

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of Ohio Power Company's)	
Implementation of the Tax Cuts and Jobs)	Case No. 18-1007-EL-UNC
Act of 2017)	

In the Matter of the Application of Ohio)	
Power Company to Establish the)	Case No. 18-1451-EL-ATA
Tax Savings Credit Rider)	

JOINT STIPULATION AND RECOMMENDATION

I. Introduction

Rule 4901-1-30, Ohio Administrative Code (OAC), provides that any two or more parties to a proceeding may enter into a written stipulation covering the issues presented in such a proceeding. This document sets forth the understanding and agreement of the parties who have signed below ("Signatory Parties") and jointly present to the Public Utilities Commission of Ohio ("Commission") this Joint Stipulation and Recommendation ("Settlement") as a settlement resolving all of the issues in all of the above-captioned proceedings involving Ohio Power Company ("AEP Ohio" or the "Company").

This Settlement is a product of lengthy, serious, arm's-length bargaining among the Signatory Parties (all of whom are capable, knowledgeable parties), which negotiations were undertaken by the Signatory Parties to settle this proceeding. All intervenors were invited to discuss and negotiate this Settlement and it was openly negotiated among those stakeholders who responded and chose to participate. This Settlement is supported by adequate data and information; as a package, the Settlement benefits customers and the public interest; provides direct benefits to residential and low-income customers; and represents a just and reasonable resolution of all issues in this proceeding; violates no regulatory principle or practice; and

complies with and promotes the policies and requirements of Title 49 of the Ohio Revised Code. This Settlement represents an accommodation of the diverse interests represented by the Signatory Parties and, though not binding, is entitled to careful consideration by the Commission. For purposes of resolving the issues raised by these proceedings, the Signatory Parties agree to fully support adoption of the Settlement without modification in this proceeding.

II. Recitals

WHEREAS, the Tax Cuts and Jobs Act of 2017 (TCJA) was enacted in December 2017;

WHEREAS, the Commission opened Case No. 18-47-AU-COI to address the impacts of federal tax reductions on Ohio public utilities and to pass benefits of the tax reductions on to customers;

WHEREAS, AEP Ohio initiated Case Nos. 18-1007-EL-UNC to implement a response to TCJA issues and the Commission adopted a procedural schedule in this case to facilitate that effort;

WHEREAS, AEP Ohio filed Case No. 18-1451-EL-ATA, as an application not for an increase in rates under R.C. 4909.18, to establish the Tax Savings Credit Rider (TSCR) for purposes of implementing this Settlement;

WHEREAS, AEP Ohio agreed, where applicable, to reflect current tax reductions in riders that customers pay effective with January 2018 costs and going forward. The Company estimates that these rider updates (including the DIR, BTCR, gridSMART Phase 2 rider, ESRR and impact on EE shared savings mechanism) will result in approximately \$65.7 million of tax savings and benefits for consumers annually; and

WHEREAS, the Signatory Parties agree on the approach for AEP Ohio to convey the remaining TCJA savings back to customers.

NOW, THEREFORE, the Signatory Parties stipulate, agree, and recommend as follows.

III. Signatory Parties

The Staff of the Public Utilities Commission of Ohio (Staff), the Ohio Energy Group (OEG), the Office of the Ohio Consumers' Counsel (OCC), Industrial Energy Users-Ohio, the Ohio Manufacturers' Association Energy Group (OMAEG), The Kroger Co. (Kroger), the Ohio Cable Telecommunications Association (OCTA), Ohio Partners for Affordable Energy (OPAE) and AEP Ohio are entering into the Settlement as Signatory Parties.

IV. Joint Recommendations of Signatory Parties

The Signatory Parties agree that, for purposes of settlement, the Commission should approve this Settlement without modification as set forth herein:

- A.** The Application filed in Case No. 18-1451-EL-ATA should be approved to provide the benefits of the federal tax cuts to consumers.
- B.** For the normalized accumulated deferred income tax (ADIT) balance, the Company will begin flowing the amortization of Excess ADIT (EDIT) (effective January 1, 2018) back to customers upon approval of this Settlement by the Commission. The normalized EDIT balance as of June 30, 2018 is \$278 million. Mechanically, the DIR will be the rider mechanism used to incorporate (1) a credit for the amount of amortization for normalized ADIT recorded by AEP Ohio each month, and (2) a corresponding decrease from the January 1, 2018 level of the ADIT component of the DIR rate base calculation. As reflected in Attachment A to the Settlement, the annual DIR revenue caps adopted in the *ESP IV* case will not be impacted through the effect of the amortization of the EDIT¹. Upon Commission approval of the Settlement, the calculation reflected in Attachment A to exclude the TCJA impacts from the DIR annual revenue caps will be used for future

¹ The incremental revenue requirement associated with the amortization of the EDIT will be recovered through the DIR but excluded for purposes of calculating the annual revenue cap.

