

FILE



Public Utilities Commission

John R. Kasich, Governor
Todd A. Shitchler, Chairman

2
Commissioners

Cheryl Roberto
Steven D. Lesser
Andre T. Porter
Lynn Slaby

September 14, 2012

PUCO

RECEIVED-DOCKETING DIV
2012 SEP 14 PM 2:17

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 Adjust The Economic Development Cost Recovery Rider Rates, Case No. 12-2210-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to Ohio Power Company's application to adjust its Economic Development Cost Recovery Rider.

Sincerely,

Tamara S. Turkenton
Chief, Accounting & Electricity 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.

Technician Dur Date Processed SEP 14 2012

180 East Broad Street
Columbus, Ohio 43215-3793

(614) 466-3016
www.PUCO.ohio.gov

**Ohio Power Company
Case No. 12-2210-EL-RDR**

SUMMARY

On August 1, 2012, Ohio Power Company filed an application for approval to adjust the Economic Development Cost Recovery Rider (EDR) for the Ohio Power Company (OP) rate zone and the Columbus Southern Power Company (CSP) rate zone. Pursuant to the Commission's August 8, 2012 Order in 11-346-EL-SSO, et al., the EDR rates for the OP and CSP rate zones have been merged.

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.

In this application, AEP-Ohio proposes to adjust the percentages to be applied to customer's distribution charges such that the proposed percentage for the merged zones is 13.054648%. Currently, the percentage for the combined rate zones is 12.02309%. The proposed EDR charges include delta revenues associated with Ormet Primary Aluminum Corporation (Ormet), Eramet Marietta, Inc. (Eramet), Globe Metallurgical, Inc. (Globe) and The Timken Company (Timken).

The proposed delta revenue amounts to be collected through the EDR results 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. 08-884-EL-AEC with Globe, and Case No. 10-3066-EL-AEC with 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.