

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Ohio Power Company to Update Its)	Case No. 19-1747-EL-RDR
Enhanced Service Reliability Rider)	

APPLICATION

Ohio Power Company d/b/a AEP Ohio (“AEP Ohio” or the “Company”) submits this application to update its Enhanced Service Reliability Rider (“ESRR”) rates. In support of its Application, AEP Ohio states the following:

1. AEP Ohio is an electric utility as that term is defined in §4928.01(A)(11), Ohio Rev. Code.
2. In its Opinion and Order issued March 18, 2009, in AEP Ohio’s first Electric Security Plan proceedings (Case Nos. 08-917-EL-SSO *et al.*) (“*ESP I*”), the Commission approved the establishment of the ESRR.
3. In its Opinion and Order issued August 8, 2012, in AEP Ohio’s second Electric Security Plan proceedings (Case Nos. 11-346-EL-SSO *et al.*) (“*ESP II*”) and its Opinion and Order issued February 25, 2015, in AEP Ohio’s third Electric Security Plan proceeding (Case No. 13-2385-EL-SSO) (“*ESP III*”), and its Opinion and Order issued April 25, 2018, in AEP Ohio’s fourth Electric Security Plan proceeding (Case No. 16-1852-EL-SSO) (“*ESP IV*”), the Commission approved the continuation of the ESRR. The Company hereby submits its 2018 ESRR reconciliation filing.
4. On pages 43-44 of the *ESP IV* Opinion and Order, the Commission addressed the annual incremental expenditure limit beyond the baseline

vegetation management expenditures that would be recoverable through the ESRR. The Company's proposed incremental recovery in this Application, as further explained below, is consistent with this finding regarding the baseline.

6. Schedule 1 attached to this Application reports the final, incremental vegetation management expenditures for 2018, under the \$27.6M cap set in the ESP IV. Schedule 1 also sets forth the ESRR collections for 2018, and reports an over-recovery of \$ 10,153,665 during 2018. Schedule 1 also projects vegetation management expenditures for 2019 and sets forth a revenue requirement for that portion of the 2019 ESRR. Finally, Schedule 1 proposes a new ESRR rate based on the prior year's over/under-recovery balance and the projected final spend for 2019.
7. Schedules 2 and 3 contain the proposed tariffs.

WHEREFORE, based on the information and exhibits submitted with this filing, AEP Ohio requests that the Commission approve the Company's application.

Respectfully submitted,

/s/ Steven T. Nourse

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2018 Ohio Power Company ESR Rider True-Up

<u>Distribution Vegetation</u> <u>2018 Over/(Under) Recovery</u>	Base Vegetation Spend	2018 Actual Spending (accruals removed)	2018 Actual Spending (accruals included)	2018 Actual Incremental (accruals included)	2018 Vegetation Revenue Requirement (accruals removed)
O&M	\$ 20,570,412	\$ 50,131,547	\$ 48,962,687	\$ 28,392,274	\$ 29,561,135
January	\$ 202,465	\$ 695,918	\$ 931,322	\$ 728,857	\$ 495,766
February	\$ 183,062	\$ 300,265	\$ 300,265	\$ 117,203	\$ 504,512
March	\$ 303,941	\$ 12,496	\$ 12,496	\$ (291,445)	\$ 505,919
April	\$ 394,869	\$ (22,205)	\$ (22,205)	\$ (417,074)	\$ 502,421
May	\$ 519,409	\$ 344,899	\$ 344,899	\$ (174,510)	\$ 497,416
June	\$ 303,813	\$ 132,730	\$ 132,730	\$ (171,083)	\$ 489,475
July	\$ 316,508	\$ (60,580)	\$ (60,580)	\$ (377,088)	\$ 487,446
August	\$ 323,400	\$ 611,571	\$ 611,571	\$ 288,171	\$ 482,974
September	\$ 242,534	\$ (121,062)	\$ (121,062)	\$ (363,596)	\$ 486,392
October	\$ 244,925	\$ 782,093	\$ 782,093	\$ 537,168	\$ 482,080
November	\$ 235,510	\$ 494,055	\$ 494,055	\$ 258,545	\$ 488,450
December	\$ 359,151	\$ (242,833)	\$ (195,656)	\$ (554,807)	\$ 491,516
Capital - 40 Year Life	\$ 3,629,588	\$ 2,927,347	\$ 3,209,929	\$ (419,659)	\$ 5,914,367
Total Base Spend	\$ 24,200,000				
Total 2018 Spend				\$ 27,972,615	
Cap per Case No.16-1852-EL-RDR (ESP 4)				\$ 27,600,000 (a)	
Excess				\$ (372,615)	\$ (372,615)
				2018 Revenue Requirement	\$ 35,102,887
				2018 ESR Rider Collections	\$ 45,256,551
				2018 Over/(Under) Recovery	\$ 10,153,665

