AMERICAN ELECTRIC POWER
BOUNDLESS ENERGY™

Legal Department

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November 17, 2021

Ms. Tanowa Troupe, Secretary
Public Utilities Commission of Ohio
180 East Broad Street
Columbus, Ohio 43215-3793

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Re: *In the Matter of the Quadrennial Review Required by R.C. 4928.143(E) For the Electric Security Plans of Ohio Power Company*, Case No. 21-1166-EL-UNC

Dear Ms. Troupe:

R.C. 4928.143(E), Ohio Revised Code, provides that if an electric utility operating under an approved Electric Security Plan that has a term that exceeds three years from the effective date of the plan, the Commission shall test the plan in the fourth year to determine whether the plan continues to be more favorable in the aggregate and during the remaining term of the plan as compared to the expected results that would otherwise apply under a standard service offer price for retail electric generation service that is delivered to the utility under a market-rate offer ("MRO"). Under this query, the Commission is to examine the prospective effect of the electric security plan to determine if that effect is substantially likely to provide the electric distribution utility with a return on common equity that is significantly in excess of the return on common equity that is likely to be earned by publicly traded companies that face comparable business and financial risk.

With this letter, Ohio Power Company ("AEP Ohio" or the "Company") is filing the supporting testimony of Lisa O. Kelso, AEP Ohio Vice President – Regulatory & Finance, and Adrien McKenzie, President of FINCAP, Inc.

The information demonstrates that the Company is not expected to have significantly excessive earnings for the forecast period of 2021-2024, and the Company's current ESP ("ESP IV") is "more favorable in the aggregate as compared to the expected results that would otherwise apply" under a hypothetical MRO. Using a methodology consistent with the Commission's guidelines established in Case No. 09-786-EL-UNC, Company witness McKenzie explains in his testimony his calculations of the applicable SEET threshold and the SEET "safe harbor." As explained by Company witness Kelso, the Company's forecasted return on equity (ROE) is projected to be both below the annual safe harbor and the applicable SEET threshold over the forecasted period. Additionally, as also explained by Company witness Kelso, the Company's current ESP is more beneficial to customers than a hypothetical MRO because it has more quantifiable benefits than an MRO, and offers non-quantifiable benefits that are not available under an MRO.

Through this filing, AEP Ohio submits that it has met its burden of proving that its 2021-2024 ROE is not significantly excessive under the statute and the current ESP is more favorable than a hypothetical MRO. Accordingly, the Company requests that the Commission find that AEP Ohio's current ESP passes the SEET and more favorable in the aggregate test in R.C. 4928.143(E).

Thank you for your attention to this matter.

Respectfully submitted,

/s/ Steven T. Nourse

cc: Tamara Turkenton, Director, Rates and Analysis