

**BEFORE THE  
PUBLIC UTILITIES COMMISSION OF OHIO**

<b>In the Matter of the Application of</b>	)	
<b>Ohio Power Company to Adjust</b>	)	<b>Case No. 18-1256-EL-RDR</b>
<b>The Economic Development Cost</b>	)	
<b>Recovery Rider Rate</b>	)	

**AMENDED APPLICATION**

1. Ohio Power Company (“Company” or “AEP Ohio”) is an electric light company, as that term is defined in §§4905.03 and 4928.01 (A) (7), Ohio Rev. Code.
2. In the Company’s Electric Security Plan proceeding (Case No. 13-2385-EL-SSO), the Commission authorized an Economic Development Cost Recovery Rider (EDR). Further, the Public Utilities Commission of Ohio (Commission) in Case No. 16-1852-EL-SSO on April 25, 2018 approved AEP Ohio's request to extend and modify its existing riders, including the EDR. The EDR is a rate that is determined by multiplying a percentage by the customers’ distribution charges. The EDR is to be adjusted periodically to recover economic development amounts authorized by the Commission.
3. By this amended application the Company proposes to update its EDR rate approved in AEP Ohio’s most recent EDR update ( in Case No.16-1852-EL-SSO) based on unrecovered costs resulting from the delta revenues (plus associated carrying costs) under the current or prior reasonable arrangements (contracts) with Eramet Marietta, Inc. (Eramet), Case No. 09-516-EL-AEC; with Globe Metallurgical, Inc. (Globe), Case Nos. 13-1170-EL-AEC, 15-327-EL-AEC

and 16-737-EL-AEC; and with TimkenSteel Corp. (TimkenSteel), Case No. 15-1857-EL-AEC. In compliance with the Commission Order in Case No. 16-1852-EL-SSO, the delta revenue also now includes half of program costs associated with the EE/PDR SubTran/Tran customers, half of the Interruptible Credit, and the entire Automaker Credit.

4. The detailed calculations and supporting data are reflected in the Schedules attached to the amended application. Schedule 1 is a summary sheet showing each component of the proposed EDR rates and is supported by calculations found in the remaining schedules. Schedule 2 shows the carrying charge calculations. Schedules 3, 4, and 5 show the specific delta revenue calculations for the Eramet, Globe, and TimkenSteel contracts, respectively. Schedule 6 shows the typical bill impacts of the change in the EDR rate for Columbus Southern Power and Ohio Power rate zones. Some of the information is redacted from the public version of the schedules and a separate motion for a protective order is being filed in accordance with OAC 4901-1-24.
5. Based on the estimated cost under-recoveries as evidenced by the projected 2018 and 2019 delta revenues, as well as on the actual and projected delta revenues associated with the Eramet, Globe, and TimkenSteel contracts, the Company proposes that the EDR rate, to be applied to customers' distribution charges, should be set at 3.92085%, effective with the first billing cycle of

October 2018.<sup>1</sup> (See Schedule 1). The EDR rate prior to the first billing cycle of October 2018 will remain at 2.91116%.

6. The Company's approach in this amended application calculates a rate based on the over-/under-recovery balance as of June 2018, the projected over-/under-recoveries from July through September 2018, and the forecasted delta revenues and rider revenue from October 2018 through March 2019. This approach is consistent with the Company's most recent EDR update.
7. The Company's rate approach continues to include the accrual of a carrying cost at the weighted average cost of long-term debt. In addition, if during any EDR rate period the Company determines either that the EDR collections are or will be substantially different than anticipated or the unrecovered costs based on delta revenues are or will be substantially different than anticipated (both of which typically would be related to significant changes to customers' load), it will file an amended application to modify its EDR rate for the remainder of that period in order to avoid unduly substantial over-and under-recovery deferrals. The Company will also continue its over/under accounting to track the delta revenues and the EDR collections in order to reconcile any difference through subsequent EDR rate adjustments.
8. Consistent with OAC 4901:1-38-08 and the Commission's decision in the prior EDR cases, the Company intends to continue making semiannual adjustments to its EDR rate, to be effective with the first billing cycle of April

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<sup>1</sup> To be clear, all of the percentages discussed herein apply to only the distribution portion of the bill, not the entire bill.

rate is just and reasonable and, therefore, no hearing is needed. A hearing would result in needless delay in beginning the recovery of the delta revenues and associated carrying costs identified above, thereby resulting in increased carrying costs to the Company's customers.

9. The Company requests that at the conclusion of the 20-day comment period prescribed by OAC 4901:1-38-08(C), the Commission approve this amended application for implementation by the start of the first billing cycle of October 2018. If the Commission is unable to conclude this proceeding in time for the EDR rates to be effective with the first billing cycle of April 2018, the Company requests interim authorization to begin collection based on the proposed EDR rate at the start of the first billing cycle of October 2018, with the understanding that the EDR recovery would be trued-up to the Commission's final order in this matter. Permitting such interim collection will avoid the impact of collecting the unrecovered costs over a shorter period of time.

