

BEFORE

THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Ohio)
Power Company to Update its gridSMART) Case No. 14-192-EL-RDR
Rider.)

ENTRY

The Commission finds:

- (1) Ohio Power Company (AEP Ohio) is an electric distribution utility as defined by R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.
- (2) R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.
- (3) By Opinion and Order issued August 8, 2012, the Commission approved, with modifications, AEP Ohio's application for an ESP commencing June 1, 2012, and continuing through May 31, 2015, pursuant to R.C. 4928.143. *In re AEP Ohio*, Case Nos. 11-346-EL-SSO et al., Opinion and Order (August 8, 2012) (*ESP 2 Case*). As part of the *ESP 2 Case*, the Commission approved, among other things, the continuation and expansion of the Company's gridSMART program for the recovery of costs associated with the installation of smart grid technologies and equipment, including automated meter infrastructure and distribution automation. Pursuant to the *ESP 2 Case*, the gridSMART rider is subject to annual reconciliation, prudence review, and true-up. *ESP 2 Case* at 61-63.
- (4) On February 3, 2014, AEP Ohio filed the instant application for the annual review of its gridSMART rider mechanisms. In this application, AEP-Ohio presents actual gridSMART project spending and revenue recovery during 2013, as well as projected costs, and revenue requirements for 2014.

- (5) In this case, by Finding and Order issued March 18, 2015, the Commission directed AEP Ohio to reduce the proposed gridSMART rider rates for adjustments to its operations and maintenance expense associated with the community energy storage (CES) units and non-incremental labor, and to reduce the revenue requirement to reflect a reduction in capital. *In re AEP Ohio*, Case No. 14-192-EL-RDR, Finding and Order (Mar. 18, 2015) at 6-7.
- (6) On March 25, 2015, AEP Ohio filed its proposed tariffs to comply with the Commission's March 18, 2015 Finding and Order.
- (7) On April 16, 2015, Staff filed a letter indicating that Staff had reviewed the Company's proposed gridSMART rider tariffs. Staff found AEP Ohio's gridSMART tariffs to be in compliance with the Commission's Order in this case. Accordingly, the Commission finds the gridSMART tariffs filed by AEP Ohio should be approved to be effective with the next billing cycle, reflecting a tariff rate of \$1.01 per bill for residential customers and a rate of \$4.22 per bill for non-residential customers. The new gridSMART rider rates reflect an increase of \$.50 per bill for residential customers and an increase of \$2.12 per bill for non-residential customers over currently effective gridSMART rider rates. *In re AEP Ohio*, Case No. 13-345-EL-RDR, Finding and Order (Feb. 19, 2014).

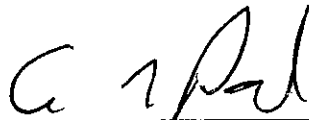
It is, therefore,

ORDERED, That the proposed gridSMART compliance rates and tariffs filed by AEP Ohio on March 25, 2015, be approved to the extent set forth in this Entry. It is, further,

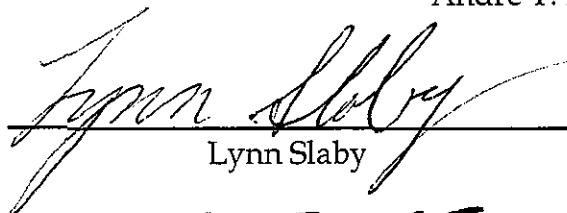
ORDERED, That the effective date of the new tariffs shall be a date not earlier than the date upon which the final tariff pages are filed with the Commission. It is, further,

ORDERED, That a copy of this Entry be served upon all persons of record in this case.

THE PUBLIC UTILITIES COMMISSION OF OHIO



Andre T. Porter, Chairman



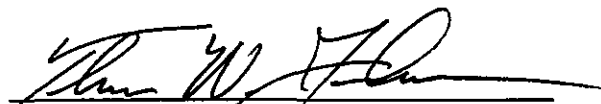
Lynn Slaby



M. Beth Trombold



Asim Z. Haque



Thomas W. Johnson

GNS/dah

Entered in the Journal

MAY 28 2015

Barcy F. McNeal
Secretary