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Transition from FAC to the APIR and FCR

On August 8, 2012, the Commission issued an Opinion and Order in Case Nos. 11-346-EL-SSO, et al, in which the Commission approved a modified Electric Security Plan (ESP II). In this Order, the Commission adopted the ESP II for Ohio Power Company ("OPCo") which continued AEP Ohio's Fuel Adjustment Clause ("FAC") and also established the Alternative Energy Rider ("AER") as the mechanism for AEP Ohio to separately recover its prudently incurred alternative energy compliance costs. The ESP II Opinion and Order directed that the Company is to make AER quarterly filings in conjunction with the quarterly filings associated with the FAC. On November 13, 2013, the Commission issued an Opinion and Order in Case No. 12-3254-EL-UNC ("CBP Opinion and Order) that approved and modified AEP Ohio's application to establish a Competitive Bidding Process and authorized the Company to unbundle the FAC and establish the Auction Phase-In Rider ("APIR") and the Fixed Cost Rider ("FCR") in its place and continuing throughout the term of the ESP II which ended on May 31, 2015.

Pursuant to the Commission directives discussed above, for 2014, the FAC was in place for the period January through March. For the period April through December 2014, the FAC was replaced by the APIR and FCR. The APIR and FCR continued until the end of the end of the ESP II on May 31, 2015.

The following sections of this report discuss the quarterly FAC filings for the first quarter of 2014 and the APIR and FCR quarterly filings for the remaining months of 2014 as well as January through May 2015. Included in this section is a discussion of the Company's final APIR and FCR filing, which was filed with the Commission on September 1, 2015 and which reflected actual data for the period January through May 2015

On September 1, 2015, AEP Ohio submitted its final FAC, which reflected actual data from January through May 2015 and the elimination of the forecast component.

Quarterly FAC Filing – First Quarter 2014

On November 27, 2013, AEP Ohio submitted quarterly FAC filings, as well as its AER quarterly filings, for CSP and OPCO, which reflected actual data from July through September 2013 and projected data for the period January through March 2014. AEP Ohio's filing for this quarter included a submittal letter, Schedules 1 through 6 supporting the Companies proposed calculations for CSP and OPCO, and the explanations of each schedule.

The Companies used the same methodology described above as it relates to the format of the schedules in its initial FAC filing. The sections below discuss AEP Ohio's first quarter 2014 FAC filings by reproducing Schedules 1 through 3 as Exhibits 2-1 through 2-4, and then briefly summarizing each schedule.

Exhibit 6-1
OPCO and CSP Schedule 1, January – March 2014

Schedule 1

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
January 2014 through March 2014
Summary - Proposed FAC Rate

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 2	Schedule 3	
Line	Delivery Voltage	Current FAC Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	4.35464	4.09664	-0.08125	4.015390
2	Primary	4.20357	3.95452	-0.07844	3.876080
3	Sub/Transmission	4.11983	3.87574	-0.07687	3.798870

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 2	Schedule 3	
Line	Delivery Voltage	Current FAC Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	3.72933	3.47133	-0.08125	3.390080
2	Primary	3.59996	3.35091	-0.07844	3.272470
3	Sub/Transmission	3.52824	3.28415	-0.07687	3.207280

Schedule 1: Column A of this schedule reflects the then current FAC rate by delivery voltage. Column B reflects the forecast component ("FC") rate necessary to recover the estimated fuel expense for the period January through March 2014. Column C presents the Companies reconciliation adjustment ("RA"), which is calculated in order for AEP Ohio to derive the actual fuel over or under recovery it experienced through September 2013. Column D reflects the sum of the FC and RA components.

Exhibit 6-2
OPCO and CSP Schedule 2, January – March 2014

Schedule 2

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
January 2014 through March 2014
FC Component

Line	Description		Forecast Period - 1st Quarter 2014 January	February	March	Total
	TOTAL COMPANY					
1	Fuel & Purchased Power		137,210,678	131,851,130	147,544,466	$ 416,606,274
2	Environmental (Consumables and Allowances)		14,288,613	13,349,473	17,436,251	$ 45,074,337
3	(Gains) and Losses On Sales of Allowances		94,000	60,000	(13,803,000)	$ (13,649,000)
4	Other		-	-	-	$ -
5	Total Includible FAC Costs		$ 151,593,290	$ 145,260,603	$ 151,177,717	$ 448,031,610
6	Less: Assigned to Off-System (including AEP Affiliates)		96,127,992	86,224,793	94,114,334	$ 276,467,119
7	FAC for Internal Load		$ 55,465,298	$ 59,035,810	$ 57,063,383	$ 171,564,491
8	Retail Jurisdictional Allocation Ratio	Schedule 3 pg. 2	0.83704	0.84405	0.85660	0.84640
9	FAC for Retail Load Before Renewables		$ 46,426,673	$ 49,829,176	$ 48,880,494	$ 145,211,828
10	Energy & Capacity Value of Renewables (RECs moved to Rider AER)		2,154,400	2,330,949	2,503,671	$ 6,989,020
11	FAC for Retail Load (Total Company)		$ 48,581,074	$ 52,160,124	$ 51,384,165	$ 152,200,847
13	Retail Non-Shopping Sales - Generation Level Kwh		1,361,404,187	1,379,474,628	1,600,964,607	4,341,843,423
	COLUMBUS SOUTHERN POWER RATE ZONE					
14	CSP % for Retail Load	43.56%				$ 66,298,689
15	CSP % Non-Shopping Sales	39.54%				1,716,764,889
16	FC Component of FAC Rate At Generation Level - Cents/kWh					3.86184
			Secondary	**Primary**	**Sub/Trans**	
17	FC Component of FAC Rate At Generation Level		3.86184	3.86184	3.86184	
18	Loss Factor		1.0608	1.0240	1.0036	
19	**FC at the Meter Level - Cents/kWh**	**Line 17 x Line 18**	**4.09664**	**3.95452**	**3.87574**	
	OHIO POWER RATE ZONE					
19	OPCo % for Retail Load	56.44%				$ 85,902,158
21	OPCo % Non-Shopping Sales	60.46%				2,625,078,533
22	FC Component of FAC Rate At Generation Level - Cents/kWh					3.27237
			Secondary	**Primary**	**Sub/Trans**	
23	FC Component of FAC Rate At Generation Level		3.27237	3.27237	3.27237	
24	Loss Factor		1.0608	1.0240	1.0036	
25	**FC at the Meter Level - Cents/kWh**	**Line 23 x Line 24**	**3.47133**	**3.35091**	**3.28415**	

Schedule 2: This schedule reflects AEP Ohio's estimates of monthly fuel costs it expected to incur during the period January through March 2014. AEP Ohio stated that it calculated the rates by voltage necessary to recover its forecast costs. For the first quarter of 2014, AEP Ohio has projected includable FAC costs totaling $448.032 million for CSP and OPCO, which are comprised of fuel and purchased power, an environmental component consisting of consumables and allowances, and gains and losses on sales of allowances.

As shown on line 6 of Schedule 2, the Companies removed the costs that were assigned to off-system (including AEP affiliates) in order to derive the FAC costs designated for internal load. For the first quarter of 2014, these projected off-system costs totaled $276.467 million for CSP and OPCO. After applying a retail jurisdictional allocation ratio based on the forecasted retail jurisdictional non-shopping sales at the generation level, the Companies derived its FAC costs for retail load before adding a component for renewables.

Line 10 of Schedule 2 reflects the Companies' projected component energy and capacity value of renewables, which totaled $6.989 million. The component for renewable energy credits ("RECs") was moved to the AER. The addition of the renewable's energy and capacity value

result in total FAC costs for retail load of $66.299 million for CSP and $85.902 million for OPCO. From these amounts, the Companies calculated the FC portion of the FAC rate at the Generation level. This amounted to 3.86184 cents per kWh for CSP and 3.27237 cents per kWh for OPCO and was calculated by dividing each Company's projected FAC for retail load by their respective projected retail non-shopping sales at the Generation level.

CSP and OPCO then applied loss factors to each respective FC portion of the FAC rate based on delivery voltage levels in order to derive the FC portion of the FAC rate at meter level. Each Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in FCs of 4.09664, 3.95452, and 3.87574 cents per kWh for CSP and FCs of 3.47133, 3.35091, and 3.28415 cents per kWh for OPCO.

Exhibit 6-3
OPCO and CSP Schedule 3, Page 1, January – March 2014

Schedule 3
Page 1 of 2

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
January 2014 through March 2014
RA

Actual Period - July 2013 through September 2013

Line	Month	Kwh Retail Non-Shopping Sales	Renewable & FAC Revenue	Schedule 3 , p2 FAC Cost	FAC (Over)/Under Recovery	Carrying Charges On (Over)/Under Recovery	Other Credits/Charges	Total (Over)/Under Recovery
1	Beginning Balance							$ (7,951,767)
2	Jul-13	1,816,710,057	$ 67,235,837	$ 64,786,492	$ (2,449,345)	$ -	$ -	$ (2,449,345)
3	Aug-13	1,569,920,404	$ 58,093,271	$ 61,564,301	$ 3,471,030	$ -	$ -	$ 3,471,030
4	Sep-13	1,352,755,407	51,536,029	$ 55,140,366	$ 3,604,337	$ -	$ -	$ 3,604,337
5	Ending Balance	4,739,385,868	$ 176,865,137	$ 181,491,159	$ 4,626,022	$ -	$ -	$ (3,325,745)
6	Total (Over)/Under Recovery Balance							$ (3,325,745)
7	Loss Adjusted Retail Sales Billing Period - kWh							4,341,843,423
8	RA Component at Generation - Cents/kWh							(0.07660)

9			Secondary	Primary	Sub/Trans
10	RA Component of FAC Rate At Generation Level		(0.07660)	(0.07660)	(0.07660)
11	Loss Factor		1.0608	1.024	1.0036
	RA at the Meter Level - Cents/kWh	Line 10 x Line 11	-0.08125	-0.07844	-0.07687

Schedule 3: This two-page schedule represents the Companies' RA components of their first quarter 2014 FAC filings. Specifically, page 1 of Schedule 3 reflects the Companies' beginning cumulative balance as well as the under/over-recovery of fuel expenses for each month during the period July through September 2013, which were calculated as the difference between the monthly FAC revenues for the third quarter of 2013 and the monthly jurisdictional retail FAC costs for the same period. In addition, page 1 of this schedule reflects the addition of the carrying costs associated with those under/over-recoveries as well as other credits and charges, which, according to AEP Ohio, reflect adjustments to the FAC deferrals and are predicated on prior PUCO orders. The first quarter of 2014 did not have any carrying costs or other charges and credits, thus resulting in total over-recoveries of $3.326 million.

The Companies calculated the RA component of its FAC rate at Generation level by dividing the over-recoveries by the same forecasted retail non-shopping sales at Generation level referenced in the Schedule 2 section above. The RA component for this filing was (.07660) cents per kWh. The Companies applied the loss factors of 1.0608, 1.024, and 1.0036 related to the secondary, primary and sub/trans voltage levels, respectively to these RA components in order to derive the RA portion of the FAC rate at meter level. The application of the loss factors results in RA components of the FAC rate of (.08125), (.07844) and (.07687) cents per kWh for the secondary, primary and sub/trans voltage levels, respectively.

Exhibit 6-4
OPCO and CSP Schedule 3, Page 2, January – March 2014

Schedule 3
Page 2 of 2

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
January 2014 through March 2014
RA Component

Monthly Retail FAC Cost

Line	Month	Total Company FAC Cost	Less Assigned OSS And Pool	= Internal Load FAC Cost	Times Retail Allocation Ratio	= Retail FAC before Renewables	+ Renewables	= Retail FAC & Renewable Cost
1	Jul-13	$ 194,152,972	$ 121,763,398	$ 72,389,574	0.88156	$ 63,815,753	$ 970,739	$ 64,786,492
2	Aug-13	$ 202,395,235	$ 131,813,831	$ 70,581,404	0.86388	$ 60,973,863	$ 590,438	$ 61,564,301
3	Sep-13	$ 169,222,930	$ 106,398,626	$ 62,824,304	0.86319	$ 54,229,311	$ 911,055	$ 55,140,366
4	Total	$ 565,771,137	$ 359,975,855	$ 205,795,282		$ 179,018,927	$ 2,472,232	$ 181,491,159

Monthly Jurisdictional Allocation Ratios

		Jurisdictional Sales at Gen Level Kwh			Jurisdictional Ratios	
Line	Month	Whlse (WPC)	Retail	Total	Whlse (WPC)	Retail
Actual						
5	Jul-13	225,497,021	1,901,738,954	2,127,235,975	0.10600	0.89400
6	Aug-13	259,243,459	1,645,243,887	1,904,487,346	0.13612	0.86388
7	Sep-13	224,422,066	1,416,002,943	1,640,425,009	0.13681	0.86319
Forecast						
8	Jan-14	265,055,810	1,361,404,187	1,626,459,997	0.16296	0.83704
9	Feb-14	254,878,103	1,379,474,628	1,634,352,731	0.15595	0.84405
10	Mar-14	268,012,513	1,600,964,607	1,868,977,120	0.14340	0.85660

Page 2 of Schedule 3 reflects monthly data on the Companies actual fuel costs during the third quarter of 2013. Specifically, page 2 of Schedule 3 shows total monthly FAC costs incurred from July through September 2013. For each month (July through September), the Companies deducted amounts assigned to off-system sales in order to derive the amounts assigned to internal load. From each monthly internal load amount, the Companies then applied a retail jurisdictional allocation ratio, calculated as monthly retail sales at the generation level divided by total sales at the generation level to derive its "Retail FAC Before Renewables". During the third quarter of 2013, AEP Ohio added amounts totaling $2,472,232 for renewables, which reflects the revenue requirement associated with solar panels that were installed by CSP and OPCO pursuant to meeting the renewable energy requirements of Senate Bill 221 as well as other renewable energy costs. AEP Ohio stated that the forecasted REC costs have been removed from the FAC for recovery through the AER. The impact of adding the renewables component resulted in the retail FAC costs that were carried over to Schedule 3, page 1, and from which the Companies' FAC over/under recoveries for the third quarter of 2013 were derived.

Finally, page 2 of Schedule 3 reflected the Companies' actual monthly jurisdictional sales at the generation level for July through September 2013. In addition, this schedule reflected the Companies' forecasted monthly jurisdictional sales at the generation level for January through March 2014, from which both the FC and RA components of each Company's FAC rate were calculated as discussed above. In addition, from these forecasted amounts, the Companies calculated retail jurisdictional allocation ratios of .83704, .84405, and .85660 for each month of January, February, and March 2014.

Second Quarter 2014

On November 13, 2013, AEP Ohio was authorized to unbundle the FAC and establish the Auction Phase-In Rider ("APIR"), which includes the 10% slice-of-system, energy-only auction clearing price of $42.78/MWh that was accepted by the Commission Finding and Order dated February 26, 2014 of Case No. 14-300-EL-FAC, and the Fixed Cost Rider ("FCR"), to replace the FAC. On March 3, 2014, AEP Ohio submitted the initial quarterly APIR and FCR filings, as well as quarterly AER filings, for CSP and OPCO, which reflected actual data from October through December 2013 and projected data for the period April through June 2014. AEP Ohio's filing for this quarter included a submittal letter, Schedules 1 through 11 supporting the Companies proposed calculations for CSP and OPCO, and the explanations of each schedule. The filing also includes additional copies of Schedules 1 and 11, reflecting the recovery of the reconciliation component over nine months instead of three months.

The response to EVA-2014-2-001 stated that the FCR and APIR replaced the FAC in April 2014.

The Companies used the same methodology described above as it relates to the format of the schedules in its initial FAC filing. The sections below discuss AEP Ohio's second quarter 2014 FAC filings by reproducing Schedules 1-3 and 7-11, which covers actual costs for October through December 2013.

Exhibit 6-5
OPCO and CSP Schedule 1, April – June 2014

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Auction Phase In Rider
April 2014 through June 2014
Summary - Proposed Auction Phase In Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	Current FAC Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	4.01539	3.79394	0.46569	4.259634
2	Primary	3.87608	3.66232	0.44953	4.111855
3	Sub/Transmission	3.79877	3.58937	0.44058	4.029946

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	Current FAC Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	3.39008	3.21483	0.46572	3.680550
2	Primary	3.27247	3.10331	0.44956	3.552870
3	Sub/Transmission	3.20728	3.04148	0.44060	3.482080

Schedule 1: Column A of this schedule reflects the then current APIR rate by delivery voltage. Column B reflects the forecast component ("FC") rate necessary to recover the estimated APIR expense for the period April through June 2014. Column C presents the Companies reconciliation adjustment ("RA"), which is calculated in order for AEP Ohio to derive the actual fuel over- or under-recovery it experienced through December 2013. Column D reflects the sum of the FC and RA components.

Exhibit 6-6
OPCO and CSP Schedule 2, April – June 2014

Schedule 2

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
April 2014 through June 2014
FC Component

Line	Description	Forecast Period - 2nd Quarter 2014 April	May	June	Total
	TOTAL COMPANY				
1	Purchased Power (Energy)	26,204,000	30,196,000	35,568,000	$ 91,968,000
2	Energy & Capacity Value of Renewables (RECs moved to Rider AER)	2,300,000	1,800,000	1,200,000	$ 5,300,000
3	FAC for Retail Load (Total Company)	$ 28,504,000	$ 31,996,000	$ 36,768,000	$ 97,268,000
4	Retail Non-Shopping Sales - Generation Level Kwh	1,025,761,491	1,150,409,085	1,308,681,024	3,484,851,600

Schedule 2: This schedule reflects AEP Ohio's estimates of monthly fuel costs it expected to incur during the period April through June 2014. AEP Ohio stated that it calculated the rates by voltage necessary to recover its forecast costs. For the second quarter of 2014, AEP Ohio has projected purchased power costs totaling $91.968 million for CSP and OPCO.

Line 2 of Schedule 2 reflects the Companies' projected component energy and capacity value of renewables, which totaled $5.300 million. The component for renewable energy credits ("RECs") was moved to the AER. The addition of the renewable's energy and capacity value result in total FAC costs for retail load of $97.268 million.

Finally, AEP Ohio reflected their retail non-shopping sales at generation level, calculated in Schedule 3, page 2.

Exhibit 6-7
OPCO and CSP Schedule 3, Page 1, April – June 2014

Schedule 3
Page 1 of 2

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
April 2014 through June 2014
RA

Line	Month	Actual Period - October 2013 through December 2013: Kwh Retail Non-Shopping Sales	Renewable & FAC Revenue	Schedule 3 , p2 FAC Cost	FAC (Over)/Under Recovery	Carrying Charges On (Over)/Under Recovery	Other Credits/Charges	Total (Over)/Under Recovery
1	Beginning Balance							$ 10,559,859
2	Oct-13	1,136,792,592	$ 45,324,451	$ 48,411,688	$ 3,087,237	$ -	$ -	$ 3,087,237
3	Nov-13	1,239,197,737	$ 49,339,877	$ 52,394,497	$ 3,054,620	$ -	$ -	$ 3,054,620
4	Dec-13	1,539,913,698	59,202,797	$ 57,734,889	$ (1,467,908)	$ -	$ -	$ (1,468,672)
5	Ending Balance	3,915,904,027	$ 153,867,125	$ 158,541,074	$ 4,673,949	$ -	$ -	$ 15,233,044
6	Total (Over)/Under Recovery Balance							$ 15,233,044
7	Loss Adjusted Retail Sales Billing Period - kWh							3,484,851,600
8	RA Component at Generation - Cents/kWh							0.43712

Schedule 3: This two-page schedule represents the Companies' RA components of their second quarter 2014 filings. Specifically, page 1 of Schedule 3 reflects the Companies' beginning cumulative balance as well as the under-recovery of fuel expenses for each month during the period October through December 2013, which were calculated as the difference between the monthly FAC revenues for the fourth quarter of 2013 and the monthly jurisdictional retail FAC costs for the same period. The second quarter of 2014 did not have any carrying costs or other charges and credits, thus resulting in total under-recoveries of $15.233 million.

The Companies calculated the RA component of its FAC rate at Generation level by dividing the under-recoveries by the forecasted retail non-shopping sales at Generation level. The RA component for this filing was 0.43712 cents per kWh.

Exhibit 6-8
OPCO and CSP Combined Schedule 3, Page 2, April – June 2014

Schedule 3
Page 2 of 2

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
April 2014 through June 2014
RA Component

Monthly Retail FAC Cost

Line	Month	Total Company FAC Cost	Less Assigned OSS And Pool	= Internal Load FAC Cost	Times Retail Allocation Ratio	= Retail FAC before Renewables	+ Renewables	= Retail FAC & Renewable Cost
1	Oct-13	$ 158,043,903	$ 102,654,713	$ 55,389,190	0.84609	$ 46,864,240	$ 1,547,448	$ 48,411,688
2	Nov-13	$ 145,501,215	$ 86,943,080	$ 58,558,135	0.85820	$ 50,254,420	$ 2,140,077	$ 52,394,497
3	Dec-13	$ 177,128,838	$ 113,489,072	$ 63,639,766	0.87465	$ 55,662,521	$ 2,072,368	$ 57,734,889
4	Total	$ 480,673,956	$ 303,086,865	$ 177,587,091		$ 152,781,181	$ 5,759,893	$ 158,541,074

Monthly Jurisdictional Allocation Ratios

Retail Sales at Gen Level Kwh		
Line	Month	Retail
Forecast		
5	Apr-14	1,025,761,491
6	May-14	1,150,409,085
7	Jun-14	1,308,681,024

Page 2 of Schedule 3 reflects monthly data on the Companies actual fuel costs during the fourth quarter of 2013. Specifically, page 2 of Schedule 3 (lines 1-4) shows total monthly FAC costs incurred from October through December 2013. For each month (October through December), the Companies deducted amounts assigned to off-system sales in order to derive the amounts assigned to internal load. From each monthly internal load amount, the Companies then applied a retail jurisdictional allocation ratio, calculated as monthly retail sales at the generation level divided by total sales at the generation level to derive its "Retail FAC Before Renewables". During the fourth quarter of 2013, AEP Ohio added amounts totaling $5,759,893 for renewables, which reflects the revenue requirement associated with solar panels that were installed by CSP and OPCO pursuant to meeting the renewable energy requirements of Senate Bill 221 as well as other renewable energy costs. AEP Ohio stated that the forecasted REC costs have been removed from the FAC for recovery through the AER. The impact of adding the renewables component resulted in the retail FAC costs that were carried over to Schedule 3, page 1, and from which the Companies' FAC over/under recoveries for the fourth quarter of 2013 were derived.