DIR filings. The amount of the amortization credit is limited to the amount needed to ensure compliance with tax normalization requirements and avoid a tax normalization violation. The actual amount of normalized ADIT flowing back to customers through the DIR will reflect the final, audited balance, including a federal and state tax gross up, which may be different from the amount listed above. If the normalized EDIT balance is not yet fully credited to customers and the DIR is terminated under Paragraph III.C.2 of the adopted Stipulation in Case Nos. 16-1852-EL-SSO et al. (for failure to file the EL-AIR case by June 2020), the Company will flow the remaining uncredited amount through the Tax Savings Credit Rider (TSCR) but with the same allocation as the DIR.

- C. The Company will return to customers amounts identified as non-normalized EDIT over a period beginning with the first billing cycle after the approval of the Settlement. The credit shall continue until the amount identified by this paragraph has been returned to customers or December 31, 2024, whichever occurs first. Any unreturned credit or excess credit shall be treated as a liability or asset and addressed in the next succeeding rate case of the Company. The actual amount of non-normalized EDIT flowing back to customers under this provision will reflect the final, audited balance, including a federal and state tax gross up, which may be different from the amount identified by the Company on December 31, 2017, i.e., \$177.6 million. The amount will be credited to customers in the following manner: One half of the amount to be credited to customers under this paragraph shall be allocated to residential and non-residential customers on the basis of a 5CP methodology. The 5CP methodology shall be established based on the 5CP of the Company for the 2017 calendar year. One half of the amount to be credited to customers under this paragraph shall be allocated to residential and non-residential

customers based on 2017 KWH sales. Those allocations shall remain fixed for the term of the TSCR. To provide an illustration as to the allocation of the total non-normalized EDIT to be returned to customers if the amount to be credited to customers under this provision is \$177.6 million, the amount to be credited using the procedures described above shall be allocated in an amount of \$69 million for residential customers and \$108.6 million for nonresidential customers. The resulting amounts shall be returned to customers as a credit that shall be calculated on the basis of dollars/KWH.

Notwithstanding the prior sentence, \$48.2 million of the amount allocated to residential customers will be used as a one-time offset to the amount currently deferred as the residential PTBAR under-recovery. The remaining \$20.8 million residential allocation and the total \$108.6 million nonresidential allocation will be credited through the TSCR. See Attachment B for a demonstration of the method that will be applied to the final balances of non-normalized EDIT in establishing the final allocations to residential and nonresidential customers.

- D.** In addition, the Company agrees to include a credit of \$20.4 million to customers annually through the TSCR, to reflect reduced FIT expense associated with the TCJA. This credit will be allocated to customer classes based on a percentage of base distribution revenues. The Company will include a one-time carrying charge in the initial TSCR rate based on the long-term debt rate to reflect the time lag in implementing this FIT savings in rates (applied from January 1, 2018 through the initial effective date of the TSCR). Presuming the TSCR is approved effective November 2018, the initial level will be in effect for fourteen months (through the end of 2019), reflecting both: (1) fourteen months of the annualized \$20.4 million credit (\$23.8 million), and (2) \$17.4 million (the

prorated portion of the 2018 credit through October 2018 including carrying charges). Beginning January 2020, the TSCR will reflect \$20.4 million annually. The basis for the values listed in the preceding sentence are set forth in Attachment C, which also contains values for an example that presumes the TSCR is approved effective December 2018. If the Commission approves the TSCR effective after December 2018, the Signatory Parties request that the Commission specify how the initial level of the TSCR will be established in a manner consistent with the terms of this Settlement. The component of the TSCR reflecting the Company's obligation to convey the FIT expense credit of \$20.4 million will expire on the same date new base distribution rates become effective as a result of the EL-AIR case to be filed in June of 2020 under R.C. 4909.18. In addition, the Company agrees to contribute \$1 million annually to the Neighbor-to-Neighbor Fund for bill assistance to its low-income residential customers (starting in 2018 and through 2021); in 2022, the Company will provide a final report to Staff and the OCC accounting for the \$4 million for low-income billing assistance. For purposes of implementing the PTBAR starting in 2018, neither the test year revenue nor the actual energy revenue collected from customers shall be adjusted to reflect the TSCR credit; this will help ensure that the PTBAR continues to function as originally approved by the Commission.

