



An AEP Company

BOUNDLESS ENERGY™

Legal Department

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August 30, 2017

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

Steven T. Nourse
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*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. However, during the time these riders have been in effect, the Company has noted seasonal fluctuations in the AER and ACRR rates that are the result of variations in the quarterly levels of projected kWh that form the basis of the recovery rate. Therefore, effective with this filing, the Company proposes that the filing schedule be changed to a semi-annual basis versus a quarterly basis. Under this proposal, the rates currently in effect would be left in place for the fourth quarter of 2017. If this proposal is approved by the Commission, the Company would file on December 1, 2017 for rates effective with Cycle 1 January 2018, new ACRR and AER rates for a six month recovery period and based on the corresponding six months of forecasted usage would go into effect. A new set of rates would then go into effect on Cycle 1 July 2018, and so on into the future. The proposed change would maintain the current filing methodology whereas the Company would file on June 1st and December 1st each year with rates automatically approved with 30 days unless otherwise ordered by the Commission. By adopting this change the Commission

can effectively remediate this fluctuation issue and provide improved rate stability for our customers.

Should the Commission choose to decline this request, the Company is submitting its quarterly filing as required in its June 1, 2015 application. 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 4th Quarter ACRR and AER for October through December of 2017, to become effective with the first billing cycle of October, 2017 (September27).

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 4th 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 4th 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 October, November and December of 2017. Schedule 4 calculates the adjustment to the AER rates that would be necessary to recover the over/under-recovery during the 4th 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

cc: Parties of Record

**AEP Ohio Proposed Auction Cost Recovery Rider
October Through December 2017**

<u>Line</u>	<u>Auction Costs</u>	<u>AEP Ohio</u>
1	Incremental Auction Costs	\$ 133,236
2	Paid to Auction Winners	\$ 140,949,521
3	Billed to SSO Customers	\$ (137,824,171)
4	Previous Quarter (Over)/Under	\$ 4,805,124
5=1+2+3+4	(Over)/Under Collection	<u>\$ 8,063,710</u>
6		
7	Gross-Up Factor	100.435%
8		
9=5*7	Total Revenue Requirement	\$ 8,098,807
10		
11	Forecast kWh (Oct - Dec 2017)	3,192,025,149
12		
13=9/11	Auction Cost Recovery Rider \$/kWh	<u><u>\$ 0.0025372</u></u>

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
October Through December 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	0.17401	0.12249	-0.04811	0.07438
2	Primary	0.16797	0.11823	-0.04644	0.07179
3	Sub/Transmission	0.16460	0.11587	-0.04551	0.07036

OHIO POWER RATE ZONE

		A	B	C	D
		Schedule 3		Schedule 4	
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OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
October Through December 2017
FC Component

Line	Description	Forecast Period - 3rd Quarter 2017			
		October	November	December	Total
	<u>TOTAL COMPANY</u>				
1	Renewable Energy Credits	\$ 1,288,000	\$ 1,292,000	\$ 1,295,000	\$ 3,875,000
2	Retail Non-Shopping Sales - Generation Level Kwh	1,037,866,633	1,029,817,450	1,287,134,349	3,354,818,432
3	FC Component of AER Rate At Generation Level - Cents/kWh				0.11551
		Secondary	Primary	Sub/Trans	
4	FC Component of AER Rate At Generation Level	0.11551	0.11551	0.11551	
5	Loss Factor	1.0604	1.0235	1.0031	
6	FC at the Meter Level - Cents/kWh	Line 4 x Line 5	0.12249	0.11823	0.11587

Line 4 x Line 5

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

Line	Month	Renewable Revenue	Renewable Cost	AER (Over)/Under Recovery	
1	Beginning Balance			\$ 726,469	
2	Apr-17	\$ 2,122,423	\$ 595,434	(1,526,988.86)	
3	May-17	\$ 1,528,275	\$ 1,279,768	(248,506.60)	
4	Jun-17	\$ 1,725,358	\$ 1,252,187	(473,170.77)	
5	Ending Balance	\$ 5,376,056	\$ 3,127,389	\$ (1,522,197)	
6	Total (Over)/Under Recovery Balance			\$ (1,522,197)	
7	Loss Adjusted Retail Sales Billing Period - kWh			3,354,818,432	
8	RA Component at Generation - Cents/kWh			-0.04537	
9			Secondary	Primary	Sub/Trans
10	RA Component of FAC Rate At Generation Level		(0.04537)	(0.04537)	(0.04537)
11	Loss Factor		1.0604	1.0235	1.0031
12	RA at the Meter Level - Cents/kWh	Line 10 x Line 11	-0.04811	-0.04644	-0.04551

P.U.C.O. NO. 20

AUCTION COST RECONCILIATION RIDER

Effective Cycle 1 ~~July~~October 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 - ~~0.172480.25372~~¢/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: ~~June~~September 1, 2017

Issued by
Julia Sloat, President
AEP Ohio

Effective: Cycle 1 ~~July~~October 2017

OHIO POWER COMPANY

2422^{stnd} Revised Sheet No. 492-1
 Cancels 2021^{thst} Revised Sheet No. 492-1

P.U.C.O. NO. 20

ALTERNATIVE ENERGY RIDER

Ohio Power Rate Zone

Effective Cycle 1 ~~July~~October 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	0.1740100.07438
Primary	0.1679700.07179
Subtransmission/Transmission	0.1646000.07036

Columbus Southern Power Rate Zone

Effective Cycle 1 ~~July~~October 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	0.1740100.07438
Primary	0.1679700.07179
Subtransmission/Transmission	0.1646000.07036

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: ~~June~~September 1, 2017

Issued by
 Julia Sloat, President
 AEP Ohio

Effective: Cycle 1 ~~July~~October 2017

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

Summary: Correspondence -Quarterly filing of the Alternative Energy Rider (AER) and Auction Cost Recovery Rider (ACRR) schedules submitted by Ohio Power Company electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company