



An AEP Company

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Legal Department

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August 16, 2017

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Steven T. Nourse
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Re: *In the Matter of the Application of Ohio Power Company to Adjust
the Economic Development Cost Recovery Rider Rate*, Case No. 17-
1714-EL-RDR

Dear Attorney Examiners:

Ohio Power Company (“Company” or “AEP Ohio”) filed an application to update its Economic Development Rider (EDR) in this docket on August 1, 2017. Subsequently, Commission Staff identified a formulaic error in which the Total Revenue Requirement on Schedule No. 1 did not accurately sum. The correction will also affect the forecasted carrying cost calculations on Schedule No. 2. The Company hereby files an update to the schedules to fix that error. The correction results in a minimal decrease to the delta revenue and therefore a slightly lower proposed EDR rate to associated bill impacts, as reflected in Schedules No. 1 and 2. The Company maintains its request for approval of the new EDR rate effective with the first billing cycle of October 2017. The confidential version of Schedule 2 is being filed under seal, pursuant to the motion for protection filed on August 1, 2017 in this docket.

Thank you for your attention to this matter. Feel free to contact me with any additional questions.

Sincerely,

/s/Steven T. Nourse
Steven T. Nourse

Ohio Power Company
August 2017 Economic Development Cost Recovery Rider True-Up

	<u>Description</u>		<u>Source</u>
1	Estimated Delta Revenue October 2017 - March 2018	\$ 2,959,927	Schedule No. 2 Line 4
2	Estimated Carrying Costs October 2017 - March 2018	\$ (51,922)	Schedule No. 2 Line 6
3	Total (Over) / Under Collection as of June 2017	\$ 11,469	Schedule No. 2 Line 9
4	Estimated (Over) / Under Collection July - September 2017	\$ (2,915,100)	Schedule No. 2 Line 9
5	Total Revenue Requirement	\$ 4,374	Sum of Lines 1 through 4
6	One-Half Annual Base Distribution Revenue	\$ 317,312,241	One-Half Actual 2016 Base Distribution Revenue
7	Economic Development Cost Recovery Rider	0.00138%	Line 5 divided by Line 6
8	Current Economic Development Cost Recovery Rider	2.81125%	Per Ohio Power Company Tariff Economic Development Rider
9	Change	-2.80987%	Line 7 minus Line 8

Ohio Power Company
August 2017 Economic Development Cost Recovery Rider True-Up
Calculation of Cumulative Carrying Costs

		2016 Dec	Actual					Estimated									
			2017												2018		
			Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1	Eramet Delta Revenue																
2	Globe Delta Revenue																
3	TimkenSteel Delta Revenue																
4	Total Delta Revenue																
5	Monthly Carrying Charge Rate (WAC of LTD)		0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	
6	Monthly Carrying Charge																
7	Rider Collections		\$622,137	\$549,412	\$534,209	\$1,346,672	\$1,303,737	\$1,416,393	\$1,486,740	\$1,486,740	\$1,486,740	\$729	\$729	\$729	\$729	\$729	
8	Net (Over)/ Under Collection																
9	Cumulative Net (Over)/ Under Collection																
10	Carrying Charge Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

Line 1 Actual and Estimated Eramet Delta Revenue
Line 2 Actual and Estimated Globe Delta Revenue
Line 3 Actual and Estimated TimkenSteel Delta Revenue
Line 4 Sum of Lines 1 through 3
Line 5 Weighted Average Cost of Long Term Debt
Line 6 Line 5 times previous month Line 9
Line 7 Actual and Estimated Economic Development Cost Recovery Rider Collections
Line 8 Line 4 plus Line 6 minus Line 7
Line 9 Line 8 plus previous month Line 9
Line 10 Line 6 minus Line 6 plus previous month Line 10

