



Public Utilities Commission

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October 3, 2011

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 Adjust Their Economic Development Cost Recovery Rider Rates, Case No. 11-4570-EL-RDR.*

Dear Docketing Division:


Enclosed please find the Staff's Review and Recommendations in regard to the application of Columbus Southern Power Company and Ohio Power Company regarding their Economic Development Cost Recovery Rider

Sincerely,

Robert B. Fortney
Chief, Rates & Tariffs, Energy & Water Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

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**Columbus Southern Power Company
Ohio Power Company**

Case No. 11-4570-EL-RDR

SUMMARY

On August 1, 2011, Columbus Southern Power Company and Ohio Power Company (AEP) filed an application for approval to adjust their Economic Development Cost Recovery Rider (EDR). The EDR determines the amount a customer will pay by multiplying a customer's distribution charges by a percentage such that the utility timely recovers costs resulting from the delta revenues under the Commission-approved reasonable arrangements.

In this application the delta revenue results from reasonable arrangements approved by this Commission in Case No. 09-119-EL-AEC with Ormet Primary Aluminum Corporation (Ormet), Case No. 09-516-EL-AEC with Eramet Marietta, Inc. (Eramet), Case No. 08-884-EL-AEC with Globe Metallurgical, Inc. (Globe), and Case No. 10-3066-EL-AEC with The Timken Company (Timken). This is the first EDR application that includes delta revenues resulting from the Globe and Timken reasonable arrangements.

In this application, AEP proposes to adjust the percentages to be applied to customer's distribution charges such that the proposed percentage for Columbus Southern Power Company (CSP) is 6.96141% and the proposed percentage for Ohio Power Company (OP) is 13.94508%. Currently, the percentages are 6.80493% for CSP and 7.53687% for OP. The proposed CSP EDR charges include delta revenues associated with Ormet and Eramet, and the proposed OP EDR charges include delta revenues associated with Ormet, Globe and Timken.

STAFF REVIEW AND RECOMMENDATIONS

Staff has reviewed the application and supporting schedules and finds the proposed EDR charges are a result of delta revenues resulting from reasonable arrangements approved by the Commission and recommends approval of the proposed application in this case.