

FILE



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June 9, 2009

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

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 PUCO

RE: *In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company to Update Each Company's Transmission Cost Recovery Rider, Case No. 09-0339-EL-UNC*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendation in regard to Columbus Southern Power Company's and Ohio Power Company's Transmission Cost Recovery Rider (TCRR) application in this case.

Sincerely,

Robert B. Fortney

Robert B. Fortney
Chief, Rates & Tariffs, Energy & Water 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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**Columbus Southern Power Company
Ohio Power Company
Case No. 09-339-EL-UNC**

SUMMARY

On April 16, 2009, Columbus Southern Power Company and Ohio Power Company (Companies) filed an application for approval to update its Transmission Cost Recovery Rider (TCRR). On April 24, 2009, the Companies filed corrected schedules and workpapers to correct an error that was made in the April 16, 2009 filing.

As a member of PJM, the Companies are assessed various costs/credits by PJM as a result of providing service to retail customers in Ohio. The costs and credits included in the TCRR vary on a periodic basis and are appropriately included in a rider that is subject to an annual true-up and adjustment.

CSP's proposed rates reflect a \$6.4M reduction to revenues that would be collected under current rates for the July 2009 thru June 2010 time frame. The proposed rates include an adjustment of approximately -\$9.0M to reflect the prior year over-collection of revenues. The total proposed revenue for the July 2009 thru June 2010 time frame is approximately \$168.8M.

OP's proposed rates reflect a \$5.1M reduction to revenues that would be collected under current rates for the July 2009 thru June 2010 time frame. The proposed rates include an adjustment of approximately -\$6.4M to reflect the prior year over-collection of revenues. The total proposed revenue for the July 2009 thru June 2010 time frame is approximately \$200M.

Staff's review determined that certain billing determinants for CSP Schedule GS4 were incorrectly included in Schedule SBS. The adjustment results in a very minor downward change to the proposed rates (See Attached Table 1). The Company has agreed to correct the rates and file them with the final tariffs to be filed in accordance with the Commission Entry issued in this case.

CONCLUSION

The Companies request that their proposed updated TCRR become effective on a bills-rendered basis, beginning on June 29, 2009 – the first day of the July 2009 billing cycle. The Staff recommends the Application, as amended on April 24, 2009, be approved, subject to the adjustments discussed above.

Table 1

Columbus Southern Power:

<u>Schedule</u>	<u>Original Proposed</u>	<u>Corrected</u>
GS-4 Energy Charge	\$0.0021969	\$0.0021883
SBS Energy Charges:		
Backup Secondary	\$0.0030784	\$0.0030710
Backup Primary	\$0.0029781	\$0.0029710
Backup Sub/Trans	\$0.0029213	\$0.0029143
Maint. Secondary	\$0.0036925	\$0.0036851
Maint. Primary	\$0.0035722	\$0.0035651
Maint. Sub/Trans	\$0.0035041	\$0.0034971