Finally, page 2 of Schedule 3 reflected the Companies' forecasted monthly jurisdictional sales at the generation level for April through June 2014, from which both the FC and RA components of each Company's FAC rate were calculated as discussed above.

Exhibit 6-9
OPCO and CSP Schedule 7, April – June 2014

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly Fixed Cost Rider For Billing During
April 2014 through June 2014
Summary - Proposed Fixed Cost Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 8	Schedule 9	
Line	Delivery Voltage	Current FCR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.00000	0.86561	0.00000	0.865610
2	Primary	0.00000	0.83558	0.00000	0.835580
3	Sub/Transmission	0.00000	0.81893	0.00000	0.818930

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 8	Schedule 9	
Line	Delivery Voltage	Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.00000	0.73348	0.00000	0.733480
2	Primary	0.00000	0.70803	0.00000	0.708030
3	Sub/Transmission	0.00000	0.69393	0.00000	0.693930

Schedule 7: Column A of this schedule reflects the then current FCR rate by delivery voltage. Column B reflects the FC rate necessary to recover the estimated FCR expense for the period April through June 2014. Column C presents the Companies RA, which is calculated in order for AEP Ohio to derive the actual fuel under-recovery it experienced through December 2013. Column D reflects the sum of the FC and RA components.

Exhibit 6-10
OPCO Schedule 8, April – June 2014

OHIO POWER COMPANY
Forecast of Fixed Cost Rider
April - June 2014

Schedule 8

Line	Description	CSP %	OP %	CSP	OP	Total
	TOTAL COMPANY					
1	Fixed FAC Costs	43.56%	56.44%	$11,194,920	$14,505,080	$25,700,000
2	Retail Non-Shopping Sales - Generation Level kWh	39.54%	60.46%	1,377,910,323	2,106,941,277	3,484,851,600
3	Fixed Cost Rider Rate At Generation Level - $/kWh			0.0081246	0.0068844	

COLUMBUS SOUTHERN POWER RATE ZONE

		Secondary	Primary	Sub/Trans
4	Fixed Cost Rate At Generation Level	0.0081246	0.0081246	0.0081246
5	Loss Factor	1.0608	1.0240	1.0036
6	Fixed Cost Rate At Meter Level - $/kWh	0.0086186	0.0083196	0.0081538
7	Tax Gross-Up	1.00435	1.00435	1.00435
8	**Fixed Cost Rider Charge - $/kWh**	**0.0086561**	**0.0083558**	**0.0081893**

OHIO POWER RATE ZONE

		Secondary	Primary	Sub/Trans
9	Fixed Cost Rate At Generation Level	0.0068844	0.0068844	0.0068844
10	Loss Factor	1.0608	1.0240	1.0036
11	Fixed Cost Rate At Meter Level - $/kWh	0.0073030	0.0070496	0.0069092
12	Tax Gross-Up	1.00435	1.00435	1.00435
13	**Fixed Cost Rider Charge - $/kWh**	**0.0073348**	**0.0070803**	**0.0069393**

Schedule 8: This schedule reflects AEP Ohio's estimates of FCR costs it expected to incur during the period April through June 2014. AEP Ohio stated that it calculated the rates by voltage necessary to recover its forecast costs. For the second quarter of 2014, AEP Ohio has projected fixed FAC costs for CSP of $11.195 million and $14.505 million for OPCo, totaling $25.700 million. Line 2 reflects the retail non-shopping sales at generation level, also allocated between CSP and OPCo.

Line 3 reflects the FCR rate at generation level, derived by dividing each Company's projected fixed FAC costs by their respective projected retail non-shopping sales at the Generation level. This amounted to 0.0081246 cents per kWh for CSP and 0.0068844 cents per kWh for OPCO.

CSP and OPCO then applied loss factors to each respective FCR at generation level in order to derive the FCR at meter level. Each Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in FCRs at meter level of 0.0086186, 0.0083196, and 0.0081538 cents per kWh for CSP and FCRs at meter level of 0.0073030, 0.0070496, and 0.0069092 cents per kWh for OPCO.

Each Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in FCR charges of 0.0086561, 0.0083558, and 0.0081893 cents per kWh for CSP and FCR charges of 0.0073348, 0.0070803, and 0.0069393 cents per kWh for OPCo.

Exhibit 6-11
OPCO Schedule 9, April – June 2014

OHIO POWER COMPANY
Calculation of Fixed Cost Rider
RA Component Oct - Dec 2013

Schedule 9

Line	Description				Total (Over)/Under Recovery
1	Total (Over)/Under Recovery Balance				$ -
2	Retail Non-Shopping Sales - Generation Level kWh				3,484,851,600
3	Reconciliation Component at Generation - $/kWh				-
		Secondary	**Primary**	**Sub/Trans**	
4	Reconciliation Component at Generation - $/kWh	-	-	-	
5	Loss Factor	1.0608	1.024	1.0036	
6	Reconciliation Component at the Meter Level - $/kWh	0.0000000	0.0000000	0.0000000	
7	Tax Gross-Up	1.00435	1.00435	1.00435	
8	**Reconciliation Adjustment Component - $/kWh**	**0.0000000**	**0.0000000**	**0.0000000**	

100% Auction

	Description				Total (Over)/Under Recovery
9	Total (Over)/Under Recovery Balance				$ -
10	Retail Non-Shopping Sales - Generation Level kWh				3,484,851,600
11	Reconciliation Component at Generation - $/kWh				-
		Secondary	**Primary**	**Sub/Trans**	
12	Reconciliation Component at Generation - $/kWh	-	-	-	
13	Loss Factor	1.0604	1.0235	1.0031	
14	Reconciliation Component at the Meter Level - $/kWh	0.0000000	0.0000000	0.0000000	
15	Tax Gross-Up	1.00435	1.00435	1.00435	
16	**Reconciliation Adjustment Component - $/kWh**	**0.0000000**	**0.0000000**	**0.0000000**	

Schedule 9: This schedule reflects OPCo's over/under recovery of FCR expense for the period October through December 2013. AEP Ohio stated that it calculated the adjustment to the FCR rates that would be necessary to recover the over/under-recovery during the period April through June 2014.

In the second quarter of 2014, there was no previous over/under-recovery balance, and therefore, no reconciliation adjustment.

Exhibit 6-12
OPCO and CSP Schedule 10, April – June 2014

OHIO POWER COMPANY
Calculation of Auction Phase-In Rider
10% Auction
FC Component April - June 2014

Schedule 10

Line	Description			10% Auction Seasonal Factor	10% Auction Seasonal Price	
	TOTAL COMPANY					
1	Auction Clearing Price	$42.78 / MWh		0.9978	$42.69 / MWh	
		CSP %	**OP %**	**CSP**	**OP**	**Total**
2	Auction Costs	43.56%	56.44%	$217,676	$282,039	$499,714
3	Variable FAC for Retail Load	43.56%	56.44%	$42,369,941	$54,898,059	$97,268,000
4	Retail Non-Shopping Sales - Generation Level kWh	39.54%	60.46%	1,377,910,323	2,106,941,277	3,484,851,600
5	Variable FAC Component Rate At Generation Level - $/kWh			0.0307494	0.0260558	
6	Auction Cost Component Rate At Generation Level - $/kWh			0.0001580	0.0001339	
7	Auction Price Component Rate At Generation Level - $/kWh			0.0470257	0.0398477	

COLUMBUS SOUTHERN POWER RATE ZONE

		Auction % Split	Secondary	Primary	Sub/Trans
8	Variable FAC Component Rate At Generation Level	90%	0.0307494	0.0307494	0.0307494
9	Auction Cost Component Rate At Generation Level		0.0001580	0.0001580	0.0001580
10	Auction Price Component Rate At Generation Level	10%	0.0047026	0.0047026	0.0047026
11	Total FAC and Auction Costs		0.0356100	0.0356100	0.0356100
12	Loss Factor		1.0608	1.0240	1.0036
13	Auction Phase-In Rider Rate At Meter Level - $/kWh		0.0377751	0.0364646	0.0357382
14	Tax Gross-Up*		1.00435	1.00435	1.00435
15	**Auction Phase-In Rider Charge - $/kWh**		**0.0379394**	**0.0366232**	**0.0358937**

OHIO POWER RATE ZONE

		Auction % Split	Secondary	Primary	Sub/Trans
16	Variable FAC Component Rate At Generation Level	90%	0.0260558	0.0260558	0.0260558
17	Auction Cost Component Rate At Generation Level		0.0001339	0.0001339	0.0001339
18	Auction Price Component Rate At Generation Level	10%	0.0039848	0.0039848	0.0039848
19	Total FAC and Auction Costs		0.0301745	0.0301745	0.0301745
20	Loss Factor		1.0608	1.0240	1.0036
21	Auction Phase-In Rider Rate At Meter Level - $/kWh		0.0320091	0.0308987	0.0302831
22	Tax Gross-Up*		1.00435	1.00435	1.00435
23	**Auction Phase-In Rider Charge - $/kWh**		**0.0321483**	**0.0310331**	**0.0304148**

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

Schedule 10: This schedule reflects AEP Ohio's estimates of APIR costs that it expects to incur in the period April through June 2014. Line 1 presents the 10 percent seasonal auction clearing price of $42.69 per MWh. The auction costs, variable FAC for retail load, and retail non-shopping sales at generation, allocated between CSP and OPCo on lines 2 through 4. The variable FAC and auction cost component rates at generation level are calculated by dividing each Company's respective auction costs and variable FAC for retail load by the allocated retail non-shopping sales. The 10 percent auction seasonal price is used in calculating the auction price component rate at generation level.

Total FAC and auction costs are calculated by adding the variable FAC and auction cost component rates and 10 percent of the auction price component rate.

CSP and OPCO then applied loss factors to each respective total of FAC and auctions costs in order to derive the APIR rate at meter level. Each Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in APIRs at meter level of 0.0377751, 0.0364646, and 0.0357382 cents per kWh for CSP and APIRs of 0.0320091, 0.0308987, and 0.0302831 cents per kWh for OPCO.

Each Company applied a tax gross-up (consisting of CAT tax of 0.260%, PUCO assessments of 0.140%, and OCC assessments of 0.033%) of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in APIR charges of 0.0379394, 0.0366232, and 0.0358937 cents per kWh for CSP and APIR charges of 0.0321483, 0.0310331, and 0.0304148 cents per kWh for OPCo.

Exhibit 6-13
OPCO and CSP Schedule 11, April – June 2014

OHIO POWER COMPANY
Calculation of Auction Phase-In Rider
RA Component Oct-Dec 2013

Schedule 11

10% and 60% Auctions

Line	Description					Total (Over)/Under Recovery
1	Total (Over)/Under Recovery Balance					$ 15,233,044
2	Retail Non-Shopping Sales - Generation Level kWh					3,484,851,600
3	Reconciliation Component at Generation - $/kWh					0.0043712
			Secondary	**Primary**	**Sub/Trans**	
4	Reconciliation Component at Generation - $/kWh		0.0043712	0.0043712	0.0043712	
5	Loss Factor		1.0608	1.024	1.0036	
6	Reconciliation Component at the Meter Level - $/kWh		0.0046370	0.0044761	0.0043869	
7	CSP SEET Refund True-Up	(764)	-0.0000002	-0.0000002	-0.0000002	
8	Tax Gross-Up		1.00435	1.00435	1.00435	
9	**Reconciliation Adjustment Component - $/kWh OPCo**		**0.0046572**	**0.0044956**	**0.0044060**	
10	**Reconciliation Adjustment Component - $/kWh CSP**		**0.0046569**	**0.0044953**	**0.0044058**	

100% Auction

	Description					Total (Over)/Under Recovery
9	Total (Over)/Under Recovery Balance					$ 15,233,044
10	Retail Non-Shopping Sales - Generation Level kWh					3,484,851,600
11	Reconciliation Component at Generation - $/kWh					0.0043712
			Secondary	**Primary**	**Sub/Trans**	
12	Reconciliation Component at Generation - $/kWh		0.0043712	0.0043712	0.0043712	
13	Loss Factor		1.0604	1.0235	1.0031	
14	Reconciliation Component at the Meter Level - $/kWh		0.0046352	0.0044741	0.0043847	
16	Tax Gross-Up		1.00435	1.00435	1.00435	
17	**Reconciliation Adjustment Component - $/kWh**		**0.0046554**	**0.0044936**	**0.0044038**	

Schedule 11: This schedule reflects AEP Ohio's over/under-recovery of APIR costs during the period October through December 2013. AEP Ohio stated that it calculated the adjustment to the APIR rates that would be necessary to recover the over/under-recovery during the period April through June 2014. Schedule 11 also calculates the true-up of the Significantly Excessive

Earnings Test ("SEET") credit rider for the CSP rate zone, as stated in Case No. 11-4571-EL-UNC. The RA components are calculated at 10% and 60% auctions and at a 100% auction.

For the 10% and 60% auctions, the total under-recovery balance is divided by the retail non-shopping sales at generation level to derive the reconciliation component at generation level of $0.0043712 per kWh, as shown on line 3.

AEP Ohio then applied loss factors to the reconciliation component to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of 0.0046370, 0.004761, and 0.0043869 cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation component at meter level, which resulted in RA components of 0.0046572, 0.0044956, and 0.0044060 cents per kWh for OPCo.

The CSP SEET refund true-up was added to the reconciliation component at meter level The sum was then multiplied by the tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to derive the RA components of 0.0046569, 0.0044953, and 0.0044058 cents per kWh for CSP.

For the 100% auction, the total under-recovery balance is calculated the same as the 10% and 60% auctions.

AEP Ohio then applied loss factors to the reconciliation component to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of 0.0046352, 0.0044741, and 0.0043847 cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation component at meter level, which resulted in RA components of 0.0046554, 0.0044936, and 0.0044038 cents per kWh.

Alternative Schedules

As stated above, AEP Ohio provided alternative Schedules 1 and 11. These alternative schedules would recover the reconciliation component over nine months instead of 3 months, with the purpose to help mitigate some of the impact of the reconciliation component, which affects the rate in the amount of around $0.77 per MWh.

Alternative Schedule 1: Column A of this schedule reflects the then current APIR rate by delivery voltage. Column B reflects the forecast component ("FC") rate necessary to recover the estimated APIR expense for the period April through June 2014. Column C presents the Companies reconciliation adjustment ("RA"), which is calculated in order for AEP Ohio to derive the actual fuel over- or under-recovery it experienced through December 2013. Column D reflects the sum of the FC and RA components. The RA (and therefore, the total of FC and

RA components) for each voltage level, which were pulled from alternative Schedule 11, were the only amounts that differed from the original Schedule 1.

Alternative Schedule 11: This schedule reflects AEP Ohio's over/under-recovery of APIR costs during the period October through December 2013. AEP Ohio stated that it calculated the adjustment to the APIR rates that would be necessary to recover the over/under-recovery during the period April through June 2014. Schedule 11 also calculates the true-up of the SEET credit rider for the CSP rate zone. The RA components are calculated at 10% and 60% auctions and at a 100% auction.

For the 10% and 60% auctions, the total under-recovery balance is divided by the retail non-shopping sales at generation level to derive the reconciliation component at generation level of $0.0014795 per kWh, as shown on line 3.

AEP Ohio then applied loss factors to the reconciliation component to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0608, 1.1.024, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of 0.0015695, 0.0015150, and 0.0014848 cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation component at meter level, which resulted in RA components of 0.0015763, 0.0015216, and 0.0014913 cents per kWh for OPCo.

The CSP SEET refund true-up was added to the reconciliation component at meter level The sum was then multiplied by the tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to derive the RA components of 0.0015762, 0.0015215, and 0.0014912 cents per kWh for CSP.

For the 100% auction, the total under-recovery balance is calculated the same as the 10% and 60% auctions.

AEP Ohio then applied loss factors to the reconciliation component to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of 0.0015689, 0.0015143, and 0.0014841 cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation component at meter level, which resulted in RA components of 0.0015757, 0.0015209, and 0.0014906 cents per kWh.

Third Quarter 2014

On June 2, 2014, AEP Ohio submitted the initial quarterly APIR and FCR filings, as well as quarterly AER filings, for CSP and OPCO, which reflected actual data from January through March 2014 and projected data for the period July through September 2014. AEP Ohio's filing for this quarter included a submittal letter, Schedules 1 through 11 supporting the Companies proposed calculations for CSP and OPCO, and the explanations of each schedule.

The Companies used the same methodology described above as it relates to the format of the schedules in its initial FAC filing. The sections below discuss AEP Ohio's third quarter 2014 FAC filings by reproducing Schedules 1-3 and 7-11, which covers actual costs for January through March 2014.

Exhibit 6-14
OPCO and CSP Schedule 1, July – September 2014

Schedule 1

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Auction Phase In Rider
July 2014 through September 2014
Summary - Proposed Auction Phase In Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	4.25963	3.84184	-0.23167	3.61017
2	Primary	4.11185	3.70856	-0.22364	3.48492
3	Sub/Transmission	4.02995	3.63468	-0.21918	3.41550

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	3.68055	3.25542	-0.23167	3.02375
2	Primary	3.55287	3.14249	-0.22364	2.91885
3	Sub/Transmission	3.48208	3.07989	-0.21918	2.86071

Schedule 1: Column A of this schedule reflects the then current APIR rate by delivery voltage. Column B reflects the forecast component ("FC") rate necessary to recover the estimated APIR expense for the period July through September 2014. Column C presents the Companies reconciliation adjustment ("RA"), which is calculated in order for AEP Ohio to derive the actual fuel over- or under-recovery it experienced through January through March 2014. Column D reflects the sum of the FC and RA components.

Exhibit 6-15
OPCO and CSP Schedule 2, July – September 2014

Schedule 2

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
July 2014 through September 2014
FC Component

Line	Description	Forecast Period - 3rd Quarter 2014 July	August	September	Total
	TOTAL COMPANY				
1	Purchased Power (Energy)	45,092,000	36,684,000	19,800,000	$ 101,576,000
2	Energy & Capacity Value of Renewables (RECs moved to Rider AER)	1,000,000	600,000	900,000	$ 2,500,000
3	FAC for Retail Load (Total Company)	$ 46,092,000	$ 37,284,000	$ 20,700,000	$ 104,076,000
4	Retail Non-Shopping Sales - Generation Level Kwh	1,622,980,428	1,345,393,859	731,891,145	3,700,265,432

Schedule 2: This schedule reflects AEP Ohio's estimates of monthly fuel costs it expected to incur during the period July through September 2014. AEP Ohio stated that it calculated the rates by voltage necessary to recover its forecast costs. For the third quarter of 2014, AEP Ohio has projected purchased power costs totaling $101.576 million for CSP and OPCO.

Line 2 of Schedule 2 reflects the Companies' projected component energy and capacity value of renewables, which totaled $2.500 million. The component for renewable energy credits ("RECs") was moved to the AER. The addition of the renewable's energy and capacity value result in total FAC costs for retail load of $104.076 million.

Finally, AEP Ohio reflected their retail non-shopping sales at generation level, totaling 3.700 billion kWh.

Exhibit 6-16
CSP and OPCO Schedule 3, July – September 2014

Schedule 3

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
July 2014 through September 2014

RA **RA Component**

Line	Month	Actual Period - January 2014 through March 2014 Renewable & FAC Revenue	FAC Cost	FAC (Over)/Under Recovery	Total (Over)/Under Recovery
1	**Beginning Balance**				$ (3,325,745)
2	Jan-14	$ 66,491,019	$ 66,840,796	$ 349,777	$ 349,777
3	Feb-14	$ 57,897,379	$ 63,549,955	$ 5,652,576	$ 5,652,576
4	Mar-14	59,615,761	$ 48,892,819	$ (10,722,942)	$ (10,722,942)
5	**Ending Balance**	$ 184,004,159	$ 179,283,570	$ (4,720,589)	$ (8,046,334)
6	Total (Over)/Under Recovery Balance				$ (8,046,334)
7	Loss Adjusted Retail Sales Billing Period - kWh				3,700,265,432
8	RA Component at Generation - Cents/kWh				(0.21745)

Schedule 3: This schedule represents the Companies' RA components of their third quarter 2014 FAC filings. Specifically, Schedule 3 reflects the Companies' beginning cumulative balance as well as the under-recovery of fuel expenses for each month during the period January through

March 2014, which were calculated as the difference between the monthly FAC revenues for the first quarter of 2014 and the monthly jurisdictional retail FAC costs for the same period. This schedule reflects total over-recoveries of $8.046 million.

From this amount, the Companies calculated the RA component of its FAC rate at Generation level by dividing the over-recovery by loss adjusted retail sales. The RA component for this filing was (.21745) cents per kWh.

Exhibit 6-17
OPCO and CSP Schedule 7, July – September 2014

Schedule 7

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly Fixed Cost Rider For Billing During
July 2014 through September 2014
Summary - Proposed Fixed Cost Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 8	Schedule 9	
Line	Delivery Voltage	Current FCR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.86561	0.81204	0.00000	0.812040
2	Primary	0.83558	0.78387	0.00000	0.783870
3	Sub/Transmission	0.81893	0.76825	0.00000	0.768250

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 8	Schedule 9	
Line	Delivery Voltage	Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.73348	0.68809	0.00000	0.688090
2	Primary	0.70803	0.66422	0.00000	0.664220
3	Sub/Transmission	0.69393	0.65099	0.00000	0.650990

Schedule 7: Column A of this schedule reflects the then current FCR rate by delivery voltage. Column B reflects the FC rate necessary to recover the estimated FCR expense for the period July through September 2014. Column C presents the Companies RA, which is calculated in order for AEP Ohio to derive the actual fuel under-recovery it experienced January through March 2014. Column D reflects the sum of the FC and RA components.

