



An AEP Company

BOUNDLESS ENERGY™

Legal Department

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April 24, 2017

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

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

Dear Attorney Examiners:

Ohio Power Company (AEP Ohio) filed its IRP compliance tariff in November of 2016 after the Fourth Entry on Rehearing dated November 3, 2016 in the above-captioned case. Staff filed an analysis of the Company's proposed IRP Tariff in these cases on January 4, 2017. Staff's main recommendation was to eliminate language the Company had proposed to establish a bright line cutover of January 1, 2017 for those PJM auctions when AEP Ohio must be the Curtailment Service Provider (CSP) and those PJM auctions when the customer can use its own CSP. In the Second and Fourth Entries on Rehearing, the Commission held that current IRP-D customers should be required to agree, as a condition of service under the IRP-D tariff, to allow AEP Ohio to bid their interruptible resources in "future" PJM auctions. Fourth Entry on Rehearing at Par. 103. The language in the Company's proposed tariff was intended to define "future" in tangible and specific terms. Staff's proposed replacement language in its January 4 filing sidestepped that issue and proposed language that did not address future auctions and only addressed revenue streams related to previous auctions.

Due to the significant potential impact on the customer's IRP rate credit and the Company's interest in recovery of the underlying revenues, clarity on that issue is vital. Indeed, while the Company has been trying to get this issue resolved for months, the Spring Base Residual Auction is literally happening within the week and yet this issue remains unresolved.

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Accordingly, the Company does not concur with Staff's proposal and continues to believe that its November compliance tariff remains reasonable and appropriate method for implementing the Commission's decision in this case. If the Commission would prefer an alternative approach to the January 1, 2017 cutover date since that date has passed, the Company offers the following alternative language for the Section on Sheet 427-1 entitled "Enrollment, Registration and Participation in PJM Demand Response Programs":

"For PJM reliability pricing model auctions that are conducted prior to May 31, 2018, an eligible customer may bid its interruptible capability into such auctions or use a third-party curtailment service provider to do so. For PJM reliability pricing model auctions that are conducted after May 31, 2018, an eligible 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).

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."

This alternative language would make it clear that the participating customer could retain its own CSP for auctions conducted prior to the end of the current ESP III term – thus defining "future" auctions as referenced in the Fourth Entry on Rehearing.

Thank you for your attention to this matter.

Regards,

//s/ Steven T. Nourse

cc: Parties of Record

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in

Case No(s). 13-2385-EL-SSO, 13-2386-EL-AAM

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