in accordance with the PJM tariff as evidence of the customer's ability to interrupt. Failure to adequately perform during such a test shall be considered a failure to interrupt under this rider.

Filed pursuant to Order dated August 8, 2012 in Case No. 11-346-EL-SSO

RIDER IRP-D (Interruptible Power - Discretionary)

This rider is subject to the Company's Terms and Conditions of Service and all provisions of the rate schedule under which the customer takes service.

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Issued: August 16, 2012

Effective: Cycle 1 September 2012

This foregoing document was electronically filed with the Public Utilities

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in

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