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March 7, 2017

PUCO

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 Rate, Case No. 17-295-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the Application of Ohio Power Company to Adjust the Economic Development Cost Recovery Rider, Case No. 17-295-EL-RDR.



Tamara S. Turkenton
Chief, Regulatory Services Division
Public Utilities Commission of Ohio



David Lipthart
Chief, Research and Policy Division
Public Utilities Commission of Ohio

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Enclosure

Cc: Parties of Record

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**Ohio Power Company
Case No. 17-295-EL-RDR**

SUMMARY

On January 27, 2017, Ohio Power Company (Company) filed an application for approval to adjust its Economic Development Cost Recovery Rider (EDR). The EDR allows the Company to timely recover costs resulting from Commission-approved reasonable arrangements.

In its application, the Company proposes to adjust the EDR percentage from its current level of 1.05864% to 2.81125%. This percentage is applied to a customer's base distribution bill to determine the amount to charge or credit a customer's monthly bill.

The proposed EDR rate includes a forecasted under recovery of \$3,000,245 as of March 31, 2017 and a forecasted delta revenue, including carrying costs equal to \$5,920,182 from April 1, 2017 through September 30, 2017. The total proposed revenue requirement for the period of April 1, 2017 through September 30, 2017 is \$8,920,427, resulting in the proposed rate of 2.81125%.

The proposed EDR includes delta revenue amounts that result from reasonable arrangements approved by this Commission in Case No. 09-516-EL-AEC with Eramet Marietta, Inc., Case Nos. 15-327-EL-AEC and 16-737-EL-AEC with Globe Metallurgical, Inc., and Case No. 15-1857-EL-AEC with Timken Steel Corporation.

The Company requests that the updated EDR rate become effective on the first billing cycle for October 2016.

STAFF REVIEW AND RECOMMENDATIONS

The Staff's investigation was designed to ensure that the Company's policies and practices comport with sound ratemaking principles and Commission policies, confirm that its books and records are reliable sources of cost data, and ultimately determine if the Application request is just and reasonable. Based on that investigation, the Staff concludes that the proposed EDR rate reflects the current and projected costs through March 31, 2017.

CONCLUSION

The Staff finds that the proposed EDR rate reflects the current and projected costs resulting from reasonable arrangements approved by the Commission, and recommends approval of the application for rates to become effective on the first billing cycle for April, 2017.