**Ohio Power Company
Typical Bill Comparison
August 2017 EDR Filing
Columbus Southern Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Difference</u>
Residential						
RR1 Annual	100		\$22.72	\$22.43	-\$0.29	-1.3%
	250		\$39.45	\$39.09	-\$0.36	-0.9%
	500		\$67.32	\$66.83	-\$0.49	-0.7%
RR Annual	750		\$95.19	\$94.57	-\$0.62	-0.7%
	1,000		\$123.03	\$122.28	-\$0.75	-0.6%
	1,500		\$178.77	\$177.76	-\$1.01	-0.6%
	2,000		\$234.49	\$233.23	-\$1.26	-0.5%
GS-1						
	375	3	50.23	49.89	-\$0.34	-0.7%
	1,000	3	113.54	112.94	-\$0.60	-0.5%
	750	6	88.23	87.74	-\$0.49	-0.6%
	2,000	6	214.85	213.84	-\$1.01	-0.5%
GS-2 Secondary						
	1,500	12	\$239.44	\$237.83	-\$1.61	-0.7%
	4,000	12	\$414.88	\$413.27	-\$1.61	-0.4%
	6,000	30	\$737.63	\$733.97	-\$3.66	-0.5%
	10,000	30	\$1,017.99	\$1,014.33	-\$3.66	-0.4%
	10,000	40	\$1,119.42	\$1,114.63	-\$4.79	-0.4%
	14,000	40	\$1,399.78	\$1,394.99	-\$4.79	-0.3%
	12,500	50	\$1,396.09	\$1,390.18	-\$5.91	-0.4%
	18,000	50	\$1,779.88	\$1,773.97	-\$5.91	-0.3%
	15,000	75	\$1,824.89	\$1,816.14	-\$8.75	-0.5%
	30,000	150	\$3,628.55	\$3,611.31	-\$17.24	-0.5%
	60,000	300	\$7,235.92	\$7,201.68	-\$34.24	-0.5%
	100,000	500	\$12,045.74	\$11,988.85	-\$56.89	-0.5%
GS-2 Primary						
	100,000	1,000	\$16,025.08	\$15,932.44	-\$92.64	-0.6%
GS-3 Secondary						
	30,000	75	\$2,867.83	\$2,859.08	-\$8.75	-0.3%
	50,000	75	\$4,258.41	\$4,249.66	-\$8.75	-0.2%
	30,000	100	\$3,121.39	\$3,109.81	-\$11.58	-0.4%
	36,000	100	\$3,538.56	\$3,526.98	-\$11.58	-0.3%
	60,000	150	\$5,714.43	\$5,697.19	-\$17.24	-0.3%

**Ohio Power Company
Typical Bill Comparison
August 2017 EDR Filing
Columbus Southern Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Difference</u>	<u>Difference</u>
	100,000	150	\$8,495.59	\$8,478.35	-\$17.24	-0.2%
	90,000	300	\$9,321.79	\$9,287.55	-\$34.24	-0.4%
	120,000	300	\$11,407.67	\$11,373.43	-\$34.24	-0.3%
	150,000	300	\$13,493.54	\$13,459.30	-\$34.24	-0.3%
	200,000	300	\$16,969.99	\$16,935.75	-\$34.24	-0.2%
	150,000	500	\$15,522.19	\$15,465.30	-\$56.89	-0.4%
	180,000	500	\$17,608.07	\$17,551.18	-\$56.89	-0.3%
	200,000	500	\$18,998.65	\$18,941.76	-\$56.89	-0.3%
	325,000	500	\$27,689.79	\$27,632.90	-\$56.89	-0.2%
GS-3 Primary						
	300,000	1,000	\$29,131.02	\$29,038.38	-\$92.64	-0.3%
	360,000	1,000	\$33,062.80	\$32,970.16	-\$92.64	-0.3%
	400,000	1,000	\$35,683.99	\$35,591.35	-\$92.64	-0.3%
	650,000	1,000	\$52,066.41	\$51,973.77	-\$92.64	-0.2%
GS-4						
	1,500,000	5,000	\$106,609.98	\$106,580.21	-\$29.77	0.0%
	2,500,000	5,000	\$158,924.68	\$158,894.91	-\$29.77	0.0%
	3,250,000	5,000	\$198,160.70	\$198,130.93	-\$29.77	0.0%
	3,000,000	10,000	\$206,282.03	\$206,252.26	-\$29.77	0.0%
	5,000,000	10,000	\$310,911.43	\$310,881.66	-\$29.77	0.0%
	6,500,000	10,000	\$389,383.48	\$389,353.71	-\$29.77	0.0%
	6,000,000	20,000	\$405,628.26	\$405,598.49	-\$29.77	0.0%
	10,000,000	20,000	\$614,887.06	\$614,857.29	-\$29.77	0.0%
	13,000,000	20,000	\$771,829.03	\$771,799.26	-\$29.77	0.0%
	15,000,000	50,000	\$1,003,658.43	\$1,003,628.66	-\$29.77	0.0%
	25,000,000	50,000	\$1,526,805.43	\$1,526,775.66	-\$29.77	0.0%
	32,500,000	50,000	\$1,919,165.68	\$1,919,135.91	-\$29.77	0.0%

