



American Electric Power
801 Pennsylvania Ave, NW, Suite 735
Washington, DC 20004-2615

September 4, 2020

Honorable Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, DC 20426

**Re: *American Electric Power Service Corporation*
Revised 2020 Annual Update, AEP Indiana Michigan Transmission
Company, Inc., Docket No. ER17-406-000**

Dear Secretary Bose:

American Electric Power Service Corporation (“AEPSC”), on behalf of its affiliate AEP Indiana Michigan Transmission Company, Inc. (“IMTCo”), hereby re-submits IMTCo’s 2019 annual true-up formula rate file to replace the version that was included in the Company’s filing made on May 26, 2020 (“May 26 Filing”),¹ pursuant to Attachment H-20 of the PJM Interconnection, L.L.C. (“PJM”) Open Access Transmission Tariff (“OATT”),² in order to account for certain purchased transmission assets located in Midcontinent Independent System Operator, Inc. (“MISO”) footprint to ensure that there is no double recovery of this investment.

In December of 2018, IMTCo purchased from Duke Energy Indiana, L.L.C. (“Duke”), an investment in certain transmission assets located in a switchyard near Greentown, Indiana.³ At the time of this purchase, IMTCo was already the owner of other transmission assets located at this yard, which prior and subsequent to the purchase from Duke had been recovered as part of IMTCo’s PJM revenue requirement determined in Attachment H-20. However, because the incremental assets purchased from Duke are located in the Midcontinent Independent System Operator, Inc. (“MISO”) footprint, the recovery on and of this investment is governed by the protocols of MISO’s Attachment O formula rate. In order to ensure that there is no double

¹ A prior update was submitted on June 2, 2020, in order to include FERC Form No. 60, which due to delays caused by the COVID-19 pandemic, was not filed at the time that AEP submitted the 2020 Annual Update Filing on May 26. On August 21, 2020, AEPSC filed in this docket an IMTCo 2019 Annual True-up file to replace the one included in the May 26 Filing. The file included in the May 26 Filing was found to be corrupted and could not be opened. The August 21 Filing merely updated the record with a working version in eLibrary but did not result in any changes to the 2019 True-up Revenue Requirement.

² The May 26 Filing included the formulas for AEPSC affiliates AEP Appalachian Transmission Company, Inc. IMTCo, AEP Kentucky Transmission Company, Inc., AEP Ohio Transmission Company, Inc., and AEP West Virginia Transmission Company, Inc., (collectively “AEP” or “the AEP East Transmission Companies”). Only IMTCo is impacted by this filing.

³ See *Duke Energy Indiana, LLC et al.*, 164 FERC ¶ 62,094 (2018).

recovery of this investment, AEP utilizes certain functionality in the formula rate in Attachment H-20 to eliminate the investment in Greentown that's recoverable in MISO.⁴

A subsequent review of IMTCO's formula determined that the inputs made to remove this investment were overstated. Specifically, the monthly balances used to determine the 13 month average of the Greentown investment that is recovered in the MISO RTO and subtracted from ratebase in IMTCO's PJM formula rate reflected the combined balance of both the MISO and PJM recoverable investments at Greentown, thus overstating the deduction from ratebase in PJM and correspondingly understating the 2019 true-up revenue requirement.

To resolve this issue, IMTCO is resubmitting its 2019 true-up formula with the MISO offset input updated to reflect only the 13 month balances as recovered in the MISO formula.⁵ Included in this resubmittal are three revised files: (1) the corrected IMTCO formula rate template, (2) the revised summary of AEP Transmission Companies 2019 ATRR, and (3) the written summary of the change in revenue requirement and the amount of the true-up.⁶ The net impact of this correction is an increase to the true-up revenue requirement for 2019 of \$1,117,298 which reflects an increase of \$10,963 in Schedule 12 charges and an increase in Network Integration Transmission Service charges of \$1,106,335. As defined in the protocols in Attachment H-20, the true-up revenue requirement will be incorporated in the projected revenue requirement effective January 1, 2021. Thus, this change will not impact customer billings until that time.

Concurrent with this filing the revised files attached hereto will be submitted to PJM for posting (and publication, pursuant to AEP's protocols) on the PJM website at:

<http://pjm.com/markets-and-operations/billing-settlements-and-credit/formula-rates.aspx>

These revised files will also be posted on AEP's required legal postings site at:

<http://www.aep.com/about/codeofconduct/OASIS/TariffFilings/>

Thank you for your attention to this revision of this informational filing.

Respectfully submitted,

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⁴ The true-up in the May 26 Filing utilizes a 13 month average rate base to determine the true-up rates for 2019 that were initially assessed based on a projected formula filed in the fourth quarter of 2018. The MISO formula, by contrast, uses the year-end balance at 2019 to determine the rates to be assessed during the following rate year that began on June 1, 2020.

⁵ The specific correction involves changing the 13 month-end balances in formula WS A, column (d), lines 29 through 41.

⁶ Also included is a descriptive summary of the actual revenue requirements for 2019 and the true-up impact as compared to projected revenue requirements for the same year for the Annual Transmission Revenue Requirement, Schedule 12 RTEP Project revenue requirement, and Schedule 1A Scheduling System Control and Dispatch revenue requirement.