Exhibit 6-18
OPCO Schedule 8, July – September 2014

OHIO POWER COMPANY
Forecast of Fixed Cost Rider
July - September 2014

Schedule 8

Line	Description	CSP %	OP %	CSP	OP	Total
	TOTAL COMPANY					
1	Fixed FAC Costs	43.56%	56.44%	$11,151,360	$14,448,640	$25,600,000
2	Retail Non-Shopping Sales - Generation Level kWh	39.54%	60.46%	1,463,084,952	2,237,180,480	3,700,265,432
3	Fixed Cost Rider Rate At Generation Level - $/kWh			0.0076218	0.0064584	

COLUMBUS SOUTHERN POWER RATE ZONE

Line	Description	Secondary	Primary	Sub/Trans
4	Fixed Cost Rate At Generation Level	0.0076218	0.0076218	0.0076218
5	Loss Factor	1.0608	1.0240	1.0036
6	Fixed Cost Rate At Meter Level - $/kWh	0.0080852	0.0078047	0.0076492
7	Tax Gross-Up	1.00435	1.00435	1.00435
8	**Fixed Cost Rider Charge - $/kWh**	**0.0081204**	**0.0078387**	**0.0076825**

OHIO POWER RATE ZONE

Line	Description	Secondary	Primary	Sub/Trans
9	Fixed Cost Rate At Generation Level	0.0064584	0.0064584	0.0064584
10	Loss Factor	1.0608	1.0240	1.0036
11	Fixed Cost Rate At Meter Level - $/kWh	0.0068511	0.0066134	0.0064817
12	Tax Gross-Up	1.00435	1.00435	1.00435
13	**Fixed Cost Rider Charge - $/kWh**	**0.0068809**	**0.0066422**	**0.0065099**

Schedule 8: This schedule reflects AEP Ohio's estimates of FCR costs it expected to incur during the period July through September 2014. AEP Ohio stated that it calculated the rates by voltage necessary to recover its forecast costs. For the third quarter of 2014, AEP Ohio has projected fixed FAC costs for CSP of $11.151 million and $14.449 million for OPCo, totaling $25.600 million. Line 2 reflects the retail non-shopping sales at generation level, also allocated between CSP and OPCo.

Line 3 reflects the FCR rate at generation level, derived by dividing each Company's projected fixed FAC costs by their respective projected retail non-shopping sales at the Generation level. This amounted to 0.0076218 cents per kWh for CSP and 0.0064584 cents per kWh for OPCO.

CSP and OPCO then applied loss factors to each respective FCR at generation level in order to derive the FCR at meter level. Each Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in FCRs at meter level of 0.0080852, 0.0078047, and 0.0076492 cents per kWh for CSP and FCRs at meter level of 0.0068511, 0.0066134, and 0.0064817 cents per kWh for OPCO.

Each Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in FCR charges of 0.0081204, 0.0078387, and 0.0076825 cents per kWh for CSP and FCR charges of 0.0068809, 0.0066422, and 0.0065099 cents per kWh for OPCo.

Exhibit 6-19
OPCO Schedule 9, July – September 2014

OHIO POWER COMPANY
Calculation of Fixed Cost Rider
RA Component Jan - March 2014

Schedule 9

Line	Description	Total (Over)/Under Recovery
1	Total (Over)/Under Recovery Balance	$ -
2	Retail Non-Shopping Sales - Generation Level kWh	3,700,265,432
3	Reconciliation Component at Generation - $/kWh	-

		Secondary	Primary	Sub/Trans
4	Reconciliation Component at Generation - $/kWh	-	-	-
5	Loss Factor	1.0608	1.024	1.0036
6	Reconciliation Component at the Meter Level - $/kWh	0.0000000	0.0000000	0.0000000
7	Tax Gross-Up	1.00435	1.00435	1.00435
8	**Reconciliation Adjustment Component - $/kWh**	**0.0000000**	**0.0000000**	**0.0000000**

100% Auction

	Description	Total (Over)/Under Recovery
9	Total (Over)/Under Recovery Balance	$ -
10	Retail Non-Shopping Sales - Generation Level kWh	3,700,265,432
11	Reconciliation Component at Generation - $/kWh	-

		Secondary	Primary	Sub/Trans
12	Reconciliation Component at Generation - $/kWh	-	-	-
13	Loss Factor	1.0604	1.0235	1.0031
14	Reconciliation Component at the Meter Level - $/kWh	0.0000000	0.0000000	0.0000000
15	Tax Gross-Up	1.00435	1.00435	1.00435
16	**Reconciliation Adjustment Component - $/kWh**	**0.0000000**	**0.0000000**	**0.0000000**

Schedule 9: This schedule reflects OPCo's over/under recovery of FCR expense for the period January through March 2014. AEP Ohio stated that it calculated the adjustment to the FCR rates that would be necessary to recover the over/under-recovery during the period July through September 2014.

In the third quarter of 2014, there was no previous over/under-recovery balance, and therefore, no reconciliation adjustment.

Exhibit 6-20
OPCO and CSP Schedule 10, July – September 2014

OHIO POWER COMPANY
Calculation of Auction Phase-In Rider
10% Auction
FC Component July - September 2014

Schedule 10

Line	Description					
	TOTAL COMPANY			10% Auction Seasonal Factor	10% Auction Seasonal Price	
1	Auction Clearing Price	$42.78 / MWh		1.0449	$44.70 / MWh	
		CSP %	**OP %**	**CSP**	**OP**	**Total**
2	Auction Costs	43.56%	56.44%	$217,676	$282,039	$499,714
3	Variable FAC for Retail Load*	43.56%	56.44%	$45,335,506	$58,740,494	$104,076,000
4	Retail Non-Shopping Sales - Generation Level kWh	39.54%	60.46%	1,463,084,952	2,237,180,480	3,700,265,432
5	Variable FAC Component Rate At Generation Level - $/kWh			0.0309862	0.0262565	
6	Auction Cost Component Rate At Generation Level - $/kWh			0.0001488	0.0001261	
7	Auction Price Component Rate At Generation Level - $/kWh			0.0492455	0.0417287	

COLUMBUS SOUTHERN POWER RATE ZONE

		Auction % Split	Secondary	Primary	Sub/Trans
8	Variable FAC Component Rate At Generation Level	90%	0.0309862	0.0309862	0.0309862
9	Auction Cost Component Rate At Generation Level		0.0001488	0.0001488	0.0001488
10	Auction Price Component Rate At Generation Level	10%	0.0049246	0.0049246	0.0049246
11	Total FAC and Auction Costs		0.0360596	0.0360596	0.0360596
12	Loss Factor		1.0608	1.0240	1.0036
13	Auction Phase-In Rider Rate At Meter Level - $/kWh		0.0382520	0.0369250	0.0361894
14	Tax Gross-Up**		1.00435	1.00435	1.00435
15	**Auction Phase-In Rider Charge - $/kWh**		**0.0384184**	**0.0370856**	**0.0363468**

OHIO POWER RATE ZONE

		Auction % Split	Secondary	Primary	Sub/Trans
16	Variable FAC Component Rate At Generation Level	90%	0.0262565	0.0262565	0.0262565
17	Auction Cost Component Rate At Generation Level		0.0001261	0.0001261	0.0001261
18	Auction Price Component Rate At Generation Level	10%	0.0041729	0.0041729	0.0041729
19	Total FAC and Auction Costs		0.0305555	0.0305555	0.0305555
20	Loss Factor		1.0608	1.0240	1.0036
21	Auction Phase-In Rider Rate At Meter Level - $/kWh		0.0324132	0.0312888	0.0306655
22	Tax Gross-Up*		1.00435	1.00435	1.00435
23	**Auction Phase-In Rider Charge - $/kWh**		**0.0325542**	**0.0314249**	**0.0307989**

* 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%.

Schedule 10: This schedule reflects AEP Ohio's estimates of APIR costs that it expects to incur in the period July through September 2014. The rates are calculated by the voltage necessary to recover the forecast costs. Line 1 presents the 10 percent seasonal auction clearing price of $44.70 per MWh. The auction costs, variable FAC for retail load, and retail non-shopping sales at generation, allocated between CSP and OPCo on lines 2 through 4. The variable FAC and auction cost component rates at generation level are calculated by dividing each Company's respective auction costs and variable FAC for retail load by the allocated retail non-shopping

sales. The 10 percent auction seasonal price is used in calculating the auction price component rate at generation level.

Total FAC and auction costs are calculated by adding the variable FAC and auction cost component rates and 10 percent of the auction price component rate.

CSP and OPCO then applied loss factors to each respective total of FAC and auctions costs in order to derive the APIR rate at meter level. Each Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in APIRs at meter level of 0.0382520, 0.0369250, and 0.0361894 cents per kWh for CSP and APIRs at meter level of 0.0324132, 0.0312888, and 0.0306655 cents per kWh for OPCO.

Each Company applied a tax gross-up (consisting of CAT tax of 0.260%, PUCO assessments of 0.140%, and OCC assessments of 0.033%) of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in APIR charges of 0.0384184, 0.0370856, and 0.0363468 cents per kWh for CSP and APIR charges of 0.0325542, 0.0314249, and 0.0307989 cents per kWh for OPCo.

Exhibit 6-21
OPCO and CSP Schedule 11, July – September 2014

OHIO POWER COMPANY
Calculation of Auction Phase-In Rider
RA Component January-March 2014

Schedule 11

10% and 60% Auctions

Line	Description				Total (Over)/Under Recovery
1	Total (Over)/Under Recovery Balance				$ (8,046,334)
2	Retail Non-Shopping Sales - Generation Level kWh				3,700,265,432
3	Reconciliation Component at Generation - $/kWh				(0.0021745)
		Secondary	**Primary**	**Sub/Trans**	
4	Reconciliation Component at Generation - $/kWh	(0.0021745)	(0.0021745)	(0.0021745)	
5	Loss Factor	1.0608	1.024	1.0036	
6	Reconciliation Component at the Meter Level - $/kWh	-0.0023067	-0.0022267	-0.0021823	
7	Tax Gross-Up	1.00435	1.00435	1.00435	
8	**Reconciliation Adjustment Component - $/kWh OPCo**	**-0.0023167**	**-0.0022364**	**-0.0021918**	
9	**Reconciliation Adjustment Component - $/kWh CSP**	**-0.0023167**	**-0.0022364**	**-0.0021918**	

100% Auction

	Description				Total (Over)/Under Recovery
10	Total (Over)/Under Recovery Balance				$ (8,046,334)
11	Retail Non-Shopping Sales - Generation Level kWh				3,700,265,432
12	Reconciliation Component at Generation - $/kWh				(0.0021745)
		Secondary	**Primary**	**Sub/Trans**	
13	Reconciliation Component at Generation - $/kWh	(0.0021745)	(0.0021745)	(0.0021745)	
14	Loss Factor	1.0604	1.0235	1.0031	
15	Reconciliation Component at the Meter Level - $/kWh	-0.0023058	-0.0022257	-0.0021812	
16	Tax Gross-Up	1.00435	1.00435	1.00435	
17	**Reconciliation Adjustment Component - $/kWh**	**-0.0023158**	**-0.0022354**	**-0.0021907**	

Schedule 11: This schedule reflects AEP Ohio's over/under-recovery of APIR costs during the period January through March 2014. AEP Ohio stated that it calculated the adjustment to the

APIR rates that would be necessary to recover the over/under-recovery during the period July through September 2014. The RA components are calculated at 10% and 60% auctions and at a 100% auction.

For the 10% and 60% auctions, the total under-recovery balance is divided by the retail non-shopping sales at generation level to derive the reconciliation component at generation level of ($0.0021745) per kWh, as shown on line 3.

AEP Ohio then applied loss factors to the reconciliation component to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of (0.0023067), (0.0022267), and (0.0021823) cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation component at meter level, which resulted in RA components of (0.0023167), (0.0022364), and (0.0021918) cents per kWh for OPCo and CSP.

For the 100% auction, the total under-recovery balance is calculated the same as the 10% and 60% auctions.

AEP Ohio then applied loss factors to the reconciliation component to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of (0.0023058), (0.0022257), and (0.0021812) cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation component at meter level, which resulted in RA components of (0.0023158), (0.0022354), and (0.0021907) cents per kWh.

Fourth Quarter 2014

On September 2, 2014, AEP Ohio submitted the quarterly APIR and FCR filings, as well as quarterly AER filings, for CSP and OPCO, which reflected actual data from April through June 2014 and projected data for the period October through December 2014. AEP Ohio's filing for this quarter included a submittal letter, Schedules 1 through 11 supporting the Companies proposed calculations for CSP and OPCO, and the explanations of each schedule.

On September 3, 2014, AEP Ohio submitted an updated quarterly filing to correct a formulaic error that was discovered on the Schedule 10 Tax Gross Up for the Forecast Component of the APIR in the Ohio Power Rate Zone. AEP Ohio corrected this error and resubmitted Schedules 1 and 10.

On September 15, 2014, AEP Ohio submitted another updated quarterly APIR and FCR filing, which incorporate the final Forecast Cost by reflecting the September 9, 2014 energy auction. Schedules 1, 2, and 10 were revised to reflect the approval of the auction clearing price.

The Companies used the same methodology described above as it relates to the format of the schedules in its initial FAC filing. The sections below discuss AEP Ohio's fourth quarter 2014

APIR, FAC, FCR filings by reproducing Schedules 1-3 and 7-11, which covers actual costs for April through June 2014.

Exhibit 6-22
OPCO and CSP Schedule 1, October 2014

Schedule 1

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Auction Phase In Rider
Oct-14
Summary - Proposed Auction Phase In Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	3.61017	4.02402	0.24643	4.27045
2	Primary	3.48492	3.88442	0.23788	4.12230
3	Sub/Transmission	3.41550	3.80704	0.23314	4.04018

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	3.02375	3.40979	0.24643	3.65622
2	Primary	2.91885	3.29150	0.23788	3.52938
3	Sub/Transmission	2.86071	3.22592	0.23314	3.45906

Schedule 1, September 3, 2014: Column A of this schedule reflects the then current APIR rate by delivery voltage. Column B reflects the forecast component ("FC") rate necessary to recover the estimated APIR expense for the period October 2014. Column C presents the Companies reconciliation adjustment ("RA"), which is calculated in order for AEP Ohio to derive the actual fuel over- or under-recovery it experienced through April through June 2014. Column D reflects the sum of the FC and RA components.

Exhibit 6-23
OPCO and CSP Schedule 1, November – December 2014

Schedule 1

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

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	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

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	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

Schedule 1, September 15, 2014: Column A of this schedule reflects the then current APIR rate by delivery voltage. Column B reflects the forecast component ("FC") rate necessary to recover the estimated APIR expense for the period November through December 2014. Column C presents the Companies reconciliation adjustment ("RA"), which is calculated in order for AEP Ohio to derive the actual fuel over- or under-recovery it experienced April through June 2014. Column D reflects the sum of the FC and RA components.

Exhibit 6-24
OPCO and CSP Schedule 2, July – September 2014

Schedule 2

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

Line	Description		Forecast Period - 4th Quarter 2014 October	November	December	Total
	TOTAL COMPANY					
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

Schedule 2: This schedule reflects AEP Ohio's estimates of monthly fuel costs it expected to incur during the period October through December 2014. AEP Ohio stated that it calculated the rates by voltage necessary to recover its forecast costs. For the fourth quarter of 2014, AEP Ohio has projected purchased power costs totaling $48.968 million for CSP and OPCO.

Line 2 of Schedule 2 reflects the Companies' projected component energy and capacity value of renewables, which totaled $5.700 million. The component for renewable energy credits ("RECs") was moved to the AER. The addition of the renewable's energy and capacity value result in total FAC costs for retail load of $54.668 million.

AEP Ohio then reflected their retail non-shopping sales at generation level, totaling 2.986 billion kWh.

Finally, the retail sales were multiplied by the auction percentages of 10% and 25%.[31] The total amount of auction based costs was then subtracted from retail sales to derive the total amount of fuel of $1.648 billion.

[31] October's retail sales is only multiplied by 10%.

Exhibit 6-25
CSP and OPCO Schedule 3, October – December 2014

Schedule 3

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
October 2014 through December 2014
RA Component

		Actual Period - April 2014 through June 2014			
Line	Month	Renewable & FAC Revenue	FAC Cost	FAC (Over)/Under Recovery	Total (Over)/Under Recovery
1	**Beginning Balance**				$ 15,233,044
2	Apr-14	$ -	$ -	$ -	$ -
3	May-14	$ -	$ -	$ -	$ -
4	Jun-14	-	$ -	$ -	$ -
5	**Ending Balance**	$ -	$ -	$ -	$ 15,233,044
6	Total (Over)/Under Recovery Balance				$ 15,233,044
7	Loss Adjusted Retail Sales Billing Period - kWh				2,985,844,030
8	RA Component at Generation - Cents/kWh				0.51018

Schedule 3: This schedule represents the Companies' RA components of their fourth quarter 2014 FAC filings. Specifically, Schedule 3 reflects the Companies' beginning cumulative balance as well as the under-recovery of fuel expenses for each month during the period April through June 2014, which were calculated as the difference between the monthly FAC revenues for the first quarter of 2014 and the monthly jurisdictional retail FAC costs for the same period. This schedule reflects total under-recoveries of $15.233 million.

From this amount, the Companies calculated the RA component of its FAC rate at Generation level by dividing the over-recovery by loss adjusted retail sales. The RA component for this filing was (.51018) cents per kWh.

Exhibit 6-26
OPCO and CSP Schedule 7, October – December 2014

Schedule 7

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly Fixed Cost Rider For Billing During
October 2014 through December 2014
Summary - Proposed Fixed Cost Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 8	Schedule 9	
Line	Delivery Voltage	Current FCR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.81204	1.00240	-0.25653	0.74587
2	Primary	0.78387	0.96763	-0.24763	0.72000
3	Sub/Transmission	0.76825	0.94836	-0.24270	0.70566

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 8	Schedule 9	
Line	Delivery Voltage	Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.68809	0.84940	-0.25653	0.59287
2	Primary	0.66422	0.81993	-0.24763	0.57230
3	Sub/Transmission	0.65099	0.80360	-0.24270	0.56090

Schedule 7: Column A of this schedule reflects the then current FCR rate by delivery voltage. Column B reflects the FC rate necessary to recover the estimated FCR expense for the period October through December 2014. Column C presents the Companies RA, which is calculated in order for AEP Ohio to derive the actual fuel under-recovery it experienced April through June 2014. Column D reflects the sum of the FC and RA components.

Exhibit 6-27
OPCO Schedule 8, October – December 2014

OHIO POWER COMPANY
Forecast of Fixed Cost Rider
October - December 2014

Schedule 8

Line	Description	CSP %	OP %	CSP	OP	Total
	TOTAL COMPANY					
1	Fixed FAC Costs	43.56%	56.44%	$11,107,800	$14,392,200	$25,500,000
2	Retail Non-Shopping Sales - Generation Level kWh	39.54%	60.46%	1,180,602,729	1,805,241,301	2,985,844,030
3	Fixed Cost Rider Rate At Generation Level - $/kWh			0.0094086	0.0079725	

COLUMBUS SOUTHERN POWER RATE ZONE

Line	Description	Secondary	Primary	Sub/Trans
4	Fixed Cost Rate At Generation Level	0.0094086	0.0094086	0.0094086
5	Loss Factor	1.0608	1.0240	1.0036
6	Fixed Cost Rate At Meter Level - $/kWh	0.0099806	0.0096344	0.0094425
7	Tax Gross-Up	1.00435	1.00435	1.00435
8	**Fixed Cost Rider Charge - $/kWh**	**0.0100240**	**0.0096763**	**0.0094836**

OHIO POWER RATE ZONE

Line	Description	Secondary	Primary	Sub/Trans
9	Fixed Cost Rate At Generation Level	0.0079725	0.0079725	0.0079725
10	Loss Factor	1.0608	1.0240	1.0036
11	Fixed Cost Rate At Meter Level - $/kWh	0.0084572	0.0081638	0.0080012
12	Tax Gross-Up	1.00435	1.00435	1.00435
13	**Fixed Cost Rider Charge - $/kWh**	**0.0084940**	**0.0081993**	**0.0080360**

Schedule 8: This schedule reflects AEP Ohio's estimates of FCR costs it expected to incur during the period October through December 2014. AEP Ohio stated that it calculated the rates by voltage necessary to recover its forecast costs. For the fourth quarter of 2014, AEP Ohio has projected fixed FAC costs for CSP of $11.108 million and $14.392 million for OPCo, totaling $25.500 million. Line 2 reflects the retail non-shopping sales at generation level, also allocated between CSP and OPCo.

Line 3 reflects the FCR rate at generation level, derived by dividing each Company's projected fixed FAC costs by their respective projected retail non-shopping sales at the Generation level. This amounted to 0.0094086 cents per kWh for CSP and 0.0079725 cents per kWh for OPCO.

CSP and OPCO then applied loss factors to each respective FCR at generation level in order to derive the FCR at meter level. Each Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in FCRs at meter level of 0.0099806, 0.0096344, and 0.0094425 cents per kWh for CSP and FCRs at meter level of 0.0084572, 0.0081638, and 0.0080012 cents per kWh for OPCO.

Each Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in FCR charges of 0.0100240, 0.0096763, and 0.0094836 cents per kWh for CSP and FCR charges of 0.0084940, 0.0081993, and 0.0080360 cents per kWh for OPCo.

