

Legal Department

Re:

May 23, 2016

Asim Z. Haque Chairman, Public Utilities Commission of Ohio Public Utilities Commission of Ohio 180 East Broad Street Columbus Ohio 43215-3793

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

In the Matter of the Application of)	
Columbus Southern Power Company for)	Case No. 11-4920-EL-RDR
Approval of a Mechanism to Recover)	
Deferred Fuel Costs Ordered Under)	
Ohio Revised Code 4928.144.)	
In the Matter of the Application of Ohio)	
Power for Approval of a Mechanism to)	Case No. 11-4921-EL-RDR
Recover Deferred Fuel Costs Ordered)	
Under Ohio Revised Code 4928.144.)	

Chairman Haque:

On June 2, 2015 the Supreme Court of Ohio issued a decision in the appeal of these matters in Supreme Court case docket 2012-2008. In that decision, the Court reversed the Commission's orders and remanded the cause to the Commission for reinstatement of the WACC (weighted average cost of capital) rate. (2015-Ohio-2056 @ ¶43). The Court denied a motion for reconsideration on September 30, 2015. As such Ohio Power provides this compliance filing requesting that the Commission implement the Supreme Court of Ohio's ordered remand to remedy the change in the Commission's prior orders. This request is also consistent with the Court's recent remand to adjust the amount of an existing deferral to fully implement a Court decision changing a Commission order. *In re Application of Columbus S. Power Co., Slip Opinion No. 2016-Ohio-1608* at ¶¶ 39-40.

The Company attaches the appropriate documentation to allow the Commission to make the changes to the PIRR (phase in recovery rider) tariff in accordance with the Court's decision. Attachment 1 provides the changes to the revenue requirement to reflect the WACC carrying cost rate correction and the necessary updates to end the deferral at a zero balance at the end of the deferral period in 2018. Attachment 2 is

a copy of the updated tariffs (redline and clean copy provided). Finally, Attachment 3 is provided as a typical bill comparison of the changes to wind down the deferral. The attachments assume a change to the tariff for the [July 2016] billing cycle.

Thank you for your attention to this matter.

Regards,

/s/ Steven T. Nourse

Steven T. Nourse
Senior Attorney
American Electric Power Service Corporation
1 Riverside Plaza, 29th Floor
Columbus, Ohio 43215
Telephone: (614) 716-1608

Facsimile: (614) 717-2950 E-mail: stnourse@aep.com

cc: Parties of Record

AEP Ohio - Ohio Power Rate ZoneCalculation of Phase-In Recovery Rider

Line	Description	(Ohio Power Rate Zone
1	Annual Revenue Requirement	\$	184,838,102
2	Estimated Annual kWh at Meter	24	1,971,000,000
3 4 5 6	Loss Factor Secondary Primary Tran/Sub Composite		1.06080 1.02400 1.00360 1.03996
7	Estimated kWh at Generator	2	5,968,841,160
8	Rate at Generator		0.007118
9 10 11	Rate at Meter (\$ / kWh) Secondary Primary Tran/Sub		0.007551 0.007289 0.007144

Phase-In Recovery Rider Calculation of Recovery Ohio Power Rate Zone Projected July 2016 through December 2018

Line No.

