

Legal Department

May 7, 2018

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

Re: *In the Matter the Generation Energy and Generation
Capacity riders for Ohio Power Company*, Case No.
18-820-EL-RDR.

Steven T. Nourse
Chief Ohio Regulatory
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). Among other things, the Opinion and Order approved the establishment of the Generation Energy (GENE) and Generation Capacity Riders (GENC). The Company filed its revised compliance tariffs on May 18, 2015 and rates for the GENE and GENC became effective on June 1, 2015 for the delivery period of June 2015 through May 2016.

Under the Opinion and Order, the Commission adopted the Company's request to update the GENE and GENC annually to reflect the results of competitive bid auction for the delivery year. Any over or under recoveries related to these riders are reconciled through the Auction cost recovery rider (ACRR).

On March 2, 2016 the Commission in its Opinion and Order in Case No. 16-0247-EL-UNC found that percentage of income payment plan (PIPP) load will be separated from future competitive requests for proposal (RFP) auctions and auctioned separately in PIPP only RFP auctions for 12 month periods.

On April 25, 2018 the Commission approved the Stipulation in Case No. 16-1852-EL-SSO. The Stipulation authorized continuation of the GENE and GENC and adopted a change to remove the Public Utilities Commission of Ohio (PUCO) and Ohio Consumer Counsel (OCC) assessment fees from the gross up factor used to calculate riders GENE and GENC. This filing incorporates that change.

Accordingly, the Company submits its Annual GENE and GENC update for the delivery period of June 2018 through May 2019. The results of the separate PIPP

auction mentioned above are included in this filing. The Company requests that the new rates become effective June 1, 2018.

Respectfully Submitted,

/s/ Steven T. Nourse

Calculation of Blended Competitive Bid Price

Non-PIPP Load

Delivery Period: June 2018 - May 2019

<u>Line</u>	<u>Procurement Date</u>	<u>No. of Tranches</u>	<u>Delivery Period</u>	<u>Clearing Price</u>	
1	Nov-17	17	June 2018 - May 2019	\$ 52.39 /MWh	SSO Only
2	Nov-17	17	June 2018 - May 2020	\$ 49.32 /MWh	SSO Only
3	Nov-17	16	June 2018 - May 2021	\$ 47.27 /MWh	SSO Only
4	Mar-18	17	June 2018 - May 2019	\$ 52.01 /MWh	SSO Only
5	Mar-18	17	June 2018 - May 2020	\$ 48.29 /MWh	SSO Only
6	Mar-18	16	June 2018 - May 2021	\$ 46.53 /MWh	SSO Only
7	Total	100			

8 **Blended SSO Competitive Bid Price** **\$ 49.35 /MWh**

PIPP Load - PIPP Auction

Delivery Period: June 2018 - May 2019

<u>Line</u>	<u>Procurement Date</u>	<u>No. of Tranches</u>	<u>Delivery Period</u>	<u>Clearing Price</u>	
1	Apr-18	100	June 2018 - May 2019	\$ [REDACTED] /MWh	
2	Total	100			

3 **PIPP Competitive Bid Price** **\$ [REDACTED] /MWh**

Calculation of Capacity Revenue Requirement in \$/MWh

<u>Line</u>	<u>Description</u>	<u>June 2018 - May 2019</u>			
		<u>Secondary</u>	<u>Primary</u>	<u>Sub/Tran</u>	<u>Total</u>
1	SSO Load - 5 CP at Meter	2,363	35	32	2,430 MW
2	Transmission and Distribution Losses	1.0932	1.0552	1.0341	
3	5 CP at Generator (1) x (2)	2,583	37	33	2,653 MW
4	Days in Period				365
5	MW-days (3) x (4)				968,305
6	Final Zonal Capacity Price*				\$194.83 /MW-day
7	Capacity Revenue Requirement (5) x (6)				\$ 188,651,805

