



## Legal Department

Legal Department

December 7, 2016

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

Re: *In the Matter of the Application Seeking Approval of Ohio Power Company's Proposal to Enter into an Affiliate Power Purchase Agreement for Inclusion in the Power Purchase Agreement Rider, Case No. 14-1693-EL-RDR; In the Matter of the Application of Ohio Power Company for Approval of Certain Accounting Authority, Case No. 14-1694-EL-AAM*

**Steven T. Nourse**  
Senior Counsel –  
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Dear Attorney Examiners:

On May 15, 2014, Ohio Power Company (AEP Ohio) filed its Amended Application in this proceeding. On December 14, 2015, AEP Ohio, the Staff and other intervenors filed a Joint Stipulation and Recommendation to resolve the issues presented in the Amended Application and other matters (Stipulation). Pursuant to the Commission's March 31, 2016 Opinion and Order in this proceeding (Opinion and Order), the Company's Amended Application was approved and modified, consistent with the terms of the Stipulation and the modifications made in the Opinion and Order. According to the Opinion and Order, the net effects will flow through the rider beginning on June 1, 2016.

In accordance with the directives in the Opinion and Order, AEP Ohio previously submitted its compliance tariff relating to the Power Purchase Agreement (PPA) Rider effective on April 5, 2016. On May 2, 2016, the Company filed an application for rehearing that, among other things, contemplated an OVEC-only PPA Rider based on certain conditions and discussed that the rider could potentially be converted to being bypassable.

On November 3, 2016 the Commission issued its second Entry on Rehearing and directed AEP Ohio to defer, "without carrying charges, any OVEC costs incurred for the period of June 2016 through December 2016, with recovery of such costs to occur beginning with the first billing cycle of January 2017 and continue over the 12 months of calendar years 2017. The entry also directed that the rider remain nonbypassable.

Accordingly, the Company submits its PPA Rider to be effective with Billing Cycle 1 of January 2017. The updated PPA reflects the actual OVEC-only nonbypassable charges for the period of June through September 2016 and forecast costs for October 2016 through March 2017. In accordance with the Second Entry on Rehearing the Company submits the 2016 costs to be collected commencing with the first billing cycle of January 2017 and continue over the 12 months of calendar year 2017. The Company requests that the January through March 2017 forecast costs be collected over the same period. Going forward, the quarterly update filings would propose a rate reflecting both the prior quarter reconciliation to actual results and projections for the next/future quarter.

The Company requests that the Commission issue an order approving the proposed rates and a process going forward whereby the company's quarterly adjusted OVEC rates become effective unless the Staff raises issue prior to the billing cycle during which the quarterly adjustments are to become effective.

Thank you for your attention to this matter.

Respectfully Submitted,

//s/ Steven T. Nourse

cc: Parties of Record

**OHIO POWER COMPANY**  
**Calculation of Quarterly PPA For Billing During**  
**January through March 2017**

Schedule 1

<b>PPA January - December 2016</b>							
	<u>Residential</u>	<u>GS Non-Demand</u>	<u>Secondary</u>	<u>Primary</u>	<u>Sub/Tran</u>	<u>Lighting</u>	<u>Total</u>
2015 5CP	3,221	118	2,030	889	1,249	-	7,507
Allocation	43%	2%	27%	12%	17%	0%	
Revenue Requirement	\$ 7,915,626	\$ 291,061	\$ 4,988,458	\$ 2,184,834	\$ 3,070,562	\$ -	\$ 18,450,541
Forecasted kWh	14,314,750,547	821,684,396	12,350,617,458	6,434,547,569	11,042,933,958	223,501,619	
Rate (\$/kWh)	0.0005530	0.0003542	0.0004039	0.0003395	0.0002781	0.0000000	
Gross Up Factor	1.00938	1.00938	1.00938	1.00938	1.00938	1.00938	
Final Rate (\$/kWh)	0.0005582	0.0003575	0.0004077	0.0003427	0.0002807	0	

<b>PPA January - March 2017</b>							
	<u>Residential</u>	<u>GS Non-Demand</u>	<u>Secondary</u>	<u>Primary</u>	<u>Sub/Tran</u>	<u>Lighting</u>	<u>Total</u>
2015 5CP	3,221	118	2,030	889	1,249	-	7,507
Allocation	43%	2%	27%	12%	17%	0%	
Revenue Requirement	\$ 4,076,389.39	\$ 149,891	\$ 2,568,956	\$ 1,125,146	\$ 1,581,278	\$ -	\$ 9,501,660
Forecasted kWh	4,193,607,837	221,927,485	2,919,906,227	1,495,084,827	2,709,220,770	56,612,014	
Rate (\$/kWh)	0.0009720	0.0006754	0.0008798	0.0007526	0.0005837	0.0000000	
Gross Up Factor	1.00938	1.00938	1.00938	1.00938	1.00938	1.00938	
Final Rate (\$/kWh)	0.0009811	0.0006817	0.0008881	0.0007597	0.0005892	0	

<b>Total PPA January - March 2017</b>						
	<u>Residential</u>	<u>GS Non-Demand</u>	<u>Secondary</u>	<u>Primary</u>	<u>Sub/Tran</u>	<u>Lighting</u>
Final Rate (\$/kWh)	0.0015393	0.0010392	0.0012958	0.0011024	0.0008699	0.0000000

