



**Public Utilities
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March 21, 2012

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RECEIVED-DOCKETING DIV

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

RE: *In the Matter of the Application of Ohio Power Company to Adjust Its Economic Development Cost Recovery Rider Rates, Case No. 12-688-EL-RDR.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application of Ohio Power Company regarding the Economic Development Cost Recovery Riders for the Columbus Southern Power Company and Ohio Power Company rate zones.

Sincerely,

Robert B. Fortney
Chief, Rates & Tariffs, Energy & Water Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
Technician JD Date Processed 3-21-12

Ohio Power Company
Case No. 12-688-EL-RDR

SUMMARY

On February 22, 2012, Ohio Power Company (AEP-Ohio) filed an application for approval to adjust the Economic Development Cost Recovery Rider (EDR) for the Ohio Power Company (OP) rate zone and the Columbus Southern Power Company (CSP) rate zone. On March 20, 2012, AEP-Ohio filed an update to the EDR to reflect the Commission's February 23, 2012 Entry in Case No. 11-346-EL-SSO, et al.

The EDR includes charges calculated by multiplying a customer's base distribution charge by a set percentage amount such that the utility timely recovers costs resulting from the delta revenues under the Commission-approved reasonable arrangements.

In this application, AEP-Ohio proposes to adjust the percentages to be applied to customer's distribution charges such that the proposed percentage for CSP is 10.08734% and the proposed percentage for OP is 14.06695%. Currently, the percentages are 6.96141% for CSP and 13.94508% for OP. The proposed CSP EDR charges include delta revenues associated with Ormet Primary Aluminum Corporation (Ormet) and Eramet Marietta, Inc. (Eramet), and the proposed OP EDR charges include delta revenues associated with Ormet, Globe Metallurgical, Inc. (Globe) and The Timken Company (Timken).

The proposed delta revenue amounts to be collected through the EDR results from reasonable arrangements approved by this Commission in Case No. 09-119-EL-AEC with Ormet, Case No. 09-516-EL-AEC with Eramet, Case No. 08-884-EL-AEC with Globe, and Case No. 10-3066-EL-AEC with Timken.

STAFF REVIEW AND RECOMMENDATIONS

Staff has reviewed the updated application and supporting schedules and finds the proposed EDR charges are a result of delta revenues resulting from reasonable arrangements approved by the Commission and recommends approval of the proposed application in this case.