



BOUNDLESS ENERGY™

Legal Department

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August 28, 2019

Tanowa Troupe
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

*Re: In the Matter of the Review of the Auction Cost
Reconciliation Rider contained in the Tariffs of Ohio
Power Company, Case No. 15-1052-EL-RDR*

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Dear Ms. Troupe:

On August 9, 2019, Staff filed its review and recommendations in response to its annual audit of Ohio Power Company's Auction Cost Reconciliation Rider (ACRR) for the period June of 2016 through May of 2018. AEP Ohio provides this letter in response to the review and recommendation made by the Staff.

The Company disagrees with the Staff's first finding recommending the exclusion of PUCO and OCC assessment fees in the gross-up factor for the ACRR, which total approximately \$3.5 million for the audit period according to Staff. While the Company will not repeat all of its arguments here, it continues to maintain the position that such assessment fees were properly included – as was fully explained in my April 18, 2018 letter filed in this docket.

In its letter, Staff also references a prior recommendation to remove "charges related to wind projects" that should have been removed from the ACRR, then confirms that the Company worked with Staff to remove an adjusted amount of \$44,212. The Company made an adjusting entry in September 2016 to remove \$44,212 from the ACRR and re-class to the AER. However, this entry inadvertently included January through May 2015 amounts for (\$13,094) which were previously included in the APIR. Thus, the Company needs to make an adjusting entry to reverse (\$13,094) which will result in a corrected amount of \$31,118. In its February 27, 2018 letter, the Staff had recommended exclusion of "Spot Market Energy charges of \$670,361.27 associated with wind projects in Account 5550001." The Company believes this is the same recommendation being referenced in Staff's current letter but requests that the Commission clarify that the February 27, 2018 recommendation has been fulfilled.

Staff also makes recommendations designed to improve the efficiency of future ACRR audits, including the filing of an annual report with workpapers and the submittal of an automatic data request response concurrent with the filing. The Company does not object to Staff's process proposal, provided that (1) the report (with the materials listed in bullet form) and the automatic data request response materials (with the material listed in bullet form) are annual only, not quarterly, and (2) the automatic data request response is submitted to Staff (not filed in the docket) and can be labeled as confidential where

appropriate. The Company believes that these clarifications are consistent with the intent of the Staff recommendation, Commission practice and R.C. 4901.16.

Thank you for your attention to this matter.

Respectfully Submitted,

//s/ Steven T. Nourse

cc: Parties of Record

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Case No(s). 15-1052-EL-RDR

Summary: Correspondence - Reply Comments to Staff Recommendations electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company