		5	1												
~	Ohio Power Rate Zone Metered KWh	24,971,	24,971,000,000												
7	Revenue Requirement	462,(462,095,255												
က	Estimated Monthly Collection	15,	15,403,175												
4 5 9 C C C C C C C C C C C C C C C C C C	Carrying Charge Calculation Year 1 Balance Recovery Net Rate Carrying Cost	Jan	January	February	March	April	Мау	June	Vinc	August \$	September 592,761,577 \$ 10,103,815 \$ 682,657,762 \$ 0.9292% 5,413,862 \$ 5,413,862 \$	October 582,657,762 \$ 8,958,911 573,698,851 \$ 0.9292% 5,330,618 \$	November 573,698,851 \$ 8,896,728 564,802,123 \$ 0.9292% 5,247,953 \$ 15,992,433 \$	December 564,802,123 8,662,220 556,139,903 0.9292% 5,167,467 21,159,900	
1	Year 2 Balance Recovery Net Rate Carrying Cost Cumm Carrying Cost	8 8 8 8 8 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9	556,139,903 \$ 9,155,503 \$ 546,984,400 \$ 0.9292% 5,082,397 \$	546,984,400 \$ 8,976,829 \$ 538,007,571 \$ 0.9292% 4,998,987 \$ 31,241,284 \$	538,007,571 \$ 8,173,472 \$ 529,834,099 \$ 0.9292% 4,923,042 \$ 36,164,326 \$	529,834,099 \$ 8,792,489 \$ 521,041,610 \$ 0.9292% 4,841,345 \$ 41,005,671 \$	521,041,610 \$ 7,554,463 \$ 513,487,146 \$ 0.9292% 4,771,151 \$ 45,776,822 \$	513,487,146 \$ 8,506,697 \$ 504,980,449 \$ 0.9292% 4,692,110 \$ 50,468,932 \$	504,980,449 \$ 9,471,561 \$ 495,508,888 \$ 0.9292% 4,604,103 \$ 55,073,035 \$	495,508,888 \$ 8,067,230 \$ 487,441,657 \$ 0,9292% 4,529,145 \$ 59,602,180 \$	547,043,837 \$ 7,713,652 \$ 539,330,185 \$ 0.9292% 5,011,276 \$	539,330,185 \$ 7,916,429 \$ 531,413,756 \$ 0.9292% 4,937,719 \$ 9,948,995 \$	531,413,756 \$ 7,575,785 \$ 523,837,972 \$ 0.9292% 4,867,328 \$ 14,816,323 \$	523,837,972 9,227,328 514,610,644 0.9292% 4,781,591 19,597,914	
17 18 20 21 22	Year 3 Balance Recovery Net Rate Carrying Cost Cumm Carrying Cost	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	514,610,644 \$ 9,166,862 \$ 505,443,781 \$ 0.9292% 4,696,415 \$ 24,294,329 \$	505,443,781 \$ 8,679,477 \$ 496,764,304 \$ 0.9292% 4,615,768 \$ 28,910,097 \$	496,764,304 \$ 9,644,166 \$ 487,120,138 \$ 0.9292% 4,526,158 \$ 33,436,255 \$	487,120,138 \$ 7,129,407 \$ 479,990,731 \$ 0.9292% 4,459,914 \$ 37,896,169 \$	479,990,731 \$ 7,530,684 \$ 472,460,047 \$ 0.9292% 4,389,941 \$ 42,286,110 \$	472,460,047 \$ 7,805,624 \$ 464,654,423 \$ 0.9292% 4,317,414 \$ 46,603,524 \$	464,654,423 \$ 9,116,683 \$ 455,537,740 \$ 0.9292% 4,232,705 \$ 50,836,229 \$	455,537,740 \$ 8,211,013 \$ 447,326,727 \$ 0.9292% 4,156,411 \$ 54,992,640 \$	502,319,367 \$ 7,795,889 \$ 494,523,478 \$ 0.9292% 4,594,947 \$	494,523,478 \$ 8,262,292 \$ 486,261,187 \$ 0.9292% 4,518,177 \$ 9,113,124 \$	486,261,187 \$ 7,789,982 \$ 478,471,204 \$ 0.9292% 4,445,795 \$ 13,558,919 \$	478,471,204 8,836,051 469,635,154 0.9292% 4,363,693 17,922,612	