Exhibit 6-28
OPCO Schedule 9, October – December 2014

OHIO POWER COMPANY
Calculation of Fixed Cost Rider
RA Component April - June 2014

Schedule 9

Line	Description	FCR Revenue	FCR Costs	FCR (Over)/Under Recovery	Total (Over)/Under Recovery
1	**Beginning Balance**				$ -
2	Apr-14	$ 12,584,626	$ 8,319,545	$ (4,265,081)	$ (4,265,081)
3	May-14	$ 8,719,015	$ 7,794,394	$ (924,621)	$ (924,621)
4	Jun-14	9,045,853	$ 7,046,241	$ (1,999,612)	$ (1,999,612)
5	**Ending Balance**	$ 30,349,494	$ 23,160,180	$ (7,189,314)	$ (7,189,314)

6	Retail Non-Shopping Sales - Generation Level kWh	2,985,844,030
7	Reconciliation Component at Generation - $/kWh	(0.0024078)

		Secondary	Primary	Sub/Trans
8	Reconciliation Component at Generation - $/kWh	(0.0024078)	(0.0024078)	(0.0024078)
9	Loss Factor	1.0608	1.024	1.0036
10	Reconciliation Component at the Meter Level - $/kWh	-0.0025542	-0.0024656	-0.0024165
11	Tax Gross-Up	1.00435	1.00435	1.00435
12	**Reconciliation Adjustment Component - $/kWh**	**-0.0025653**	**-0.0024763**	**-0.0024270**

100% Auction

	Description	Total (Over)/Under Recovery
13	Total (Over)/Under Recovery Balance	$ -
14	Retail Non-Shopping Sales - Generation Level kWh	2,985,844,030
15	Reconciliation Component at Generation - $/kWh	-

		Secondary	Primary	Sub/Trans
16	Reconciliation Component at Generation - $/kWh	-	-	-
17	Loss Factor	1.0604	1.0235	1.0031
18	Reconciliation Component at the Meter Level - $/kWh	0.0000000	0.0000000	0.0000000
19	Tax Gross-Up	1.00435	1.00435	1.00435
20	**Reconciliation Adjustment Component - $/kWh**	**0.0000000**	**0.0000000**	**0.0000000**

Schedule 9: This schedule reflects OPCo's over/under recovery of FCR expense for the period April through June 2014. AEP Ohio stated that it calculated the adjustment to the FCR rates that would be necessary to recover the over/under-recovery during the period October through December 2014.

In the fourth quarter of 2014, there was a previous over-recovery balance from the second quarter of 2014 of $7.189 million. The FCR over-recovery is divided by the retail sales at generation level to calculate the reconciliation component of (0.0024078) cents per kWh.

The Company then applied loss factors to the reconciliation component in order to derive the reconciliation component at meter level. Each Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of (0.0025542), (0.0024656), and (0.0024165) cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in reconciliation adjustment components of (0.0025653), (0.0024763), and (0.0024270) cents per kWh.

Exhibit 6-29
OPCO and CSP Schedule 10, October 2014

OHIO POWER COMPANY
Calculation of Auction Phase-In Rider
Summary 10% Auction
FC Component October 2014 Summary

Schedule 10

Line	Description			Summary 10% Auction Seasonal Factor	Seasonal Price	
	TOTAL COMPANY					
1	Auction Clearing Price 10% - Oct. (February Auction)	$42.78 / MWh		0.9743	$41.68 / MWh	
		CSP %	**OP %**	**CSP**	**OP**	**Total**
2	Auction Costs	43.56%	56.44%	$72,559	$94,013	$166,571
3	Variable FAC for Retail Load*	43.56%	56.44%	$11,840,479	$15,341,521	$27,182,000
4	Retail Non-Shopping Sales - Generation Level kWh	39.54%	60.46%	359,067,980	549,045,273	908,113,253
5	Variable FAC Component Rate At Generation Level - $/kWh			0.0329756	0.0279422	
6	Auction Cost Component Rate At Generation Level - $/kWh			0.0002021	0.0001712	
7	Auction Price Component Rate At Generation Level - $/kWh			0.0045918	0.0038909	

	COLUMBUS SOUTHERN POWER RATE ZONE	Weighted Auction % Split	Secondary	Primary	Sub/Trans
8	Variable FAC Component Rate At Generation Level	55%	0.0329756	0.0329756	0.0329756
9	Auction Cost Component Rate At Generation Level		0.0002021	0.0002021	0.0002021
10	Auction Price Component Rate At Generation Level	45%	0.0045918	0.0045918	0.0045918
11	Total FAC and Auction Costs		0.0377695	0.0377695	0.0377695
	Loss Factor		1.0608	1.0240	1.0036
	Auction Phase-In Rider Rate At Meter Level - $/kWh		0.0400659	0.0386760	0.0379055
	Tax Gross-Up**		1.00435	1.00435	1.00435
	Auction Phase-In Rider Charge - $/kWh		**0.0402402**	**0.0388442**	**0.0380704**

	OHIO POWER RATE ZONE	Weighted Auction % Split	Secondary	Primary	Sub/Trans
12	Variable FAC Component Rate At Generation Level	55%	0.0279422	0.0279422	0.0279422
13	Auction Cost Component Rate At Generation Level		0.0001712	0.0001712	0.0001712
14	Auction Price Component Rate At Generation Level	45%	0.0038909	0.0038909	0.0038909
15	Total FAC and Auction Costs		0.0320043	0.0320043	0.0320043
	Loss Factor		1.0608	1.024	1.0036
	Auction Phase-In Rider Rate At Meter Level - $/kWh		0.0339502	0.0327724	0.0321195
	Tax Gross-Up**		1.00435	1.00435	1.00435
	Auction Phase-In Rider Charge - $/kWh		**0.0340979**	**0.0329150**	**0.0322592**

* 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%.

Schedule 10, October 2014: This schedule reflects AEP Ohio's estimates of APIR costs that it expects to incur in October 2014. The rates are calculated by the voltage necessary to recover the forecast costs. Line 1 presents the 10 percent seasonal auction clearing price of $41.68 per MWh. The auction costs, variable FAC for retail load, and retail non-shopping sales at generation, are allocated between CSP and OPCo on lines 2 through 4. The variable FAC and auction cost component rates at generation level are calculated by dividing each Company's

respective auction costs and variable FAC for retail load by the allocated retail non-shopping sales. The 10 percent auction seasonal price is used in calculating the auction price component rate at generation level.

Total FAC and auction costs are calculated by adding the variable FAC and auction cost component rates and 10 percent of the auction price component rate.

CSP and OPCO then applied loss factors to each respective total of FAC and auctions costs in order to derive the APIR rate at meter level. Each Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in APIRs at meter level of 0.0400659, 0.0386760, and 0.0379055 cents per kWh for CSP and APIRs at meter level of 0.0339502, 0.0327724, and 0.0321195 cents per kWh for OPCO.

Each Company applied a tax gross-up (consisting of CAT tax of 0.260%, PUCO assessments of 0.140%, and OCC assessments of 0.033%) of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in APIR charges of 0.0402402, 0.038442, and 0.0380704 cents per kWh for CSP and APIR charges of 0.0340979, 0.0329150, and 0.0322592 cents per kWh for OPCo.

Exhibit 6-30
OPCO and CSP Schedule 10, November - December 2014

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

Schedule 10

Line	Description			Summary 10% and 60% Auctions Seasonal Factor	Seasonal Price	
	TOTAL COMPANY					
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	
		CSP %	**OP %**	**CSP**	**OP**	**Total**
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	

	COLUMBUS SOUTHERN POWER RATE ZONE	Weighted Auction % Split	Secondary	Primary	Sub/Trans
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
	Auction Phase-In Rider Charge - $/kWh		**0.0486393**	**0.0469519**	**0.0460165**

	OHIO POWER RATE ZONE	Weighted Auction % Split	Secondary	Primary	Sub/Trans
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
	Auction Phase-In Rider Charge - $/kWh		**0.0412150**	**0.0397852**	**0.0389927**

* 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%.

Schedule 10, November - December 2014: This schedule reflects AEP Ohio's estimates of APIR costs that it expects to incur in the period of November - December 2014. The rates are calculated by the voltage necessary to recover the forecast costs. Line 1 presents the 10 percent seasonal auction clearing prices of $41.68 per MWh for October based on the February Auction price of 10%, $48.72 per MWh for November through December based on the May Auction price of 25%, and $46.82 per MWh for November through December also based on the May Auction price of 25% because the September Auction price was unavailable at the time of filing. The auction costs, variable FAC for retail load, and retail non-shopping sales at generation, are allocated between CSP and OPCo on lines 2 through 4. The variable FAC and auction cost component rates at generation level are calculated by dividing each Company's respective

auction costs and variable FAC for retail load by the allocated retail non-shopping sales. The seasonal prices calculated on line 1 are used in calculating the auction price component rate at generation level.

Total FAC and auction costs are calculated by adding the variable FAC and auction cost component rates and the auction price component rate.

CSP and OPCO then applied loss factors to each respective total of FAC and auctions costs in order to derive the APIR rate at meter level. Each Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in APIRs at meter level of 0.0484286, 0.0467485, and 0.0458172 cents per kWh for CSP and APIRs at meter level of 0.0410365, 0.0396129, and 0.0388238 cents per kWh for OPCO.

Each Company applied a tax gross-up of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in APIR charges of 0.0486393, 0.0469519, and 0.0460165 cents per kWh for CSP and APIR charges of 0.0412150, 0.0397852, and 0.0389927 cents per kWh for OPCo.

Exhibit 6-31
OPCO and CSP Schedule 11, October – December 2014

OHIO POWER COMPANY
Calculation of Auction Phase-In Rider
RA Component April - June 2014

Schedule 11

10% & 60% Auction

Line	Description	APIR Revenue	APIR Costs	APIR (Over)/Under Recovery	Total (Over)/Under Recovery
1	**Beginning Balance**				$ 15,233,044
2	Apr-14	$ 37,366,803	$ 35,048,669	$ (2,318,134)	$ (2,318,134)
3	May-14	$ 40,618,082	$ 38,063,745	$ (2,554,337)	$ (2,554,337)
4	Jun-14	$ 45,004,262	$ 41,549,876	$ (3,454,386)	$ (3,454,386)
5	**Ending Balance**	$ 122,989,147	$ 114,662,290	$ (8,326,857)	$ 6,906,187

6	Retail Non-Shopping Sales - Generation Level kWh	2,985,844,030
7	Reconciliation Component at Generation - $/kWh	0.0023130

		Secondary	Primary	Sub/Trans
8	Reconciliation Component at Generation - $/kWh	0.0023130	0.0023130	0.0023130
9	Loss Factor	1.0608	1.024	1.0036
10	Reconciliation Component at the Meter Level - $/kWh	0.0024536	0.0023685	0.0023213
11	Tax Gross-Up	1.00435	1.00435	1.00435
12	**Reconciliation Adjustment Component - $/kWh OPCo**	**0.0024643**	**0.0023788**	**0.0023314**
13	**Reconciliation Adjustment Component - $/kWh CSP**	**0.0024643**	**0.0023788**	**0.0023314**

100% Auction

	Description	Total (Over)/Under Recovery
14	Total (Over)/Under Recovery Balance	$ 15,233,044
15	Retail Non-Shopping Sales - Generation Level kWh	2,985,844,030
16	Reconciliation Component at Generation - $/kWh	0.0051018

		Secondary	Primary	Sub/Trans
17	Reconciliation Component at Generation - $/kWh	0.0051018	0.0051018	0.0051018
18	Loss Factor	1.0604	1.0235	1.0031
19	Reconciliation Component at the Meter Level - $/kWh	0.0054100	0.0052219	0.0051175
20	Tax Gross-Up	1.00435	1.00435	1.00435
21	**Reconciliation Adjustment Component - $/kWh**	**0.0054335**	**0.0052446**	**0.0051398**

Schedule 11: This schedule reflects AEP Ohio's over/under-recovery of APIR costs during the period April through June 2014. AEP Ohio stated that it calculated the adjustment to the APIR rates that would be necessary to recover the over/under-recovery during the period October through December 2014. The RA components are calculated at 10% and 60% auctions and at a 100% auction.

For the 10% and 60% auctions, the beginning under-recovery balance is added to the total over-recovery balance for the period April through June 2014, for a ending balance under-recovery of $6.906 million, as shown on line 5. The total under-recovery balance is divided by the retail non-shopping sales at generation level to derive the reconciliation component at generation level of $0.0023130 per kWh, as shown on line 7.

AEP Ohio then applied loss factors to the reconciliation component to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0608, 1.0240, and 1.0036 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted

in reconciliation components at meter level of 0.0024536, 0.0023685, and 0.0023213 cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation components at meter level, which resulted in RA components of 0.0024643, 0.0023788, and 0.0023314 cents per kWh for OPCo and CSP.

For the 100% auction, the total under-recovery balance of $15.233 million is divided by the retail non-shopping sales to calculate the reconciliation component at generation of 0.0051018 cents per kWh, as shown on line 16.

AEP Ohio then applied loss factors to the reconciliation component to derive the reconciliation components at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of 0.0054100, 0.0052219, and 0.0051175 cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation component at meter level, which resulted in RA components of 0.0054335, 0.0052446, and 0.0051398 cents per kWh.

First Quarter 2015

On December 1, 2014, AEP Ohio submitted quarterly AER filings, for CSP and OPCO, which reflected actual data from July through September 2014 and projected data for the period January through March 2015. AEP Ohio's filing for this quarter included a submittal letter, Schedules 1 through 2 and 4 through 11 supporting the Companies proposed calculations for CSP and OPCO, and the explanations of each schedule. Schedule 3, Schedule for Quarterly FAC, is not included in this filing because the FAC was unbundled and replaced with the APIR and FCR, pursuant to the November 13, 2013, Opinion and Order in Case No. 12-3254-EL-UNC.

The Companies used the same methodology described above as it relates to the format of the schedules in its initial FAC filing. The sections below discuss AEP Ohio's first quarter 2015 FAC filings by reproducing Schedules 1 through 2 and 7 through 11, and then briefly summarizing each schedule.

Exhibit 6-32
OPCO and CSP Schedule 1, January – March 2015

Schedule 1

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Auction Phase In Rider
January 2015 through March 2015
Summary - Proposed Auction Phase In Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	5.11036	5.13244	-0.41392	4.71852
2	Primary	4.93307	4.95404	-0.39953	4.55451
3	Sub/Transmission	4.83479	4.85498	-0.39155	4.46343

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	4.36793	5.13244	-0.41392	4.71852
2	Primary	4.21640	4.95404	-0.39953	4.55451
3	Sub/Transmission	4.13241	4.85498	-0.39155	4.46343

Schedule 1: Column A of this schedule reflects the then current APIR rate by delivery voltage. Column B reflects the FC rate necessary to recover the estimated APIR expense for the period January through March 2015. Column C presents the Companies RA, which is calculated in order for AEP Ohio to derive the actual fuel over- or under-recovery it experienced through July through September 2014. Column D reflects the sum of the FC and RA components.

Exhibit 6-33
OPCO and CSP Schedule 2, January – March 2015

Schedule 2

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
January 2015 through March 2015
FC Component

Line	Description		Forecast Period - 1st Quarter 2015 January	February	March	Total
	TOTAL COMPANY					
1	Purchased Power (Energy)		-	-	-	$ -
2	Energy & Capacity Value of Renewables (RECs moved to Rider AER)		-	-	-	$ -
3	FAC for Retail Load (Total Company)		$ -	$ -	$ -	$ -
4	Retail Non-Shopping Sales - Generation Level Kwh		1,514,977,327	1,394,017,978	1,229,893,007	4,138,888,312
5	Auction:	10%	151,497,733	139,401,798	122,989,301	413,888,831
		25%	378,744,332	348,504,495	307,473,252	1,034,722,078
		25%	378,744,332	348,504,495	307,473,252	1,034,722,078
		40%	605,990,931	557,607,191	491,957,203	1,655,555,325
		100%	1,514,977,327	1,394,017,978	1,229,893,007	4,138,888,312

Schedule 2: This schedule reflects AEP Ohio's estimates of monthly fuel costs it expected to incur during the period January through March 2015.

AEP Ohio reflected their retail non-shopping sales at generation level, totaling 4.139 billion kWh.

The retail sales were multiplied by the auction percentages of 10%, 25%, and 40%. The total amount of auction based costs was then subtracted from retail sales to derive the total amount of fuel of $4.139 billion.

Exhibit 6-34
OPCO and CSP Schedule 7, January – March 2015

Schedule 7

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly Fixed Cost Rider For Billing During
January 2015 through March 2015
Summary - Proposed Fixed Cost Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 8	Schedule 9	
Line	Delivery Voltage	Current FCR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.74587	0.65617	-0.20085	0.45532
2	Primary	0.72000	0.63336	-0.19387	0.43949
3	Sub/Transmission	0.70566	0.62070	-0.18999	0.43071

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 8	Schedule 9	
Line	Delivery Voltage	Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.59287	0.65617	-0.20085	0.45532
2	Primary	0.57230	0.63336	-0.19387	0.43949
3	Sub/Transmission	0.56090	0.62070	-0.18999	0.43071

Schedule 7: Column A of this schedule reflects the then current FCR rate by delivery voltage. Column B reflects the FC rate necessary to recover the estimated FCR expense for the period January through March 2015. Column C presents the Companies RA, which is calculated in order for AEP Ohio to derive the actual fuel under-recovery it experienced July through September 2014. Column D reflects the sum of the FC and RA components.

Exhibit 6-35
OPCO Schedule 8, January – March 2015

OHIO POWER COMPANY
Forecast of Fixed Cost Rider
January 2015 through March 2015

Schedule 8

Line	Description	Total
	TOTAL COMPANY	
1	Fixed FAC Costs	$25,500,000
2	Retail Non-Shopping Sales - Generation Level kWh	4,138,888,312
3	Fixed Cost Rider Rate At Generation Level - $/kWh	0.0061611

	TOTAL COMPANY	Secondary	Primary	Sub/Trans
4	Fixed Cost Rate At Generation Level	0.0061611	0.0061611	0.0061611
5	Loss Factor	1.0604	1.0235	1.0031
6	Fixed Cost Rate At Meter Level - $/kWh	0.0065333	0.0063062	0.0061801
7	Tax Gross-Up	1.00435	1.00435	1.00435
8	**Fixed Cost Rider Charge - $/kWh**	**0.0065617**	**0.0063336**	**0.0062070**

Schedule 8: This schedule reflects AEP Ohio's estimates of FCR costs it expected to incur during the period January through March 2015. AEP Ohio stated that it calculated the rates by voltage necessary to recover its forecast costs. For the first quarter of 2015, AEP Ohio has projected fixed FAC costs of $25.5 million. Line 2 reflects the retail non-shopping sales at generation level.

Line 3 reflects the FCR rate at generation level, derived by dividing the Company's projected fixed FAC costs by its projected retail non-shopping sales at the Generation level. This amounted to 0.0061611 cents per kWh.

AEP Ohio then applied loss factors to the FCR at generation level in order to derive the FCR at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in FCRs at meter level of 0.0065333, 0.0063062, and 0.0061801 cents per kWh.

The Company next applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in FCR charges of 0.0065617, 0.0063336, and 0.0062070 cents per kWh.

Exhibit 6-36
OPCO Schedule 9, January – March 2015

OHIO POWER COMPANY
Calculation of Fixed Cost Rider
RA Component July - September 2014

Schedule 9

Line	Description	FCR Revenue	FCR Costs	FCR (Over)/Under Recovery	Total (Over)/Under Recovery
1	**Beginning Balance**				$ -
2	Jul-14	$ 9,998,160	$ 6,532,574	$ (3,465,586)	$ (3,465,586)
3	Aug-14	$ 9,652,522	$ 6,864,687	$ (2,787,835)	$ (2,787,835)
4	Sep-14	8,644,341	$ 7,092,441	$ (1,551,900)	$ (1,551,900)
5	**Ending Balance**	$ 28,295,023	$ 20,489,702	$ (7,805,321)	$ (7,805,321)

6	Retail Non-Shopping Sales - Generation Level kWh	4,138,888,312
7	Reconciliation Component at Generation - $/kWh	(0.0018858)

		Secondary	Primary	Sub/Trans
8	Reconciliation Component at Generation - $/kWh	(0.0018858)	(0.0018858)	(0.0018858)
9	Loss Factor	1.0604	1.0235	1.0031
10	Reconciliation Component at the Meter Level - $/kWh	-0.0019998	-0.0019303	-0.0018917
11	Tax Gross-Up	1.00435	1.00435	1.00435
12	**Reconciliation Adjustment Component - $/kWh**	**-0.0020085**	**-0.0019387**	**-0.0018999**

Schedule 9: This schedule reflects OPCo's over-recovery of FCR expense for the period July through September 2014. AEP Ohio stated that it calculated the adjustment to the FCR rates that would be necessary to recover the over/under-recovery during the period January through March 2015.

In the first quarter of 2015, there was a previous over-recovery balance from the third quarter of 2014 of $7.805 million. The FCR over-recovery is divided by the retail sales at generation level to calculate the reconciliation component of (0.0018858) cents per kWh.

The Company then applied loss factors to the reconciliation component in order to derive the reconciliation component at meter level. Each Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of (0.0019998), (0.0019303), and (0.0018917) cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in reconciliation adjustment components of (0.0020085), (0.0019387), and (0.0018999) cents per kWh.