<u>Line</u>	<u>Description</u>	<u>Secondary</u>	<u>Primary</u>	<u>Sub/Tran</u>	<u>Total</u>
8	Energy at Meter (MWh)	10,847,570	204,502	130,970	11,183,042
9	Transmission and Distribution Losses **	1.0604	1.0235	1.0031	
10	Energy for PJM Settlement (MWh) (8) x (9)	11,502,807	209,317	131,373	11,843,496
11	Capacity Revenue Requirement (\$/MWh) (7) / (10)				\$ 15.93

* Final Zonal Capacity Price consists of:

RPM Auction Clearing Price	\$164.70 /MW-day
Final Zonal Scaling Factor	1.08475
Forecast Pool Requirement	1.0905

** Loss Factors reduced by 3% for marginal loss deration

Calculation of Generation Capacity Rider Rates

<u>Line</u>	<u>Description</u>	<u>Total</u>	<u>Residential</u>	<u>GS Non Demand Secondary</u>	<u>GS Secondary</u>	<u>GS Primary</u>	<u>GS Sub/Tran</u>	<u>Lighting</u>
1	SSO Load - 5 CP at Meter	2,430	2,015	53	295	35	32	-
2	Transmission and Distribution Losses		1.0932	1.0932	1.0932	1.0552	1.0341	1.0932
3	5 CP at Generator (1) x (2)	2,653	2,202	58	323	37	33	-
4	2018/2019 Capacity Revenue Requirement on (3)	\$ 188,651,805	156,609,992	4,135,738	22,962,676	2,624,051	2,319,349	-
5	Energy at the Meter (MWh)	11,183,042	8,780,893	318,936	1,653,005	204,502	130,970	94,736
6	2018/2019 Capacity Rate (\$/MWh) (4) / (5)		\$ 17.84	\$ 12.97	\$ 13.89	\$ 12.83	\$ 17.71	\$ -
7	Tax Gross-up*		1.00261	1.00261	1.00261	1.00261	1.00261	1.00261
8	2018/2019 Rider GENC (\$/MWh) (6) x (7)		\$ 17.88	\$ 13.00	\$ 13.93	\$ 12.86	\$ 17.76	\$ -
9	Generation Capacity Rider Rate (¢/kWh)		1.78800	1.30000	1.39300	1.28600	1.77600	0.00000

* Tax Gross-up includes: CAT Tax

	<u>Calculation for PIPP Auction</u>	
10	Energy for PJM Settlement (MWh)	██████████
11	Capacity Revenue Requirement (\$/MWh) (4) / (10)	\$ ██████████

Generation Capacity Rider Design for Time-of-Day Rates

CSP Rate Zone - RLM

<u>Description</u>	Generation Capacity Rider Rate Design Usage (kWh)	Jan-May 2015 Generation Capacity Rider Rates	<u>Billing</u>	June 2018 - May 2019			
				Residential Service Generation Capacity Rider	<u>Billing</u>	Generation Capacity Rider	<u>Billing</u>
Winter Season							
First 750 kWh per Month	277,398	\$ 0.024344	\$ 6,753	\$ 0.017880	\$ 4,960	\$ 0.0248019	\$ 6,880
Next 150 kWh per kW Over 5 kW per Month	1,090,206	\$ 0.013174	\$ 14,363	\$ 0.017880	\$ 19,493	\$ 0.0134219	\$ 14,633
All Additional kWh per Month	1,381,854	\$ 0.015407	\$ 21,291	\$ 0.017880	\$ 24,708	\$ 0.0156970	\$ 21,691
Summer Season							
First 750 kWh per Month	126,228	\$ 0.024344	\$ 3,073	\$ 0.017880	\$ 2,257	\$ 0.0248019	\$ 3,131
Next 150 kWh per kW Over 5 kW per Month	454,573	\$ 0.023126	\$ 10,512	\$ 0.017880	\$ 8,128	\$ 0.0235603	\$ 10,710
All Additional kWh per Month	600,445	\$ 0.021638	\$ 12,992	\$ 0.017880	\$ 10,736	\$ 0.0220450	\$ 13,237
Total			\$ 68,984		\$ 70,281		\$ 70,281