23 24 25 27 27 28 28 29 30 33 33 33		888 888 888 889 889 889 889 889 889 889	.0 .0	.0	.0 .0	.0	.0 .0	.0 .0	.0	.0	450,596,715 8,062,177 442,544,538 0,9292% 4,111,976 4,111,976 384,185,002 15,403,175 368,781,827 0,9292% 3,426,598		.0 .0	427,861,109 7,919,936 419,941,172 0,9292% 3,901,953 16,034,602 337,975,477 15,403,175 322,572,301 0,9292% 2,997,234	
34 35 36 37 37 37 38 38 39 40 40 40 40 40 40 40 40 40 40 40 40 40	Cumm Carrying Cost Year 6 Balance Recovery Net Rate Carrying Cost Year 7 Balance Recovery Net Recovery Recovery Carrying Cost Cumm Carrying Cost Cumm Carrying Cost	322 322 30 424 431 431 431 431 431 431 431 431 431 43	19,852.414 \$ 322.572.301 \$ 15,403.175 \$ 307,169,126 \$ 0.9222% 2,854,113 \$ 15,701,777 \$ 169,407,376 \$ 115,403,175 \$ 115,403,175 \$ 115,403,175 \$ 115,403,200 \$	23,593,713 \$ 307,169,126 \$ 15,403,175 \$ 291,765,951 \$ 0.9292% 2,710,992 \$ 18,412,769 \$ 15,4004,200 \$ 15,403,175 \$ 13,601,025 \$ 0.9292% 1,287,835 \$ 9,873,825 \$	27,262,793 \$ 291,765,961 \$ 15,403,175 \$ 276,362,776 \$ 0.9292% 2.567,871 \$ 20,980,640 \$ 138,601,025 \$ 123,197,850 \$ 0.9292% 1,144,718 \$ 11,018,538 \$	30,864,274 \$ 276,362,776 \$ 15,403,175 \$ 260,959,601 \$ 0,9292% 2,424,750 \$ 23,405,390 \$ 123,197,850 \$ 107,794,675 \$ 107,794,675 \$ 107,794,675 \$ 107,794,675 \$ 107,794,675 \$ 107,794,675 \$ 110,015,92%	34,390,904 \$ 260,959,601 \$ 15,403,175 \$ 245,556,426 \$ 0,9292% 2,281,628 \$ 2,5687,018 \$ 107,794,675 \$ 11,403,175 \$ 92,391,500 \$ 99,391,500 \$ 858,871 \$ 11,878,601 \$	37,835,294 \$ 245,556,426 \$ 15,403,175 \$ 230,153,251 \$ 0,9292% 2,138,507 \$ 27,825,525 \$ 92,391,500 \$ 15,403,175 \$ 76,988,325 \$ 715,350 \$ 13,593,951 \$	41,136,562 \$ 230,153,251 \$ 15,403,175 \$ 214,750,075 \$ 0.9292% 1.995,386 \$ 29,820,911 \$ 76,988,325 \$ 15,403,175 \$ 61,585,150 \$ 0.9292% 572,229 \$ 14,166,180 \$	44,294,709 \$ 214,750,075 \$ 15,403,175 \$ 199,346,900 \$ 0.9292% 1,852,265 \$ 31,673,176 \$ 61,585,150 \$ 15,403,175 \$ 46,181,974 \$ 429,1087 429,1087	3,426,588 \$ 231,020,076 \$ 15,403,175 \$ 215,616,901 \$ 0,9292% 2,003,440 \$ 2,003,440 \$ 45,777,262 \$ 15,403,175 \$ 45,174,087 \$ 0,9292% 421,601 \$	6,710,075 \$ 215,616,901 \$ 15,403,1726 \$ 200,213,726 \$ 0,9292% 1,860,319 \$ 3,863,759 \$ 45,374,087 \$ 15,403,175 \$ 29,970,912 \$ 0,9292% 278,480 \$ 700,081 \$	9,850,430 \$ 200,213,726 \$ 15,403,175 \$ 184,810,551 \$ 0,9292% 1,717,198 \$ 5,580,957 \$ 29,970,912 \$ 15,403,175 \$ 15,403,175 \$ 15,433,359 \$ 135,359 \$	12,847,664 184,810,551 15,403,175 103,407,376 0,322% 7,155,034 15,403,177 2 0,9292% 2 0,9292% 1 15,403,176 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Attachment 1

