



Legal Department

American Electric Power  
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Columbus, OH 43215-2373  
AEP.com

September 15, 2014

Barcy F. McNeal  
Docketing Division Chief  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus Ohio 43215-3793

Re: *In the Matter of the Fuel Adjustment Clauses for Ohio Power Company*, Case Nos. 14-1544-EL-FAC, 14-300-EL-UNC and 89-6007-EL-TRF

Dear Ms. McNeal:

On September 2, 2014, the Ohio Power Company (AEP Ohio) filed its quarterly Fuel Adjustment Clause (FAC) update, including the Alternative Energy Rider (AER), the Auction Phase-In Rider (APIR) and Fixed Cost Rider (FCR) for rates effective October 1, 2014. On September 3, 2014, the Ohio Power Company (AEP Ohio) filed a correction to the Forecast Component (FC) of the Auction Phase-In Rider (APIR). Additionally, the Company requested affirmative approval from the Commission for implementing a proposed plan to update the filing to reflect the May and September energy auctions to be effective November 1, 2014 with the corresponding base generation rate decreases effective November 1, 2014.

In its September 2 filing, the Company indicated that it would file an updated Forecast Cost (FC) rate by today, in order to reflect the result of the energy auction conducted on September 9, 2014; the clearing price of the auction was approved on September 10, 2014 through a Finding and Order in Case No. 14-300-EL-UNC and the Commission authorized the Company to file final tariffs consistent with the Finding and Order to be effective November 1, 2014 subject to final review by the Commission.

Enclosed are the revised schedules (Schedules 1, 2 and 10) to incorporate the final FC reflecting the results of the September 9, 2014 energy auction. Also enclosed are the compliance tariffs.

Thank you for your attention to this matter.

Regards,

/s/ Steven T. Nourse

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**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Auction Phase In Rider**  
**Amended Filing -Forecast Component - November 2014 through December 2014**  
**Summary - Proposed Auction Phase In Rider**

**COLUMBUS SOUTHERN POWER RATE ZONE**

Line	Delivery Voltage	A	B	C	D
		Schedule 10		Schedule 11	
		Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	4.27045	4.86393	0.24643	5.11036
2	Primary	4.12230	4.69519	0.23788	4.93307
3	Sub/Transmission	4.04018	4.60165	0.23314	4.83479

**OHIO POWER RATE ZONE**

Line	Delivery Voltage	A	B	C	D
		Schedule 10		Schedule 11	
		Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	3.65622	4.12150	0.24643	4.36793
2	Primary	3.52938	3.97852	0.23788	4.21640
3	Sub/Transmission	3.45906	3.89927	0.23314	4.13241

**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Quarterly FAC For Billing During**  
**November 2014 through December 2014**  
**FC Component**

Line	Description	Forecast Period - 4th Quarter 2014			Total
		October	November	December	
<b><u>TOTAL COMPANY</u></b>					
1	Purchased Power (Energy)	25,682,000	10,509,000	12,777,000	\$ 48,968,000
2	Energy & Capacity Value of Renewables (RECs moved to Rider AER)	1,500,000	2,100,000	2,100,000	\$ 5,700,000
3	FAC for Retail Load (Total Company)	\$ 27,182,000	\$ 12,609,000	\$ 14,877,000	\$ 54,668,000
4	Retail Non-Shopping Sales - Generation Level Kwh	908,113,253	978,810,989	1,098,919,788	2,985,844,030
5	Auction:				
	10%	90,811,325	97,881,099	109,891,979	298,584,403
	25%		244,702,747	274,729,947	519,432,694
	25%		244,702,747	274,729,947	519,432,694
6	Fuel	817,301,928	391,524,396	439,567,915	1,648,394,239

**OHIO POWER COMPANY**  
**Amended Filing -Forecast Component - November 2014 through December 2014**  
**Summary 10% and 60% Auctions**  
**FC Component November and December 2014 Summary**