CSP Rate Zone - RS-ES / RS-TOD

<u>Description</u>	Generation Capacity Rider Rate Design Usage (kWh)	Jan-May 2015 Generation Capacity Rider Rates	<u>Billing</u>	June 2018 - May 2019			
				Residential Service Generation Capacity Rider	<u>Billing</u>	Generation Capacity Rider	<u>Billing</u>
On-Peak kWh	30,565	\$ 0.030371	\$ 928	\$ 0.017880	\$ 547	\$ 0.0309419	\$ 946
Off-Peak kWh	54,955	\$ 0.010419	\$ 573	\$ 0.017880	\$ 983	\$ 0.0106152	\$ 583
Total			\$ 1,501		\$ 1,529		\$ 1,529

CSP Rate Zone - Experimental RS-TOD2

<u>Description</u>	Generation Capacity Rider Rate Design Usage (kWh)	Jan-May 2015 Generation Capacity Rider Rates	<u>Billing</u>	June 2018 - May 2019			
				Residential Service Generation Capacity Rider	<u>Billing</u>	Generation Capacity Rider	<u>Billing</u>
High Cost Hours	1,589,576	\$ 0.175869	\$ 279,557	\$ 0.017880	\$ 28,422	\$ 0.1791755	\$ 284,813
Low Cost Hours	18,387,409	\$ 0.003864	\$ 71,040	\$ 0.017880	\$ 328,767	\$ 0.0039361	\$ 72,375
Total			\$ 350,597		\$ 357,188		\$ 357,188

CSP Rate Zone - RS-CPP

<u>Description</u>	Generation Capacity Rider Rate Design Usage (kWh)	Jan-May 2015 Generation Capacity Rider Rates	<u>Billing</u>	June 2018 - May 2019			
				Residential Service Generation Capacity Rider	<u>Billing</u>	Generation Capacity Rider	<u>Billing</u>
Winter Season							
First 800 kWh	6,400	\$ 0.016017	\$ 103	\$ 0.017880	\$ 114	\$ 0.0163182	\$ 104
Over 800 kWh	2,172	\$ -	\$ -	\$ 0.017880	\$ 39	\$ -	\$ -
Critical Peak Hours	28	\$ 0.387317	\$ 11	\$ 0.017880	\$ 1	\$ 0.3945994	\$ 11
Summer Season							
Low Cost Hours	2,289	\$ 0.003873	\$ 9	\$ 0.017880	\$ 41	\$ 0.0039460	\$ 9
Medium Cost Hours	1,082	\$ 0.012144	\$ 13	\$ 0.017880	\$ 19	\$ 0.0123722	\$ 13
High Cost Hours	892	\$ 0.024824	\$ 22	\$ 0.017880	\$ 16	\$ 0.0252908	\$ 23
Critical Peak Hours	184	\$ 0.387317	\$ 71	\$ 0.017880	\$ 3	\$ 0.3945994	\$ 73
Total			\$ 229		\$ 233		\$ 233

CSP Rate Zone - RS-RTP

<u>Description</u>	Generation Capacity Rider Rate Design Usage (kWh)	Jan-May 2015 Generation Capacity Rider Rates	<u>Billing</u>	June 2018 - May 2019			
				Residential Service Generation Capacity Rider	<u>Billing</u>	Generation Capacity Rider	<u>Billing</u>
Fixed Energy Charge	14,595	\$ 21.35	\$ 256	\$ 0.017880	\$ 261	\$ 21.75	\$ 261
Total			\$ 256		\$ 261		\$ 261