Exhibit 6-37
OPCO and CSP Schedule 10, January - March 2015

OHIO POWER COMPANY
Amended Filing -Forecast Component - November 2014 through December 2014
Summary 100% (Energy Only) Auction
FC Component January through March 2014 Summary

Schedule 10

Line	Description		Summary 100% (Energy Only) Auction	
	TOTAL COMPANY	Price	Seasonal Factor	Seasonal Price
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)	$48.05 / MWh	0.9743	$46.82 / MWh
	Auction Clearing Price 40% - January through March 2015 (November Auction)	$51.37 / MWh	0.9743	$50.05 / MWh

Line		Total
2	Auction Costs	$499,714
3	Variable FAC for Retail Load*	$0
4	Retail Non-Shopping Sales - Generation Level kWh	4,138,888,312
5	Variable FAC Component Rate At Generation Level - $/kWh	-
6	Auction Cost Component Rate At Generation Level - $/kWh	0.0001207
7	Auction Price Component Rate At Generation Level - $/kWh	0.0480705

	TOTAL COMPANY	Weighted Auction % Split	Secondary	Primary	Sub/Trans
8	Variable FAC Component Rate At Generation Level	0%	-	-	-
9	Auction Cost Component Rate At Generation Level		0.0001207	0.0001207	0.0001207
10	Auction Price Component Rate At Generation Level	100%	0.0480705	0.0480705	0.0480705
11	Total FAC and Auction Costs		0.0481912	0.0481912	0.0481912
12	Loss Factor		1.0604	1.0235	1.0031
13	Auction Phase-In Rider Rate At Meter Level - $/kWh		0.0511021	0.0493258	0.0483395
14	Tax Gross-Up**		1.00435	1.00435	1.00435
15	**Auction Phase-In Rider Charge - $/kWh**		**0.0513244**	**0.0495404**	**0.0485498**

* 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%.

Schedule 10: This schedule reflects AEP Ohio's estimates of APIR costs that it expects to incur in the period of January - March 2015. The rates are calculated by the voltage necessary to recover the forecast costs. Line 1 presents the 10 percent seasonal auction clearing prices of $41.68 per MWh for October based on the February Auction price of 10%, $48.72 per MWh for November through December based on the May Auction price of 25%, $46.82 per MWh for November and December based on the September Auction price of 25%, and, $50.05 per MWh for January through March based on the November Auction price of 40%. The auction costs, variable FAC for retail load, and retail non-shopping sales at generation, are shown on lines 2 through 4. The variable FAC and auction cost component rates at generation level are calculated by the Company's respective auction costs and variable FAC for retail load by the allocated retail non-shopping sales. The seasonal prices calculated on line 1 are used in calculating the auction price component rate at generation level.

Total FAC and auction costs are calculated by adding the variable FAC and auction cost component rates and the auction price component rate.

AEP Ohio then applied loss factors to each respective total of FAC and auctions costs in order to derive the APIR rate at meter level. Each Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in APIRs at meter level of 0.0511021, 0.0493258, and 0.0483395 cents per kWh.

Each Company applied a tax gross-up of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in APIR charges of 0.0513244, 0.0495404, and 0.0485498 cents per kWh.

Exhibit 6-38
OPCO Schedule 11, January – March 2015

OHIO POWER COMPANY
Calculation of Auction Phase-In Rider
RA Component July - September 2014

Schedule 11

Line	Description	APIR Revenue	APIR Costs	APIR (Over)/Under Recovery	Total (Over)/Under Recovery
1	**Beginning Balance**				$ (8,046,334)
2	Jul-14	$ 42,209,172	$ 40,462,513	$ (1,746,659)	(1,746,658.61)
3	Aug-14	$ 42,681,592	$ 42,855,310	$ 173,718	173,718.18
4	Sep-14	$ 38,226,307	$ 31,759,805	$ (6,466,502)	(6,466,501.93)
5	**Ending Balance**	$ 123,117,071	$ 115,077,629	$ (8,039,442)	$ (16,085,776)
6	Retail Non-Shopping Sales - Generation Level kWh				4,138,888,312
7	Reconciliation Component at Generation - $/kWh				(0.0038865)

		Secondary	Primary	Sub/Trans
8	Reconciliation Component at Generation - $/kWh	(0.0038865)	(0.0038865)	(0.0038865)
9	Loss Factor	1.0604	1.0235	1.0031
10	Reconciliation Component at the Meter Level - $/kWh	-0.0041213	-0.0039780	-0.0038985
11	Tax Gross-Up	1.00435	1.00435	1.00435
12	**Reconciliation Adjustment Component - $/kWh**	**-0.0041392**	**-0.0039953**	**-0.0039155**

Schedule 11: This schedule reflects AEP Ohio's over-recovery of APIR costs during the period July through September 2014. AEP Ohio stated that it calculated the adjustment to the APIR rates that would be necessary to recover the over/under-recovery during the period January through March 2015.

The beginning over-recovery balance is added to the total over-recovery balance for the period July through September 2014, for a ending balance over-recovery of $16.086 million, as shown on line 5. The total over-recovery balance is divided by the retail non-shopping sales at generation level to derive the reconciliation component at generation level of $0.0038865 per kWh, as shown on line 7.

AEP Ohio then applied loss factors to the reconciliation component to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation components at meter level of (0.0041213), (0.0039780), and (0.0038985) cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation components at meter level, which resulted in RA components of (0.0041392), (0.0039953), and (0.0039155) cents per kWh.

Second Quarter 2015

On March 2, 2015, AEP Ohio submitted quarterly FAC filings, as well as quarterly AER filings, for CSP and OPCO, which reflected actual data from October through December 2014 and projected data for the period April through May 2015. AEP Ohio's filing for this quarter included a submittal letter, Schedules 1, 2, and 4 through 11 supporting the Companies proposed calculations for CSP and OPCO, and the explanations of each schedule.

The Companies used the same methodology described above as it relates to the format of the schedules in its initial FAC filing. The sections below discuss AEP Ohio's second quarter 2015 FAC filings by reproducing Schedules 1, 2, and 7 through 11, and then briefly summarizing each schedule.

Exhibit 6-39
OPCO and CSP Schedule 1, April – May 2015

Schedule 1

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Auction Phase In Rider
April 2015 through May 2015
Summary - Proposed Auction Phase In Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	4.71852	5.13668	-0.57605	4.56063
2	Primary	4.55451	4.95813	-0.55603	4.40210
3	Sub/Transmission	4.46343	4.85899	-0.54491	4.31408

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 10	Schedule 11	
Line	Delivery Voltage	Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	4.71852	5.13668	-0.57605	4.56063
2	Primary	4.55451	4.95813	-0.55603	4.40210
3	Sub/Transmission	4.46343	4.85899	-0.54491	4.31408

Schedule 1: Column A of this schedule reflects the then current APIR rate by delivery voltage. Column B reflects the FC rate necessary to recover the estimated APIR expense for the period April through May 2015. Column C presents the Companies RA, which is calculated in order

for AEP Ohio to derive the actual fuel under-recovery it experienced through October through December 2014. Column D reflects the sum of the FC and RA components.

Exhibit 6-40
OPCO and CSP Schedule 2, April – May 2015

Schedule 2

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
April 2015 through June 2015
FC Component

Line	Description		Forecast Period - 2nd Quarter 2015 April	May	June	Total
	TOTAL COMPANY					
1	Purchased Power (Energy)		-	-	-	$ -
2	Energy & Capacity Value of Renewables (RECs moved to Rider AER)		-	-	-	$ -
3	FAC for Retail Load (Total Company)		$ -	$ -	$ -	$ -
4	Retail Non-Shopping Sales - Generation Level Kwh		1,105,968,190	970,155,454	1,079,461,703	3,155,585,347
5	Auction:	10%	110,596,819	97,015,545	107,946,170	315,558,535
		25%	276,492,048	242,538,864	269,865,426	788,896,337
		25%	276,492,048	242,538,864	269,865,426	788,896,337
		40%	442,387,276	388,062,182	431,784,681	1,262,234,139
		100%	1,105,968,190	970,155,454	1,079,461,703	3,155,585,347

Schedule 2: This schedule reflects AEP Ohio's estimates of monthly fuel costs it expected to incur during the period April through June 2015.

AEP Ohio reflected their retail non-shopping sales at generation level, totaling 3.156 billion kWh.

The retail sales were multiplied by the auction percentages of 10%, 25%, and 40%. The total amount of auction based costs was then subtracted from retail sales to derive the total amount of fuel of $3.156 billion.

Exhibit 6-41
OPCO and CSP Schedule 7, April – May 2015

Schedule 7

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly Fixed Cost Rider For Billing During
April 2015 through May 2015
Summary - Proposed Fixed Cost Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 8	Schedule 9	
Line	Delivery Voltage	Current FCR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.45532	0.82077	-0.30862	0.51215
2	Primary	0.43949	0.79224	-0.29789	0.49435
3	Sub/Transmission	0.43071	0.77640	-0.29193	0.48447

OHIO POWER RATE ZONE

		A	B	C	D
			Schedule 8	Schedule 9	
Line	Delivery Voltage	Current FCR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.45532	0.82077	-0.30862	0.51215
2	Primary	0.43949	0.79224	-0.29789	0.49435
3	Sub/Transmission	0.43071	0.77640	-0.29193	0.48447

Schedule 7: Column A of this schedule reflects the then current FCR rate by delivery voltage. Column B reflects the FC rate necessary to recover the estimated FCR expense for the period April through May 2015. Column C presents the Companies RA, which is calculated in order for AEP Ohio to derive the actual fuel under-recovery it experienced October through December 2014. Column D reflects the sum of the FC and RA components.

Exhibit 6-42
OPCO Schedule 8, April – May 2015

OHIO POWER COMPANY
Forecast of Fixed Cost Rider
April 2015 through May 2015

Schedule 8

Line	Description	Total
	TOTAL COMPANY	
1	Fixed FAC Costs	$16,000,000
2	Retail Non-Shopping Sales - Generation Level kWh	2,076,123,644
3	Fixed Cost Rider Rate At Generation Level - $/kWh	0.0077067

	TOTAL COMPANY	Secondary	Primary	Sub/Trans
4	Fixed Cost Rate At Generation Level	0.0077067	0.0077067	0.0077067
5	Loss Factor	1.0604	1.0235	1.0031
6	Fixed Cost Rate At Meter Level - $/kWh	0.0081722	0.0078881	0.0077304
7	Tax Gross-Up	1.00435	1.00435	1.00435
8	**Fixed Cost Rider Charge - $/kWh**	**0.0082077**	**0.0079224**	**0.0077640**

Schedule 8: This schedule reflects OPCo's estimates of FCR costs it expected to incur during the period April through May 2015. AEP Ohio stated that it calculated the rates by voltage necessary to recover its forecast costs. For the second quarter of 2015, OPCo has projected fixed FAC costs of $25.5 million, based on the previous year's actual cost. Line 2 reflects the retail non-shopping sales at generation level.

Line 3 reflects the FCR rate at generation level, derived by dividing the Company's projected fixed FAC costs by its projected retail non-shopping sales at the Generation level. This amounted to 0.0077067 cents per kWh.

OPCo then applied loss factors to the FCR at generation level in order to derive the FCR at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in FCRs at meter level of 0.0081722, 0.0078881, and 0.0077304 cents per kWh.

The Company next applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in FCR charges of 0.0082077, 0.0079224, and 0.0077640 cents per kWh.

Exhibit 6-43
OPCO Schedule 9, April – May 2015

OHIO POWER COMPANY
Calculation of Fixed Cost Rider
RA Component October - December 2014

Schedule 9

Line	Description	FCR Revenue	FCR Costs	FCR (Over)/Under Recovery	Total (Over)/Under Recovery
1	**Beginning Balance**				$ (7,189,314)
2	Oct-14	$ 6,838,162	$ 8,046,799	$ 1,208,637	$ 1,208,637
3	Nov-14	$ 7,452,586	$ 7,294,697	$ (157,889)	$ (157,889)
4	Dec-14	8,879,851	$ 9,002,277	$ 122,426	$ 122,426
5	**Ending Balance**	$ 23,170,599	$ 24,343,773	$ 1,173,174	$ (6,016,140)

6	Retail Non-Shopping Sales - Generation Level kWh	2,076,123,644
7	Reconciliation Component at Generation - $/kWh	(0.0028978)

		Secondary	Primary	Sub/Trans
8	Reconciliation Component at Generation - $/kWh	(0.0028978)	(0.0028978)	(0.0028978)
9	Loss Factor	1.0604	1.0235	1.0031
10	Reconciliation Component at the Meter Level - $/kWh	-0.0030728	-0.0029660	-0.0029067
11	Tax Gross-Up	1.00435	1.00435	1.00435
12	**Reconciliation Adjustment Component - $/kWh**	**-0.0030862**	**-0.0029789**	**-0.0029193**

Schedule 9: This schedule reflects OPCo's over-recovery of FCR expense for the period October through December 2014. AEP Ohio stated that it calculated the adjustment to the FCR rates that would be necessary to recover the over/under-recovery during the period April through May 2015.

In the second quarter of 2015, there was a beginning over-recovery balance of $7.189 million, which was added to the net under-recovery balance from the fourth quarter of 2014 to calculate the ending over-recovery balance of $6.016 million. The FCR over-recovery is divided by the retail sales at generation level to calculate the reconciliation component of (0.0028978) cents per kWh.

The Company then applied loss factors to the reconciliation component in order to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of (0.0030728), (0.0029660), and (0.0029067) cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in reconciliation adjustment components of (0.0030862), (0.0029789), and (0.0029193) cents per kWh.

Exhibit 6-44
OPCO and CSP Schedule 10, April - May 2015

OHIO POWER COMPANY
Summary 100% (Energy Only) Auction
FC Component April through May 2015 Summary

Schedule 10

Line	Description		Summary 100% (Energy Only) Auction	
	TOTAL COMPANY	Price	Seasonal Factor	Seasonal Price
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)	$48.05 / MWh	0.9743	$46.82 / MWh
	Auction Clearing Price 40% - January through March 2015 (November Auction)	$51.37 / MWh	0.9743	$50.05 / MWh

		Total
2	Auction Costs	$333,143
3	Variable FAC for Retail Load*	$0
4	Retail Non-Shopping Sales - Generation Level kWh	2,076,123,644
5	Variable FAC Component Rate At Generation Level - $/kWh	-
6	Auction Cost Component Rate At Generation Level - $/kWh	0.0001605
7	Auction Price Component Rate At Generation Level - $/kWh	0.0480705

	TOTAL COMPANY	Weighted Auction % Split	Secondary	Primary	Sub/Trans
8	Variable FAC Component Rate At Generation Level	0%	-	-	-
9	Auction Cost Component Rate At Generation Level		0.0001605	0.0001605	0.0001605
10	Auction Price Component Rate At Generation Level	100%	0.0480705	0.0480705	0.0480705
11	Total FAC and Auction Costs		0.0482310	0.0482310	0.0482310
12	Loss Factor		1.0604	1.0235	1.0031
13	Auction Phase-In Rider Rate At Meter Level - $/kWh		0.0511443	0.0493666	0.0483794
14	Tax Gross-Up**		1.00435	1.00435	1.00435
15	**Auction Phase-In Rider Charge - $/kWh**		**0.0513668**	**0.0495813**	**0.0485899**

* 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%.

Schedule 10: This schedule reflects OPCo's estimates of APIR costs that it expects to incur in the period of April - May 2015. The rates are calculated by the voltage necessary to recover the forecast costs. Line 1 presents the 10 percent seasonal auction clearing prices of $41.68 per MWh for October based on the February Auction price of 10%, $48.72 per MWh for November through December based on the May Auction price of 25%, $46.82 per MWh for November and December based on the September Auction price of 25%, and, $50.05 per MWh for January through March based on the November Auction price of 40%. The auction costs, variable FAC for retail load, and retail non-shopping sales at generation, are shown on lines 2 through 4. The variable FAC and auction cost component rates at generation level are calculated by the Company's respective auction costs and variable FAC for retail load by the allocated retail non-shopping sales. The seasonal prices calculated on line 1 are used in calculating the auction price component rate at generation level.

Total FAC and auction costs are calculated by adding the variable FAC and auction cost component rates and the auction price component rate.

OPCo then applied loss factors to each respective total of FAC and auctions costs in order to derive the APIR rate at meter level. Each Company applied the loss factors of 1.0604, 1.0235,

and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in APIRs at meter level of 0.0511443, 0.0493666, and 0.0483794 cents per kWh.

Each Company applied a tax gross-up of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in APIR charges of 0.0513668, 0.0495813, and 0.0485899 cents per kWh.

Exhibit 6-45
OPCO Schedule 11, April – May 2015

OHIO POWER COMPANY
Calculation of Auction Phase-In Rider
RA Component October - December 2014

Schedule 11

Line	Description	APIR Revenue	APIR Costs	APIR (Over)/Under Recovery	Total (Over)/Under Recovery
1	**Beginning Balance**				$ 6,906,187
2	Oct-14	$ 45,966,085	$ 33,060,515	$(12,905,570)	(12,905,570)
3	Nov-14	$ 55,072,310	$ 54,029,771	$ (1,042,539)	(1,042,539)
4	Dec-14	$ 63,919,382	$ 59,731,697	$ (4,187,685)	(4,187,685)
5	**Ending Balance**	$ 164,957,777	$ 146,821,983	$(18,135,794)	$ (11,229,607)
				$ -	
6	Retail Non-Shopping Sales - Generation Level kWh			$ -	2,076,123,644
7	*Reconciliation Component at Generation - $/kWh*				*(0.0054089)*

		Secondary	Primary	Sub/Trans
8	Reconciliation Component at Generation - $/kWh	(0.0054089)	(0.0054089)	(0.0054089)
9	Loss Factor	1.0604	1.0235	1.0031
10	Reconciliation Component at the Meter Level - $/kWh	-0.0057356	-0.0055362	-0.0054255
11	Tax Gross-Up	1.00435	1.00435	1.00435
12	**Reconciliation Adjustment Component - $/kWh**	**-0.0057605**	**-0.0055603**	**-0.0054491**

Schedule 11: This schedule reflects AEP Ohio's over-recovery of APIR costs during the period October through December 2014. AEP Ohio stated that it calculated the adjustment to the APIR rates that would be necessary to recover the over/under-recovery during the period April through May 2015.

The beginning under-recovery balance is added to the total over-recovery balance for the period October through December 2014, for a ending balance over-recovery of $11.230 million, as shown on line 5. The total over-recovery balance is divided by the retail non-shopping sales at generation level to derive the reconciliation component at generation level of $0.0054089 per kWh, as shown on line 7.

OPCo then applied loss factors to the reconciliation component to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation components at meter level of (0.0057356), (0.0055362), and (0.0054255) cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation components at meter level, which resulted in RA components of (0.0057605), (0.0055603), and (0.0054491) cents per kWh.

Final APIR and FCR Filing 2015

On September 1, 2015, AEP Ohio submitted its final FAC, which reflected actual data from January through May 2015 and the elimination of the forecast component. AEP Ohio's filing for this quarter included a submittal letter, Schedules 1 through 5 supporting the Companies calculations for CSP and OPCO, and the explanations of each schedule.

On February 25, 2015, the Commission's Opinion and Order in Case No. 13-3285-EL-SSO, et.al. implemented the generation energy ("GENE") rider, generation capacity ("GENC") rider, and auction cost reconciliation rider ("ACRR") and discontinued the Company's current base generation charges, APIR, FCR, as well as the FAC, following a true-up of all costs incurred through May 2015. The AER has been continued through a separate docket.

The sections below discuss AEP Ohio's final 2015 FAC filing by reproducing Schedules 1 through 5, broken out separately between CSP and OPCO, and then briefly summarizing each schedule.

Exhibit 6-46
OPCO and CSP Schedule 1, October – December 2015

Schedule 1

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Auction Phase In Rider
October 2015 through December 2015
Summary - Proposed Auction Phase In Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
				Schedule 5	
Line	Delivery Voltage	Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.00000	0.00000	-0.07461	-0.07461
2	Primary	0.00000	0.00000	-0.07202	-0.07202
3	Sub/Transmission	0.00000	0.00000	-0.07059	-0.07059

OHIO POWER RATE ZONE

		A	B	C	D
				Schedule 5	
Line	Delivery Voltage	Current APIR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.00000	0.00000	-0.07461	-0.07461
2	Primary	0.00000	0.00000	-0.07202	-0.07202
3	Sub/Transmission	0.00000	0.00000	-0.07059	-0.07059

Schedule 1: Column A of this schedule reflects the current APIR rate by delivery voltage. Column B reflects the FC rate necessary to recover the estimated APIR expense for the period October through December 2015 however, as discussed above, the FC was eliminated. Column C presents the Companies RA, which is calculated in order for AEP Ohio to derive the actual

fuel under-recovery it experienced from January through May 2015. Column D reflects the sum of the FC and RA components.

Exhibit 6-47
CSP and OPCO Schedule 2, October – December 2015

Schedule 2

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

Line	Description	Forecast Period - 4th Quarter 2015 October	November	December	Total
	TOTAL COMPANY				
1	Purchased Power (Energy)	-	-	-	$ -
2	Energy & Capacity Value of Renewables (RECs moved to Rider AER)	-	-	-	$ -
3	FAC for Retail Load (Total Company)	$ -	$ -	$ -	$ -
4	Retail Non-Shopping Sales - Generation Level Kwh	1,071,343,711	1,092,152,263	1,338,162,675	3,501,658,650

Schedule 2: This schedule reflects AEP Ohio's estimates of monthly fuel cost by month it expected to incur during the period October through December 2015.

AEP Ohio reflected their retail non-shopping sales at generation level, totaling 3.502 billion kWh.

