

FILE



**Public Utilities
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March 10, 2014

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

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2014 MAR 10 PM 3:33
PUCO

RE: *In the Matter of the Application of Ohio Power Company to Adjust The Economic Development Cost Recovery Rider Rate, Case No. 14-193-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by Ohio Power Company to adjust its Economic Development Cost Recovery Rider, in Case No. 14-193-EL-RDR.

Sincerely,

Tamara S. Turkenton
Chief, Accounting & Electricity Division
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

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**Ohio Power Company
Case No. 14-193-EL-RDR**

SUMMARY

On February 3, 2014, Ohio Power Company (Company) filed an application for approval to adjust its Economic Development Cost Recovery Rider (EDR). After discussions with Staff, the Company filed revised schedules on February 21, 2014 to correct errors in the original schedules. 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 its application, updated on February 21, 2014, the Company provided two sets of schedules. The first set of schedules support a proposed EDR percentage charge of 12.59837%, representing an increase of 2.5921% over the current percentage charge of 10.0062%. This set of schedules includes the amount that the Company is seeking to recover through the EDR pursuant to the stipulation filed in in Case No. 13-2206-EL-CSS, involving the Ormet Primary Aluminum Corporation (Ormet). The second set of schedules support a proposed EDR percentage charge of 10.89905%, an increase of 0.89285% over the current EDR percentage charge of 10.0062%. The second set of schedules represent the amount that the Company is seeking to recover through the EDR should the Commission decide to modify or reject Stipulation in Case No. 13-2206-EL-CSS (Stipulation). In addition to the delta revenues associated with Ormet, the proposed EDR charges include delta revenues associated with Eramet Marietta, Inc. (Eramet), Globe Metallurgical, Inc. (Globe) and The Timken Company (Timken).

The proposed updated EDR includes delta revenue amounts that result 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.

The Company requests that the updated EDR percentage charge become effective for the first billing cycle of April 2014.

STAFF REVIEW AND RECOMMENDATIONS

Staff has reviewed the application as updated on February 21, 2014, including both sets of schedules provided in the application.

As of the date of these comments, the Commission has not acted on the Stipulation, and as a result, the Staff recommends that the Commission approve the proposed EDR percent charge of 10.89905%. Once the Stipulation is acted upon by the Commission, further adjustments may be necessary to future EDR charges to reflect such action. The Staff recommends that the proposed EDR charge of 10.89905%, become effective for the first billing cycle of April 2014.