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December 27, 2018

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The Honorable Greta See
The Honorable Sarah Parrot
Attorney Examiners
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

Re: In the Matter of the Application Seeking Approval of Ohio Power Company's Proposal to Enter into an Affiliate Power Purchase Agreement for Inclusion in the Power Purchase Agreement Rider, Case No. 14-1693-EL-RDR; In the Matter of the Application of Ohio Power Company for Approval of Certain Accounting Authority, Case No. 14-1694-EL-AAM

Dear Attorney Examiners:

On October 3, 2014 Ohio Power Company (AEP Ohio) filed its Application to initiate the above-captioned proceeding. On December 14, 2016, Signatory Parties filed a Joint Stipulation and Recommendation (Stipulation), which was subsequently modified and adopted in the Commission's March 31, 2016 Opinion and Order and November 3, 2016 Second Entry on Rehearing. Section III.A.5.d of the Stipulation requires AEP Ohio to file a status report regarding commitments under Section III by December 31, 2018. Enclosed is the Company's Commitment Status Report for 2018.

Respectfully Submitted,

//s/ Steven T. Nourse

cc: Parties of Record

AEP Ohio PPA Stipulation Commitment Status Report- 2018

Introduction

Pursuant to Section III.A.5.d of the Stipulation, as approved, modified and adopted by the Commission in Case No. 14-1693-EL-RDR and 14-1693-EL-AAM in its March 31, 2016 Opinion and Order, this report mainly focuses on matters relating to Commission filings made by the Company regarding the commitments in Section III of the Stipulation. All other commitments made by the Company are fulfilled or scheduled to be fulfilled in a timely manner.

Inclusion of OVEC Entitlement in the PPA Rider

The Company has fulfilled this requirement and no further reporting is needed. AEP Ohio continues to explore divestiture of the OVEC asset and filed its update in case No. 12-1126-EL-UNC on June 29, 2018.

OVEC Annual Compliance Review

The Commission issued an RFP for the annual review of the PPA Rider on June 13, 2018 in Case No. 18-1003-EL-RDR with the final audit report due in January 2019.

Additional PPA Rider Credit Commitment

Per III.A.3 of the Stipulation and as amended by the Commission's November 3, 2016 second entry on rehearing, the Company agrees to provide additional credits, if needed, of \$1.5 million for Planning Year 2020/2021, \$3 million for Planning Year

2021/2022, \$4.5 million for Planning Year 2022/2023, and \$6 million for Planning Year 2023/2024.

AEP Ohio's State of the Wholesale Electricity Market Report/Federal Advocacy

The Company filed the latest report on June 1, 2018.

Amended ESP III with a term extension through May 31, 2024

The Company filed the amended ESP III on November 23, 2016. The filing was consistent with section III.C of the Stipulation, as well as modifications made by the Commission in their Opinion and Order. The Commission approved the Stipulation filed in the amended ESP case and no further reporting is needed.

Shareholder-funded donation of \$500,000

The Company made payments to two higher education recipients in March and May 2018 totaling \$500,000.

Ohio Hospital Association (OHA) annual energy efficiency program

The Company, working collaboratively with OHA, has partnered to broaden OHA member participation in the Company's EE/PDR programs. OHA reports its performance to the Company and the AEP Ohio EE/PDR Collaborative from the funding provided for EE/PDR promotion and extra incentives on a quarterly basis. The Collaborative includes Commission Staff and many of the stakeholders

regularly involved in matters before the Commission and the Company proposes that this forum continue to be the reporting venue for these matters. The Company will additionally report annual OHA performance along with its annual EE/PDR Plan status report filed May 1st of each year during the term of the PPA Rider. The Alternative Feed Service rates for OHA members were updated in April of 2016, consistent with the Stipulation. The Company developed an Automated Energy Star benchmarking tool for a broad number of customer segments which supports OHA benchmarking and Energy Star certification efforts. In addition, the Company expanded the ability for OHA to use the additional allocated incentives for smaller medical facilities by extending the incentives into the small business Express Program. Finally, the Company has offered a Continuous Energy Improvement cohort for hospitals that is currently underway.

