

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Ohio Power Company to Update Its)	Case No. 16-2154-EL-RDR
Enhanced Service Reliability Rider)	

APPLICATION

Ohio Power Company d/b/a AEP Ohio (“AEP Ohio” or the “Company”) submits this application to update its Enhanced Service Reliability Rider (“ESRR”) rates. In support of its Application, AEP Ohio states the following:

1. AEP Ohio is an electric utility as that term is defined in §4928.01(A)(11), Ohio Rev. Code.
2. In its Opinion and Order issued March 18, 2009, in AEP Ohio’s first Electric Security Plan proceedings (Case Nos. 08-917-EL-SSO *et al.*) (“*ESP I*”), the Commission approved the establishment of the ESRR.
3. In its Opinion and Order issued August 8, 2012, in AEP Ohio’s second Electric Security Plan proceedings (Case Nos. 11-346-EL-SSO *et al.*) (“*ESP II*”) and its Opinion and Order issued February 25, 2015, in AEP Ohio’s third Electric Security Plan proceeding (Case No. 13-2385-EL-SSO) (“*ESP III*”), the Commission approved the continuation of the ESRR. The Company hereby submits its 2015 ESRR reconciliation filing.
4. On page 49 of the *ESP III* Opinion and Order, the Commission addressed the baseline expenditure level beyond which the incremental vegetation management expense would be recovered through the ESRR. The Company’s proposed incremental recovery in this Application, as further

explained below, is consistent with this finding regarding the baseline.

6. Schedule 1 attached to this Application reports the final, incremental vegetation management expenditures for 2015. Schedule 1 also sets forth the ESRR collections for 2015, and reports an over-recovery of \$14,439,986 during 2015. Schedule 1 also projects vegetation management expenditures for 2016 and sets forth a revenue requirement for that portion of the 2016 ESRR. Finally, Schedule 1 proposes a new ESRR rate based on the prior over/under-recovery balances and the projected final spend for 2016.
7. Schedules 2 and 3 contain the proposed tariffs.

WHEREFORE, based on the information and exhibits submitted with this filing, AEP Ohio requests that the Commission approve the Company's application.

Respectfully submitted,

/s/ Steven T. Nourse

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2015 Ohio Power Company ESR Rider True-Up

Distribution Vegetation
2015 Over/(Under) Recovery

	Base Vegetation Spend	2015 Actual Spending	2015 Actual Incremental	2015 Vegetation Revenue Requirement
O&M	\$ 20,570,412	\$ 45,230,659	\$ 24,660,247	\$ 24,660,247
January	\$ 202,465	\$ 266,454	\$ 63,989	401,292
February	\$ 183,062	\$ 472,937	\$ 289,875	402,084
March	\$ 303,941	\$ 347,103	\$ 43,162	405,514
April	\$ 394,869	\$ 245,097	\$ (149,772)	406,025
May	\$ 519,409	\$ 542,937	\$ 23,528	404,253
June	\$ 303,813	\$ 363,221	\$ 59,408	427,891
July	\$ 316,508	\$ 534,307	\$ 217,799	428,635
August	\$ 323,400	\$ 291,522	\$ (31,878)	431,361
September	\$ 242,534	\$ 350,436	\$ 107,902	430,962
October	\$ 244,925	\$ 731,932	\$ 487,007	432,313
November	\$ 235,510	\$ 354,645	\$ 119,135	438,408
December	\$ 359,151	\$ 211,860	\$ (147,291)	439,899
Capital - 40 Year Life	\$ 3,629,588	\$ 4,712,452	\$ 1,082,864	\$ 5,048,636
Total	\$ 24,200,000		2015 Actual Revenue Requirement 2015 ESR Rider Collections 2015 Over/(Under) Recovery	\$ 29,708,883 \$ 44,148,869 \$ 14,439,986

Distribution Vegetation
2016 Incremental Investment

	Base Vegetation Spend	Updated 2016 Vegetation Spend	Carrying Charge Rate	2016 Vegetation Revenue Requirement
O&M	\$ 20,570,412	\$ 25,000,000		\$ 25,000,000
Capital - 40 Year Life	\$ 3,629,588	\$ 1,000,000	15.02%	\$ 75,100 (a)
Total	\$ 24,200,000	\$ 26,000,000		\$ 25,075,100
		2009 Investment Carrying Costs		\$ 800,311
		2010 Investment Carrying Costs		\$ 1,134,793
		2011 Investment Carrying Costs		\$ 1,223,880
		2012 Investment Carrying Costs		\$ 788,463
		2013 Investment Carrying Costs		\$ 678,281
		2014 Investment Carrying Costs		\$ 468,296
		2015 Investment Carrying Costs		\$ 162,646 (b)
		Over/(Under) Recovery to Date		\$ (6,190,166) (c)
		Over/(Under) Recovery (From Above)		\$ 14,439,986
		Total Revenue Requirement		\$ 22,081,950
		Base Distribution Revenue		\$ 633,702,536
		2015 ESR Rider		3.48459%
		Current ESR Rider		7.34119%
		Change in ESR Rider		-3.85660%

(a) Annual carrying charge rate times updated 2016 capital spending times one-half year

(b) Annual carrying charge rate times 2015 actual capital spending

(c) Over/(Under) Recovery to Date: 2009 Over Recovery of \$521,029 plus 2010 Under Recovery of (\$3,113,133) plus 2011 Under Recovery of (\$351,060) plus 2012 Over Recovery \$2,657,136 plus 2013 Under Recovery of (\$7,586,563) plus 2014 Over Recovery of \$1,682,426

OHIO POWER COMPANY

~~3rd~~-~~4th~~ Revised Sheet No. 483-1
 Cancels ~~2nd~~-~~3rd~~ Revised Sheet No. 483-1

P.U.C.O. NO. 20

ENHANCED SERVICE RELIABILITY RIDER

Effective ~~Cycle 1 July 2015~~_____, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~7.341193.48459~~% of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Filed pursuant to Order dated ~~June 3, 2015~~_____ in Case No. ~~14-1578-EL-RDR~~_____

Issued: ~~June 24, 2015~~_____

Effective: ~~Cycle 1 July 2015~~_____

Issued by
 Julia Sloat, President
 AEP Ohio

Cancels ~~3rd~~ ~~4th~~ Revised Sheet No. 483-1D
~~2nd~~ ~~3rd~~ Revised Sheet No. 483-1D

P.U.C.O. NO. 20

OAD – ENHANCED SERVICE RELIABILITY RIDER
(Open Access Distribution – Enhanced Service Reliability Rider)

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Julia Sloat, President
AEP Ohio

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in

Case No(s). 16-2154-EL-RDR

Summary: Application -Application of Ohio Power Company to Update Its Enhanced Service Reliability Rider electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company