

# THE PUBLIC UTILITIES COMMISSION OF OHIO

IN THE MATTER OF THE APPLICATION OF  
OHIO POWER COMPANY TO UPDATE ITS  
TRANSMISSION COST RECOVERY RIDER  
RATES.

CASE NO. 12-1046-EL-RDR

## FINDING AND ORDER

Entered in the Journal on August 31, 2016

### I. SUMMARY

{¶ 1} The Commission grants the request of Ohio Power Company to terminate collection of the transmission under-recovery rider, effective with the first billing cycle of September 2016 and following termination of collection, to include any remaining rider balance in the Company's next basic transmission cost recovery rider filing for final reconciliation.

### II. DISCUSSION

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility, as defined in R.C. 4928.01(A)(6), and a public utility, as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4928.141 provides that an electric distribution utility shall provide consumers within its certified territory a standard service offer (SSO) of all competitive retail electric services necessary to maintain essential electric services to customers, including a firm supply of electric generation services. The SSO may be either a market rate offer in accordance with R.C. 4928.142 or an electric security plan (ESP) in accordance with R.C. 4928.143.

{¶ 4} In Case No. 11-346-EL-SSO, et al., the Commission modified and approved AEP Ohio's application for an ESP for the period of June 1, 2012, through May 31, 2015, which included approval of the Company's proposal to continue the transmission cost recovery rider (TCRR) and to combine the TCRR mechanisms of

Columbus Southern Power Company (CSP) and Ohio Power Company in light of the merger of the utilities.<sup>1</sup> *In re Ohio Power Co.*, Case No. 11-346-EL-SSO, et al., Opinion and Order (Aug. 8, 2012) at 63-64.

{¶ 5} In Case No. 13-2385-EL-SSO, et al., the Commission modified and approved AEP Ohio's application for a subsequent ESP for the period of June 1, 2015, through May 31, 2018, which included approval of the Company's proposal to eliminate the TCRR and implement a new basic transmission cost recovery rider (BTCR). *In re Ohio Power Co.*, Case No. 13-2385-EL-SSO, et al., Opinion and Order (Feb. 25, 2015) at 67-68; Second Entry on Rehearing (May 28, 2015) at 31-32, 34.

{¶ 6} On October 24, 2012, in the above noted docket, the Commission authorized AEP Ohio to establish a separate nonbypassable rate, the transmission under-recovery rider (TURR), as part of the TCRR, to collect an approximately \$36 million under-recovery, plus carrying costs, evenly over a three-year period. Further, the Commission directed that the TURR terminate once the full amount of the under-recovery had been collected. *In re Ohio Power Co.*, Case No. 12-1046-EL-RDR, Finding and Order (Oct. 24, 2012) at 6-7; Entry on Rehearing (Dec. 12, 2012).

{¶ 7} On August 16, 2016, AEP Ohio filed correspondence noting that the Company expects the \$36 million under-recovery balance, plus carrying costs, to be recovered at the end of the August 2016 billing month. AEP Ohio, therefore, states that, unless otherwise ordered by the Commission, the Company will terminate collection of the TURR from customers effective with the first billing cycle of September 2016. AEP Ohio further states that, after termination of collection of the TURR, the Company intends to include any remaining TURR balance in its next BTCR filing for final

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<sup>1</sup> By Entry issued on March 7, 2012, the Commission approved and confirmed the merger of CSP into Ohio Power Company, effective December 31, 2011. *In re AEP Ohio*, Case No. 10-2376-EL-UNC, Entry (Mar. 7, 2012).

reconciliation with customers. AEP Ohio also notes that this proposed approach was developed in consultation with Staff.

{¶ 8} The Commission finds that AEP Ohio's proposal to terminate collection of the TURR, effective with the first billing cycle of September 2016, is consistent with the Commission's prior directives in the this proceeding and should, therefore, be approved. AEP Ohio's request to include, following termination of collection, any remaining TURR balance in its next BPCR filing for final reconciliation with customers should also be approved. Finally, we note that all TURR costs and recoveries remain subject to an audit and reconciliation.

### III. ORDER

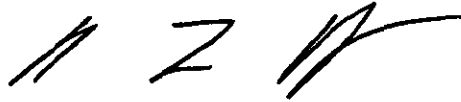
{¶ 9} It is, therefore,

{¶ 10} ORDERED, That AEP Ohio's request to terminate collection of the TURR and recover any remaining balance in its next BPCR filing be approved. It is, further

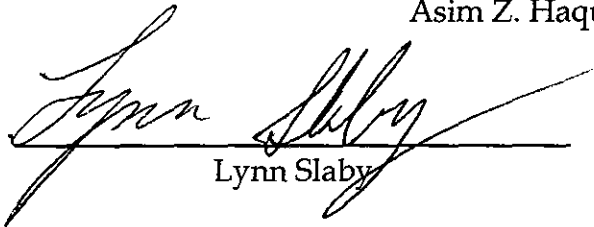
{¶ 11} ORDERED, That nothing in this Finding and Order shall be binding upon this Commission in any future proceeding or investigation involving the justness or reasonableness of any rate, charge, rule, or regulation. It is, further,

{¶ 12} ORDERED, That a copy of this Finding and Order be served upon all parties of record.

THE PUBLIC UTILITIES COMMISSION OF OHIO



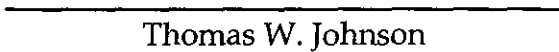
Asim Z. Haque, Chairman



Lynn Slaby



M. Beth Trombold



Thomas W. Johnson

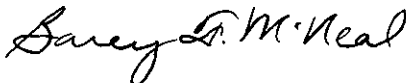


M. Howard Petricoff

GNS/dah

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**AUG 31 2016**



Barcy F. McNeal  
Secretary