* Typical bills assume 100% Power Factor

**Ohio Power Company
Typical Bill Comparison
August 2017 EDR Filing
Ohio Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Difference</u>
Residential	100		\$23.38	\$23.09	-\$0.29	-1.2%
	250		\$41.05	\$40.69	-\$0.36	-0.9%
	500		\$70.52	\$70.03	-\$0.49	-0.7%
	750		\$99.99	\$99.37	-\$0.62	-0.6%
	1,000		\$129.43	\$128.68	-\$0.75	-0.6%
	1,500		\$188.38	\$187.37	-\$1.01	-0.5%
	2,000		\$247.28	\$246.02	-\$1.26	-0.5%
GS-1 Secondary	375	3	\$55.69	\$55.29	-\$0.40	-0.7%
	1,000	3	\$111.72	\$111.27	-\$0.45	-0.4%
	750	6	\$89.32	\$88.89	-\$0.43	-0.5%
	2,000	6	\$201.38	\$200.85	-\$0.53	-0.3%
GS-2	1,500	12	\$271.61	\$269.57	-\$2.04	-0.8%
	4,000	12	\$463.25	\$461.21	-\$2.04	-0.4%
	6,000	30	\$802.32	\$798.17	-\$4.15	-0.5%
	10,000	30	\$1,108.62	\$1,104.47	-\$4.15	-0.4%
	10,000	40	\$1,211.93	\$1,206.61	-\$5.32	-0.4%
	14,000	40	\$1,518.23	\$1,512.91	-\$5.32	-0.4%
	12,500	50	\$1,506.68	\$1,500.20	-\$6.48	-0.4%
	18,000	50	\$1,926.14	\$1,919.66	-\$6.48	-0.3%
	15,000	75	\$1,956.35	\$1,946.95	-\$9.40	-0.5%
	30,000	100	\$3,354.80	\$3,342.47	-\$12.33	-0.4%
	36,000	100	\$3,810.88	\$3,798.55	-\$12.33	-0.3%
	30,000	150	\$3,871.29	\$3,853.13	-\$18.16	-0.5%
	60,000	300	\$7,701.19	\$7,665.49	-\$35.70	-0.5%
	90,000	300	\$9,981.62	\$9,945.92	-\$35.70	-0.4%
	100,000	500	\$12,807.72	\$12,748.66	-\$59.06	-0.5%
	150,000	500	\$16,608.43	\$16,549.37	-\$59.06	-0.4%
	180,000	500	\$18,888.86	\$18,829.80	-\$59.06	-0.3%

**Ohio Power Company
Typical Bill Comparison
August 2017 EDR Filing
Ohio Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Difference</u>
GS-3 Secondary	18,000	50	\$1,926.14	\$1,919.66	-\$6.48	-0.3%
	30,000	75	\$3,096.56	\$3,087.16	-\$9.40	-0.3%
	50,000	75	\$4,616.84	\$4,607.44	-\$9.40	-0.2%
	36,000	100	\$3,810.88	\$3,798.55	-\$12.33	-0.3%
	30,000	150	\$3,871.29	\$3,853.13	-\$18.16	-0.5%
	60,000	150	\$6,151.71	\$6,133.55	-\$18.16	-0.3%
	100,000	150	\$9,192.29	\$9,174.13	-\$18.16	-0.2%
	120,000	300	\$12,262.04	\$12,226.34	-\$35.70	-0.3%
	150,000	300	\$14,542.48	\$14,506.78	-\$35.70	-0.3%
	200,000	300	\$18,343.19	\$18,307.49	-\$35.70	-0.2%
	180,000	500	\$18,972.72	\$18,913.66	-\$59.06	-0.3%
	200,000	500	\$20,502.33	\$20,443.27	-\$59.06	-0.3%
	325,000	500	\$30,062.36	\$30,003.30	-\$59.06	-0.2%
GS-2 Primary	200,000	1,000	\$24,641.03	\$24,532.74	-\$108.29	-0.4%
	300,000	1,000	\$31,816.32	\$31,708.03	-\$108.29	-0.3%
GS-3 Primary	360,000	1,000	\$36,121.49	\$36,013.20	-\$108.29	-0.3%
	400,000	1,000	\$38,991.61	\$38,883.32	-\$108.29	-0.3%
	650,000	1,000	\$56,929.83	\$56,821.54	-\$108.29	-0.2%
GS-2 Subtransmission						
	1,500,000	5,000	\$114,316.06	\$114,301.68	-\$14.38	0.0%
GS-3 Subtransmission	2,500,000	5,000	\$171,799.86	\$171,785.48	-\$14.38	0.0%
	3,250,000	5,000	\$214,912.71	\$214,898.33	-\$14.38	0.0%
GS-4 Subtransmission	3,000,000	10,000	\$221,741.76	\$221,727.38	-\$14.38	0.0%
	5,000,000	10,000	\$336,709.36	\$336,694.98	-\$14.38	0.0%
	6,500,000	10,000	\$422,935.06	\$422,920.68	-\$14.38	0.0%
	10,000,000	20,000	\$666,528.36	\$666,513.98	-\$14.38	0.0%
	13,000,000	20,000	\$838,979.76	\$838,965.38	-\$14.38	0.0%
GS-4 Transmission	25,000,000	50,000	\$1,655,985.36	\$1,655,970.98	-\$14.38	0.0%
	32,500,000	50,000	\$2,087,113.86	\$2,087,099.48	-\$14.38	0.0%

* Typical bills assume 100% Power Factor

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Case No(s). 17-1714-EL-RDR

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