Generation Capacity Rider Design for Time-of-Day Rates

CSP Rate Zone - GS-2-LMTOD / GS-2-TOD

<u>Description</u>	Generation Capacity Rider Rate Design Usage (kWh)	Jan-May 2015 Generation Capacity Rider Rates	<u>Billing</u>	June 2018 - May 2019			
				General Service Non Demand Generation Capacity Rider	<u>Billing</u>	Generation Capacity Rider	<u>Billing</u>
On-Peak kWh	1,973,797	\$ 0.038071	\$ 75,144	\$ 0.013000	\$ 25,659	\$ 0.0389089	\$ 76,798
Off-Peak kWh	3,974,408	\$ 0.000130	\$ 517	\$ 0.013000	\$ 51,667	\$ 0.0001330	\$ 529
Total			\$ 75,661		\$ 77,327		\$ 77,327

OP Rate Zone - RS-ES / RS-TOD

<u>Description</u>	Generation Capacity Rider Rate Design Usage (kWh)	Jan-May 2015 Generation Capacity Rider Rates	<u>Billing</u>	June 2018 - May 2019			
				Residential Service Generation Capacity Rider	<u>Billing</u>	Generation Capacity Rider	<u>Billing</u>
On-Peak kWh	2,046,613	\$ 0.036343	\$ 74,380	\$ 0.017880	\$ 36,593	\$ 0.0370263	\$ 75,779
Off-Peak kWh	5,102,322	\$ 0.010012	\$ 51,084	\$ 0.017880	\$ 91,230	\$ 0.0102002	\$ 52,045
Total			\$ 125,464		\$ 127,823		\$ 127,823

OP Rate Zone - RDMS

OP Rate Zone - RDMS				June 2018 - May 2019			
(No Data, Use RS-ES / RS-TOD Scaling)	Generation Capacity Rider Rate Design Usage	Jan-May 2015 Generation Capacity Rider		Residential Service Generation Capacity Rider		Generation Capacity Rider	
	(kWh)	Rates	Billing	Billing	Billing	Billing	Billing
Winter Season							
kWh > 400 times billing demand	-	\$ 0.020158	\$ -	\$ 0.017880	\$ -	\$ 0.0205365	\$ -
First 500 on-peak kWh	-	\$ 0.025186	\$ -	\$ 0.017880	\$ -	\$ 0.0256595	\$ -
Over 500 on-peak kWh	-	\$ 0.018756	\$ -	\$ 0.017880	\$ -	\$ 0.0191091	\$ -
All Additional kWh per Month	-	\$ 0.005710	\$ -	\$ 0.017880	\$ -	\$ 0.0058172	\$ -
Total			\$ -		\$ -		\$ -

OP Rate Zone - GS-1-ES

<u>Description</u>	Generation Capacity Rider Rate Design Usage (kWh)	Jan-May 2015 Generation Capacity Rider Rates	<u>Billing</u>	June 2018 - May 2019			
				General Service Non Demand Generation Capacity Rider	<u>Billing</u>	Generation Capacity Rider	<u>Billing</u>
On-Peak kWh	95,196	\$ 0.026019	\$ 2,477	\$ 0.013000	\$ 1,238	\$ 0.0265915	\$ 2,531
Off-Peak kWh	179,823	\$ 0.005680	\$ 1,021	\$ 0.013000	\$ 2,338	\$ 0.0058048	\$ 1,044
Total			\$ 3,498		\$ 3,575		\$ 3,575

OP Rate Zone - GS-2-ES / GS-TOD

<u>Description</u>	Generation Capacity Rider Rate Design Usage (kWh)	Jan-May 2015 Generation Capacity Rider Rates	<u>Billing</u>	June 2018 - May 2019			
				General Service Non Demand Generation Capacity Rider	<u>Billing</u>	Generation Capacity Rider	<u>Billing</u>
On-Peak kWh	18,875,479	\$ 0.020841	\$ 393,380	\$ 0.013000	\$ 245,381	\$ 0.0212996	\$ 402,040
Off-Peak kWh	27,663,099	\$ 0.007179	\$ 198,591	\$ 0.013000	\$ 359,620	\$ 0.0073369	\$ 202,961
Total			\$ 591,971		\$ 605,002		\$ 605,002