**OHIO POWER COMPANY**  
**Calculation of Quarterly PPA For Billing During**  
**January through March 2017**  
**FC Component**

Line	Description	October	November	December	January 2017	February	March	Total
<b><u>TOTAL COMPANY</u></b>								
1	PPA Charge/(Credit) Forecast	\$ 4,073,097	\$ 4,715,693	\$ 4,442,006	\$ 2,726,502	\$ 3,444,927	\$ 3,330,231	\$ 18,659,359

<b>Forecast Load</b>		<b>2017</b>	<b>2017</b>
<b>All kWh (non-bypassable)</b>		<b>Jan -March</b>	<b>Annual Total</b>
2	Residential	4,193,607,837	14,314,750,547
3	GS Non-Demand	221,927,485	821,684,396
4	Secondary	2,919,906,227	12,350,617,458
5	Primary	1,495,084,827	6,434,547,569
6	Sub/Tran	2,709,220,770	11,042,933,958
7	Lighting	56,612,014	223,501,619
8	Total	11,596,359,160	45,188,035,546

**OHIO POWER COMPANY**  
**Calculation of Quarterly PPA For Billing During**  
**January through March 2017**  
**Reconciliation Component (Actuals)**

<b>Line</b>	<b>Month</b>	<b>PPA Revenue</b>		<b>PPA Cost</b>		<b>PPA (Over)/Under Recovery</b>
1	<b>Beginning Balance</b>					\$ -
2	Jun-16	\$	-	\$	2,700,465	\$ 2,700,465
3	Jul-16	\$	-	\$	1,893,857	\$ 1,893,857
4	Aug-16	\$	-	\$	2,294,807	\$ 2,294,807
5	Sep-16	\$	-	\$	2,403,712	\$ 2,403,712
6	<b>Ending Balance</b>	\$	-	\$	9,292,842	\$ 9,292,842

OHIO POWER COMPANY

1<sup>st</sup> Revised Sheet No.473-1  
Cancels Original Sheet No. 473-1

P.U.C.O. NO. 20

## POWER PURCHASE AGREEMENT RIDER

Effective ~~June 1, 2015~~ Cycle 1 January 2017 all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the monthly Power Purchase Agreement charge ~~credit of \$0.00~~ as follows:

<u>Schedule</u>	<u>c/kWh</u>
<b><u>Residential</u></b> <u>RS, RR, RR-1, RS-ES, RS-TOD, RLM, RS-TOD2, CPP, RTP,</u> <u>and RDMS</u>	<u>0.15393</u>
<b><u>Non Demand Metered</u></b> <u>GS-1, GS-1 TOD</u> <u>GS-2 Recreational Lighting, GS-TOD, GS-2-TOD, and GS-2-ES</u> <u>GS-3-ES</u> <u>EHS</u> <u>SS</u>	<u>0.10392</u>
<b><u>Demand Metered Secondary</u></b> <u>GS-2</u> <u>GS-3</u> <u>EHG</u>	<u>0.12958</u>
<b><u>Demand Metered Primary</u></b> <u>GS-2</u> <u>GS-3</u> <u>GS-4</u>	<u>0.11024</u>
<b><u>Demand Metered Subtransmission/Transmission</u></b> <u>GS-2</u> <u>GS-3</u> <u>GS-4</u>	<u>0.08699</u>
<b><u>Lighting</u></b> <u>AL</u> <u>SL</u>	<u>0.00000</u>

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

Issued: ~~April 24, 2015~~ December 7, 2016

Effective: ~~June 1, 2015~~ Cycle 1 January 2017

Issued by  
~~Pablo Vegas~~ Julia Sloat, President  
AEP Ohio

OHIO POWER COMPANY

1<sup>st</sup> Revised Sheet No. 473-1D  
Cancels Original Sheet No. 473-1D

P.U.C.O. NO. 20

OAD - POWER PURCHASE AGREEMENT RIDER  
 (Open Access Distribution – Power Purchase Agreement Rider)

Effective ~~June 1, 2015~~ Cycle 1 January 2017 all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the monthly Power Purchase Agreement charge ~~/credit of \$0.00~~ as follows:

<u>Schedule</u>	<u>¢/kWh</u>
<b><u>Residential</u></b> <u>RS, RR, RR-1, RS-ES, RS-TOD, RLM, RS-TOD2, CPP, RTP, and RDMS</u>	<u>0.15393</u>
<b><u>Non Demand Metered</u></b> <u>GS-1, GS-1 TOD</u> <u>GS-2 Recreational Lighting, GS-TOD, GS-2-TOD, and GS-2-ES</u> <u>GS-3-ES</u> <u>EHS</u> <u>SS</u>	<u>0.10392</u>
<b><u>Demand Metered Secondary</u></b> <u>GS-2</u> <u>GS-3</u> <u>EHG</u>	<u>0.12958</u>
<b><u>Demand Metered Primary</u></b> <u>GS-2</u> <u>GS-3</u> <u>GS-4</u>	<u>0.11024</u>
<b><u>Demand Metered Subtransmission/Transmission</u></b> <u>GS-2</u> <u>GS-3</u> <u>GS-4</u>	<u>0.08699</u>
<b><u>Lighting</u></b> <u>AL</u> <u>SL</u>	<u>0.00000</u>

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 AEP Ohio

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