



Legal Department

August 16, 2016

The Honorable Sarah Parrot
Attorney Examiner
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

Re: *In the Matter of the Application of Ohio Power Company
to Update its Transmission Cost Recovery Rider Rates,*
Case No. 12-1046-EL-RDR

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

Dear Examiner Parrot:

In its October 24, 2012 Finding and Order in Case No. 12-1046-EL-RDR, the Commission authorized Ohio Power to establish a separate nonbypassable rate as part of the Transmission Cost Recovery Rider (TCRR), in order to collect the under-recovery of approximately \$36 million, plus carrying charges at the Company's long-term cost of debt rate, evenly over a three-year period. The Finding and Order stated that the separate nonbypassable rate should terminate once the full amount of the under-recovery had been collected. As shown in the Company's compliance tariffs filed October 26, 2012, the Company implemented this authorized rate via the Transmission Under-Recovery Rider (TURR), effective with the first billing cycle of November 2012.

The Company anticipates the under-recovery balance, plus carrying costs, will be fully recovered at the end of the August 2016 billing month. Therefore, absent Commission action, the Company will terminate collection of the TURR from customers effective with the first billing cycle of September, which is August 29. After termination of collection, the Company will include any remaining TURR balance in its next Basic Transmission Cost Recovery Rider (BTCR) filing for final reconciliation with customers. The Company has worked with Staff to develop this approach.

Thank you for your attention to this matter.

Respectfully Submitted,

//s/ Steven T. Nourse

cc: Parties of Record

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

8/16/2016 12:54:50 PM

in

Case No(s). 12-1046-EL-RDR

Summary: Correspondence of Ohio Power Company to Attorney Examiner electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company