E. Regarding pole attachment rates, the Signatory Parties agree as follows:

1. Regarding the accounting for EDIT as it relates to the FCC's pole attachment formula: a) the normalized EDIT will be amortized each year using ARAM. The entry includes debits to accounts 2821001 and 2544001 and credits to accounts 4111001, 2824001, and 1904001 and (b) the non-normalized EDIT will be amortized each year for the number of years as determined by the Commission.

The entry includes debits to accounts 2821001, 2831001, and 2544001 and credits to accounts 4111001, 2824001, 2834001, and 1904001. The amortization of normalized and non-normalized EDIT, which is recorded in account 4111001, is included on line 18, page 114 of the FERC Form 1. This results in the entire unamortized balances of the normalized and non-normalized EDIT being reflected in the pole attachment calculation, along with the FIT savings (reflected in the FERC Form 1 being used to perform the pole attachment calculation).

2. The Company agrees to promptly provide to the OCTA, upon its request, the following data: (a) amortization schedules as of May 1, 2019 (or the date of the OCTA request, whichever is later) for the refund of the normalized and non-normalized EDIT resulting from the TCJA (b) the filed FERC Form 1 for 2018; and (c) a copy of the 2018 year-end continuing property records for utility account 364, inclusive of all pole and appurtenance investment costs booked to account 364 and associated units of investment. The Company will work with the OCTA in good faith to timely provide access to any additional information reasonably needed to evaluate the OCTA election.
3. Upon request by OCTA on or after May 1, 2019, the Company agrees to prospectively adjust its pole attachment rate upon Commission approval based on 2018 cost data and this Settlement. Within 60 days after OCTA's request to adjust the rate, the Company will file an application with the Commission requesting approval to adjust the pole attachment rate.
4. Unless requested by the OCTA in Paragraph E.3 above, the Company agrees not to seek an adjustment to its pole attachment rate (currently at \$9.59 per pole per

year) before its new base distribution rates are established as a result of the EL-AIR case to be filed by June 2020.

V. The Three-Part Test for Commission Approval

The Signatory Parties agree that the Settlement satisfies the three-part test traditionally used by the Commission to consider stipulations. Specifically, the Signatory Parties agree that:

1. the Settlement is a product of serious bargaining among capable, knowledgeable parties;
2. the Settlement, as a whole, benefits customers and the public interest; and
3. the Settlement does not violate any important regulatory principle or practice.

VI. Procedural Matters

A. The Signatory Parties urge the Commission to render a decision adopting the Settlement as soon as possible, in order to expedite the financial benefits to customers and the Company relating to the Settlement.

B. The Company will, and other Signatory Parties may, file testimony in support of the Settlement. Upon issuance of a final, non-appealable order approving this Settlement, the issues raised by AEP Ohio in Case No. 18-47-AU-COI will be considered fully resolved and the Company waives the right to pursue the claims raised in its February 9, 2018 Application for Rehearing.

C. Except for enforcement purposes or to establish that the terms of the Settlement are lawful, neither this Settlement nor the information and data contained herein or attached hereto shall be cited as a precedent in any future proceeding or before the General Assembly for or against any Signatory Party, if the Commission approves the Settlement. Nor shall the

acceptance of any provision within this Settlement be cited by any party in any forum, including the General Assembly, so as to imply or state that any Signatory Party agrees with any specific provision of the Settlement. The Signatory Parties request that the Commission not cite this Settlement as precedent in any future case. More specifically, no specific element or item contained in or supporting this Settlement shall be construed or applied to attribute the results set forth in this Settlement as the results that any Signatory Party might support or seek, but for this Settlement in these proceedings or in any other proceeding. This Settlement contains a combination of outcomes that reflects an overall compromise involving a balance of competing positions, and it does not necessarily reflect the position that one or more of the Signatory Parties would have taken on any individual issue. Rather the Settlement represents a package that, taken as a whole, is acceptable for the purposes of resolving all contested issues without resorting to litigation. The Signatory Parties believe that this Settlement, taken as a whole, represents a reasonable compromise of varying interests.