P.U.C.O. NO. 20

PHASE-IN RECOVERY RIDER

Effective October 24, 2013 Cycle 1 July 2016, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Phase-In Recovery Rider charge per kWh as follows:

Ohio Power Rate Zone

Delivery <u>Voltage</u>	<u>Charge</u> (¢/kWh)
Secondary	0.42220 0.75510
Primary	0.40760 <u>0.72890</u>
Subtransmission/Transmission	0.39940 <u>0.71440</u>

Columbus Southern Power Rate Zone

Delivery	
<u>Voltage</u>	<u>Charge</u>
	(¢/kWh)
Secondary	0.00000
Primary	0.00000
Subtransmission/Transmission	0.00000

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

Filed pursuant to Order dated October 23, 2013 in Case No. 11-4571-EL-UNC11-4920-EL-RDR

Issued: October 28, 2013 May 23, 2016 Effective: October 24, 2013 Cycle 1 July 2016

P.U.C.O. NO. 20

OAD – PHASE-IN RECOVERY RIDER (Open Access Distribution – Phase-In Recovery Rider)

Effective October 24, 2013 Cycle 1 July 2016, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Phase-In Recovery Rider charge per kWh as follows:

Ohio Power Rate Zone

Delivery <u>Voltage</u>	<u>Charge</u> (¢/kWh)
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Columbus Southern Power Rate Zone

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Primary	0.00000
Subtransmission/Transmission	0.00000

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

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Issued: October 28, 2013 May 23, 2016 Effective: October 24, 2013 Cycle 1 July 2016

3rd Revised Sheet No. 494-1 Cancels 2nd Revised Sheet No. 494-1

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PHASE-IN RECOVERY RIDER

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Columbus Southern Power Rate Zone

Delivery	
<u>Voltage</u>	<u>Charge</u> (¢/kWh)
	(¢/KVVII)
Secondary	0.00000
Primary	0.00000
Subtransmission/Transmission	0.00000

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

Filed pursuant to Order dated _____ in Case No. 11-4920-EL-RDR

Issued: May 23, 2016 Effective: Cycle 1 July 2016

Ohio Power Company Typical Bill Comparison Phase-In Recovery Rider update Ohio Power Rate Zone

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	Current	<u>Proposed</u>	<u>Difference</u>	<u>Difference</u>
Residential	100		\$25.25	\$25.59	\$0.34	1.4%
	250		\$44.16	\$44.99	\$0.83	1.9%
	500		\$75.69	\$77.36	\$1.67	
	750		\$107.20	\$109.69	\$2.49	
	1,000		\$138.70	\$142.03	\$3.33	
	1,500		\$201.73	\$206.73	\$5.00	
	2,000		\$264.75	\$271.41	\$6.66	2.5%
GS-1	375	3	\$58.13	\$59.38	\$1.25	2.2%
Secondary	1,000	3	\$116.80	\$120.13	\$3.33	
,	750	6	\$93.34	\$95.83	\$2.49	
	2,000	6	\$210.71	\$217.37	\$6.66	3.2%
	4.500	40		40=0.00	^-	4.007
GS-2	1,500	12	\$268.90	\$273.90	\$5.00	
	4,000	12	\$470.16	\$483.47	\$13.31	
	6,000	30	\$797.43	\$817.41	\$19.98	
	10,000	30	\$1,119.08	\$1,152.37	\$33.29	
	10,000 14,000	40 40	\$1,211.58 \$1,533.19	\$1,244.87 \$1,579.79	\$33.29 \$46.60	
	12,500	50	\$1,505.09	\$1,579.79 \$1,546.70	\$46.60 \$41.61	
	18,000	50	\$1,945.62	\$2,005.54	\$59.92	
	15,000	75	\$1,937.35	\$1,987.29	\$49.94	
	30,000	100	\$3,366.27	\$3,466.14	\$99.87	
	36,000	100	\$3,845.34	\$3,965.19	\$119.85	
	30,000	150	\$3,828.76	\$3,928.63	\$99.87	
	60,000	300	\$7,611.60	\$7,811.34	\$199.74	
	90,000	300	\$10,007.00	\$10,306.61	\$299.61	
	100,000	500	\$12,655.40	\$12,988.30	\$332.90	
	150,000	500	\$16,647.74	\$17,147.09	\$499.35	3.0%
	180,000	500	\$19,043.13	\$19,642.35	\$599.22	