Updated Schedule 10

Line	Description	<b>Summary 10% and 60% Auctions</b>				
		<u>Seasonal Factor</u>	<u>Seasonal Price</u>			
<b><u>TOTAL COMPANY</u></b>						
1	Auction Clearing Price 10% - Oct. (February Auction)	\$42.78 / MWh	0.9743	\$41.68 / MWh		
	Auction Clearing Price 25% - Nov & Dec.(May Auction)	\$50.00 / MWh	0.9743	\$48.72 / MWh		
	Auction Clearing Price 25% - Nov. & Dec. (September Auction - price unknown at time of this filing. Using May Auction Price as placeholder	\$48.05 / MWh	0.9743	\$46.82 / MWh		
		<u>CSP %</u>	<u>OP %</u>	<u>CSP</u>	<u>OP</u>	<u>Total</u>
2	Auction Costs	43.56%	56.44%	\$145,117	\$188,026	\$333,143
3	Variable FAC for Retail Load*	43.56%	56.44%	\$11,972,902	\$15,513,098	\$27,486,000
4	Retail Non-Shopping Sales - Generation Level kWh	39.54%	60.46%	821,534,749	1,256,196,028	2,077,730,777
5	Variable FAC Component Rate At Generation Level - \$/kWh			0.0145738	0.0123493	
6	Auction Cost Component Rate At Generation Level - \$/kWh			0.0001766	0.0001497	
7	Auction Price Component Rate At Generation Level - \$/kWh			0.0309025	0.0261855	
<b><u>COLUMBUS SOUTHERN POWER RATE ZONE</u></b>						
		Weighted <u>Auction % Split</u>	<u>Secondary</u>	<u>Primary</u>	<u>Sub/Trans</u>	
8	Variable FAC Component Rate At Generation Level	55%	0.0145738	0.0145738	0.0145738	
9	Auction Cost Component Rate At Generation Level		0.0001766	0.0001766	0.0001766	
10	Auction Price Component Rate At Generation Level	45%	0.0309025	0.0309025	0.0309025	
11	Total FAC and Auction Costs		0.0456529	0.0456529	0.0456529	
	Loss Factor		1.0608	1.0240	1.0036	
	Auction Phase-In Rider Rate At Meter Level - \$/kWh		0.0484286	0.0467485	0.0458172	
	Tax Gross-Up**		1.00435	1.00435	1.00435	
	<b>Auction Phase-In Rider Charge - \$/kWh</b>		<b>0.0486393</b>	<b>0.0469519</b>	<b>0.0460165</b>	
<b><u>OHIO POWER RATE ZONE</u></b>						
		Weighted <u>Auction % Split</u>	<u>Secondary</u>	<u>Primary</u>	<u>Sub/Trans</u>	
12	Variable FAC Component Rate At Generation Level	55%	0.0123493	0.0123493	0.0123493	
13	Auction Cost Component Rate At Generation Level		0.0001497	0.0001497	0.0001497	
14	Auction Price Component Rate At Generation Level	45%	0.0261855	0.0261855	0.0261855	
15	Total FAC and Auction Costs		0.0386845	0.0386845	0.0386845	
	Loss Factor		1.0608	1.024	1.0036	
	Auction Phase-In Rider Rate At Meter Level - \$/kWh		0.0410365	0.0396129	0.0388238	
	Tax Gross-Up**		1.00435	1.00435	1.00435	
	<b>Auction Phase-In Rider Charge - \$/kWh</b>		<b>0.0412150</b>	<b>0.0397852</b>	<b>0.0389927</b>	

\* FAC for Retail Load is the cost of the non-auctioned load

\*\* Tax Gross-up includes: CAT Tax of 0.260%, PUCO Assessments of 0.140%, and OCC Assessments of 0.033%.

P.U.C.O. NO. 20

## AUCTION PHASE-IN RIDER

Ohio Power Rate Zone

Effective ~~Cycle 1 October~~November 1, 2014, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Auction Phase In Rider charge per kWh as follows:

<u>Delivery Voltage</u>	<u>Charge (¢/kWh)</u>
Secondary	<del>3.6562</del> <u>24.36793</u>
Primary	<del>3.5293</del> <u>84.21640</u>
Subtransmission/Transmission	<del>3.4590</del> <u>64.13241</u>

Columbus Southern Power Rate Zone

Effective ~~Cycle 1 October~~November 1, 2014, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Auction Phase In Rider charge per kWh as follows:

<u>Delivery Voltage</u>	<u>Charge (¢/kWh)</u>
Secondary	<del>4.2704</del> <u>55.11036</u>
Primary	<del>4.1223</del> <u>04.93307</u>
Subtransmission/Transmission	<del>4.0401</del> <u>84.83479</u>

This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Filed pursuant to Order dated March 19, 2014, in Case No. 13-1892-EL-FAC

Issued: September ~~3~~15, 2014

Effective: ~~Cycle 1 October~~November 1, 2014

Issued by  
Pablo Vegas, President  
AEP Ohio

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 14-1544-EL-FAC, 14-0300-EL-UNC, 89-6007-EL-TRF**

Summary: Correspondence Revised schedules electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company