



BOUNDLESS ENERGY™

Legal Department

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

November 30, 2018

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

Re: *In the Matter Ohio Power Company's Power Purchase Agreement Rider Update and Reconciliation, Case No. 18-1759-EL-RDR*

Steven T. Nourse
Chief Ohio Regulatory
Counsel –
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Dear Ms. McNeal:

On May 15, 2014, Ohio Power Company (AEP Ohio) filed its Amended Application in this proceeding. On December 14, 2015, AEP Ohio, the Staff and other intervenors filed a Joint Stipulation and Recommendation to resolve the issues presented in the Amended Application and other matters (Stipulation). Pursuant to the Commission's March 31, 2016 Opinion and Order in this proceeding (Opinion and Order), the Company's Amended Application was approved and modified, consistent with the terms of the Stipulation and the modifications made in the Opinion and Order.

In accordance with the directives in the Opinion and Order, AEP Ohio previously submitted its compliance tariff relating to the Power Purchase Agreement (PPA) Rider effective on April 5, 2016. On May 2, 2016, the Company filed an application for rehearing that, among other things, contemplated a modified PPA Rider based on certain conditions and discussed that the rider could potentially be converted to being bypassable.

On November 3, 2016, the Commission issued its Second Entry on Rehearing granting the Company's rehearing request to further modify the PPA Rider and Stipulation to exclude the Affiliate PPA and confirming the ongoing inclusion of net costs in the PPA Rider. In the Second Entry on Rehearing, the Commission directed AEP Ohio to defer, "without carrying charges, any OVEC costs incurred for the period of June 2016 through December 2016, with recovery of such costs to occur beginning with the first billing cycle of January 2017 and continue over the 12 months of calendar years 2017. The Commission also directed that the rider remain nonbypassable.

Accordingly, the Company submits its updated PPA Rider to be effective with the first Billing Cycle 1 of January 2019. The updated PPA reflects the over/under-recovery of expenses for the months of July, August and September 2018 and forecast costs for January through March 2019. The filings include a FAC-style rate reflecting both the prior quarter reconciliation to actual results and projections for the next/future quarter.

Pursuant to the process established in the Opinion and Order (at pages 89-90), the updated PPA Rider rates will become effective unless the Staff raises issue prior to the billing cycle during which the quarterly adjustments are to become effective.

Thank you for your attention to this matter.

Respectfully Submitted,

//s/ Steven T. Nourse

OHIO POWER COMPANY
Calculation of Quarterly PPA For Billing During
January through March 2019

Schedule 1

	January through March 2019						
	<u>Residential</u>	<u>GS Non-Demand</u>	<u>Secondary</u>	<u>Primary</u>	<u>Sub/Tran</u>	<u>Lighting</u>	<u>Total</u>
2017 SCP	3,394	132	2,097	888	1,147	-	7,658
Allocation	44%	2%	27%	12%	15%	0%	
Revenue Requirement	\$ 4,189,804.03	\$ 163,363	\$ 2,588,206	\$ 1,095,500	\$ 1,415,869	\$ -	\$ 9,452,742
Forecasted kWh	4,141,312,437	178,941,011	2,811,663,817	1,503,275,430	2,687,375,425	50,335,574	
Rate (\$/kWh)	0.0010117	0.0009129	0.0009205	0.0007287	0.0005269	0.0000000	
Gross Up Factor	1.00938	1.00938	1.00938	1.00938	1.00938	1.00938	
Final Rate (\$/kWh)	0.0010212	0.0009215	0.0009291	0.0007355	0.0005318	0.0000000	

OHIO POWER COMPANY
Calculation of Quarterly PPA For Billing During
January through March 2019
FC Component

<u>Line</u>	<u>Description</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>
TOTAL COMPANY					
1	PPA Charge/(Credit) Forecast	\$ 2,227,036	\$ 2,610,853	\$ 2,836,070	\$ 7,673,959

Forecast Load		2019
All kWh (non-bypassable)		Jan-Mar
2	Residential	4,141,312,437
3	GS Non-Demand	178,941,011
4	Secondary	2,811,663,817
5	Primary	1,503,275,430
6	Sub/Tran	2,687,375,425
7	Lighting	50,335,574
8	Total	11,372,903,695

OHIO POWER COMPANY
Calculation of Quarterly PPA For Billing During
January through March 2019
Reconciliation Component (Actuals)

Line	Month	PPA Revenue	PPA Cost	PPA (Over)/Under Recovery
1	Beginning Balance (Apr-Jun 2018)			\$ (4,826,076)
2	Jul-18	\$ (669,833)	\$ 1,925,443	\$ 2,595,276
3	Aug-18	\$ 209,816	\$ 2,219,307	\$ 2,009,491
4	Sep-18	\$ 228,882	\$ 2,228,975	\$ 2,000,093
5	Ending Balance	\$ (231,135)	\$ 6,373,725	\$ 1,778,783

P.U.C.O. NO. 20

POWER PURCHASE AGREEMENT RIDER

Effective Cycle 1 ~~October~~January 2018~~2019~~ all customer bills subject to the provisions of this Rider, including any bills rendered under special contract shall be adjusted by the monthly Power Purchase Agreement charge as follows:

Schedule	¢/kWh
Residential RS, RR, RR-1, RS-ES, RS-TOD, RLM, RS-TOD2, CPP, RTP, and RDMS	0.064100 <u>.10212</u>
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	0.048220 <u>.09215</u>
Demand Metered Secondary GS-2 GS-3 EHG	0.050300 <u>.09291</u>
Demand Metered Primary GS-2 GS-3 GS-4	0.039540 <u>.07355</u>
Demand Metered Subtransmission/Transmission GS-2 GS-3 GS-4	0.028920 <u>.05318</u>
Lighting AL SL	0.00000

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. and the March 31, 2016 Opinion and Order in Case No. 14-1693-EL-RDR.

Filed pursuant to Order dated April 25, 2018 in Case No. 16-1852-EL-SSO

Issued: ~~August~~November 3130, 2018

Effective: Cycle 1 ~~October~~January, 2018~~2019~~

Issued by
Julia Sloat, President
AEP Ohio

P.U.C.O. NO. 20

OAD - POWER PURCHASE AGREEMENT RIDER
(Open Access Distribution – Power Purchase Agreement Rider)

Effective Cycle 1 ~~October~~January ~~2018~~2019 all customer bills subject to the provisions of this Rider, including any bills rendered under special contract shall be adjusted by the monthly Power Purchase Agreement charge as follows:

Schedule	¢/kWh
Residential RS, RR, RR-1, RS-ES, RS-TOD, RLM, RS-TOD2, CPP, RTP, and RDMS	0-064100 <u>.10212</u>
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	0-048220 <u>.09215</u>
Demand Metered Secondary GS-2 GS-3 EHG	0-050300 <u>.09291</u>
Demand Metered Primary GS-2 GS-3 GS-4	0-039540 <u>.07355</u>
Demand Metered Subtransmission/Transmission GS-2 GS-3 GS-4	0-028920 <u>.05318</u>
Lighting AL SL	0.00000

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. and the March 31, 2016 Opinion and Order in Case No. 14-1693-EL-RDR.

Filed pursuant to Order dated April 25, 2018 in Case No. 16-1852-EL-SSO

Issued: ~~August~~November ~~31~~30, 2018

Effective: Cycle 1 ~~October~~January, ~~2018~~2019

Issued by
Julia Sloat, President
AEP Ohio

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

11/30/2018 1:36:30 PM

in

Case No(s). 18-1759-EL-RDR

Summary: Correspondence - Ohio Power Company submits its updated PPA Rider electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company