D. The Signatory Parties will support the Settlement if the Settlement is contested, and no Signatory Party will oppose an application for rehearing designed to defend the terms of this Settlement. If the Settlement is adopted by the Commission, the Signatory Parties will support the Settlement in any appeal of the decision.

E. This Settlement is conditioned upon adoption of the Settlement by the Commission in its entirety and without material modification. Each Signatory Party has the right, in its sole discretion, to determine whether the Commission's approval of this Settlement constitutes a "material modification" thereof. If the Commission rejects or materially modifies all or any part of this Settlement, any Signatory Party shall have the right to apply for rehearing. If the Commission does not adopt the Settlement without material modification upon rehearing,

or if the Commission makes a material modification to any Order adopting the Settlement pursuant to any reversal, vacation and/or remand by the Supreme Court of Ohio, then within thirty (30) days of the Commission's Entry on Rehearing or Order on Remand any Signatory Party may withdraw from the Settlement by filing a notice with the Commission ("Notice of Withdrawal"). No Signatory Party shall file a Notice of Withdrawal without first negotiating in good faith with the other Signatory Parties to achieve an outcome that substantially satisfies the intent of the Settlement. If a new agreement achieves such an outcome, the Signatory Parties will file the new agreement for Commission review and approval. If the discussions to achieve an outcome that substantially satisfies the intent of the Settlement are unsuccessful, and a Signatory Party files a Notice of Withdrawal, then the Commission will convene an evidentiary hearing to afford that Signatory Party the opportunity to contest the Settlement by presenting evidence through witnesses, to cross examine witnesses, to present rebuttal testimony, and to brief all issues that the Commission shall decide based upon the record and briefs. If the discussions to achieve an outcome that substantially satisfies the intent of the Settlement are successful, then some or all of the Signatory Parties shall submit the amended Settlement to the Commission for approval after a hearing if necessary.

F. Unless the Signatory Party exercises its right to terminate its Signatory Party status or withdraw as described above, each Signatory Party agrees to and will support the reasonableness of this Settlement before the Commission, and to cause its counsel to do the same, and in any appeal it participates in from the Commission's adoption and/or enforcement of this Settlement. The Signatory Parties also agree to urge the Commission to accept and approve the terms hereof as promptly as possible.

IN WITNESS WHEREOF, this Stipulation and Recommendation has been signed by the authorized agents of the undersigned Signatory Parties as of this 26th day of September 2018.

//s/ Jodi J. Bair /per email authority

Jodi J. Bair

**On Behalf of the Staff of the Public
Utilities Commission of Ohio**

//s/ Steven T. Nourse

Steven T. Nourse

On Behalf of Ohio Power Company

//s/ Michael L. Kurtz /per email authority

Michael L. Kurtz

On Behalf of the Ohio Energy Group

//s/ Christopher Healey /per email authority

Christopher Healey

**On Behalf of the Office of the Ohio
Consumers' Counsel**

//s/ Kimberly W. Bojko /per email authority

Kimberly W. Bojko

**On Behalf of Ohio Manufacturers'
Association Energy Group**

//s/ Frank P. Darr /per email authority

Frank P. Darr

**On Behalf of Industrial Energy
Users - Ohio**

//s/ Gretchen Petrucci /per email authority*

Gretchen Petrucci

**On Behalf of Ohio Cable
Telecommunications Association**

//s/ Angela Paul Whitfield /per email authority

Angela Paul Whitfield

On Behalf of The Kroger Co.