Exhibit 6-48
CSP and OPCO Schedule 3, Page 1, October – December 2015

Schedule 3
Page 1 of 2

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly FAC For Billing During
July 2013 through September 2013
RA

Actual Period - January 2013 through March 2013

Line	Month	Kwh Retail Non-Shopping Sales	Renewable & FAC Revenue	Schedule 3 , p2 FAC Cost	FAC (Over)/Under Recovery	Carrying Charges On (Over)/Under Recovery	Other Credits/Charges	Total (Over)/Under Recovery	
1	Beginning Balance							$ (18,281,381)	2 quarter lag (1stQ 2013)
2	Jan-13	2,109,104,449	$ 74,427,797	$ 81,592,699	$ 7,164,902	$ -	$ -	$ 7,164,902	
3	Feb-13	1,738,615,922	$ 61,482,000	$ 68,346,212	$ 6,864,212	$ -	$ -	$ 6,864,212	
4	Mar-13	2,067,119,583	$ 76,591,431	$ 72,891,931	$ (3,699,500)	$ -	$ -	$ (3,699,500)	
5	Ending Balance	5,914,739,954	$ 212,501,228	$ 222,830,842	$ 10,329,614	$ -	$ -	$ (7,951,767)	
6	Total (Over)/Under Recovery Balance				5,251,336.00			$ (7,951,767)	
7	Loss Adjusted Retail Sales Billing Period - kWh				$ 1,612,876			4,949,788,975	
8	RA Component at Generation - Cents/kWh							(0.16065)	

			Secondary	Primary	Sub/Trans
9					
10	RA Component of FAC Rate At Generation Level		(0.16065)	(0.16065)	(0.16065)
11	Loss Factor		1.0608	1.024	1.0036
	RA at the Meter Level - Cents/kWh	Line 10 x Line 11	-0.17042	-0.16450	-0.16123

Exhibit 6-49
OPCO and CSP Schedule 3, October – December 2015

Schedule 3

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly Fixed Cost Rider For Billing During
October 2015 through December 2015
Summary - Proposed Fixed Cost Rider

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
				Schedule 4	
Line	Delivery Voltage	Current FCR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.00000	0.00000	-0.15553	-0.15553
2	Primary	0.00000	0.00000	-0.15012	-0.15012
3	Sub/Transmission	0.00000	0.00000	-0.14712	-0.14712

OHIO POWER RATE ZONE

		A	B	C	D
				Schedule 4	
Line	Delivery Voltage	Current FCR Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.00000	0.00000	-0.15553	-0.15553
2	Primary	0.00000	0.00000	-0.15012	-0.15012
3	Sub/Transmission	0.00000	0.00000	-0.14712	-0.14712

Schedule 3: Column A of this schedule reflects the then current FCR rate by delivery voltage. Column B reflects the FC rate necessary to recover the estimated FCR expense for the period October through December 2015 however the FC has been eliminated. Column C presents the Companies RA, which is calculated in order for AEP Ohio to derive the actual fuel over-recovery it experienced January through May 2015. Column D reflects the sum of the FC and RA components.

Exhibit 6-50
OPCO Schedule 4, April – May 2015

OHIO POWER COMPANY
Calculation of Fixed Cost Rider
RA Component January - May 2015

Schedule 4

Line	Description	FCR Revenue	FCR Costs	FCR (Over)/Under Recovery	Total (Over)/Under Recovery
1	**Beginning Balance**				$ (13,821,461)
2	Jan-15	$ 6,047,382	$ 6,971,492	$ 924,110	$ 924,110
3	Feb-15	$ 6,542,032	$ 6,565,588	$ 23,556	$ 23,556
4	Mar-15	$ 5,953,497	$ 7,387,822	$ 1,434,325	$ 1,434,325
5	Apr-15	$ 4,989,371	$ 8,882,023	$ 3,892,652	$ 3,892,652
6	May-14	$ 4,391,579	$ 6,824,745	$ 2,433,166	$ 2,433,166
7	**Ending Balance**	$ 27,923,861	$36,631,670	$ 8,707,809	$ (5,113,652)

8	Retail Non-Shopping Sales - Generation Level kWh	3,501,658,650
9	Reconciliation Component at Generation - $/kWh	(0.0014604)

		Secondary	Primary	Sub/Trans
10	Reconciliation Component at Generation - $/kWh	(0.0014604)	(0.0014604)	(0.0014604)
11	Loss Factor	1.0604	1.0235	1.0031
12	Reconciliation Component at the Meter Level - $/kWh	-0.0015486	-0.0014947	-0.0014648
13	Tax Gross-Up	1.00435	1.00435	1.00435
14	**Reconciliation Adjustment Component - $/kWh**	**-0.0015553**	**-0.0015012**	**-0.0014712**

Schedule 4: This schedule reflects OPCo's under-recovery of FCR expense for the period January through May 2015. AEP Ohio stated that it calculated the adjustment to the FCR rates that would be necessary to recover the over/under-recovery during the period October through December 2015.

In the second quarter of 2015, there was a beginning over-recovery balance of $13.821 million, which was added to the net under-recovery balance from the period January through May 2015 to calculate the ending over-recovery balance of $5.114 million. The FCR over-recovery is divided by the retail sales at generation level to calculate the reconciliation component of (0.0014604) cents per kWh.

The Company then applied loss factors to the reconciliation component in order to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation component at meter level of (0.0015486), (0.0014947), and (0.0014648) cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels, which resulted in reconciliation adjustment components of (0.0015553), (0.0015012), and (0.0014712) cents per kWh.

Exhibit 6-51
OPCO Schedule 5, October – December 2015

OHIO POWER COMPANY
Calculation of Auction Phase-In Rider
RA Component January - May 2015

Schedule 5

Line	Description	APIR Revenue	APIR Costs	APIR (Over)/Under Recovery	Total (Over)/Under Recovery
1	**Beginning Balance**				$ (27,315,383)
2	Jan-15	$ 73,591,874	$ 76,950,876	$ 3,359,002	3,359,002
3	Feb-15	$ 68,447,555	$ 75,655,070	$ 7,207,515	7,207,515
4	Mar-15	$ 61,654,486	$ 60,287,183	$ (1,367,303)	(1,367,303)
5	Apr-15	$ 40,869,519	$ 42,090,371	$ 1,220,852	1,220,852
6	May-15	$ 40,318,512	$ 54,760,655	$ 14,442,143	14,442,143
7	**Ending Balance**	$ 284,881,946	$ 309,744,155	$ 24,862,209	$ (2,453,174)

8	Retail Non-Shopping Sales - Generation Level kWh	3,501,658,650
9	Reconciliation Component at Generation - $/kWh	(0.0007006)

		Secondary	Primary	Sub/Trans
10	Reconciliation Component at Generation - $/kWh	(0.0007006)	(0.0007006)	(0.0007006)
11	Loss Factor	1.0604	1.0235	1.0031
12	Reconciliation Component at the Meter Level - $/kWh	-0.0007429	-0.0007171	-0.0007028
13	Tax Gross-Up	1.00435	1.00435	1.00435
14	**Reconciliation Adjustment Component - $/kWh**	**-0.0007461**	**-0.0007202**	**-0.0007059**

Schedule 5: This schedule reflects AEP Ohio's over/under-recovery of APIR costs during the months of January through May 2015. AEP Ohio stated that it calculated the adjustment to the APIR rates that would be necessary to recover the over/under-recovery during the period October through December 2015.

The beginning over-recovery balance is added to the net under-recovery balance for the period January through May 2015, for an ending balance over-recovery of $2.453 million, as shown on line 7. The total over-recovery balance is divided by the retail non-shopping sales at generation level to derive the reconciliation component at generation level of $0.0007006 per kWh, as shown on line 9.

OPCo then applied loss factors to the reconciliation component to derive the reconciliation component at meter level. The Company applied the loss factors of 1.0604, 1.0235, and 1.0031 cents per kWh for secondary, primary and sub/trans voltage levels, respectively, which resulted in reconciliation components at meter level of (0.0007429), (0.0007171), and (0.0007028) cents per kWh.

The Company applied tax gross-ups of 1.00435 for secondary, primary, and sub/trans voltage levels to the reconciliation components at meter level, which resulted in RA components of (0.0007461), (0.0007202), and (0.0007059) cents per kWh.

Minimum Review Requirements

As noted above, Larkin referred to the objectives and procedures outlined in Appendix E of former Chapter 4901:1-11 of the Ohio Administrative Code as guidance for the review requirements of this project. The purpose of the Uniform Financial Audit Program Standards and Specifications for the Electric Fuel Component is to provide uniform standards and specifications as guidelines for an independent auditing firm which conducted an EFC "financial

audit"[32] pursuant to former section 4905.66(B)(2) of the Revised Code and former rule 4901:1-11-09 of the Administrative Code. The EFC "financial audit" program is only a guide for the auditor and should not be used to the exclusion of the auditor's initiative, imagination and thoroughness.

Section E of those Standards provides for the following Minimum Review Requirements:

> *The auditor's review shall include, but not be limited to, a review of:*
>
> *(1) Purchasing procedures for fuel procurement not under long-term contracts;*
>
> *(2) Procedures for accounting for fuel receipts, testing, and payments;*
>
> *(3) Procedures for weighing, testing and reporting coal burned;*
>
> *(4) Procedures for amortizing nuclear fuel costs corresponding to nuclear generated energy;*
>
> *(5) Procedures for recording purchases and interchanges;*
>
> *(6) Procedures for accounting treatment of emission allowances; and*
>
> *(7) Procedures for calculating the EFC rate, including an evaluation of the company's compliance with the financial procedural aspects of former Chapter 4901:1-11 of the Administrative Code, and its application to customer bills.*

Larkin reviewed AEP Ohio's procedures for accounting for fuel receipts, testing of samples to ensure quality, and payments to vendors. AEP Generation Resources ("AEPGR") uses the same accounting procedures for fuel receipts, testing and payments. These procedures are as follows:

- Plant personnel enter the fuel receipts information into the Companies' fuel accounting system Commodities Tracking software, or [redacted]. This system contains the terms and conditions associated with fuel contracts. The system is also utilized to make payments to suppliers and transportation vendors. In addition, the Accounting Department creates payment requests through [redacted], which in turn is run through a feed each night to the [redacted] system, where such payments are executed.
- After testing is performed, the resulting analysis is fed into the [redacted] system from the Central Coal Lab system software. Certain purchases are paid for based on information provided by the Companies' suppliers, which is then entered into the [redacted] system by plant personnel from information provided by suppliers.

Larkin also reviewed the Company's procedures for weighing, testing and reporting coal burned per data request LA-2014-1-002. Specifically, consumed tonnage is measured either by belt scales or weigh feeders as coal is fed into units and/or bunkers. Unit burn samples are collected

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[32] As noted above, the review of AEP Ohio's quarterly FAC filings were conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants.

using mechanical sampling systems that are in conformance with American Society for Testing Standards ("ASTM"). In addition, unit samples are collected and sent to the AEP Central Coal Lab to be analyzed. The analyzed results are then fed into the [redacted] system. Burn reports, which include tonnage and quality characteristics, can be generated by the [redacted] system for the relevant reporting period.

OPCO's procedures for recording purchases and interchanges of energy, as described in response to LA-2014-1-003, involves the Company's Accounting Department being provided information regarding power purchases from third parties and/or affiliates. The Accounting Department then records such data into Account 555 – Purchased Power.

The Companies account for fuel at jointly owned generation plants as follows:

AEPGR Jointly Owned Generation

During 2014, AEPGR participated in seven jointly-owned power plants. The seven jointly owned power plants are comprised of the following:

- Cardinal Plant Units 2 and 3 are operated by Cardinal Operating Company and are co-owned by Buckeye Power, a non-affiliated partner. AEPGR owns Unit 1.
- APCo operates Sporn Plant Units 2, 4 and 5, but these units are owned 100 percent by AEPGR.
- Mitchell Plant is co-owned with Kentucky Power Company ("KPCo") and is operated by KPCo.

AEPGR participates in four jointly owned power plants with Duke Ohio ("Duke") and AES (Dayton Power & Light or "DP&L") and are referred to as the Cincinnati, Columbus and Dayton ("CCD") owners. These four jointly owned plants include the following:

- Conesville Plant Unit 4 (operated by AEPGR)
- Zimmer Plant (operated by Duke)
- Beckjord Plant Unit 6 (operated by Duke)
- Stuart Plant (operated by AES-DP&L)

Cardinal Plant Units 2 and 3

- The total costs of the entire plant are recorded in a fuel ledger and then such costs are allocated to the joint owners.
- The current month's fuel receipts are added to Beginning Inventory. From this, a weighted average rate is determined for the Available Tons in Inventory. Consumed expense is then calculated at the available rate for the consumed tons.
- Ending Inventory is calculated as Available Inventory less Consumption.
- The joint owners' share of ending inventory is based on twelve-month generation taken. This amount is updated quarterly.

- The calculation for the joint owners' consumption is based on the energy taken each month. Joint owners' receipts are calculated as the difference between Beginning Inventory and Available Inventory.
- Available Inventory is calculated as Ending Inventory plus Consumption.

Sporn Plant Units 2 and 4

- The total costs of the entire plant are recorded in a fuel ledger and then such costs are allocated to the joint owners.
- The current month's fuel receipts are added to Beginning Inventory. From this, a weighted average rate is determined for Available Tons in Inventory. Consumed expense is then calculated at the available rate for the consumed tons.
- Ending Inventory is calculated as Available Inventory less Consumption.
- A portion of this plant's Ending Inventory is allocated to segregate the units owned by APCo (Units 1 and 3) and the units owned by AEPGR (Units 2 and 4). This allocation is based on projected consumption by unit.
- Consumption is calculated based on the tons consumed by unit at the available rate for total plant inventory.
- The joint owners' receipts are calculated as the difference between Beginning Inventory and Available Inventory.
- Available Inventory is calculated as Ending Inventory plus Consumption.

Mitchell Plant

- As of January 1, 2014, AEPGR transferred 50% of its ownership in Mitchell to KPCo and as noted above, KPCo is the operator of Mitchell. In addition, on February 1, 2015, AEPGR transferred its remaining 50% ownership of Mitchell to Wheeling Power Company ("WPCo").
- For the period January 2014 through January 2015, the costs of the plant were recorded in a fuel ledger for the entire plant and then such costs were allocated to the joint owners.
- The current month's fuel receipts are added to Beginning Inventory. From this, a weighted average rate is determined for Available Tons in Inventory. Consumed expense is then calculated at the available rate for the consumed tons.
- Ending Inventory is calculated as Available Inventory less Consumption.
- Ending inventory is allocated to each owner and is based on the joint operating agreement which was approximately 50/50 between KPCo and WPCo.
- Consumption is based on tons consumed by unit at the available rate for total plant inventory.

- The joint owner receipts are the difference between Beginning Inventory and Available Inventory. Available inventory is calculated as Ending Inventory plus Consumption.

The same accounting methodology is used at all four CCD jointly owned AEPGR power plants, as illustrated below:

- The total costs of each plant are recorded in a fuel ledger and then such costs are allocated to the joint owners.
- The current month's fuel receipts are added to Beginning Inventory. From this a weighted average rate is determined for Available Tons in Inventory. Consumed expense is then calculated at the available rate for the consumed tons.
- Ending inventory is calculated as Available Inventory less Consumption.
- AEPGR, Duke and AES-DP&L all have an ownership share of their respective plant's ending inventory. Each joint owner's consumption is calculated based on a composite ratio. This ratio represents the energy used for the month plus an ownership portion, which represents the energy necessary to maintain each unit in a state of readiness. Each joint owner's receipts are calculated as the difference between Beginning Inventory and Available Inventory with Available Inventory calculated as Ending Inventory plus Consumption.
- An additional allocation is calculated for both the Conesville Unit 4 (for 2012 only) and Beckjord Unit 6 power plants. Plant inventory is allocated, based on historic consumption, to segregate a portion of the total coal pile between the jointly owned unit and the non-jointly owned unit(s). With respect to the units operated by Duke and DP&L, these companies bill the other CCD owners for their respective portion of coal optimization credits/charges which are recorded as part of fuel consumed.

Larkin requested in LA-2014-1-125 that, for each month of 2014 and 2015 (through May), the Company provide copies of invoices issued to AEPGR for fuel, transportation and consumables for each jointly owned plant. In response, AEPGR provided several confidential attachments , which included copies of invoices from Dayton Power & Light Company ("DP&L"), Duke Energy ("Duke") an Duke Energy Ohio ("Duke Ohio").

The first batch invoices Larkin reviewed were issued to AEP and/or OPCo by DP&L in 2014 and were broken out by the Company's share of the fuel related categories including: (1) coal related items; (2) oil related items; (3) net change in M&S; and (4) the Company's share of gains and losses. Of these four categories, the coal related items comprised the vast majority of the charges on each of the invoices. In addition, for each invoice, a separate workpaper titled "Coal Inventory Transactions" was attached which showed how the coal related portion of each invoices was derived. The exhibit below provides a summary of the categories that comprised the DP&L invoices issued to AEP and/or OPCo in 2014.

Exhibit 6-52

[redacted] Billed from DP&L

As shown in the exhibit in Column D, the 2014 activity reflects net losses totaling

The transactions included on the fuel related invoices that Duke issued to OPCO in 2014 include a line item called "Coal Margin Settlement" and another titled "Broker Fees". The Company stated that the combination of these two items represent coal sales/transfer losses, which are included in the FAC and/or APIR. 4

Exhibit 6-53

[redacted]

As shown in the exhibit above, the 2014 activity reflects net coal sale losses of [redacted].

Of the invoices the Company received from the joint owners in 2014, the Company provided the following summary of the portions from each invoice that are included in the FAC and/or APIR.

DP&L Fuel Related Bills

- Coal consumed and coal [redacted] (Account 5010001) are included in the FAC and/or APIR.
- Oil consumed (Account 5010019) is included in the FAC and/or APIR.

Duke Related Fuel Bills

- Coal consumed and coal [redacted] (Account 5010001) are included in the FAC and/or APIR.
- Oil consumed (Account 5010019) is included in the FAC and/or APIR.

Duke O&M Related Bills

These Duke-billed O&M costs are included in the FAC and/or APIR:

- Fuel Procurement - Unloading and Handling (Account 5010003)
- Ash Sale Proceeds (Account 5010012)
- Gypsum Sale Proceeds (Account 5010028)
- Lime Expense (Account 5020001)

- Trona Expense (Account 5020003)
- Lime Hyrdrate Expense (Account 5020004)

FAC Deferrals

In its July 31, 2008 Application for an Electric Security Plan (and FAC), AEP Ohio proposed mitigating the rate impact of any FAC increases on its customers by phasing in the new ESP rates by deferring a portion of the annual incremental FAC costs during the three-year ESP period ending December 31, 2011. Specifically, AEP Ohio proposed that the amount of incremental FAC costs to be recovered from customers would be such that total bill increases would not be more than 15 percent during each year of the ESP. However, in its Opinion and Order dated March 18, 2009, the PUCO modified AEP Ohio's proposal to mitigate the rate impact on customers by limiting the phase-in of any FAC cost increases on a total bill basis by the following percentages:

	2009	2010	2011
Columbus Southern Power	7%	6%	6%
Ohio Power Company	8%	7%	8%

As a result of implementing this Order, CSP had 17 different FAC rates and OPCO had 23 different FAC rates. The PUCO stated that the collection of any deferrals, including carrying costs that are remaining at the end of the ESP "shall occur from 2012 through 2018 as necessary to recover the actual fuel expenses incurred plus carrying costs."[33]

As noted above, the original ESP period ("ESP 1") ended December 31, 2011. On December 14, 2011, a second ESP ("ESP 2") was approved by the Commission in Case No. 11-346-EL-SSO, which had an effective date of January 1, 2012. On December 31, 2011, CSP and OPCO merged and OPCO was the resulting company out of the merger. The initial Commission Order in that proceeding authorized separate rate zones for former CSP and OPCO customers, but a uniform FAC rate was established. However, on February 23, 2012, in its Entry on Rehearing, the Commission reversed its authorization of ESP 2 which resulted in OPCO filing a modified ESP application, and which the Commission ultimately approved on August 8, 2012 with certain modifications.

Specifically, the Commission's Order required that the FAC rates for CSP and OPCO revert back to being on an unmerged basis and that a new Alternative Energy Rider ("AER") be established in order for AEP Ohio to recover certain alternative energy costs that had been previously recovered through the FAC. In addition, the Commission directed that AEP Ohio transition to a competitive retail marketplace for generation through an auction process. The initial auction reflects an energy auction of 10% delayed until April 1, 2014. Subsequently, on June 1, 2014, now delayed until November 1, 2014, 60% of the Company's SSO energy load will provided by auction and 100% of OPCO SSO requirements will be supplied through auction beginning January 1, 2015. As a result, the Power Supply Agreement ("PSA") terminated on December 31, 2014.

[33] See PUCO's Opinion and Order dated March 18, 2009 at page 23.

In LA-2014-1-56, Larkin requested that AEP Ohio provide its most current estimates and projections of the deferred FAC costs through the end of the ESP period. In addition, LA-2014-1-56 requested an estimate of the collection period necessary to fully recover the deferred FAC costs after the ESP period ends, including an estimate of the prospective surcharge and rate impact. In response, AEP Ohio referred to Confidential Attachment 1 for the deferred Phase-In Recovery Rider[34] (PIRR") estimate updated for actuals through December 31, 2014, which is summarized for AEP Ohio in the table below:

Exhibit 6-54
PIRR Estimate Updated for Actuals Through December 31, 2014

[redacted]

The response to LA-2014-1-56 also stated that the Company has not projected the prospective surcharge or rate impact and the carrying charge issue is currently pending in Supreme Court Case No. 2012-2008.

LA-2014-1-005 asked the Companies to identify, by amount and account, any fuel amounts being deferred that affected the review period and to explain why such amounts were being deferred. In its response, AEP Ohio stated that no fuel amounts were deferred during the audit period that affected the recorded fuel cost.

The Companies' response to data request LA-2014-1-049 which requested a complete set of supporting workpapers for all the calculations in the quarterly FAC filings for the review period (and discussed in more detail later in this report), included the Accounting Department's summary schedules and monthly FAC workbooks of actual cycle calculations of under/over recovery, as well as carrying charge calculations. The Company also provided monthly APIR FCR and AER workbooks of estimated cycle calculations of under/over recovery. The monthly FAC, APIR and FCR workbooks are discussed in more detail in a later section of this chapter. The AER workbooks and information supporting the AER rates is discussed in Chapter 7.