Calculation of Generation Energy Rider Rates

					2018/2019 - SSO		2018/2019 - PIPP	
					SSO		PIPP	
Blended Competitive Bid Price					\$ 49.35 /MWh		\$ [REDACTED] /MWh	
Capacity Revenue Requirement					\$ 15.93 /MWh		\$ [REDACTED] /MWh	
Residual Energy Price					\$ 33.42 /MWh		\$ [REDACTED] /MWh	
Tax Gross-up*					1.00261			
Rate Schedule	Season	Factors		RIDER GENE***	Generation Energy Rider Rate (¢/kWh)	RIDER GENE***	Generation Energy Rider Rate (¢/kWh)	
		Loss**	Season					
Residential	Summer	1.0604	1.00	\$ 35.53	3.553			
	Winter	1.0604	1.00	\$ 35.53	3.553			
PIPP Residential	Summer	1.0604	1.00			\$ [REDACTED]	[REDACTED]	
	Winter	1.0604	1.00			\$ [REDACTED]	[REDACTED]	
GS Non Demand Secondary	Summer	1.0604	1.00	\$ 35.53	3.553			
	Winter	1.0604	1.00	\$ 35.53	3.553			
GS Secondary	Summer	1.0604	1.00	\$ 35.53	3.553			
	Winter	1.0604	1.00	\$ 35.53	3.553			
GS Primary	Summer	1.0235	1.00	\$ 34.30	3.430			
	Winter	1.0235	1.00	\$ 34.30	3.430			
GS Sub/Tran	Summer	1.0031	1.00	\$ 33.61	3.361			
	Winter	1.0031	1.00	\$ 33.61	3.361			
Lighting	Summer	1.0604	1.00	\$ 35.53	3.553			
	Winter	1.0604	1.00	\$ 35.53	3.553			

* Tax Gross-up includes: Commercial Activities Tax

** Loss Factors reduced by 3% for marginal loss deration

*** Residual Energy Price x Tax Gross-up x Loss Factor x Seasonal Factor

ATTACHMENT 1

P.U.C.O. NO. 20

GENERATION ENERGY RIDER

Effective June 1, 201~~7~~⁸, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Generation Energy charge as follows:

Schedule	Summer (Jun-Sep) ¢/KWH	Winter (Oct-May) ¢/KWH
Residential RS, RR, RR-1, RS-ES, RS-TOD, RLM, RS-TOD2, CPP, RTP, and RDMS	4.048003.55300	4.048003.55300
PIPP Residential RS, RR, RR-1, RS-ES, RS-TOD, RLM, , , , and RDMS		
Non Demand Metered GS-1, GS-1 TOD GS-2 Recreational Lighting, GS-TOD, GS-2-TOD, and GS-2-ES GS-3-ES EHS SS	4.048003.55300	4.048003.55300
Demand Metered Secondary GS-2 GS-3 EHG	4.048003.55300	4.048003.55300
Demand Metered Primary GS-2 GS-3 GS-4	3.907003.43000	3.907003.43000
Demand Metered Subtransmission/Transmission GS-2 GS-3 GS-4	3.829003.36100	3.829003.36100
Lighting AL SL	4.048003.55300	4.048003.55300

Filed pursuant to Orders dated May 25, 2015 in Case No. 16-1084-EL-RDR and May 11, 2016 in Case No. 16-1031-EL-UNC

Issued: ~~May 1, 2017~~ May XX, 2018

Effective: June 1, 201~~7~~⁸

Issued by
 Julia Sloat, President
 AEP Ohio

P.U.C.O. NO. 20

GENERATION CAPACITY RIDER

Effective June 1, 2017~~8~~, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Generation Capacity charge as follows:

Columbus Southern Power Rate Zone

Rate		c/kWh or \$/Month
RR, RR-1		1.48400 <u>1.78800</u>
RLM	Winter Rate First 750 KWH Next 150 KWH All Other KWH Summer Rate First 750 KWH Next 150 KWH All Other KWH	2.05850 <u>2.48019</u> 1.11399 <u>1.34219</u> 1.30282 <u>1.56970</u> 2.05850 <u>2.48019</u> 1.95546 <u>2.35603</u> 1.82968 <u>2.20450</u>
RS-ES, RS-TOD	On Peak KWH Off-Peak KWH	2.56811 <u>3.09419</u> 0.88104 <u>1.06152</u>
RS-TOD2	Low Cost Hours High Cost Hours	0.32669 <u>0.39361</u> 14.87116 <u>17.91755</u>
Schedule CPP	Winter Rate First 800 KWH Over 800 KWH Critical Peak Hours Summer Rate Low Cost Hours Medium Cost Hours High Cost Hours Critical Peak Hours	1.35437 <u>1.63182</u> 0.00000 32.75087 <u>39.45994</u> 0.32751 <u>0.39460</u> 1.02687 <u>1.23722</u> 2.09908 <u>2.52908</u> 32.75087 <u>39.45994</u>
RS-RTP	Per Month	18.0521 <u>17.75</u>
GS-1, GS-1 TOD		1.37800 <u>1.30000</u>
GS-2-TOD, GS-2 LMTOD	On-Peak Hours Off-Peak Hours	4.12434 <u>3.89089</u> 0.01409 <u>0.01330</u>
Demand Metered Secondary GS-2 GS-3		1.31700 <u>1.39300</u>
Demand Metered Primary GS-2 GS-3		1.08400 <u>1.28600</u>
Demand Metered Subtransmission/Transmission GS-4		0.50900 <u>1.77600</u>

Seasonal Periods

The winter period shall be the billing months of October through May and the summer period shall be the billing months of June through September.

Filed pursuant to Orders dated May 25, 2015 in Case No. 16-1084-EL-RDR and May 11, 2016 in Case No. 16-1031-EL-UNC

Issued: ~~May 1, 2017~~May XX, 2018

Effective: June 1, 2017~~8~~

Issued by
 Julia Sloat, President
 AEP Ohio

P.U.C.O. NO. 20

GENERATION CAPACITY RIDER

Effective June 1, 2016, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Generation Capacity charge as follows:

Ohio Power Rate Zone

Rate		c/kWh or \$/Month
RS		1.48400 <u>1.78800</u>
RDMS	KWH > 400 times billing demand	1.70449 <u>2.05365</u>
	First 500 on-peak KWH	2.12968 <u>2.56595</u>
	All Over 500 on-peak KWH	1.58601 <u>1.91091</u>
	All additional KWH	0.48281 <u>0.58172</u>
RS-ES, RS-TOD	On Peak KWH	3.07310 <u>3.70263</u>
	Off-Peak KWH	0.84659 <u>1.02002</u>
GS-1, EHS, SS, GS-2 Recreational Lighting		1.37800 <u>1.30000</u>
GS-1 ES	On-Peak Hours	2.81870 <u>2.65915</u>
	Off-Peak Hours	0.61531 <u>0.58048</u>
GS-TOD, GS-2-ES	On-Peak Hours	2.25775 <u>2.12996</u>
	Off-Peak Hours	0.77771 <u>0.73369</u>
Demand Metered Secondary GS-2 GS-3 EHG		1.31700 <u>1.39300</u>
Demand Metered Primary GS-2 GS-3 GS-4		1.08400 <u>1.28600</u>
Demand Metered Subtransmission/Transmission GS-2 GS-3 GS-4		0.50900 <u>1.77600</u>

Filed pursuant to Orders dated May 25, 2015 in Case No. 16-1084-EL-RDR and May 11, 2016 in Case No. 16-1031-EL-UNC

Issued: ~~May 1, 2017~~May XX, 2018

Effective: June 1, 20178

Issued by
Julia Sloat, President
AEP Ohio

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in

Case No(s). 18-0820-EL-RDR

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