

**THE PUBLIC UTILITIES COMMISSION OF OHIO**

**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**

**ENTRY**

Entered in the Journal on November 21, 2016

{¶ 1} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 2} R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 3} In Case No. 13-2385-EL-SSO, et al., the Commission modified and approved AEP Ohio's application for an ESP for the period beginning June 1, 2015, through May 31, 2018, pursuant to R.C. 4928.143. *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al. (*ESP 3 Case*), Opinion and Order (Feb. 25, 2015), Second Entry on Rehearing (May 28, 2015), Fourth Entry on Rehearing (Nov. 3, 2016). Among other matters, the Commission concluded that AEP Ohio's proposed power purchase agreement (PPA) rider, which would flow through to customers the net impact of the Company's contractual entitlement associated with the Ohio Valley Electric

Corporation (OVEC), satisfies the requirements of R.C. 4928.143(B)(2)(d) and, therefore, is a permissible provision of an ESP. The Commission stated, however, that it was not persuaded, based on the evidence of record, that AEP Ohio's PPA rider proposal would provide customers with sufficient benefit from the rider's financial hedging mechanism or any other benefit that is commensurate with the rider's potential cost. Noting that a properly conceived PPA rider proposal may provide significant customer benefits, the Commission authorized AEP Ohio to establish a placeholder PPA rider, at an initial rate of zero, for the term of the ESP, with the Company being required to justify any future request for cost recovery. Finally, the Commission determined that all of the implementation details with respect to the placeholder PPA rider would be determined in a future proceeding, following the filing of a proposal by AEP Ohio that addresses a number of specific factors, which the Commission will consider, but not be bound by, in its evaluation of the Company's filing. In addition, the Commission indicated that AEP Ohio's PPA rider proposal must address several other issues specified by the Commission. *ESP 3 Case*, Opinion and Order (Feb. 25, 2015) at 20-22, 25-26.

{¶ 4} On October 3, 2014, in the above-captioned proceedings, AEP Ohio filed an application seeking approval of a proposal to enter into a new affiliate PPA with AEP Generation Resources, Inc. (AEPGR).

{¶ 5} Following the issuance of the Commission's Opinion and Order in the *ESP 3 Case*, AEP Ohio filed, on May 15, 2015, an amended application and supporting testimony, again seeking approval of a new affiliate PPA with AEPGR and also requesting authority to include the net impacts of both the affiliate PPA and the Company's OVEC contractual entitlement in the placeholder PPA rider approved in the *ESP 3 Case*.

{¶ 6} An evidentiary hearing in these proceedings commenced on September 28, 2015, and concluded on November 3, 2015.

{¶ 7} On December 14, 2015, AEP Ohio filed a joint stipulation and recommendation (stipulation) for the Commission's consideration.

{¶ 8} The evidentiary hearing on the stipulation commenced on January 4, 2016, and concluded on January 8, 2016.

{¶ 9} On March 31, 2016, the Commission issued an Opinion and Order (PPA Order) that approved the stipulation with modifications. Among other matters, the Commission determined that, as part of AEP Ohio's first quarterly adjustment filing that occurs on or before September 1, 2016, the Company should include a true-up to reflect actual values and an updated forecast of the PPA rider's projected impact, which should be based on the most recent data available to the Company. PPA Order at 90.

{¶ 10} On April 29, 2016, and May 2, 2016, several parties to these proceedings filed applications for rehearing of the PPA Order.

{¶ 11} By Entry on Rehearing dated May 25, 2016, the Commission granted rehearing for further consideration of the matters specified in the applications for rehearing.

{¶ 12} On August 24, 2016, AEP Ohio filed a motion to defer tariff filing and request for expedited ruling. In the motion, AEP Ohio requested that the September 1, 2016 deadline for the true-up tariff filing required by the PPA Order be extended until 20 days after the issuance of the Commission's rehearing decision. AEP Ohio's motion was granted by Entry dated August 26, 2016.

{¶ 13} On November 3, 2016, the Commission issued a Second Entry on Rehearing, which, among other issues, directed AEP Ohio to defer, without carrying charges, any OVEC costs incurred for the period of June 2016 through December 2016, with recovery of such costs to occur beginning with the first billing cycle of January 2017 and continuing over the 12 months of calendar year 2017. AEP Ohio was also directed to file proposed tariffs with supporting schedules, consistent with the Second Entry on Rehearing.

{¶ 14} On November 18, 2016, AEP Ohio filed a motion to defer tariff filing and request for expedited ruling. In the motion, AEP Ohio notes that its true-up tariff filing is currently due on November 23, 2016, pursuant to the August 26, 2016 Entry. AEP Ohio requests an extension of the tariff filing deadline until December 7, 2016. In support of its request, AEP Ohio explains that it is working diligently to prepare its ESP extension application in Case No. 16-1852-EL-SSO, et al., which is also currently due for filing on November 23, 2016. AEP Ohio adds that, because the Second Entry on Rehearing directs that the updated PPA rider tariff should take effect with the first billing cycle of January 2017, there will be sufficient time for Staff and intervenors to evaluate the Company's filing under the extended deadline.

{¶ 15} The attorney examiner finds that AEP Ohio's motion is reasonable and should be granted pursuant to Ohio Adm.Code 4901-1-12(F). Accordingly, AEP Ohio should file its PPA rider tariff filing no later than December 7, 2016.

{¶ 16} It is, therefore,

{¶ 17} ORDERED, That AEP Ohio's motion to defer tariff filing be granted. It is, further,

{¶ 18} ORDERED, That a copy of this Entry be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO

s/Sarah Parrot

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By: Sarah J. Parrot  
Attorney Examiner

JRJ/sc

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

Summary: Attorney Examiner Entry granting AEP Ohio's motion to defer tariff filing. -  
electronically filed by Sandra Coffey on behalf of Sarah Parrot, Attorney Examiner, Public  
Utilities Commission of Ohio