//s/ Colleen Mooney /per email authority

Colleen Mooney

**On Behalf of Ohio Partners
For Affordable Energy**

*** Subject to Board approval**

ATTACHMENT A

AEP Ohio Distribution Investment Rider March 2018

Line		Return	Depreciation	Property Tax	Total
1	Distribution Plant as of 8/31/2010	\$ 3,345,925,000	\$ 3,345,925,000	\$ 3,345,925,000	
2	Accumulated Depreciation as of 8/31/2010	\$ 1,253,173,000	\$ -	\$ 1,253,173,000	
3=1-2	Net Distribution Plant	\$ 2,092,752,000	\$ 3,345,925,000	\$ 2,092,752,000	
4					
5	March 2018 Distribution Plant	\$ 4,666,811,146	\$ 4,666,811,146	\$ 4,666,811,146	
6	Accumulated Depreciation March 2018	\$ 1,578,917,783	\$ -	\$ 1,578,917,783	
7=5-6	Net Distribution Plant	\$ 3,087,893,363	\$ 4,666,811,146	\$ 3,087,893,363	
8					
9=7-3	Change in Distribution Net Plant	\$ 995,141,363	\$ 1,320,886,146	\$ 995,141,363	
10					
11	Remove Plant Held for Future Use	\$ 18,085	\$ -	\$ 18,085	
12					
13	gridSMART I Net Plant Adjustment (Not subject to 2017 Rider Revenue Cap)	\$ 13,011,280	\$ 23,003,613	\$ 13,011,280	
14					
15	gridSMART II Net Plant Adjustment (Recovered through GS Rider)	\$ 23,835,872	\$ 29,790,389	\$ 23,835,872	
16					
17	Incremental Veg Mgmt Net Plant Adjustment (Recovered through Rider)	\$ 34,703,603	\$ 42,265,518	\$ 34,703,603	
18					
19	EEPDR Net Plant Adjustment (Recovered through EEPDR Rider)	\$ 2,161,259	\$ 2,404,388	\$ 2,161,259	
20					
21	Incremental ADIT/Theoretical Reserve Offset	\$ 509,671,724	\$ -	\$ 218,175,000	
22					
23=9-11-13-15-17-19-21	Adjusted Change in Distribution Plant	\$ 411,739,540	\$ 1,223,422,238	\$ 703,236,264	
24					
25	Carrying Charge Rate	9.38%	3.68%	5.66%	18.72%
26					
27=23*25	Initial Rider Revenue	\$ 38,621,169	\$ 45,021,938	\$ 39,803,173	\$ 123,446,280
28					
29	Revenue Offset Provided in Distribution Stipulation	19,504,826	22,737,402	20,101,772	\$ 62,344,000
30					
31=27+29	Revised Rider Revenue	\$ 58,125,994	\$ 67,759,341	\$ 59,904,945	\$ 185,790,280
32					
33	Gross Up Factor (CAT)	\$ 58,277,122	\$ 67,935,515	\$ 60,060,698	100.26%
34					
35=27*29	Revised Grossed Up Revenue	\$ 58,277,122	\$ 67,935,515	\$ 60,060,698	\$ 186,273,334
36					
37	Remove Excess ADIT Amortization Not subject to Cap				\$ (206,003.56)
38					
39	2018 Rider Revenue Cap				\$ 240,284,437
40					
41=35+36	2018 Rider Revenue before inclusion Items outside Cap				\$ 186,067,331
42					
43	Total gridSMART Assets (Previously Collected through GS Phase I Rider)	\$ 13,592,561	\$ 28,250,425	\$ 13,592,561	\$ 3,091,955
44					
45	Normalized ADIT Pass Back Not subject to Cap				\$ (2,780,000)
46					
47	Add back ADIT Amortization not subject to cap				\$ 206,004
48					
49=41+43+45+47	2018 Rider Revenue Requirement				\$ 186,585,289
50					
51	(Over)/Under (Based on April 2018 Actuals)	4,940	5,759	5,092	\$ 15,791
52					
53=49+51	2017 Fully Adjusted Revenue Requirement				\$ 186,601,080
54					
55	Annual Base Distribution Revenue (12 months ending March 2018)				\$ 627,384,103
56					
57=53/55	AEP Ohio Percentage of Base Distribution Revenue				29.74272%

ATTACHMENT B

Section D: Allocation of Unprotected Excess ADIT

	Annual GWH	6.25 Yrs GWH	%	Unprotected	PTBAR	Unprotected Rider (\$M)	KWh Credit (\$/MWh)
Res	14,500	90,625	34.0%	\$ 60.45	\$ 48.20	\$ 12.25	0.14
Other	28,100	175,625	66.0%	\$ 117.15	\$ -	\$ 117.15	0.67
Total	42,600	266,250		\$ 177.60	\$ 48.20	\$ 129.40	

