



**Public Utilities  
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March 12, 2018

Docketing Division  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus OH 43215

RE: *In the Matter of the Application of Ohio Power Company that Modifies the Tariff  
Language of its Purchase Power Agreement Rider, Auction Cost Reconciliation Rider  
and Alternative Energy Rider, Case Nos. 14-1693-EL-RDR and 15-1052-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's review and recommendations in regard to the application of Ohio Power Company that modifies its tariff language of its Purchase Power Agreement Rider, Auction Cost Recovery Rider and Alternative Energy Rider, Case Nos. 14-1693-EL-RDR and 15-1052-EL-RDR.

Tamara S. Turkenton  
Director, Rates and Analysis Dept.  
Public Utilities Commission of Ohio

David Liphtratt  
Chief, Research and Policy Division  
Public Utilities Commission of Ohio

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Enclosure

Cc: Parties of Record

Technician mm Date Processed 03/12/18

## **Ohio Power Company**

**Case No. 14-1693-EL-RDR**

**Case No. 15-1052-EL-RDR**

### **SUMMARY**

On February 28, 2018, Ohio Power Company (AEP Ohio) filed the quarterly update for the Purchase Power Agreement Rider (PPA) in Case No. 14-1693-EL-RDR, and the quarterly updates for the Auction Cost Reconciliation Rider (ACRR), and the Alternative Energy Rider (AER) in Case No. 15-1052-EL-RDR. These riders are updated on a quarterly basis and become effective unless suspended by the Commission prior to the effective date. The Riders are subject to annual audit.

AEP Ohio has proposed tariff language for the Riders clarifying that the Riders are subject to reconciliation, including, but not limited to, refunds to customers, based upon the results of audits ordered by the Commission. In addition, the AER tariff includes language to address the potential refunds related to the Tax Cuts and Jobs Act of 2017.

### **STAFF REVIEW AND RECOMMENDATIONS**

The Staff has reviewed the proposed tariff language as filed on February 28, 2018, and believes that the language appropriately clarifies the Commission's authority with respect to reconciliations and adjustments to the Riders, including, but not limited to, refunds to customers based upon the impacts to the carrying charges rate recovered through the AER of changes in the federal corporate income taxes due to the Tax Cuts and Jobs Act of 2017. In addition, the Rider will be subject to the outcome of Case No. 18-47-AU-COI.

### **CONCLUSION**

The Staff recommends approval of the proposed language to be included in the PPA, ACRR and AER tariffs and recommends that it become effective on the first billing cycle for April, 2018.