

December 22, 2014

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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

Dear Attorney Examiners:

On October 3, 2014, Ohio Power Company (AEP Ohio) filed its Application to initiate the above-captioned proceeding. On December 14, 2016, Signatory Parties filed a Joint Stipulation and Recommendation (Stipulation), which was subsequently modified and adopted in the Commission's March 31, 2016 Opinion and Order and November 3, 2016 Second Entry on Rehearing. Section III.A.5.d of the Stipulation requires AEP Ohio to file a status report regarding commitments under Section III by December 31, 2016. Enclosed is the Company's Commitment Status Report for 2016.

Thank you for your attention to this matter.

Respectfully Submitted,

cc: Parties of Record

AEP Ohio PPA Stipulation Commitment Status Report- 2016

Introduction

Pursuant to Section III.A.5.d of the Stipulation, as approved, modified and adopted by the Commission in Case No. 14-1693-EL-RDR and 14-1693-EL-AAM in its March 31, 2016 Opinion and Order, this report mainly focuses on matters relating to Commission filings made by the Company regarding the commitments in Section III of the Stipulation. All other commitments made by the Company are fulfilled or scheduled to be fulfilled in a timely manner.

Inclusion of OVEC Entitlement in the PPA Rider

The Company on December 7, 2016 filed its compliance tariff in accordance with the November 3, 2016 Entry on Rehearing, which reflects two components. The first being the actual OVEC costs from June 2016 through September 2016 and a forecast of October 2016 through December 2016. The second component is the quarterly PPA Rider rate which is the forecast of the first quarter PPA. The Commission approved these rates on December 21, 2016. Going forward the Company will be filing the quarterly updates only.

AEP Ohio's State of the Wholesale Electricity Market Report/Federal Advocacy

The Company filed the report on June 1, 2016.

Amended ESP III with a term extension through May 31, 2024

The Company filed the amended ESP III on November 23, 2016. The filing is consistent with section III.C of the Stipulation, as well as modifications made by the Commission in their Opinion and Order. Highlights of the filing as it relates to the PPA Stipulation include:

1. Extension of ESP term through May 31, 2024.

2. Automaker Credit provides a \$10/MWh credit for all KWh consumption above the customer's baseline consumption, Competition Incentive Rider and an SSO credit Rider.
3. Pilot mechanism for GS-3 and GS-4 customers with interval metering to opt-in under the new Basic Transmission Cost Rider.
4. 50 percent of the EE/PDR rider costs for transmission and sub-transmission will be transferred to the Economic Development Rider (EDR).
5. 50 percent of the IRP credits from the EE/PDR rider will be transferred to the EDR.
6. The use of battery technology.

Shareholder-funded donation of \$500,000

The Company is in progress of determining award recipient.

Ohio Hospital Association (OHA) annual energy efficiency program

The Company, working collaboratively with OHA, has partnered to increase OHA member participation in the Company's EE/PDR programs. OHA reports its performance to the Company and the AEP Ohio EE/PDR Collaborative from the funding provided for EE/PDR promotion and extra incentives on a quarterly basis. The Collaborative includes Commission Staff and many of the stakeholders regularly involved in matters before the Commission and the Company proposes that this forum continue to be the reporting venue for these matters. The Company will additionally report annual OHA performance along with its annual EE/PDR Plan status report filed May 1st of each year during the term of the PPA.”).

The Alternative Feed Service rates for OHA members were updated in April of 2016, consistent with the Stipulation and the Company developed a hospital based Continuous Energy Improvement program in 2016 with 9 participating hospitals achieving an average of approximately 2% in annual energy savings. In addition, the Company has proposed to work with OHA on Volt-Var Optimization priority for OHA members in the gridSMART filing.

Ohio Partners for Affordable Energy (OPAE) to provide direct assistance with the Community Assistance Program

The Company, working collaboratively with OPAE, is continuing to investigate the opportunity for bulk purchasing of refrigerators and other measures. OPAE continues to provide software and manage data reporting for the Community Assistance program and has hired a monitor to administer quality assurance/quality control. In addition, OPAE has conducted initial training on data reporting and held the annual Weatherize Ohio conference. OPAE will report its performance on the Community Assistance program in 2017 and future years to the Company and the AEP Ohio EE/PDR Collaborative from the funding provided in the 2017-2020 EE/PDR Plan (subject to Commission approval) on a quarterly basis. The Collaborative includes Commission Staff and many of the stakeholders regularly involved in matters before the Commission and the Company proposes that this forum continue to be the reporting venue for these matters. The Company will additionally report annual OPAE performance along with its annual EE/PDR Plan status report filed May 1st of each year during the term of the PPA.”).

Proposal for a pilot program EDU third-party agent call transfer process

The Company filed comments, including a proposed process, on January 6, 2016 in Case No. 12-3151-EL- COI.

gridSMART® settlement

The Company filed a Stipulation in Case No. 13-1939-EL-RDR on April 7 2016. The settlement included the items as outlined section III, item 13 of the Stipulation. A hearing was held the first week of August, 2016; an order is pending.

Form a working group to discuss a pilot program for future descending clock default supply auctions where EE providers would be able to competitively bid to supply EE project

The Company fulfilled this commitment by meeting with parties in June 2016.

Develop and submit for Commission approval a 2017-2019 EE/PDR Plan

The Company filed its 2017-2019 EE/PDR plan on June 15, 2016 as Case No. 16-0574-EL-POR. The submitted plan includes the terms as specified in Section III.D.15 of the Stipulation. A stipulation in the case was filed on December 9, 2016.

Carbon Emission Reduction Plan

The Company filed its Carbon Emission Reduction Plan on December 22, 2016.

Grid Modernization Plan

The Company filed its initial Grid Modernization Plan on June 1, 2016. However, in its November 3, 2016 Second Entry on Rehearing, the Commission at ¶ 146 ordered “We direct AEP Ohio to refile its grid modernization plan in a new docket to facilitate our review of the plan.” The Company will refile its Grid Modernization Plan once the new docket is opened by the Commission.

Renewable Projects

The Company issued both a solar and a wind formal Request for Proposal (RFP) on December, 16 2016. The solar RFP seeks proposal totaling up to 100 MW of nameplate rated solar energy resources while the wind RFP seeks up to 250 MW nameplate rated wind energy resources. Bids are due to the Company February 16, 2017.

This foregoing document was electronically filed with the Public Utilities

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

Summary: Report - AEP Ohio PPA Stipulation Commitment Status Report -2016 electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company