<u>Distribution Vegetation</u> <u>2019 Incremental Investment</u>	Base Vegetation Spend	Updated 2019 Vegetation Spend	Carrying Charge Rate	2019 Vegetation Revenue Requirement
O&M	\$ 20,570,412	\$ 26,400,000		\$ 26,400,000
Capital - 40 Year Life	\$ 3,629,588	\$ 1,200,000	14.18% 15.02%	\$ 85,080 (b)
Total	\$ 24,200,000	\$ 27,600,000		\$ 26,485,080
		2009 Investment Carrying Costs		\$ 800,311
		2010 Investment Carrying Costs		\$ 1,134,793
		2011 Investment Carrying Costs		\$ 1,223,880
		2012 Investment Carrying Costs		\$ 788,463
		2013 Investment Carrying Costs		\$ 678,281
		2014 Investment Carrying Costs		\$ 468,296
		2015 Investment Carrying Costs		\$ 162,646
		2016 Investment Carrying Costs		\$ 485,586
		2017 Investment Carrying Costs		\$ 498,439
		2018 Investment Carrying Costs		\$ (59,508) (c)
		Prior Year Over/(Under) Recovery		\$ 8,907,531
		Over/(Under) Recovery (From Above)		\$ 10,153,665
		Total Revenue Requirement		\$ 13,605,071
		Base Distribution Revenue		\$ 648,494,377
		2018 ESR Rider		2.09795%
		Current ESR Rider		3.48287%
		Change in ESR Rider		-1.38492%

(a) Total Cap of \$27.6M per 4/25/2018 Opinion and Order in Case No.16-1852-EL-RDR (ESP 4, pg. 44)

(b) Annual carrying charge rate of 14.18% times updated 2019 capital spending times one-half year

(c) Annual carrying charge rate times 2018 actual capital spending

OHIO POWER COMPANY

~~7th~~-~~8th~~ Revised Sheet No. 483-1
 Cancels ~~6th~~-~~7th~~ Revised Sheet No. 483-1

P.U.C.O. NO. 20

ENHANCED SERVICE RELIABILITY RIDER

Effective ~~Cycle 1 January 2019~~, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~3.482872.09795~~% of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. 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 ~~December 5, 2018~~ in Case No. ~~16-2154-EL-RDR~~

Issued: ~~December 7, 2018~~

Effective: ~~Cycle 1 January 2019~~

Issued by
~~Rajagopalan Sundararajan~~ ~~Julia Sloat~~, President
 AEP Ohio

OHIO POWER COMPANY

~~7th~~–~~8th~~ Revised Sheet No. 483-1D
 Cancels ~~6th~~–~~7th~~ Revised Sheet No. 483-1D

P.U.C.O. NO. 20

OAD – ENHANCED SERVICE RELIABILITY RIDER
 (Open Access Distribution – Enhanced Service Reliability Rider)

Effective ~~Cycle 1 January 2019~~, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~3.482872.09795~~% of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

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Filed pursuant to Order dated ~~December 5, 2018~~ in Case No. ~~16-2154-EL-RDR~~

Issued: ~~December 7, 2018~~

Effective: ~~Cycle 1 January 2019~~

Issued by
Rajagopalan Sundararajan~~Julia Sloat~~, President
 AEP Ohio

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Summary: Application - In the Matter of the Application of Ohio Power Company to Update Its Enhanced Service Reliability Rider electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company