	Annual 5 CP	6.25 Yrs 5 CP	%	Unprotected	PTBAR	Unprotected Rider (\$M)	KWh Credit (\$/MWh)
Res	3,120	19,499	43.7%	\$ 77.53	\$ 48.20	\$ 29.33	0.32
Other	4,027	25,166	56.3%	\$ 100.07	\$ -	\$ 100.07	0.57
Total	7,146	44,665		\$ 177.60	\$ 48.20	\$ 129.40	

	Annual 5 CP	6.25 Yrs 5 CP	%	50 %Unprotected	PTBAR	Unprotected Rider (\$M)	KWh Credit (\$/MWh)
Res	3,120	19,499	43.7%	\$ 38.8	\$ 24.1	\$ 14.7	
Other	4,027	25,166	56.3%	\$ 50.0	\$ -	\$ 50.0	
Total	7,146	44,665		\$ 88.8	\$ 24.1	\$ 64.7	

	Annual GWH	6.25 Yrs GWH	%	50 % Unprotected	PTBAR	Unprotected Rider (\$M)	KWh Credit (\$/MWh)
Res	14,500	90,625	34.0%	\$ 30.2	\$ 24.1	\$ 6.1	
Other	28,100	175,625	66.0%	\$ 58.6	\$ -	\$ 58.6	
Total	42,600	266,250		\$ 88.80	\$ 24.10	\$ 64.70	

				Total Unprotected	PTBAR	Unprotected Rider (\$M)	KWh Credit (\$/MWh)
Res				\$ 69.0	\$ 48.2	\$ 20.8	0.23
Other				\$ 108.6	\$ -	\$ 108.6	0.62
Total				\$ 177.60	\$ 48.20	\$ 129.40	

ATTACHMENT C

Illustrative Example of Carrying Charge Calculation and Timing of Commission Order

Description	January	February	March	April	May	June	July	August	September	October	November	Total
Monthly Tax Expense	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 17,000,000.00
Debt Carrying Charge		\$ 7,876.67	\$ 15,789.83	\$ 23,739.65	\$ 31,726.32	\$ 39,749.98	\$ 47,810.82	\$ 55,909.01	\$ 64,044.72	\$ 72,218.13	\$ 80,429.41	\$ 439,294.54
Balance	\$ 1,700,000.00	\$ 3,407,876.67	\$ 5,123,666.50	\$ 6,847,406.15	\$ 8,579,132.47	\$ 10,318,882.45	\$ 12,066,693.27	\$ 13,822,602.28	\$ 15,586,647.00	\$ 17,358,865.13	\$ 17,439,294.54	\$ 17,439,294.54

Assumes Commission order with rates effective November 2018

Description	January	February	March	April	May	June	July	August	September	October	November	December	Total
Monthly Tax Expense	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00	\$ 1,700,000.00		\$ 18,700,000.00
Debt Carrying Charge		\$ 7,876.67	\$ 15,789.83	\$ 23,739.65	\$ 31,726.32	\$ 39,749.98	\$ 47,810.82	\$ 55,909.01	\$ 64,044.72	\$ 72,218.13	\$ 80,429.41	\$ 88,678.73	\$ 527,973.27
Balance	\$ 1,700,000.00	\$ 3,407,876.67	\$ 5,123,666.50	\$ 6,847,406.15	\$ 8,579,132.47	\$ 10,318,882.45	\$ 12,066,693.27	\$ 13,822,602.28	\$ 15,586,647.00	\$ 17,358,865.13	\$ 19,139,294.54	\$ 19,227,973.27	\$ 19,227,973.27

Assumes Commission order with rates effective December 2018

Section E Rate Design Illustration

	Base D Revenue	%	2018, 2019 and Carrying Charges	kWh	14 Month kWh*	kWh Credit
Res	378,002,804	61.0%	\$ 25,171,590.5	\$ 14,500,000,000.0	\$ 16,916,666,666.7	\$ 0.001488
Other	241,289,370	39.0%	\$ 16,067,704.1	\$ 28,100,000,000.0	\$ 32,783,333,333.3	\$ 0.000490
Total	619,292,173		\$ 41,239,294.5	\$ 42,600,000,000.0	\$ 49,700,000,000.0	

* Example of Commission Order with Rates Effective November 2018.

This example includes 2018, 2019 Plus carrying charges and collects over a 14 Month Period. 2020 and 2021 rates will be \$20,400,000 over 12 Months

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Case No(s). 18-1007-EL-UNC, 18-1451-EL-ATA

Summary: Stipulation - Joint Stipulation and Recommendation electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company