Ohio Partners for Affordable Energy (OPAE) to provide direct assistance with the Community Assistance Program

The Company, working collaboratively with OPAE, investigated and identified bulk purchasing of refrigerators as an opportunity for improvement in 2018. This bulk purchasing has been implemented. OPAE continues to provide software and manage data reporting for the Community Assistance program and has hired two individuals to manage quality assurance/quality control. In addition, OPAE has conducted initial training on data reporting and held the annual Weatherize Ohio conference. OPAE needs to ensure ongoing quarterly reporting of its performance

on the Community Assistance program at every quarterly Collaborative meeting to the Company and the AEP Ohio EE/PDR Collaborative from the funding provided in the 2017-2020 EE/PDR Plan (subject to Commission approval). The Collaborative includes Staff and many of the stakeholders regularly involved in matters before the Commission and the Company proposes that this forum continue to be the reporting venue for these matters. The Company will additionally report annual OPAE performance along with its annual EE/PDR Plan status report filed May 1st of each year during the term of the PPA.

Proposal for a pilot program EDU third-party agent call transfer process

The Company filed comments, including a proposed process, in January 6, 2016 in Case No. 12-3151-EL-COI. That proposed process would leverage a third-party call outsourcer, to maintain call performance metrics, who would respond to Choice related switching questions and offer enrollment options for a “standard” discount program to CRES that opt-into the program. The Commission did not adopt the Company’s proposal in its February 7, 2018 order. No further reporting is necessary.

GridSMART settlement

As updated in the 2017 status report, no further action is required.

Form a working group to discuss a pilot program for future descending clock default supply auctions where EE providers would be able to competitively bid to supply EE project

As updated in the 2017 status report, no further action is required.

Supplier Consolidated Billing Pilot

The Commission approved a Pilot Supplier Consolidated Billing Program in their February 23, 2017 Global Settlement order that was consistent with the two-year Pilot Supplier Consolidated Billing Program approved by the Commission in the PPA Cases. The purpose of the pilot is to provide the industry with data and information on the practicality of a supplier consolidated billing implementation in the Ohio electric choice market. AEP Ohio continue to work with both signatory parties, PUCO staff and the bond rating agency to finalize requirements for the Supplier Consolidated Billing pilot. Working group meetings have been held with Staff and signatory parties related to business requirements and CRES provider collateral process changes. In addition, AEP Ohio has modified its agreement with the bond rating agency for the securitized portion of AEP Ohio's receivables. The Company anticipates the start date of the pilot program to be sometime in the first half of 2019.

Develop and submit for Commission approval a 2017-2019 EE/PDR Plan

As updated in the 2017 status report, no further reporting is required.

Carbon Emission Reduction plan

As updated in the 2017 status report, no further reporting is required

Grid Modernization Plan

The Company plans to file its grid modernization plan in accordance with the directives in Case Nos. 18-1595-EL-GRD and 18-1596-EL-GRD.

Renewable Projects

The Company filed on September 19, 2018 in Case Nos. 18-501-EL-FOR an amendment to its Long-Term Forecast Report (LTFR) demonstrating the need for at least 900 MW of renewable energy in the State of Ohio. The hearing is scheduled for January 15, 2019. The Company additionally filed in Case No. 18-1392-EL-RDR a plan to contract with a developer for a purchase power agreement (PPA) based on the winning bids received as updated in the Company's 2017 status letter. This case provides for the recovery of AEP Ohio entering into two long-term PPA agreements for 400MW of solar power.

The Company will issue an RFP for the additional 500MW of wind Power in 2019.

Generation Dockets

AEP Ohio committed to open the "Retirement Readiness (RR) docket no later than December 31, 2024 and the "Generation Transition (GT) docket no later than March

30, 2017. The GT docket was opened with case number 17-0882-EL-UNC on March 30, 2017. On December 13, 2017, AEP Ohio filed its final report under Paragraph III.D.12.e of the PPA Rider Stipulation. The Company also filed an updated letter in the same docket on March 22, 2018 to provide updates related to Paragraph II.D.12.b through i.

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Case No(s). 14-1693-EL-RDR, 14-1694-EL-AAM

Summary: Report (2018 Commitment Status Report) electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company