



Legal Department

December 1, 2016

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

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

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

Dear Ms. McNeal:

On February 25, 2015, the Commission Issued an Opinion and Order adopting certain portions of AEP Ohio's Electric Security Plan in Case Nos. 13-2385-EL-SSO, et.al (Opinion and Order). The Opinion and Order provided for the implementation of an auction cost reconciliation rider (ACRR) and the elimination of the Company's current auction phase-in rider (APIR) and fixed cost rider (FCR) in addition to the FAC mechanism, following a final true-up of all costs incurred through May 2015. The Opinion and Order also provided for continuation of the Alternative Energy Rider (AER). On June 1, 2015, the Company filed its Application to initiate this proceeding for purposes of filing quarterly updates to the ACRR and AER.

Under the Opinion and Order, the adjusted AER and ACRR rates become effective unless the Staff raises issues prior to the billing cycle during which the quarterly adjustments are to become effective.

Accordingly, the Company submits its 1<sup>st</sup> Quarter ACRR and AER for January through March of 2017, to become effective with the first billing cycle of January, 2017 (December 30).

**Schedule 1:** Shows calculation of the ACRR.

**Schedule 2:** This schedule shows the current AER rate by delivery voltage in Column A. Column B shows the forecast component (FC) rate that would be necessary to recover the estimated REC expense for the 1<sup>st</sup> quarter of 2017. Column C shows the reconciliation adjustment (RA) that would be necessary to recover the actual REC over/under-recovery experienced from the previous quarter. Column D is the sum of the FC component and the RA component.

**Schedule 3:** This schedule shows the Company's estimates of the REC cost by month it is expecting to incur in the 1<sup>st</sup> quarter of 2017. Schedule 3 calculates the rates by voltage that would be necessary to recover the forecast costs.

**Schedule 4:** This schedule shows the over/under-recovery of REC expense for the months of January, February and March of 2017. Schedule 4 calculates the adjustment to the AER rates that would be necessary to recover the over/under-recovery during the 1<sup>st</sup> quarter of 2017. Also, shown and included in the total AER cost is an amount representing the revenue requirement associated with solar panels installed by the Company to help meet the renewable energy requirements of SB221, as well as other renewable energy costs.

**Schedule 5:** This schedule shows the redline tariff for the ACRR.

**Schedule 6:** This schedule shows the redline tariff for the AER.

Respectfully Submitted,

/s/ Steven T. Nourse

**AEP Ohio Proposed Auction Cost Recovery Rider  
January - March 2017**

<u>Line</u>	<u>Auction Costs</u>	<u>AEP Ohio</u>
1	Incremental Auction Costs	\$ 279,509
2	Paid to Auction Winners	\$ 198,240,556
3	Billed to SSO Customers	\$ (197,822,370)
4	Previous Quarter (Over)/Under	\$ (4,896,794)
5=1+2+3+4	(Over)/Under Collection	\$ (4,199,099)
6		
7	Gross-Up Factor	100.435%
8		
9=5*7	Total Revenue Requirement	\$ (4,217,376)
10		
11	Forecast kWh (Jan - Mar 2017)	3,936,432,798
12		
13=9/11	Auction Cost Recovery Rider \$/kWh	<u>\$ (0.0010714)</u>

**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Quarterly AER For Billing During**  
**January through March 2017**  
**Summary - Proposed AER Rate**

**COLUMBUS SOUTHERN POWER RATE ZONE**

Line	Delivery Voltage	A	B	C	D
		Schedule 3		Schedule 4	
		Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.10472	0.09566	0.00494	0.10060
2	Primary	0.10109	0.09233	0.00476	0.09709
3	Sub/Transmission	0.09907	0.09049	0.00467	0.09516

**OHIO POWER RATE ZONE**

Line	Delivery Voltage	A	B	C	D
		Schedule 3		Schedule 4	
		Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.10472	0.09566	0.00494	0.10060
2	Primary	0.10109	0.09233	0.00476	0.09709
3	Sub/Transmission	0.09907	0.09049	0.00467	0.09516

**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Quarterly AER For Billing During**  
**January through March 2017**  
**FC Component**

