



## **RECENT REGULATORY FILINGS – DECEMBER, 2018**

Indiana Michigan Power Company – On May 30, the Indiana Public Service Commission authorized I&M to increase rates to boost its annual revenue by nearly \$96.8 million. As part of a settlement agreement, the projected increase on C&I customers will be about 7%. However, I&M will also be providing a \$4 million credit to customers July 1-December 31, to reflect the impact of the federal tax law changes.

Appalachian Power Company and Wheeling Power Company – On April 16, the VASSC issued an order that starting no later than August 1 of 2018, Appalachian Power Company will implement a \$50 million interim rate reduction associated with the Federal Tax Cuts and Jobs Act. The interim rate will be effective until April 2019, at which point a permanent rate will be established via a filing with the Virginia State Corporation Commission. Depending on service delivery and load factor, Commercial and Industrial Customers will see a reduction of approximately 2-4%.

On August 13, Appalachian Power, along with Wheeling Power, filed a settlement agreement seeking the Public Service Commission of West Virginia's approval in its Expanded Net Energy Cost (ENEC) and Vegetation Management Program (VMP) cases. If the agreement is approved by the Commission, dollars from the Tax Cuts and Jobs Act of 2017 would be used to offset \$110 million in fuel and vegetation management costs, allowing those rates to stay essentially the same and remain stable for the next two years. As part of the agreement, the ENEC and vegetation management portion of rates will not change until at least June 30, 2020.

In September, the VASSC approved a filing for Appalachian Power Company that will increase on an interim basis, the charges for its customers pay for fuel. The new fuel rate filing was for \$53 million, where fuel charges will increase to 2.55 cents per kilowatt-hour, up from 2.17 cents per kilowatt hour in November. However, the increase will be offset by Appalachian's plan to credit customers on an accelerated basis for the reduction in corporate taxes. In an order issued in October, the VASSC approved the new ATRR, which results in an additional \$55 million refund to Appalachian's customers.

Public Service of Oklahoma – Following an order from the OCC in August, PSO bills started including a credit resulting from the Tax Cut and Jobs Act of 2017. PSO estimates the tax refund and rider updates will reduce the overall bill for large commercial and industrial customers by about 2.5 to 6 percent over the next year, but the specific savings for each account depends on the rate, service level, and load characteristics.

Southwest Electric Power Company - Effective September 19, 2018, SWEPCO's Texas Commercial and Industrial customers will see reduced rates due to the Federal Tax Cuts and Jobs Act. The impact will vary by rate class and usage. The anticipated reduction will be between 2%-4%.

Kentucky Power Company - On June 28, the Kentucky Public Service Commission approved a reduction in Kentucky Power's C&I rates by 0.003188/kWh. The amount of the monthly credit will vary with energy used. The reduction is associated with the Federal Tax Cuts and Jobs Act and the rates approved take effect July 1. It will remain in effect through at least 2020.

AEP Texas - On September 1, the Public Utility Commission of Texas approved a settlement agreement reducing AEP Texas' annual revenue requirement (ARR) by \$27 million, largely to reflect last year's federal income tax legislation. AEP Texas agreed to reduce the revenue requirement in its distribution-cost recovery factors (DCRFs) to \$55.6 million, with AEP Central's ARR cut by \$21.2 million and AEP North's by \$5.8 million. Commission staff, the Alliance for Retail Markets (ARM) and several cities served by AEP signed on to the agreement, reducing commercial rates by 3-4%

AEP - Kentucky Power																
Kentucky	Monthly	Fuel factor	Month	January	February	March	April	May	June	July	August	September	October	November	December	
				\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh	\$/kWh
			2017	0.0034500	0.0023600	0.0010300	0.0009300	0.0004400	0.0003500	0.0004900	(0.0007900)	0.0034300	0.0002600	0.0008900	0.0003900	(0.0003000)
2018	(0.0033700)	0.0026000	0.0015000	0.0040000	0.0095500	0.0064200	0.0028300	0.0030200	0.0014600	0.0017000	0.0031700	0.0003900				

AEP - Indiana Michigan Power

Indiana	Biannual	Fuel factor	April-17	October-17	April-18	July-18	October-18	
			FFR - \$/kWh	(0.0030500)	(0.0024000)	(0.0017740)	0.0007920	(0.0020070)
			May-13	July-14	July-15	April-17	July-18	
Indiana	Annual	ECCR (5)* (Environmental Compliance Cost Rider)	ECCR - \$/kWh	0.0004700	0.0003180	0.0008700	(0.0000010)	0.0000000
			January-16	January-17	January-18	May-18	November-18	
			PSCR - \$/kWh	0.0088900	0.0105000	0.0179700	0.0040300	(0.0045700)

