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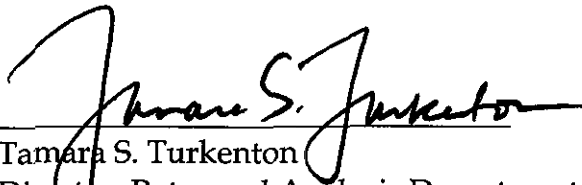
April 22, 2019

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 Update Its Pilot Throughput Balancing Adjustment Rider, Case No. 19-571-EL-RDR.*

Dear Docketing Division:

Enclosed please find the Review and Recommendations of the Staff of the Public Utilities Commission of Ohio (Staff) in the Matter of Ohio Power Company's Application to update its Pilot Throughput Balancing Adjustment Rider, Case No. 19-571-EL-RDR.



Tamara S. Turkenton
Director, Rates and Analysis Department
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 enclosed 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. 19-571-EL-RDR (Rider PTBAR)

SUMMARY

On December 14, 2011, in Case No. 11-351-EL-AIR et al., the Public Utilities Commission of Ohio (Commission) modified and approved the establishment of the Pilot Throughput Balancing Adjustment Rider (PTBAR) for residential and GS-1 tariff customers in both the Columbus Southern Power (CSP) and Ohio Power (OP) rate zones. As approved, Ohio Power Company d/b/a AEP Ohio (Company) is to make a monthly calculation comparing base distribution revenues actually collected by a customer class to the authorized base distribution revenues designed to be collected. The Company was authorized to apply a carrying charge based on its long-term debt rate. Any annual increases are subject to a three percent cap based on the total annual distribution revenues for a customer class, with additional amounts being deferred with carrying charges.

On March 1, 2019, the Company filed its PTBAR application comparing 2018 actual data with the test year data from the most recent distribution rate case. Actual Energy Revenue in 2018 was lower than Targeted Energy Revenue resulting in a total balancing account charge for RS and GS-1 customers of \$9,524,270.

In Case No. 18-1007-EL-UNC, the Commission approved in its Finding and Order dated October 3, 2018, a one-time offset of \$48.2 million of tax savings from the Tax Cut and Jobs Act of 2017 to the amount currently deferred as residential PTBAR under-recovery.

The proposed rider rates are as follows: \$0.0005935 per kWh for a CSP residential customers, \$0.0007417 per kWh for an OP residential customer, \$0.0006685 per kWh for CSP GS-1 customers, and \$0.0001055 for OP GS-1 customers. The 2018 calculation of the three percent cap results in no additional deferrals because the 2018 balancing account was not in excess of the cap.

FINANCIAL AUDIT

In its review, Staff examined the as-filed schedules for consistency with previous PTBAR cases to ensure proper accounting and regulatory treatment was applied. The audit consisted of a review of the financial statements for completeness, occurrence, presentation, valuation, allocation and accuracy. Staff conducted this audit through a combination of document review, interviews, and interrogatories.

STAFF RECOMMENDATION

Staff has completed its review of the filing and finds that the Company has appropriately calculated its PTBAR filing. Staff recommends that the application filed on March 1, 2019 be approved and become effective on a bills rendered basis beginning on July 1, 2019.