



Legal Department

March 1, 2017

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

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

Steven T. Nourse
Senior Counsel –
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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 2nd Quarter ACRR and AER for April through June of 2017, to become effective with the first billing cycle of April, 2017 (March 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 2nd 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 2nd 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 April, May and June of 2017. Schedule 4 calculates the adjustment to the AER rates that would be necessary to recover the over/under-recovery during the 2nd 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

Schedule 1

**AEP Ohio Proposed Auction Cost Recovery Rider
April Through June 2017**

<u>Line</u>	<u>Auction Costs</u>	<u>AEP Ohio</u>
1	Incremental Auction Costs	\$ 252,742
2	Paid to Auction Winners	\$ 153,511,557
3	Billed to SSO Customers	\$ (154,786,418)
4	Previous Quarter (Over)/Under	\$ 5,754,742
5=1+2+3+4	(Over)/Under Collection	\$ 4,732,623
6		
7	Gross-Up Factor	100.435%
8		
9=5*7	Total Revenue Requirement	\$ 4,753,222
10		
11	Forecast kWh (Apr - Jun 2017)	3,056,249,713
12		
13=9/11	Auction Cost Recovery Rider \$/kWh	<u>\$ 0.0015552</u>

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
April Through June 2017
Summary - Proposed AER Rate

COLUMBUS SOUTHERN POWER RATE ZONE

		A	B	C	D
			Schedule 3	Schedule 4	
Line	Delivery Voltage	Current AER Rate	Forecast (FC) Component	Reconciliation (RA) Adjustment Comp.	Total of FC and RA Components
1	Secondary	0.10060	0.17972	0.02398	0.20370
2	Primary	0.09709	0.17347	0.02315	0.19662
3	Sub/Transmission	0.09516	0.17000	0.02269	0.19269

OHIO POWER RATE ZONE

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OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
April Through June 2017
FC Component

Line	Description	Forecast Period - 2nd Quarter 2017			
		April	May	June	Total
	<u>TOTAL COMPANY</u>				
1	Renewable Energy Credits	\$ 1,805,000	\$ 1,815,000	\$ 1,824,000	\$ 5,444,000
2	Retail Non-Shopping Sales - Generation Level Kwh	1,101,278,372	1,000,656,540	1,110,183,537	3,212,118,448
3	FC Component of AER Rate At Generation Level - Cents/kWh				0.16948
		Secondary	Primary	Sub/Trans	
4	FC Component of AER Rate At Generation Level	0.16948	0.16948	0.16948	
5	Loss Factor	1.0604	1.0235	1.0031	
6	FC at the Meter Level - Cents/kWh	Line 4 x Line 5	0.17972	0.17347	0.17000

Line 4 x Line 5

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
April Through June 2017
RA Component

Line	Month	Renewable Revenue	Renewable Cost	AER (Over)/Under Recovery	
1	Beginning Balance			\$ (186,920)	
2	Oct-16	\$ 705,281	\$ 1,210,596	505,315.03	
3	Nov-16	\$ 833,512	\$ 1,231,424	397,911.49	
4	Dec-16	\$ 1,247,914	\$ 1,258,077	10,162.63	
5	Ending Balance	\$ 2,786,707	\$ 3,700,097	\$ 726,469	
6	Total (Over)/Under Recovery Balance			\$ 726,469	
7	Loss Adjusted Retail Sales Billing Period - kWh			3,212,118,448	
8	RA Component at Generation - Cents/kWh			0.02262	
9			Secondary	Primary	Sub/Trans
10	RA Component of FAC Rate At Generation Level		0.02262	0.02262	0.02262
11	Loss Factor		1.0604	1.0235	1.0031
12	RA at the Meter Level - Cents/kWh	Line 10 x Line 11	0.02398	0.02315	0.02269

OHIO POWER COMPANY

~~78~~th Revised Sheet No. 469-1
Cancels ~~67~~th Revised Sheet No. 469-1

P.U.C.O. NO. 20

AUCTION COST RECONCILIATION RIDER

Effective Cycle 1 ~~January~~April 2017, 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 charge~~ of ~~0.10714~~15552¢/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: ~~December 1, 2016~~March 1, 2017Effective: Cycle 1 ~~January~~April 2017

Issued by
Julia Sloat, President
AEP Ohio

P.U.C.O. NO. 20

ALTERNATIVE ENERGY RIDER

Ohio Power Rate Zone

Effective Cycle 1 ~~January~~April 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</u> (¢/kWh)
Secondary	0.100600.20370
Primary	0.097090.19662
Subtransmission/Transmission	0.095160.19269

Columbus Southern Power Rate Zone

Effective Cycle 1 ~~January~~April 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</u> (¢/kWh)
Secondary	0.100600.20370
Primary	0.097090.19662
Subtransmission/Transmission	0.095160.19269

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: ~~December 1, 2016~~March 1, 2017

Effective: Cycle 1 ~~January~~April 2017

Issued by
Julia Sloat, President
AEP Ohio

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

Summary: Correspondence - 2nd Quarter 2017 AER ACRR update electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company