



An AEP Company

BOUNDLESS ENERGY™

Legal Department

American Electric Power
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Columbus, OH 43215-2373
AEP.com

February 28, 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
Chief Ohio Regulatory
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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 2018, to become effective with the first billing cycle of April (March 29, 2018).

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 2018. 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 2018. 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 2nd quarter of 2018. 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.

Thank you for your attention to this matter.

Respectfully Submitted,

/s/ Steven T. Nourse

cc: Parties of Record

**AEP Ohio Proposed Auction Cost Recovery Rider
April Through June 2018**

<u>Line</u>	<u>Auction Costs</u>	<u>AEP Ohio</u>
1	Incremental Auction Costs	\$ 154,394
2	Paid to Auction Winners	\$ 152,740,953
3	Billed to SSO Customers	\$ (158,047,545)
4	Previous Quarter (Over)/Under	\$ 8,063,710
5=1+2+3+4	(Over)/Under Collection	<u>\$ 2,911,512</u>
6		
7	Gross-Up Factor	100.435%
8		
9=5*7	Total Revenue Requirement	\$ 2,924,184
10		
11	Forecast kWh (Apr - Jun 2018)	2,588,277,626
12		
13=9/11	Auction Cost Recovery Rider \$/kWh	<u><u>\$ 0.0011298</u></u>

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
April Through June 2018
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	0.22131	0.24881	0.02664	0.27545
2	Primary	0.21362	0.24016	0.02572	0.26588
3	Sub/Transmission	0.20935	0.23536	0.02520	0.26056

OHIO 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
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OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
April Through June 2018
FC Component

Line	Description	Forecast Period - 1st Quarter 2018			
		April	May	June	Total
	<u>TOTAL COMPANY</u>				
1	Renewable Energy Credits	\$ 2,123,000	\$ 2,128,000	\$ 2,132,000	\$ 6,383,000
2	Retail Non-Shopping Sales - Generation Level Kwh	942,248,290	841,441,349	936,590,146	2,720,279,785
3	FC Component of AER Rate At Generation Level - Cents/kWh				0.23464
		Secondary	Primary	Sub/Trans	
4	FC Component of AER Rate At Generation Level	0.23464	0.23464	0.23464	
5	Loss Factor	1.0604	1.0235	1.0031	
6	FC at the Meter Level - Cents/kWh	Line 4 x Line 5	0.24881	0.24016	0.23536

Line 4 x Line 5

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY
Calculation of Quarterly AER For Billing During
April Through June 2018
RA Component

Line	Month	Renewable Revenue	Renewable Cost	AER (Over)/Under Recovery	
1	Beginning Balance			\$ (1,522,197)	
2	Oct-17	\$ 145,243	\$ 1,286,224	1,140,980.61	
3	Nov-17	\$ 626,623	\$ 1,287,767	661,144.60	
4	Dec-17	\$ 867,982	\$ 1,271,532	403,550.07	
5	Ending Balance	\$ 1,639,848	\$ 3,845,523	\$ 683,478	
6	Total (Over)/Under Recovery Balance			\$ 683,478	
7	Loss Adjusted Retail Sales Billing Period - kWh			2,720,279,785	
8	RA Component at Generation - Cents/kWh			0.02513	
9			Secondary	Primary	Sub/Trans
10	RA Component of FAC Rate At Generation Level		0.02513	0.02513	0.02513
11	Loss Factor		1.0604	1.0235	1.0031
12	RA at the Meter Level - Cents/kWh	Line 10 x Line 11	0.02664	0.02572	0.02520

OHIO POWER COMPANY

~~11~~12th Revised Sheet No. 469-1
Cancels ~~10~~11th Revised Sheet No. 469-1

P.U.C.O. NO. 20

AUCTION COST RECONCILIATION RIDER

Effective Cycle 1 ~~January~~April 2018, 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 ~~(0.12286)~~0.11298¢/KWH. This Rider shall be adjusted periodically to recover amounts authorized by the Commission. This Rider is subject to reconciliation, including, but not limited to, refunds to customers, based upon the results of audits ordered by the Commission in accordance with the February 25, 2015 Opinion and Order in Case Nos. 13-2385-EL-SSO, et al.

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

Issued: ~~December~~March 1, 20178

Issued by
Julia Sloat, President
AEP Ohio

Effective: Cycle 1 ~~January~~April 2018

OHIO POWER COMPANY

2324rdth Revised Sheet No. 492-1
 Cancels 2223rdth Revised Sheet No. 492-1

P.U.C.O. NO. 20

ALTERNATIVE ENERGY RIDER

Ohio Power Rate Zone

Effective Cycle 1 ~~January~~April 2018, 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	0.2213 <u>0.27545</u>
Primary	0.2163 <u>0.26588</u>
Subtransmission/Transmission	0.2093 <u>0.26056</u>

Columbus Southern Power Rate Zone

Effective Cycle 1 ~~January~~April 2018, 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	0.2213 <u>0.27545</u>
Primary	0.2136 <u>0.26588</u>
Subtransmission/Transmission	0.2093 <u>0.26056</u>

This Rider shall be adjusted periodically to recover amounts authorized by the Commission. This Rider is subject to reconciliation, including, but not limited to, refunds to customers, based upon the impact to the carrying charge rate recovered through this Rider of changes in Federal corporate income taxes due to the Tax Cuts and Jobs Act of 2017 or based upon the results of audits ordered by the Commission in accordance with the February 25, 2015 Opinion and Order in Case Nos. 13-2385-EL-SSO, et al.

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

Issued: ~~December~~March 1, 2018

Effective: Cycle 1 ~~January~~April 2018

Issued by
 Julia Sloat, President
 AEP Ohio

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

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