



Legal Department

American Electric Power
1 Riverside Plaza
Columbus, OH 43215-2373
AEP.com

March 1, 2017

Attorney Examiner Greta See
Attorney Examiner Sarah Parrot
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 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 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.

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 a modified PPA Rider based on certain conditions and discussed that the rider could potentially be converted to being bypassable.

On November 3, 2016 the Commission issued its Second Entry on Rehearing granting the Company's rehearing request to further modify the PPA Rider and Stipulation to exclude the Affiliate PPA and confirming the ongoing inclusion of net costs in the PPA Rider. In the Second Entry on Rehearing, the Commission 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 continue over the 12 months of calendar years 2017. The Commission also directed that the rider remain nonbypassable.

Accordingly, the Company submits its updated PPA Rider to be effective with the first Billing Cycle 1 of April 2017. The updated PPA reflects the actual OVEC-only nonbypassable charges for the period of June through December 2016 and forecast costs for April through June 2017. In accordance with the Second Entry on Rehearing the Company submits the revised 2016 costs that the company began to collect commencing with the first billing cycle of January 2017 and for the 12 months of calendar year 2017. The Company requests that the April through June 2017 forecast costs be collected over this same period. Going forward, the quarterly update filings would propose to continue a FAC-style rate reflecting both the prior quarter reconciliation to actual results and projections for the next/future quarter.

Pursuant to the process established in the Opinion and Order (at pages 89-90), the updated PPA Rider rates will become effective unless the Staff raises issue prior to the billing cycle during which the quarterly adjustments are to become effective.

Thank you for your attention to this matter.

Respectfully Submitted,

//s/ Steven T. Nourse

cc: Parties of Record

OHIO POWER COMPANY
Calculation of Quarterly PPA For Billing During
April through June 2017

Schedule 1

PPA June - December 2016							
	<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	\$ 9,336,758	\$ 343,317	\$ 5,884,061	\$ 2,577,088	\$ 3,621,835	\$ -	\$ 21,763,059
Forecasted kWh	14,083,305,867	798,472,714	12,018,699,214	6,232,982,428	10,634,946,118	216,387,945	
Rate (\$/kWh)	0.0006630	0.0004300	0.0004896	0.0004135	0.0003406	0.0000000	
Gross Up Factor	1.00938	1.00938	1.00938	1.00938	1.00938	1.00938	
Final Rate (\$/kWh)	0.0006692	0.000434	0.0004942	0.0004174	0.0003438	0	

PPA April - June 2017							
	<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	\$ 5,322,518.59	\$ 195,711	\$ 3,354,272	\$ 1,469,097	\$ 2,064,666	\$ -	\$ 12,406,264
Forecasted kWh	2,937,774,056	192,678,004	2,915,070,439	1,533,380,132	2,644,988,986	50,427,279	
Rate (\$/kWh)	0.0018118	0.0010157	0.0011507	0.0009581	0.0007806	0.0000000	
Gross Up Factor	1.00938	1.00938	1.00938	1.00938	1.00938	1.00938	
Final Rate (\$/kWh)	0.0018288	0.0010252	0.0011615	0.0009671	0.0007879	0	

Total PPA April - June 2017							
	<u>Residential</u>	<u>GS Non-Demand</u>	<u>Secondary</u>	<u>Primary</u>	<u>Sub/Tran</u>	<u>Lighting</u>	
Final Rate (\$/kWh)	0.0024980	0.0014592	0.0016557	0.0013845	0.0011317	0.0000000	

OHIO POWER COMPANY
Calculation of Quarterly PPA For Billing During
April through June 2017
FC Component

Line	Description	April	May	June	Total
<u>TOTAL COMPANY</u>					
1	PPA Charge/(Credit) Forecast	\$ 4,219,545	\$ 4,383,223	\$ 3,803,496	\$ 12,406,264

