



**Public Utilities
Commission**

John R. Kasich, Governor
Thomas W. Johnson, Chairman

RECEIVED-DOCKETING DIV

2015 MAR 11 AM 9:28

PUCO

Commissioners

Steven D. Lesser
Asim Z. Haque
Lynn Slaby
M. Beth Trombold

March 11, 2015

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 The Economic Development Cost Recovery Rider Rate, Case No. 15-279-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to application filed by Ohio Power Company, in Case No. 15-279-EL-RDR.

Tamara S. Turkenton
Chief, Regulatory Services Division
Public Utilities Commission of Ohio

David Lipthratt
Chief, Research and Policy 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 fe Date Processed MAR 11 2015

180 East Broad Street
Columbus, Ohio 43215-3793

(614) 466-3016
www.PUCO.ohio.gov

An equal opportunity employer and service provider

Ohio Power Company
Case No. 15-279-EL-RDR

SUMMARY

On February 6, 2015, Ohio Power Company (Company) filed an application for approval to adjust its Economic Development Cost Recovery Rider (EDR). 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, the Company provided two sets of schedules. The first set of schedules support a proposed EDR percentage charge of 3.72606%, representing a decrease of 7.72058% from the current percentage charge of 11.44664%. 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), as well as 2014 under recovered amounts associated with the reasonable arrangements for Ormet, Eramet Marietta, Inc. (Eramet), Globe Metallurgical, Inc. (Globe) and The Timken Company (Timken). The first set of schedules also includes 2015 forecasted delta revenue amounts associated with Eramet and Globe. The second set of schedules ("A" Schedules) support a proposed EDR percentage charge of 2.03573%, a decrease of 9.41091% from the current EDR percentage charge of 11.44664%. The "A" 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). The "A" Schedules include 2014 under recovered amounts associated with the reasonable arrangements for Ormet, Eramet, Globe and Timken. The "A" schedules also include 2015 forecasted delta revenue amounts associated with Eramet and Globe.

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. 13-1170-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 2015.

STAFF REVIEW AND RECOMMENDATIONS

Staff has reviewed the application, including both sets of schedules provided in the application.

As of the date of these comments, the Commission has not acted on the Stipulation as discussed above in Case No. 13-2206-EL-CSS, and as a result, the Staff recommends that the Commission approve the proposed EDR percent charge of 2.03573% (The second set of schedules designated as the "A" schedules). 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 2.03573% become effective with the first billing cycle for April 2015.