Line	Description	Forecast Period - 1st Quarter 2017			
		January	February	March	Total
	<u><b>TOTAL COMPANY</b></u>				
1	Renewable Energy Credits	\$ 1,236,000	\$ 1,244,000	\$ 1,252,000	\$ 3,732,000
2	Retail Non-Shopping Sales - Generation Level Kwh	1,504,566,161	1,383,800,776	1,248,823,934	4,137,190,871
3	FC Component of AER Rate At Generation Level - Cents/kWh				0.09021
		<u>Secondary</u>	<u>Primary</u>	<u>Sub/Trans</u>	
4	FC Component of AER Rate At Generation Level	0.09021	0.09021	0.09021	
5	Loss Factor	1.0604	1.0235	1.0031	
6	<b>FC at the Meter Level - Cents/kWh</b>	<b>Line 4 x Line 5</b>	<b>0.09566</b>	<b>0.09233</b>	<b>0.09049</b>

Line 4 x Line 5

**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Quarterly AER For Billing During**  
**January through March 2017**  
**RA**

Line	Month	Renewable Revenue	Renewable Cost	AER (Over)/Under Recovery	
1	Beginning Balance			\$ 963,913	
2	Jul-16	\$ 1,641,614	\$ 1,203,815	(437,799.50)	
3	Aug-16	\$ 1,539,712	\$ 1,204,262	(335,449.88)	
4	Sep-16	\$ 1,211,357	\$ 1,213,243	1,885.68	
5	Ending Balance	\$ 4,392,682	\$ 3,621,319	\$ 192,549	
6	Total (Over)/Under Recovery Balance			\$ 192,549	
7	Loss Adjusted Retail Sales Billing Period - kWh			4,137,190,871	
8	RA Component at Generation - Cents/kWh			0.00465	
9			Secondary	Primary	Sub/Trans
10	RA Component of FAC Rate At Generation Level		0.00465	0.00465	0.00465
11	Loss Factor		1.0604	1.0235	1.0031
12	RA at the Meter Level - Cents/kWh	Line 10 x Line 11	0.00494	0.00476	0.00467

OHIO POWER COMPANY

~~6<sup>th</sup> - 7<sup>th</sup>~~ Revised Sheet No. 469-1  
Cancels ~~5<sup>th</sup> - 6<sup>th</sup>~~ Revised Sheet No. 469-1

P.U.C.O. NO. 20

## AUCTION COST RECONCILIATION RIDER

Effective Cycle 1 October 2016, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Auction Cost Reconciliation Rider credit of 0.192320.10714¢/KWH. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Filed pursuant to Order dated February 25, 2015 in Case No. 13-2385-EL-SSO

Issued: September-December 1, 2016

Effective: Cycle 1 October-January 2016-2017

Issued by  
Julia Sloat, President  
AEP Ohio

OHIO POWER COMPANY

~~18<sup>th</sup>~~—~~19<sup>th</sup>~~ Revised Sheet No. 492-1  
 Cancels ~~17<sup>th</sup>~~—~~18<sup>th</sup>~~ Revised Sheet No. 492-1

P.U.C.O. NO. 20

## ALTERNATIVE ENERGY RIDER

Ohio Power Rate Zone

Effective Cycle 1 ~~October-January 2016~~2017, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Alternative Energy Rider charge per kWh as follows:

<u>Delivery Voltage</u>	<u>Charge (¢/kWh)</u>
Secondary	<del>0.104720.10060</del>
Primary	<del>0.101090.09709</del>
Subtransmission/Transmission	<del>0.099070.09516</del>

Columbus Southern Power Rate Zone

Effective Cycle 1 ~~October-January 2016~~2017, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Alternative Energy Rider charge per kWh as follows:

<u>Delivery Voltage</u>	<u>Charge (¢/kWh)</u>
Secondary	<del>0.104720.10060</del>
Primary	<del>0.101090.09709</del>
Subtransmission/Transmission	<del>0.099070.09516</del>

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

Filed pursuant to Order dated February 25, 2015 in Case No. 13-2385-EL-SSO

Issued: ~~September-December~~ 1, 2016

Effective: Cycle 1 ~~October-January 2016~~2017

Issued by  
 Julia Sloat, President  
 AEP Ohio



**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**12/1/2016 2:37:22 PM**

**in**

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

Summary: Correspondence -1st Quarter Auction Cost Recovery Rider and Auction Energy Rider submitted by Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company