Forecast Load		2017	2017
All kWh (non-bypassable)		April-June	Annual Total
2	Residential	2,937,774,056	14,083,305,867
3	GS Non-Demand	192,678,004	798,472,714
4	Secondary	2,915,070,439	12,018,699,214
5	Primary	1,535,112,939	6,232,982,428
6	Sub/Tran	2,635,652,469	10,634,946,118
7	Lighting	56,789,170	216,387,945
8	Total	10,273,077,077	43,984,794,286

OHIO POWER COMPANY
Calculation of Quarterly PPA For Billing During
April through June 2017
Reconciliation Component (Actuals)

Line	Month	PPA Revenue		PPA Cost	PPA (Over)/Under Recovery	
1	Beginning Balance				\$	-
2	Jun-16	\$	-	\$	2,700,465	\$ 2,700,465
3	Jul-16	\$	-	\$	1,893,857	\$ 1,893,857
4	Aug-16	\$	-	\$	2,294,807	\$ 2,294,807
5	Sep-16	\$	-	\$	2,403,712	\$ 2,403,712
6	Oct-16	\$	-	\$	4,120,794	\$ 4,120,794
7	Nov-16			\$	4,524,796	\$ 4,524,796
8	Dec-16			\$	3,824,626	\$ 3,824,626
7	Ending Balance	\$	-	\$	21,763,059	\$ 21,763,059

P.U.C.O. NO. 20

POWER PURCHASE AGREEMENT RIDER

Effective Cycle 1 ~~January~~^{April} 2017 all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the monthly Power Purchase Agreement charge as follows:

Schedule	¢/kWh
Residential RS, RR, RR-1, RS-ES, RS-TOD, RLM, RS-TOD2, CPP, RTP, and RDMS	0. 16624 ²⁴⁹⁸⁰
Non Demand Metered GS-1, GS-1 TOD GS-2 Recreational Lighting, GS-TOD, GS-2-TOD, and GS-2-ES GS-3-ES EHS SS	0. 11182 ¹⁴⁵⁹²
Demand Metered Secondary GS-2 GS-3 EHG	0. 13858 ¹⁶⁵⁵⁷
Demand Metered Primary GS-2 GS-3 GS-4	0. 11781 ¹³⁸⁴⁵
Demand Metered Subtransmission/Transmission GS-2 GS-3 GS-4	0. 09318 ¹¹³¹⁷
Lighting AL SL	0.00000

Filed pursuant to Orders dated March 31, 2016 and November 3, 2016 in Case No. 14-1693-EL-RDR

Issued: ~~December 22, 2016~~^{March 1, 2017}

Effective: Cycle 1 ~~January~~^{April} 2017

Issued by
 Julia Sloat, President
 AEP Ohio

P.U.C.O. NO. 20

OAD - POWER PURCHASE AGREEMENT RIDER
(Open Access Distribution – Power Purchase Agreement Rider)

Effective Cycle 1 ~~January~~ April 2017 all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the monthly Power Purchase Agreement charge as follows:

Schedule	¢/kWh
Residential RS, RR, RR-1, RS-ES, RS-TOD, RLM, RS-TOD2, CPP, RTP, and RDMS	0. 16624 <u>24980</u>
Non Demand Metered GS-1, GS-1 TOD GS-2 Recreational Lighting, GS-TOD, GS-2-TOD, and GS-2-ES GS-3-ES EHS SS	0. 11182 <u>14592</u>
Demand Metered Secondary GS-2 GS-3 EHG	0. 13858 <u>16557</u>
Demand Metered Primary GS-2 GS-3 GS-4	0. 11781 <u>13845</u>
Demand Metered Subtransmission/Transmission GS-2 GS-3 GS-4	0. 09318 <u>11317</u>
Lighting AL SL	0.00000

Filed pursuant to Orders dated March 31, 2016 and November 3, 2016 in Case No. 14-1693-EL-RDR

Issued: ~~December 22, 2016~~ March 1, 2017

Effective: Cycle 1 ~~January~~ April 2017

Issued by
Julia Sloat, President
AEP Ohio

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

3/1/2017 11:56:49 AM

in

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

Summary: Correspondence - 2nd Quarter updated tariff (PPA) electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company