



## AEP Ohio's Electric Security Plan III (ESP III) - Treatment of PJM-assessed transmission costs

AEP Ohio recently received an Opinion and Order from the Public Utilities Commission of Ohio (PUCO) regarding AEP Ohio's Electric Security Plan III (ESP III) case. AEP Ohio is preparing to implement the the Basic Transmission Cost Rider (BTCR) as approved in the Opinion and Order, subject to any possible changes that might result from any requests for rehearing or appeals. Please note that various aspects of the BTCR are the subject of an application for rehearing filed at the PUCO.

One component of the proposal involved AEP Ohio's proposed change in the treatment of transmission costs. AEP Ohio requested, and the PUCO approved, that AEP Ohio would assume responsibility (subject to recovery from retail customers) for cost-based transmission charges that you currently pay to your CRES (Certified Retail Electric Supplier) Provider. The PUCO determined that it is more appropriate for these charges to be collected by your electric distribution utility, AEP Ohio, than your CRES provider.

As of June 1, 2015, consistent with the ruling, AEP Ohio will be responsible for billing customers for cost-based transmission charges for both shopping and non-shopping customers' load.

### **Current Bill (Pre-June 1, 2015)**

#### AEP Charges

- Distribution Service
- Customer Charge
- Riders

#### Current "Supplier" Charges

- Generation
- Transmission



**Bill beginning June 1, 2015**

**AEP Charges**

- Distribution Service
- Transmission Service
- Customer Charge
- Riders

**"Supplier" Charges**

- Generation

Retail customers should expect to see their existing rates lowered by approximately 1 cent per kWh beginning June 2015 billing (and reflected in the bill received in July).

Please keep in mind that suppliers contacting you between now and through July may be presenting offers for you to switch without including the Transmission Service charges. This may make their offered rate appear lower than the rate currently in place. Remember, however, that Transmission Service makes up about 1 cent of the current rate, which will be removed from your retail suppliers billing beginning in June 2015 and moved to AEP Ohio's side of the bill. *For example, if the current CRES rate is 6.99 cents per kWh, then after June the rate will be lowered to approximately 5.99 cents per kWh.*

Any questions regarding this matter should be directed to the Township's consultant, Trebel LLC, at 1-877-861-2772.