Ohio Power Company Typical Bill Comparison Phase-In Recovery Rider update Ohio Power Rate Zone

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	Proposed	<u>Difference</u>	<u>Difference</u>
GS-3	18,000	50	\$1,946.64	\$2,006.56	\$59.92	3.1%
Secondary	30,000	75	\$3,136.56	\$3,236.43	\$99.87	
,	50,000	75	\$4,733.52	\$4,899.97	\$166.45	
	36,000	100	\$3,847.37	\$3,967.22	\$119.85	3.1%
	30,000	150	\$3,831.79	\$3,931.66	\$99.87	2.6%
	60,000	150	\$6,227.21	\$6,426.95	\$199.74	3.2%
	100,000	150	\$9,421.12	\$9,754.02	\$332.90	3.5%
	120,000	300	\$12,408.52	\$12,808.00	\$399.48	3.2%
	150,000	300	\$14,803.96	\$15,303.31	\$499.35	3.4%
	200,000	300	\$18,796.33	\$19,462.13	\$665.80	3.5%
	180,000	500	\$19,053.31	\$19,652.53	\$599.22	3.1%
	200,000	500	\$20,650.26	\$21,316.06	\$665.80	3.2%
	325,000	500	\$30,631.22	\$31,713.15	\$1,081.93	3.5%
GS-2	200,000	1,000	\$24,210.93	\$24,853.53	\$642.60	2.7%
Primary	300,000	1,000	\$31,836.10	\$32,800.00	\$963.90	
	333,333	.,	401,000110	, , , , , , , , , , , , , , , , , , , 	**	0.070
GS-3	360,000	1,000	\$36,431.56	\$37,588.24	\$1,156.68	3.2%
Primary	400,000	1,000	\$39,481.67	\$40,766.87	\$1,285.20	3.3%
	650,000	1,000	\$58,544.85	\$60,633.30	\$2,088.45	3.6%
GS-2						
Subtransmission	1,500,000	5,000	\$117,639.66	\$122,364.66	\$4,725.00	4.0%
GS-3	2,500,000	5,000	\$180,853.06	\$188,728.06	\$7,875.00	4.4%
Subtransmission	3,250,000	5,000	\$228,186.99	\$238,424.49	\$10,237.50	
	0,200,000	0,000	Ψ==0,100.00	Ψ=00, 1= 11 10	Ψ.0,207.00	11070
GS-4	3,000,000	10,000	\$222,412.41	\$231,862.41	\$9,450.00	4.3%
Subtransmission	5,000,000	10,000	\$343,871.81	\$359,621.81	\$15,750.00	
	6,500,000	10,000	\$434,966.36	\$455,441.36	\$20,475.00	
	10,000,000	20,000	\$681,820.31	\$713,320.31	\$31,500.00	
	13,000,000	20,000	\$864,009.41	\$904,959.41	\$40,950.00	
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GS-4	25,000,000	50,000	\$1,695,665.81	\$1,774,415.81	\$78,750.00	4.6%
Transmission	32,500,000	50,000	\$2,151,138.56	\$2,253,513.56	\$102,375.00	
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^{*} Typical bills assume 100% Power Factor

This foregoing document was electronically filed with the Public Utilities

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in

Case No(s). 11-4920-EL-RDR, 11-4921-EL-RDR

Summary: Correspondence -Compliance Tariff letter electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company