Review Related To Coal Order Processing

The following is a description of AEPGR's procedures for processing fuel purchase orders (per LA-2014-1-006):

- A coal buyer initiates a request for proposal that is based on the projected coal needs and inventory levels of the plant as well as availability and price of coal in the markets.

[34] In Case Nos. 11-346-EL-SSO and 11-348-EL-SSO, AEP-Ohio designed a rider rate to collect the balance of the deferrals for OPCo and CSP over a seven year period per the Commission's Order in those proceedings.

- The buyer will analyze the offers received. An award will be made based on the following: (1) cost, (2) compatible quality, and (3) credit approval.
- The coal buyer also creates a justification, which is the basis for a proposed fuel purchase order. This justification is routed to key management personnel whose approval is required for the fuel purchase order to be executed.
- Once internal approval of the purchase order has been established and has been returned by the counterparty, a formal purchase order is assembled and entered into the Company's fuel accounting system. Once plant personnel are made aware that new purchase orders are in the system, then such personnel enter the input data into the system as coal is received.

Purchase Orders And Approved Purchase Requisitions

Data requests LA-2014-1-007 and LA-2014-1-008 requested copies of fuel purchase orders ("POs") and approved purchase requisitions recorded in July 2014. In response, AEPGR referred to the confidential response to EVA-2014-1-3. The response to EVA-2014-1-3 was comprised of numerous confidential attachments, including a listing which summarized new coal POs that were executed in 2014. This summary also included a listing of any POs to which change orders were made along with a notation which indicated the justification for each change order. As the number of POs in the confidential attachments was voluminous, Larkin selected a sample of POs for review. Each PO that Larkin selected was properly executed and was accompanied by an intercompany memo which summarized the details of the corresponding PO. No exceptions were noted.

Invoice and Voucher Procedures

In order to enable us to track the Company's processing of fuel invoices, Larkin obtained copies of cash vouchers and payment documentation for fuel purchases recorded in July 2014. These documents were provided in the confidential response to data request LA-2014-1-009.

The confidential information provided in LA-2014-1-009 included payment documentation for the following plants: Cardinal, Conesville, Gavin, Kammer, and Muskingum River. For each purchase, this documentation included a summary of invoices paid by AEPGR, invoices, payment vouchers (with supporting detail), and a report titled "Penalty/Premium Pricing Report", which is a detailed calculation report of the amounts due to the Company's vendors for deliveries under a given contract or purchase order.

Larkin's review included tracing the invoices to the supporting data that was provided by the Company. Larkin first examined each invoice and compared the vendor name, invoice number and invoice date to the accompanying voucher and voucher supporting detail (a document called a "Request for Payment Detail"). The Request for Payment Detail broke out the purchases by station, source date, commodity, entry type, description, quantity and value. We then traced the total of the amount(s) listed for each generating station on the Requests for Payment Detail to the invoices and Penalty/Premium Pricing Reports.

It was during this review that Larkin noted that an invoice from the vendor [redacted] in the amount of [redacted] indicated that the "Bill To" party was [redacted]

[redacted] and not AEPGR. Upon Larkin's follow-up inquiry, the Company stated in its confidential response to LA-2014-3-013 that that AEPGR paid the referenced invoice and that [redacted] incorrectly indicated that [redacted] was the "bill to" party and that AEPGR paid this invoice for coal deliveries at the Gavin Plant. As part of its explanation, AEPGR pointed out that the invoice in question indicates that the coal quantities listed on the invoice were to Gavin. Larkin noted that Gavin is in fact the "Ship To" destination indicated on the [redacted] invoice.

Fuel Ledger

Larkin reviewed the data the Company's provided in response to LA-2014-1-010, which requested the Company's fuel ledgers for the period January 2014 through May 2015. In its response, the Company only provided monthly AEPGR fuel ledgers for the period January through December 2014 and stated that during 2014, AEPGR supplied energy to OPCo for its retail load under the Power Supply Agreement ("PSA"), but that beginning in 2015, 100% of OPCo's retail load was supplied via auction energy purchases. Upon reviewing the fuel ledgers, including accompanying reconciliation pages, Larkin was able to tie the amounts shown to the FAC and APIR workbooks provided in LA-2014-1-049 as well as the general ledger (See additional discussion below).

BTU Adjustments

As part of its review, Larkin requested that the Companies provide documentation for Btu adjustments for fuel purchases recorded in July 2014 per data request LA-2014-1-011. In its response, AEP Ohio referred to the response to data request LA-2014-1-015, in which AEP Ohio provided confidential documents titled "Analysis Results Summary Report". AEP Ohio provided these confidential reports for the following power plants: Cardinal, Cook Coal Terminal, Conesville, Gavin, Kammer, Mitchell, and Muskingum River. Upon its initial review of the Analysis Results Summary Reports, Larkin noted that each such report had a calculation under the heading "Btu". From these reports, Larkin compared the Btu adjustment calculation to the specific contract as well as recalculated the amounts used in the Btu adjustment calculation. No exceptions were noted.

Larkin reviewed the 2014 Btu adjustment example provided by the Company in the confidential response to LA-2014-4-001, as shown below:

[redacted]

[redacted]

Freight And Barge Vouchers

LA-2014-1-012 requested that AEP Ohio provide freight cash vouchers for two days of coal *receipts in July 2014 as well as copies of the portions of the corresponding coal received reports.* The confidential response to LA-2014-1-012 included documentation related to payments that AEPGR made for freight associated with coal received at the Conesville and Muskingum River Plants during July 2014, including two payments to [redacted], two payments to [redacted], eight payments to [redacted], seven payments to [redacted] and two payments [redacted]. Specifically, this documentation included:

- Copies of invoices for each of the payments referenced above;
- Copies of payment vouchers (each also including a Request for Payment Detail) that are associated with those payments; and
- Copies of documents titled "Transportation Cost Report", which provides a breakout of the coal deliveries to which the total freight costs shown on the payment vouchers and invoices relate.

Upon reviewing the aforementioned documents, Larkin verified the freight costs reflected on the Transportation Cost Reports to the invoices. In addition, Larkin tied out the amounts reflected on the invoices and Transportation Cost Reports to the payment vouchers. No exceptions were noted.

LA-2014-1-013 requested that AEP Ohio provide two cash vouchers from each barge company for coal unloaded at Company plants during July 2014 as well as copies of the portions of the corresponding coal unloading reports and purchase orders. In response, the Company provided barge invoice data for AEP River Operations[35], which included data related to coal shipments received at the Cardinal, Gavin, Kammer, and Muskingum River plants. Upon Larkin's initial review of the requested data, it was not apparent how the supporting detail tied to a copy of an invoice dated May 30, 2014 from AEP River Operations, LLC to Cardinal Operating Company[36] that was also provided. In response to follow-up data request LA-2014-4-002, AEPGR clarified its original response with additional explanations of how the supporting detail ties to the July 2014 invoice from AEP River Operations. In addition, the Company stated that the aforementioned May 2014 invoice was inadvertently included with the July supporting data. Upon reviewing the Company's clarifying explanations, Larkin is satisfied that the information provided is sufficient for what was requested with LA-2014-1-013.

Fuel Analysis Reports

LA-2014-1-014 requested that AEPGR provide the Company's procedures for preparing monthly fuel analysis reports. In response, AEPGR stated that fuel analysis data is captured in

[35] AEPGR's barging services are discussed in further detail in a later section of this report.
[36] AEPGR is a joint owner of the Cardinal Plant and specifically, owns Cardinal Unit 1. Cardinal Operating Company is the entity whose purpose is to operate the Cardinal Plant units.

the [redacted] and fed to the [redacted] system. In addition, AEP Ohio stated that monthly fuel analysis reports can be generated for each plant from the [redacted] system.

LA-2014-1-015 requested that AEPGR provide copies of fuel analysis reports related to fuel purchases recorded during July 2014. In its confidential response the Company provided copies of the aforementioned Analysis Results Summary Reports for the Cardinal, Conesville, Gavin, Kammer, and Muskingum River plants. These reports listed the Companies' fuel purchases by mine, station and vendor, and broke out the fuel purchases by quantity, moisture, ash, sulfur, SO2 lbs/mmBTU's, and BTUs on an "as received" as well as a "dry" basis.

Retroactive Escalations

Larkin requested that AEP Ohio identify all pending or approved retroactive escalations that affect fuel cost for the period January through December 2014. In response to LA-2014-1-016, the Company stated that there are no pending retroactive escalations and that summaries of approved escalations were provided with EVA-2014-1-1.

Review Related To Station Visitation And Coal Processing Procedure

EVA conducted a site visit to the Company's Gavin Plant ("Gavin") on October 21, 2015[37]. Data requests LA-2014-1-017 through LA-2014-1-039 relate to fulfilling the objectives of the station visit and the review of the Company's coal processing procedure from the receipt of coal to the disposition of fly ash.

A description of the Company's coal receiving procedures and controls for shortages, overages, and other discrepancies for the Gavin plant was provided in AEPGR's response to LA-2014-1-017. All of the coal that is delivered to the Gavin plant is by barge.

The Gavin plant operates two barge unloaders. A third party maintains Gavin's harbor as well as the inbound and outbound movement of the barges. Gavin Coal Yard personnel oversee the coal unloading and harbor service processes. Once unloaded, the coal can be either taken directly to the coal silo or to the coal pile. All barge weights are maintained in the [redacted] system where it can be verified. In addition, corrections to volumes are recognized through semi-annual coal pile inventory surveys.

LA-2014-1-018 asked AEPGR to describe the process of how coal is weighed when it is received. In response, the Company's stated that Gavin utilizes a belt scale on each barge unloader to weigh the coal as it is unloaded.

LA-2014-1-019 and LA-2014-1-020 asked AEPGR to describe how freight bill and car number discrepancies are handled and to describe how damaged railroad cars are checked and who investigates shortage claims. In response to both data requests, AEPGR stated that no rail coal is received by Gavin.

LA-2014-1-038 requested a description of how freight bills, barge number and coal quantity and quality discrepancies are handled. In response, the Company stated that such discrepancies are handled in the following manner:

[37] Larkin had intended to also conduct the site visit at Gavin on October 21, 2015, but due to a family emergency, Larkin was unable to attend.

- AEPSC Fuel Accounting pays the barge freight bills for Gavin and Gavin plant personnel verify barge numbers at the time of unloading and noted discrepancies are verified with [redacted].
- Both loaded and unloaded weights are maintained in the [redacted] system and large discrepancies are verified with the vendor.
- Quality discrepancies based on unloaded quality are raised by the supplier and addressed by fuel procurement. As it relates to coal that is based on the supplier quality check samples are taken at the plant to verify the quality and noted discrepancies are addressed by fuel procurement.

LA-2014-1-039 requested a description of how damaged barges are checked and who instigates claims for shortages. In response, AEPGR stated that barges are inspected upon receipt at the harbor and that any notices of damaged barges are provided to [redacted] where all repairs are performed.

A description of the Company's coal sampling procedures was provided in response to LA-2014-1-022 as follows:

- Coal is sampled at multiple locations by mechanical coal sampling systems. The coal is initially sampled after being unloaded from a barge and the last sample takes place prior to the coal being consumed in the boiler.
- All samples are further processed at the plant and are then sent to the AEP Coal Laboratory for analysis. Samples are labeled with a bar code and this bar code is entered into [redacted] and is used to identify the sample, while maintaining anonymity at the lab. Samples are then shipped to the lab using the AEP internal mail system. A third party carrier is utilized to ship the sample to the lab in situations where the analysis of a sample needs to be expedited. The lab scans the bar code and all laboratory analysis are assigned to the sample by that bar code.

LA-2014-1-023 requested that for each Company operated coal-fired plant, that AEPGR identify the portion of total coal deliveries that were not analyzed at the point of receipt. In its confidential response, the Company stated that as of January 1, 2014, AEPGR began operating Ohio plants previously run by OPCo. In addition, AEPGR provided a table that reflects the requested percentages, which Larkin has reproduced in the exhibit below.

Exhibit 6-55
Percentage of Coal Deliveries Not Analyzed

[redacted]

During EVA's visit to the Gavin Plant on October 21, 2015, plant personnel had stated that the [redacted] due to employee shortfall and maintenance neglect. EVA had requested the specific dates in 2014 when [redacted]. In response to EVA-2014-3-003, the Company stated that [redacted]. However, as shown in the exhibit above (per LA-2014-1-023), only [redacted] of coal deliveries received at Gavin were [redacted]. Upon Larkin's inquiry about this seeming discrepancy, the Company stated the following in the confidential response to LA-2014-4-003:

[redacted]

LA-2014-1-024 asked the Company to provide its procedures for sampling and testing Powder River Basin ("PRB") coal and to provide the associated documentation from the Company's vendors during 2014. In response, the Company stated it does not have procedures in place for sampling and testing PRB coal since shipments originating in the PRB are paid on vendor analysis. In addition, OPCo provided a confidential attachment which was comprised of "Penalty/Premium Pricing Reports", which reflected the quality analyses that was entered into the Company's fuel accounting system for payment on PRB deliveries to Gavin during 2014. In addition, OPCo provided copies of the original analyses that it received from [redacted], which are the mines from which the PRB coal originated.

LA-2014-1-025 requested copies of the reports related to the annual field visit and inspection of PRB mines that are conducted by AEP and in which included the sampling procedures used at

the PRB mines and/or load-out locations from each mine from which plants that are owned or operated by or for CSP and OPCO receive coal. In response, the Company reiterated that as of January 1, 2014, AEPGR and not CSP or OPCo, owned and operated Ohio plants previously and operated by AEP Ohio. In addition, the Company stated:

> *During the period of July 14th - 17th, 2014, [redacted], Manager of the AEP Central Coal Lab, visited the following PRB load outs and their onsite labs: [redacted]*
>
> *During the visit,s the sample systems at each location that generated the payment samples were visually inspected and an explanation of their sampling processes was given by the Coal Company representatives. All the systems were found to be in good mechanical condition and sized correctly for the lots to be sampled. All the locations had documentation of Bias Tests and ongoing sample system quality control reports.*
>
> *The on-site labs for each site were toured and quality control procedures and documentation were shared by the Lab supervisors. The labs were all third party facilities either managed by [redacted]. All the facilities were found to contain up to date equipment and knowledgeable employees.*
>
> *Overall there was nothing that was observed that would lead us to believe that ASTM D05 procedures and best industry practices were not being adhered to in the collection and analysis of the payment samples at the locations visited.*

Scale calibration logs for the periods January through July 2014 were requested in LA-2014-1-026. In its response, OPCo provided a confidential Excel file, which contained belt scale calibration data for the requested period for the Cardinal, Conesville, Gavin, Kammer, Mitchell and Muskingum River plants. With the exception of a few instances where minor items were documented (e.g. speed sensor malfunction, belt alignment, dirty weigh bridge, etc.) there were generally no problems noted on the scale calibration logs.

A description of the procedures followed when [redacted] was provided in the response to LA-2014-1-027 included:

- If the [redacted], the plant will switch to the [redacted]. In the event [redacted].
- [redacted] personnel can use [redacted] at the loading point to verify any [redacted] conducted at the plant.

Copies of laboratory sampling reports for coal purchases recorded in July 2014 were requested in LA-2014-1-028 in order to compare such reports with accounting and purchasing records. The Companies' confidential response included the previously referenced "Analysis Results Reports" and included data related to coal sampling at the Gavin plant that occurred in July 2014.

AEPGR's procedure for handling coal from the stockpile to the firebox or boiler at the Gavin plant was provided in response to LA-2014-1-029. Specifically, coal is fed from either the North or South coal pile into one of 14 bunkers per unit or 28 total bunkers. Each belt that feeds the units has a belt scale which tabulates the tons before being fed into the unit supply bunkers. The coal is then fed from the bunkers to the pulverizers and across feeder belts. These feeder belts

also have the ability to weigh the coal. Upon being pulverized, the coal is pneumatically transferred to the unit for consumption.

AEPGR's procedure for taking physical inventories of coal and fuel oil is described in the response to LA-2014-1-030. Specifically, fuel oil is measured monthly by using a tank level indicator and physical inventories of coal pile inventory are conducted twice a year. If the difference between book and physical inventory is two percent or greater of the coal consumed, then a second physical inventory is conducted within six months. A Circular Letter dated October 17, 1996 (and revised November 12, 2007), which outlined specific coal pile inventory procedures and guidelines, was provided as a confidential attachment to AEP Ohio's response to LA-2014-1-030.

The Company provided working papers on physical inventories taken at the Gavin plant in spring, fall and winter of 2014 in the response to EVA-2014-1-022, which consisted of the following documentation:

- Journal Entry Detail Reports
- Inventory Ledger for Gavin
- Intercompany memos
- Screenshots from the [redacted] system
- Daily Fuel Reports

As noted above, the documentation provided included intercompany memos for the physical inventories conducted at Gavin in the spring and fall of 2014, which described the results noted on the Gavin Coal Inventory ledgers. The Spring 2014 memo (dated March 19, 2014), which discusses a coal pile survey conducted at Gavin on March 11, 2014, stated in part:

> *The results show an overage of 64,565 tons. This is 10.9% more than the book inventory. According to the accounting bulletin #4 revision, 100% of the difference between the physical survey and the book inventory can be used to record adjustments to the books. The total consumed over the period (8/6/13 - 3/11/14) was 3,642,368 tons. The difference between the books and the survey tonnage is 1.7% of the coal consumed. The breakdown for the adjustments of the consumed per unit is 60.7% for unit 1 and 39.3% for unit 2. Another survey will be conducted in the Fall 2014.*

The exhibit below summarizes the Spring 2014 coal pile inventory adjustment described above.

Exhibit 6-56
Coal Pile Inventory – Gavin Plant (Spring 2014)

[redacted]

As shown in the table, the dollar impacts associated with coal tonnage overage at Gavin in the Spring of 2014 was $2,308,471 for Unit 1 and $1,494,607 for Unit 2 resulting in a overall inventory adjustment totaling $3,803,079. Larkin reviewed the related journal entry detail report and verified that the journal entry for this adjustment (dated March 31, 2014) reflected a debit to Account 151 (an increase to inventory) and two credits (representing Units 1 and 2) totaling the $3,803,079 to Account 501 (a decrease to fuel expense).

The Fall 2014 memo (dated September 4, 2014), which discusses a coal pile survey conducted at Gavin on August 27, 2014, stated in part:

> *The results show an overage of 132,627 tons. This is 24.3% more than the book inventory. According to the accounting bulletin #4 revision, 100% of the difference between the physical survey and the book inventory can be used to record adjustments to the books. The total consumed over the period (3/11/14 - 8/27/14) was 3,258,332 tons. The difference between the books and the survey tonnage is 4.1% of the coal consumed. The breakdown for the adjustments of the consumed per unit is 47.8% for unit 1 and 52.2% for unit 2. Another survey will be conducted in the Spring, 2015.*

The exhibit below summarizes the Fall 2014 coal pile inventory adjustment described above.

Exhibit 6-57
Coal Pile Inventory – Gavin Plant (Fall 2014)

[redacted]

As shown in the table, the dollar impacts associated with coal tonnage overage at Gavin in the Fall of 2014 was $3,525,851 for Unit 1 and $3,850,372 for Unit 2 resulting in a overall inventory adjustment totaling $7,376,223. Larkin reviewed the related journal entry detail report and verified that the journal entry for this adjustment (dated September 30, 2014) reflected a debit to Account 151 (an increase to inventory) and two credits (representing Units 1 and 2) totaling the $7,376,223 to Account 501 (a decrease to fuel expense).

As the Fall 2014 inventory adjustment at Gavin was so large, EVA asked the Company whether AEP System Accounting Bulletin No. 4 still applied to physical inventory survey results subsequent to the Corporate Separation, and if so, for AEPGR to confirm that the September 2014 physical inventory adjustment at Gavin triggered an investigation. In response to EVA-2014-3-010, the Company confirmed that an investigation was conducted by the Gavin plant engineer. Pursuant to this investigation, the Gavin plant engineer reported the following:

> *After the Fall, 2014 coal pile inventory results were calculated and approved, the accounting books were adjusted for the total tonnage error (131,057 tons). An immediate investigation was done by visually looking over the coal scales. No problems detected. Coal scale material weight tests were performed across all of the receiving and burning scales about 2 months later. Coal scale flow*

adjustments were made at the time. Another coal pile was performed in Spring, 2015.

As noted above, the Company also recorded an inventory adjustment related to Gavin in December 2014. The December inventory adjustment, which reflected an underage of 1,570 tons, was considerably smaller than the previously discussed adjustments that were recorded in March and September 2014. The basis for this inventory adjustment relates back to the Fall 2014 inventory adjustment previously discussed. In response to LA-2014-4-005, the Company stated that during an internal audit review of the Fall 2014 survey memo and reports, a discrepancy was discovered between the Lab Report and the 0955A Report, which resulted in the 0955A Report being corrected and reissued and the additional inventory adjustment recorded to the ledger in December 2014. Specifically, as discussed above, the overage initially indicated for the Fall 2014 physical inventory was for 132,627 tons. However, the corrected and reissued report indicates that the overage was actually 131,057 tons (as also indicated in the response to LA-2014-3-010), or a difference of 1,570 tons.

The exhibit below summarizes the Winter 2014 coal pile inventory adjustment described above.

Exhibit 6-58
Coal Pile Inventory – Gavin Plant (Winter 2014)

[redacted]

As shown in the table, the dollar impacts associated with coal tonnage underage at Gavin in the Winter of 2014 was $41,771 for Unit 1 and $45,553 for Unit 2 resulting in a overall inventory adjustment totaling $87,323. Larkin reviewed the related journal entry detail report and verified that the journal entry for this adjustment (dated December 30, 2014) reflected two debits (representing Units 1 and 2) to Account 501 (an increase to fuel expense) and a credit to Account 151 totaling $87,323 (a decrease to inventory).

