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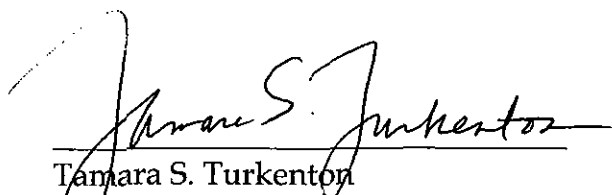
September 8, 2015

Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
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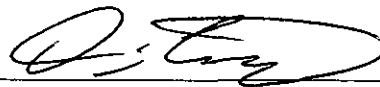
RE: *In the Matter of the Application of Ohio Power Company to Adjust The Economic Development Cost Recovery Rider Rate, Case No. 15-1400-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the application filed by Ohio Power Company, in Case No. 15-1400-EL-RDR.



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



David Lipthrott
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.
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**Ohio Power Company
Case No. 15-1400-EL-RDR**

SUMMARY

On July 31, 2015, Ohio Power Company (Company) filed an application for approval to adjust its Economic Development Cost Recovery Rider (EDR). On September 3, 2015, the Company filed an amended application following discussions with Staff. 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.

The proposed 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.

In its application, as amended on September 3, 2015, the Company provided two sets of schedules. Schedules 1, 2 and 6 support a proposed EDR percentage charge of -3.47894%, representing a decrease of 5.51467% from the current percentage charge of 2.03573%. Schedules 1A, 2A, 3 and 6A (A-Schedules) support a proposed EDR percentage charge of -0.13648%, representing a decrease of 2.17221% from the current percentage charge of 2.03573%. Both sets of schedules include an over collection balance amount of \$12,974,937 as of June 30, 2015, an expected over collection amount of \$1,649,994 from July 1, 2015 through September 30, 2015, and finally, the projected costs for October 2015 through March 2016, for Eramet Marietta, Inc. (Eramet), and Globe Metallurgical, Inc. (Globe) in the amount of \$3,833,078. The A-schedules include an additional amount of \$10,483,157 associated with the Stipulation in Case No. 13-2206-EL-CSS.

The Company requests that the updated EDR percentage charge become effective on a bills rendered basis on the first billing cycle for October 2015.

STAFF REVIEW AND RECOMMENDATIONS

Staff has reviewed the amended application, including both sets of schedules provided in the application, to ensure that the Company's policies and practices comport with sound ratemaking principles and Commission policies, confirm that its books and records are reliable sources of cost data, and ultimately determine if the application is just and reasonable. 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 -3.47894%, supported by schedules 1, 2 and 6 in the September 3, 2015 amended filing. Once the Stipulation is acted upon by the Commission, further adjustments may be necessary to future EDR charges to reflect such action.

CONCLUSION

The Staff recommends that the Commission approve the proposed EDR charge of -3.47894% to become effective on a bills rendered basis on the first billing cycle for October 2015.