



Legal Department

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

September 1, 2015

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

Steven T. Nourse
Senior Counsel –
Regulatory Services
(614) 716-1608 (P)
(614) 716-2014 (F)
stnourse@aep.com

*In the Matter of the Alternative Energy Rider and Auction
Cost Recovery Rider for Ohio Power Company, Case No. 15-
1052-EL-RDR.*

Dear Ms. McNeal:

On February 25, 2015, the Commission Issued an Opinion and Order adopting certain portions of AEP Ohio's Electric Security Plan in Case Nos. 13-3285-EL-SSO, et.al (ESP III). The Opinion and Order provided for the implementation of an auction cost reconciliation rider (ACRR) and the elimination of the Company's current auction phase-in rider (APIR) and fixed cost rider (FCR) in addition to the FAC mechanism, following a final true-up of all costs incurred through May 2015. The ESP III Opinion and Order also provided for continuation of the Alternative Energy Rider (AER). On June 1, 2015, the Company filed its Application to initiate this proceeding for purposes of filing quarterly updates to the ACRR and AER.

Under the Commission's February 25, 2015 ESP III Order, the adjusted AER and ACRR rates become effective unless the Staff raises issues prior to the billing cycle during which the quarterly adjustments are to become effective.

Accordingly, the Company submits its 4th Quarter ACRR and AER for October through December of 2015, to become effective on with the first billing cycle of October, 2015 (September 29).

Schedule 1: shows calculation of the ACRR.

Schedule 2: This schedule shows the current AER rate by delivery voltage in Column A. Column B shows the forecast component (FC) rate that would be necessary to recover the estimated REC expense for the 4th quarter of 2015. Column C shows the reconciliation adjustment (RA) that would be necessary to recover the actual REC over/under-recovery experienced from the previous quarter. Column D is the sum of the FC component and the RA component.

Schedule 3: This schedule shows the Company's estimates of the REC cost by month it is expecting to incur in the 4th quarter of 2015. Schedule 3 calculates the rates by voltage that would be necessary to recover the forecast costs.

Schedule 4: This schedule shows the over/under-recovery of REC expense for the months of April, May and June 2015. Schedule 4 calculates the adjustment to the AER rates that would be necessary to recover the over/under-recovery during the 4th quarter of 2015. Also, shown and included in the total AER cost is an amount representing the revenue requirement associated with solar panels installed by the Company to help meet the renewable energy requirements of SB221, as well as other renewable energy costs.

Regards,

/s/ Steven T. Nourse

Steven T. Nourse

Senior Counsel

American Electric Power Service
Corporation

1 Riverside Plaza, 29th Floor

Columbus, Ohio 43215

Telephone: (614) 716-1608

Facsimile: (614) 717-2950

**AEP Ohio Proposed Auction Cost Recovery Rider
October - December 2015**

<u>Line</u>	<u>Auction Costs</u>	<u>AEP Ohio</u>
1	Incremental Auction Costs	\$ 188,171
2	Paid to Auction Winners	\$ 68,547,591
3	Billed to SSO Customers	\$ (67,513,049)
4=1+2+3	(Over)/Under Collection	\$ 1,222,713
5		
6	Gross-Up Factor	100.435%
7		
8=4*6	Total Revenue Requirement	\$ 1,228,035
9		
10	Forecast kWh (October - December 2015)	3,331,739,914
11		
12=8/10	Auction Cost Recovery Rider	\$ 0.0003686

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
October 2015 through December 2015
Summary - Proposed AER Rate

COLUMBUS SOUTHERN POWER RATE ZONE

Line	Delivery Voltage	A	B	C	D
		Schedule 3		Schedule 4	
		Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	-0.06259	0.08179	0.01751	0.09930
2	Primary	-0.06042	0.07895	0.01690	0.09585
3	Sub/Transmission	-0.05921	0.07737	0.01657	0.09394

OHIO POWER RATE ZONE

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OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
October 2015 through December 2015
FC Component

Line	Description	Forecast Period - 4th Quarter 2015			
		October	November	December	Total
	<u>TOTAL COMPANY</u>				
1	Renewable Energy Credits	880,000	901,000	920,000	\$ 2,701,000
2	Retail Non-Shopping Sales - Generation Level Kwh	1,071,343,711	1,092,152,263	1,338,162,675	3,501,658,650
3	FC Component of AER Rate At Generation Level - Cents/kWh				0.07713
		Secondary	Primary	Sub/Trans	
4	FC Component of AER Rate At Generation Level	0.07713	0.07713	0.07713	
5	Loss Factor	1.0604	1.0235	1.0031	
6	FC at the Meter Level - Cents/kWh	0.08179	0.07895	0.07737	

Line 7 x Line 8

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
October 2015 through December 2015
RA

Line	Month	Renewable Revenue	Renewable Cost	AER (Over)/Under Recovery	
1	Beginning Balance			\$ (1,168,424)	
2	Apr-15	\$ (506,816)	\$ 614,182	\$ 1,120,998	
3	May-15	\$ 397,189	\$ 765,242	\$ 368,053	
4	Jun-15	\$ 523,246	\$ 780,938	\$ 257,692	
5	Ending Balance	\$ 413,619	\$ 2,160,362	\$ 578,319	
6	Total (Over)/Under Recovery Balance			\$ 578,319	
7	Loss Adjusted Retail Sales Billing Period - kWh			3,501,658,650	
8	RA Component at Generation - Cents/kWh			0.01652	
9			Secondary	Primary	Sub/Trans
10	RA Component of FAC Rate At Generation Level		0.01652	0.01652	0.01652
11	Loss Factor		1.0604	1.0235	1.0031
12	RA at the Meter Level - Cents/kWh	Line 10 x Line 11	0.01751	0.01690	0.01657

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

Summary: Application -ACRR and AER (4th Quarter) electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company