Data request LA-2014-1-032 asked the Company how it accounts for base coal inventory at each plant that is owned or operated by for AEPGR . In response, AEPGR stated that it accounts for coal inventory in Account 151 - Inventory and the costs associated with the physical base is recorded in Account 101 - Plant in Service. In addition, no accounting adjustments were made between the coal inventory and the coal pile base in plant property during 2014 nor did AEPGR amortize any amount of base coal into fuel costs in 2014.

OPCo's response to LA-2014-1-034 provided the following description which relates to the levels of review applicable to plant operating statistics:

- The [redacted] has three general types of data which is derived directly from the plants, including: fuel consumption; generation; and outages and curtailments.
- Scale readings measure fuel consumption. These readings are corrected periodically through coal pile surveys if necessary.

- The [redacted] application transmits generation data. The Companies verify the accuracy of the data entered into [redacted] by performing a generation-checkout process.
- Outage and curtailment events are entered into [redacted] which is a front-end system where records are reviewed with plant staff throughout the operating month. After month-end, the plants have 10 days to review, correct, and approve the event records before being submitted to [redacted].

Larkin requested copies of generating station reports for the review period in LA-2014-1-035. In its confidential response, AEPGR stated that it does not have a document titled "generating station reports". However, the Company provided a confidential attachment for Gavin Units 1 and 2 for the period January through December 2014.

This confidential attachment reflected the gross MWh, net MWh, service hours, reserve hours, available hours, start-ups, and heat rate for Units 1 and 2 at the Gavin plant.

LA-2014-1-036 asked the Company to identify any internal investigations which resulted from what was reported on the Monthly Generating Station Reports provided in LA-2014-1-035 for the review period. The Company responded that there had been no internal investigations conducted with regard to the information provided in LA-2014-1-035 during the review period.

Larkin requested copies of the station reports for the review period which were sent to the Company's general office for incorporation into company statistics and to provide workpapers sufficient to trace the reports to those statistics in LA-2014-1-037. In response, the Company stated:

> *While some aspects of plant operation, such as outage events and coal scale data, are manually entered into a computer program at the generating plant, there are no "reports" that are sent to the Companies' general office for incorporation into Companies' statistics and workpapers. The electronic versions of these files are reviewed at the generating plant level as described in response to LA-2014-1-34, but the electronic reports themselves are the "station reports", and not workpapers.*

Review Related To Fuel Supplies Owned Or Controlled By The Company

In response to LA-2014-1-040, AEPGR confirmed that neither AEPGR nor its affiliates owns or controls any coal mines or entities that supply fuel to the Company.

Review Related To Purchased Power

Documentation relating to the review of purchased power is included in the responses to LA-2014-1-041 through LA-2014-1-043. LA-2014-1-041 asked the Company to provide the following information: "For OPCO, for purchases of power recorded in July 20124 that are included in the FAC, please provide the related invoices, and paid cash voucher or cash receipts." In the confidential response to LA-2014-1-041, the Company provided (1) a summary of July 2014 invoices; (2) copies of July 2014 invoices; and (3) July 2014 APIR schedule for OPCO used to reconcile the purchased power to the July 2014 invoice summary.

The summary of invoices broke out the Company's purchases of power by (1) vendor name; (2) invoice number, (3) invoice amount paid/(received), (4) the portion of purchase power costs that

flowed through the APIR in July 2014, and (5) the portion of the purchase power costs that flowed through the FCR in July 2014. Larkin noted substantial differences between the total invoice amounts versus what was allocated to OPCO (i.e., through the APIR and FCR).

For July 2014, Larkin attempted to tie out the amounts allocated to OPCO's physical purchases that were reflected on the invoice summary to workpaper "EXH OPCO 1" from the monthly APIR Excel workbook that was provided in LA-2014-1-049 (see additional discussion below). Larkin was able to tie out some of these amounts, but not all. Larkin requested that the Company supplement its response to LA-2014-1-041 by (1) reconciling certain purchased power amounts that were listed on the Summary of Invoices July 2014 schedule to the APIR workbook for July 2014 that was provided in LA-2014-1-049, and (2) provide a breakout and reconciliation of $1.3 million that flowed through the APIR that relates to PJM Interconnections settlement documentation. In response to LA-2014-3-005, the Company provided the requested information as it relates to the PJM Interconnections information, but what was initially provided as it relates to the other purchased power amounts was insufficient to trace the purchased power costs listed on the Summary of Invoices July 2014 schedule to the July 2014 APIR workbook. Therefore, Larkin requested that the Company supplement its response to LA-2014-3-005 in order to provide the information originally requested. In response to LA-2014-4-004, the Company provided a confidential attachment with additional data which enabled Larkin to tie out the amounts listed on the Summary of Invoices July 2014 schedule the July 2014 APIR workbook.

Reliability Must Run Generation

As confirmed in the response to LA-2014-1-042, dispatch of the Company's generating units was under the control of PJM during the review period of January 2014 through May 2015.

LA-2014-1-043 asked: "During the review period were any of the Company's generating units designated as 'must run' for reliability or voltage control purposes? If so, please identify the units, hours, and cost/Mwh for each 'must run' situation at the Companies' generating units during this period."

[redacted]

As part of its response to LA-2014-1-043, AEPGR provided two confidential attachments. The first attachment was an extensive listing of the hours that each of the generating units listed above were required to operate as a "Must Run" resource by PJM in 2014. The second confidential attachment provided the average production cost of each "must run" generating unit referenced above for 2014. These were expressed in terms of $/MW for each month of 2014 and are reproduced in the exhibits below.

Exhibit 6-59
Average Production Cost of "Must Run" Generating Units - 2014

[redacted]

Review Related to Service Interruptions and Unscheduled Outages

Documentation relating to the review of Service Interruptions and Unscheduled Outages includes AEPGR's responses to LA-2014-1-044 and LA-2014-1-045.

LA-2014-1-044 asked about instances in which customers' power supplies were interrupted (or requested to be interrupted) during the review period January through December 2014. In response, AEPGR stated that during the review period of January through December 2014, there were no instances of a generation-caused customer interruption.

LA-2014-1-045 requested AEPGR to identify instances during the review period in which the Company's generating units experienced unscheduled outages and to provide documentation concerning the following:

1. The cause(s) of the outage.
2. Steps taken by the Companies to minimize the impacts of the unscheduled outage.
3. Efforts made to secure replacement power, if applicable.
4. The methodology employed to price the replacement power, if applicable.
5. The cost impacts resulting from the periods during which the unscheduled outage occurred.

In response to item 1, AEPGR provided an attachment, which provided a brief description of what caused the unscheduled outages during the review period at the AEPGR owned generating units listed below.

2014

Beckjord Unit 6

Cardinal Units 1,2 &3

Conesville Units 4, 5 & 6

Darby Units 1, 2, 3, 4, 5 & 6

Gavin Units 1 & 2

Kammer Units 1, 2 & 3

Mitchell Units 1& 2

Muskingum River Units 1, 2, 3, 4 & 5

Picway Unit 5

Sporn Units 2 & 4

Stuart Units 1 & 2

Waterford Units CT1, CT2, CT3 & ST1

Zimmer Unit 1

With respect to items 2 through 5 from LA-2014-1-045, AEPGR stated:

> *During 2014, the default load subject to the fuel clause was served by AEP Generation Resources (AEPGR) due to the corporate separation that occurred December 31, 2013. Operational steps to minimize the effects of a forced outage did not change for AEPGR, such as planning work soon as possible and operating the units as long as safely possible until such time that any required maintenance could be performed.*
>
> *During this review period, AEPGR had available generation which significantly exceeded the load served under the Ohio FAC. As a result, no additional steps*

were necessary to attempt to further minimize any unscheduled outages or seek replacement power.

FAC, APIR and FCR Filings, Supporting Workpapers and Documentation

Documentation relating to the review of supporting workpapers for calculations in the FAC, APIR and FCR filings was requested in data requests LA-2014-1-046 through LA-2014-1-052 (FAC filings) as well as LA-2014-1-093 through LA-2014-1-097 (APIR and FCR filings). LA-2014-1-046 requested copies of OPCo's quarterly FAC filings. In response, the Company provided the quarterly FAC filings for the first quarter of 2014 and the quarterly APIR and FCR filings for (1) the second, third and fourth quarters of 2014; (2) the first quarter of 2015; and (3) April and May of 2015.[38]

LA-2014-1-049 asked that:

> *For each Reconciliation Adjustment (RA) in a Rider FAC filing covering the review period, please provide a complete audit trail for all amounts in the RA portions of such filings including: (1) the accounting records and other documentation needed to trace each dollar amount in the RAs through from the Rider FAC filings to the fuel ledger, from the fuel ledger to the general ledger, and from the fuel ledger to the purchase orders and invoices; (2) the complete documentation to trace the energy and system loss quantities in the Rider FAC filings to the source documents; (3) all journal entries, journal entry supporting documentation and workpapers related to recording RA adjustments in the Company's accounting records; and (4) provide all calculations and supporting documentation related to computing RA adjustments in the Company's Rider FAC filings.*

In response to LA-2014-1-049, the Company provided an index of attachments and the Accounting Department's summary schedules and monthly Excel FAC, APIR and FCR workbooks which contained the actual cycle calculations of under/over recovery as well as carrying charge calculations, which are the main support for the Company's FAC and APIR filings including the RA portion of such filings. The FAC and APIR workbooks are comprised of several pages of data, which is culminated from several sources including:

1. General Ledger
2. NER/NEC – Net Energy Requirements and Net Energy Cost reports
3. MCSR0162 Final Reports - Tariff Summary Revenue – by voltage level – one month billed & accrued
4. PSA Bills
5. Net Energy Cost Allocators

In addition to the foregoing sources of data, the monthly FAC, APIR and FCR workbooks also contained the following workpapers:

[38] The response to LA-2014-1-046 also contained the quarterly AER filings which are discussed in detail in [redacted] of this report.

1. Computation of Firm Retail Revenues, FAC Costs and the total Over/Under recovery for each month. The amounts calculated on this workpaper are reflected on Schedule 3 from the Company's quarterly FAC filings.
2. A workpaper which calculates the FAC retail allocators.
3. Workpapers showing the FAC and APIR rates.
4. A workpaper which calculates the allocation factor for the FAC allowance accounts.
5. A workpaper which calculates the kWh delivered to customers served under OAD tariffs (Shopping kWh).

Upon reviewing the monthly FAC, APIR and FCR workbooks, Larkin was able to tie out the amounts reflected in the workbooks to the respective FAC, APIR and FCR filings using the source data listed above and performing recalculations. In addition, the APIR schedules provided in the response LA-2014-1-041 also facilitated Larkin's ability to tie out the amounts reflected in the July 2014 APIR workbook.

Lawrenceburg Generating Station

On March 15, 2007, CSP entered into an agreement to purchase the Lawrenceburg Generating Station ("Lawrenceburg") from AEP Generating Company. Lawrenceburg is a combined-cycle natural gas power plant with a generating capacity of 1,096 MW and is located in Lawrenceburg, Indiana.

In data request LA-2014-1-057, Larkin asked AEPGR for a summary of the non-energy components related to Lawrenceburg that were included in fuel costs during 2014. In response, AEP Ohio referred to the detailed general ledger for Accounts 5550104 and 5550105 which were provided in LA-2014-1-053 as well as the monthly workbooks that were provided in response to LA-2014-1-049. For the period January through March 2014, the non-fuel purchased power costs associated with Lawrenceburg were included in the FAC for OPCo as shown on the EXH OPCO 1 workpaper that was included in the January through March monthly FAC workbooks. For the period April through December 2014, the non-fuel purchased power costs for Lawrenceburg were included in the FCR as reflected in the "FCR Costs" section of the FCR monthly workbooks.[39]

For the period January through May 2015, the Lawrenceburg costs continued to be included in the FCR. However, the Company included the following notes in the January 2015 FCR workbook as it relates to the Ohio retail Lawrenceburg charge: (1) Acct 5550122 on BU 250 beg 2015; and (2) frozen Dec cost (Jan - May 2015). Upon Larkin's inquiry, the Company confirmed that beginning in January 2015, the Lawrenceburg charges are now recorded in Account 5550122 and provided a screenshot of the journal lines for the Lawrenceburg demand charges of the Ohio retail amount of [redacted]. Upon reviewing the FCR workbooks, Larkin verified that the [redacted] that was included in the FCR in December 2014 also flowed through the FCR in each month January through May 2015.

[39] For the period April through December 2014, the non-fuel purchased power costs associated with Lawrenceburg were also reflected in the detail for the monthly APIR workbooks, but AEPGR did not flow those costs through the APIR quarterly filings.

The exhibit below reflects the components of the Lawrenceburg capacity costs that flowed through the FAC and FCR during each month of 2014.

Exhibit 6-60
Lawrenceburg Actual Purchased Power Capacity Costs Billed to OPCO - 2014

[redacted]

As shown in the exhibit above, the Ohio retail portion of Lawrenceburg related capacity costs flowing through the FAC and FCR during 2014 totaled [redacted]. The exhibit below reflects the components of the Lawrenceburg capacity costs that flowed through the FCR during the period January through May 2015.

Exhibit 6-61
Lawrenceburg Actual Purchased Power Capacity Costs Billed to OPCO - Jan - May 2015

[redacted]

As shown in the exhibit above, the Ohio retail portion of Lawrenceburg related capacity costs flowing through the FCR during the period January through May 2015 totaled [redacted]. In addition to the monthly FAC and FCR workbooks, Larkin also traced the amounts in the exhibits above to the detailed general ledger pages for Accounts 5550104, 5550105 and 5550122 that were provided in LA-2014-1-053 and in response to Larkin's informal inquiry. No exceptions were noted.

OVEC Demand Charges

Larkin requested in that the Company identify and provide an audit trail showing how capacity costs related to OVEC flowed through the FAC. In response to LA-2014-1-058, AEPGR referred to the monthly workbooks that were provided in LA-2014-1-049, and stated that for the period January through March 2014, the OVEC demand charges flowed through the FAC and for the period April through December 2014 and January through May 2015, the OVEC demand charges flowed through the FCR.

The exhibit below reflects the components of the OVEC demand charges flowing through the FAC and FCR during each month of 2014 and for the period January through May 2015.

Exhibit 6-62
OVEC Actual Purchased Power Demand/Capacity Costs Billed to OPCO in 2014 and January - May 2015

[redacted]

As shown in the exhibit above, the OVEC demand charges flowing through the FAC and FCR during 2014 totaled [redacted] million and for the period January through May 2015, the OVEC demand charges flowing through the FCR totaled [redacted]. In addition to the monthly FAC and FCR workbooks, Larkin also traced the amounts in the exhibit above to the detailed general ledger pages for Account 5550096 that were provided in LA-2014-1-053. No exceptions were noted.

Renewable Energy Resources

Please see Chapter 7 of this report, which discusses the Alternative Energy Rider ("AER").

Carrying Costs on Deferred Fuel Balances

AEPGR confirmed that its quarterly FAC, APIR and FCR filings for the 2014 and 2015 (through May) audit period did not include carrying costs.

Active Management

LA-2014-1-048 asked whether the Company engaged in "active management" of its fuel, purchased power or emission allowance positions during the review period, and if so, to identify, quantify and provide the accounting documentation for each such transaction during that period.

In addition, LA-2014-1-048 asked the Company to fully explain the reasoning and estimated economic benefit that was anticipated for each transaction. In response, AEPGR stated:

> *No, the Company does not engage in "active management" as previously defined by the auditor to be "the practice of flattening one's position on a frequent (daily) basis to align coal commitments with power sales outlook."*

[redacted] and Related Revenue

As EVA discussed in Chapter 3, AEPSC entered into four agreements with [redacted] in August 2012, which related to the installation of a refined coal facility at Gavin for the purpose of [redacted] As of January 1, 2014, these four agreements, including (1) the Coal Feedstock Purchase Agreement; (2) the Refined Coal Supply Agreement; (3) the License and Services Agreement; and (4) the Coal Handling and Consulting Agreement, were assumed by AEPGR. . As a result of the arrangement under the Coal Handling and Consulting Agreement, AEPGR is receiving a stream of license fee revenue from [redacted], which the Company records in Account 4560012. [redacted]

As described in Chapter 3, EVA is recommending that a portion of the revenue AEPGR is receiving related to the [redacted] which the Company is recording in Account 456 be reflected as a net reduction to the cost of coal charged to the ratepayer.

Reflecting the revenue stream [redacted] as a reduction to the utility's cost of coal has been recognized as appropriate ratemaking by some utilities that have or are in the process of establishing similar arrangements. One instance of which we are aware involves an arrangement by [redacted] The April 1, 2014 response to RUCO UNS 2.07 in Arizona Corporation Commission Docket No. E-04230A-14-0011, et al. addressed this matter.

That data request had [redacted]

[redacted]

As noted above, the Company had established a arrangement for with under which the coal being delivered to is sold to , which . There is no reduction to the cost of the under this arrangement. During 2014, AEPGR recorded .[40] Although these revenues relate to the AEPGR did not reflect them as an offset to coal costs.

As noted above and described in Chapter 3 of this report, EVA has recommended that the revenue stream AEPGR received during the audit period related to the

[40] Per the confidential attachment that was provided in response to LA-2014-6-002 .

which the Company is recording in Account 4560012 be reflected as a net reduction to the cost of coal charged to the ratepayer. The reduction to the cost of [redacted] coal that should be reflected as a reduction to FAC and/or APIR costs is in accordance with EVA's recommendation. The Company's confidential response to LA-2014-6-002 provided the following [redacted] that AEPGR recorded in 2014 by month:

Exhibit 6-63
[redacted] Recorded by AEPGR in 2014 by Month

[redacted]

Liquidated Damages

As EVA discussed in Chapter 3, the Company entered into an agreement with [redacted] in November 2012. Under the terms of the contract, AEPGR is obligated to provide rail transportation to [redacted] in order to ensure that the coal is transported from the mine to the Muskingum River plant. In the event AEPGR fails to provide the rail transportation to [redacted], then [redacted] is entitled to liquidated damages payments.

During the onsite interviews at the Company's offices on October 20, 2015, the Company stated that the coal that was provided by [redacted] did not measure up to quality specifications, so in June 2014, AEPGR suspended rail services to transport the coal from the mine to the plant. As a result, pursuant to the terms of the contract, AEPGR was obligated to pay liquidated damages to [redacted].

Larkin requested that the Company identify and quantify all [redacted] related liquidated damages that flowed through the FAC and/or APIR during 2014. In its confidential response to LA-2014-3-009, AEPGR stated:

[redacted]

As discussed earlier in this report, the FAC ended on March 31, 2014 and was replaced by the APIR. Consequently, the Ohio retail portions of the November and December 2014 liquidated damages accruals of [redacted] and [redacted], respectively, would have flowed through the APIR.

Emission Allowances

AEPGR provided documentation related to accounting detail associated with costs and revenues, purchases and sales of emission allowances, and monthly emission allowance inventory in the responses to LA-2014-1-054 and LA-2014-1-055.

Specifically, LA-2014-1-054 requested the detailed general ledger pages for all purchases and sales of emission allowances ("EA") and for gains or losses realized on such purchases and sales of EAs. In response, AEPGR stated that the requested detail regarding EAs is not reflected in the general ledger. The Company referred to the response to EVA-2014-1-027 for a schedule of emission allowance purchases, sales as well as related gains and losses for AEPGR. The following exhibit summarizes the emission allowance purchases, sales, and related gains and losses that occurred during the period January through December 2014.

Exhibit 6-64
2014 Emission Allowance Activity

[redacted]

As shown in the exhibit above, emission allowance purchases, sales, and related gains and losses occurred only during the period January through March 2014. In response to EVA-2014-5-2, which asked why the allowance trading stopped after March 2014, the Company stated that since 2014 was the last year of the Clean Air Interstate Rule ("CAIR"), the market was significantly over-supplied and extremely illiquid.

LA-2014-1-055 requested monthly emission allowance inventory (quantity of allowances and cost) and for the Company to show how it was allocated between native and non-native customers. In response, AEPGR stated that the Company does not allocate EA inventory between native and non-native load customers.

AEPGR's response to LA-2014-1-055 also included a confidential attachment which reflected monthly EA inventory balances from January through December 2014. The exhibit below summarizes the monthly EA ending inventory balances for each month of the period January through December 2014.

Exhibit 6-65
2014 Emission Allowance Inventory

[redacted]

Changes to Fuel, Purchased Power Procurement and Emission Allowance Procurement

Documentation related to the review of changes to fuel, purchased power procurement and emission allowance procurement during the period January 2014 through December 2014 includes AEP Ohio's responses to LA-2014-1-059 and LA-2014-1-060.

LA-2014-1-059 asked the Company to list and describe all organizational changes to the Company's Fuel, Purchased Power Procurement and Emission Allowance Procurement during the review period. In response, AEPGR provided a copy of an article that was posted on AEP's internal website on August 26, 2013 and which discusses the formal staffing process changes that took place in AEP's generation business pursuant to the corporate separation that occurred on December 31, 2013.

LA-2014-1-060 requested information similar to LA-2014-1-060, although from a procedural versus organizational standpoint. In response to LA-2014-1-060, AEPGR referred to the response to EVA-2014-1-040, which included Ohio Power's Fuel Agent Requirements manual for the period October through December 2014.[41]

Internal Audits

LA-2014-1-064 requested that the Company provide a listing and copies of any and all internal audit reports related to fuel procurement, synfuel, coal trading, fuel inventory management, purchased power, emission allowances, accounting for FAC-includable costs, portfolio optimization, energy sales, PJM charges and revenues, fuel and purchased power invoices, PJM invoices, allocation of PJM revenues and costs to Ohio retail load customers, allocation of other FAC includable costs and revenues to Ohio retail load customers, and/or other FAC related subject matter for the review period.

In response, AEPGR referred to the response to EVA-2014-1-046, which provided five internal audit reports. The following indicates the areas that were the subject of the internal audits, along with a summary of recommendations for each area:

[redacted]

[41] The Commission directed Ohio Power to develop a Fuel Agent Requirements manual for the 2014 fuel audit.

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