AEP Ohio

Ohio	Annual	GENERATION CAPACITY RIDER 2	GCR2	06/01/15	06/01/16	06/01/17	06/01/18
			SEC	.0116000	.0082000	.0131700	.0139300
			PRI	.0098100	.0064100	.0108400	.0128600
			SUB/TRAN	.0039000	.0041900	.0050900	.0177600
Ohio	Annual	GENERATION ENERGY RIDER	GER	06/01/15	06/01/16	06/01/17	06/01/18
			SEC	.0463200	.0466600	.0404800	.0355300
			PRI	.0447100	.0450400	.0390700	.0343000
			SUB/TRAN	.0438100	.0441400	.0382900	.0336100
Ohio	Annual	BASIC TRANSMISSION COST RIDER METERED KWH	BTCR KWH	01/31/17	08/29/17	03/29/18	06/01/18
			SEC	.0003466	.0004884	.0005135	.0004903
			PRI	.0003345	.0004714	.0004956	.0004732
			SUB/TRAN	.0003278	.0004620	.0004857	.0004638
Ohio	Annual	BASIC TRANSMISSION COST RIDER BILLABLE DEMAND KW	BTCR KW	01/31/17	08/29/17	03/29/18	06/01/18
			SEC	3.43	4.86	5.74	5.01
			PRI	3.83	4.84	6.02	5.32
			SUB/TRAN	3.45	4.33	5.49	5.03

AEP - Public Service Company of Oklahoma

Oklahoma	Biannual	Fuel factor	Fuel Clause	\$/kWh	\$/kWh	\$/kWh
			Period	SL/1	SL/2	SL/3
			Jan 16 - Oct 16	0.0205600	0.0193260	0.0205400
			Nov 16 - Apr 17	0.0262950	0.0252060	0.0279940
			May 17 - Sep 18	0.0282780	0.0284750	0.0325920
			Oct 18	0.0270530	0.0293500	0.0318610

AEP - Southwestern Electric Power Company

Arkansas	Biannual	Fuel factor	Period	Secondary \$/kWh	Primary \$/kWh										
			Apr 15 - Feb 16	0.0348700	0.0339220										
			Mar 16 - Mar 17	0.0263010	0.0254790										
			Apr 17 - Mar 18	0.0317390	0.0307390										
			Apr 18 -	0.0324190	0.0313970										
Louisiana	Monthly	Environmental Adjustment Clause	Month	January	February	March	April	May	June	July	August	September	October	November	December
			Primary 2017	0.0005680	0.0006770	0.0005380	0.0004580	0.0004950	0.0005510	0.0002680	0.0003880	0.0005340	0.0006490	0.0005710	0.0003910
			Secondary 2017	0.0005860	0.0006990	0.0005560	0.0004720	0.0005110	0.0005690	0.0002760	0.0004010	0.0005510	0.0006700	0.0005890	0.0004040
			Primary 2018	0.0007140	0.0006290	0.0004470	0.0007000	0.0006210	0.0002430	0.0005950	0.0006350	0.0005890	0.0003460	0.0009750	0.0006490
			Secondary 2018	0.0007380	0.0006500	0.0004620	0.0007220	0.0006410	0.0002510	0.0006140	0.0006560	0.0006080	0.0003570	0.0010070	0.0006700
			Month	January	February	March	April	May	June	July	August	September	October	November	December
	Primary 2017	0.0340630	0.0309680	0.0380720	0.0328350	0.0351590	0.0296610	0.0311520	0.0295500	0.0306880	0.0289290	0.0287110	0.0296650		
	Secondary 2017	0.0351600	0.0319670	0.0393030	0.0338960	0.0362960	0.0306220	0.0321630	0.0305150	0.0316870	0.0298690	0.0296450	0.0306310		
	Primary 2018	0.0329170	0.0297930	0.0369880	0.0351780	0.0301790	0.0307770	0.0336660	0.0264810	0.0287790	0.0304760	0.0292430	0.0323780		
	Secondary 2018	0.0339880	0.0307610	0.0381910	0.0363220	0.0311610	0.0317780	0.0347610	0.0273420	0.0297140	0.0314670	0.0301950	0.0334320		
	Non-ERCOT Texas	N/A	Fuel factor	Period	Secondary \$/kWh	Primary \$/kWh									
				Nov 17 - Dec 17	0.0299630	0.0290270									
Jan 18 - Apr 18				0.0306400	0.0296840										
May 18 - Jul 18				0.0340600	0.0329960										
Aug 18 - Oct 18				0.0288410	0.0297710										
Nov 18 -	0.0299630	0.0290270													

AEP - Texas Central Company & Texas North Company

Texas- TCC	Biannual	TCRF (Transmission Cost Recovery Factor)	TCRF	Sec < 10KW	Sec w/o IDR	Sec w IDR	Pri w/o IDR	Pri w IDR
			09/01/16	0.0057570	2.0804130	2.9671870	0.8206610	1.7430010
			03/01/17	0.0057900	2.1327020	3.7038790	0.7848270	1.7878570
			03/01/18	0.0040140	2.1003880	1.9271580	3.6426780	3.5518160
Texas- TNC	Biannual	TCRF (Transmission Cost Recovery Factor)	09/01/18	0.0043680	1.9912440	1.9344090	4.5404950	3.6093640
			TCRF	Sec < 10KW	Sec w/o IDR	Sec w IDR	Pri w/o IDR	Pri w IDR
			09/01/16	0.0040850	1.9402100	1.8834270	2.8613180	3.1046080
			03/01/17	0.0035150	1.9652450	2.0712950	4.5528670	2.9910160
			03/01/18	0.0060030	2.0546820	3.0536710	0.8166490	1.8809080
09/01/18	0.0059390	2.1236730	1.9271580	0.7984500	1.8984220			