



Office of the Ohio Consumers' Counsel

December 28, 2016

Ms. Barcy McNeal, Secretary
Public Utilities Commission of Ohio
180 E. Broad St., 11th Floor
Columbus, Ohio 43215

Re: Case No. 13-1939-EL-RDR

Dear Ms. McNeal:

On April 7, 2016, Signatory Parties filed a Stipulation in this docket (“gridSMART Phase II Stipulation”). On December 21, 2016, Signatory Parties filed a Joint Stipulation in several proceedings including Case No. 10-2929-EL-UNC (“Global Settlement”). In accordance with that Settlement, the Office of the Ohio Consumers' Counsel (“OCC”) and AEP Ohio file the following statement as agreed within seven days of the execution of the Global Settlement.

Based on the integrated package of terms and conditions in the Global Settlement and without precedential effect, OCC agreed in Paragraph IV.E of the Global Settlement not to contest the gridSMART Phase II Stipulation. OCC's agreement not to contest the gridSMART Phase II Stipulation was conditioned on the annual audit for prudence and a review of the operational cost savings credit (as set forth in Paragraph 6 of the gridSMART Phase II Stipulation) being retained by the Commission in adopting the gridSMART Phase II Stipulation. Upon adoption of both the Global Settlement and the gridSMART Phase II Stipulation, residential customers will be allocated 45% of the gridSMART Phase II costs (which is less than the allocation of 62.4% proposed in the gridSMART Phase II Stipulation) on a going forward basis and for the remainder of gridSMART Phase II recovery. The remaining 55% of the gridSMART Phase II costs will be allocated to other rate schedules in proportion to the existing allocation.

Thank you for your attention to this matter.

/s/ Maureen R. Willis
Maureen R. Willis
Senior Regulatory Counsel
Office of the Ohio Consumers' Counsel

/s/ Steven T. Nourse
Steven T. Nourse
Counsel for AEP Ohio

cc: Parties of Record