Respectfully submitted,

/s/ Steven T. Nourse

Steven T. Nourse

Chief Ohio Regulatory Counsel –  
Regulatory Services

American Electric Power Service Corporation

1 Riverside Plaza, 29<sup>th</sup> Floor

Columbus, Ohio 43215

Telephone: (614) 716-1608

Fax: (614) 716-2950

Email: [stnourse@aep.com](mailto:stnourse@aep.com)

**Counsel for Ohio Power Company**

**Ohio Power Company**  
**August 2018 Economic Development Cost Recovery Rider True-Up**

	<u>Description</u>		<u>Source</u>
1	Estimated Delta Revenue October 2018 - March 2019	\$ 11,025,151	Schedule No. 2 Line 4
2	Estimated Carrying Costs October 2018 - March 2019	\$ 23,892	Schedule No. 2 Line 6
3	Total (Over) / Under Collection as of June 2018	\$ 251,634	Schedule No. 2 Line 9
4	Estimated (Over) / Under Collection July - September 2018	\$ 968,772	Schedule No. 2 Line 9
5	Total Revenue Requirement	\$ 12,269,449	Sum of Lines 1 through 4
6	One-Half Annual Base Distribution Revenue	\$ 312,928,048	One-Half Actual 2017 Base Distribution Revenue
7	Economic Development Cost Recovery Rider	3.92085%	Line 5 divided by Line 6
8	Current Economic Development Cost Recovery Rider	2.91116%	Per Ohio Power Company Tariff Economic Development Rider
9	Change	1.00969%	Line 7 minus Line 8

Ohio Power Company  
August 2017 Economic Development Cost Recovery Rider True-Up  
Calculation of Cumulative Carrying Costs

	Actual												Estimated											
	2017						2018						2019											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar								
1 Eramet Delta Revenue																								
2 Globe Delta Revenue																								
3 TimkenSteel Delta Revenue																								
4 EEPDR Costs																								
5 IRP Credit																								
6 Automaker Credit																								
7 Total Delta Revenue																								
8 Monthly Carrying Charge Rate (WAC of LTD)		0.5042%	0.5042%	0.5042%	0.5042%	0.5042%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%							
9 Monthly Carrying Charge																								
10 Rider Collections																								
11 Net (Over)/ Under Collection		(\$2,665)	\$3,159	(\$2,412)	\$578,313	\$540,473	\$1,554,453	\$1,450,821	\$1,450,821	\$1,450,821	\$1,968,475	\$1,880,690	\$2,101,518	\$2,275,893	\$2,043,252	\$1,999,620								
12 Cumulative Net (Over)/ Under Collection																								
13 Carrying Charge Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line 1 Actual and Estimated Eramet Delta Revenue  
Line 2 Actual and Estimated Globe Delta Revenue  
Line 3 Actual and Estimated TimkenSteel Delta Revenue  
Line 4 Actual and Estimated half of the SubTran/Tran EEPDR Program Costs  
Line 5 Actual and Estimated half of the IRP Credits  
Line 6 Actual and Estimated Automaker Credit  
Line 7 Sum of Lines 1 through 6  
Line 8 Weighted Average Cost of Long Term Debt  
Line 9 Line 8 times previous month Line 12  
Line 10 Actual and Estimated Economic Development Cost Recovery Rider Collections  
Line 11 Line 7 plus Line 9 minus Line 10  
Line 12 Line 11 plus previous month Line 12  
Line 13 Line 9 minus Line 9 plus previous month Line 13



Ohio Power Company  
Globe Economic Development Delta Revenue

	2017 Dec	2018												2019		
		Actual												Estimated		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
1	Globe Monthly Usage (kWh)															
	Globe Monthly Bill															
2	Total Bill subject to Discount															
3	Globe Discount Monthly Bill															
	Delta Revenue															
4	Total Delta Revenue															
5	Cumulative Total															

Line 1 6 Months Actual & 9 Months Estimated Globe usage  
Line 2 6 Months Actual & 9 Months Estimated Globe bill at tariff rate  
Line 3 [REDACTED]  
Line 4 Line 2 minus Line 3  
Line 5 Line 4 plus previous month Line 5



Ohio Power Company  
TimkenSteel Economic Development Delta Revenue

	2018												2019		
	Actual						Estimated						Jan	Feb	Mar
	2017	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
<b>TimkenSteel Monthly Bill</b>															
1															
<b>TimkenSteel Discount Monthly Bill</b>															
2															
<b>Delta Revenue</b>															
3															
4															
5															

Line 1 6 Months Actual & 9 Months Estimated TimkenSteel OAD Bill subject to discount  
Line 2 Ordered Discount applied to Line 1  
Line 3 Line 2 minus Line 1  
Line 4 Line 3 plus previous month Line 4  
Line 5 Line 3 plus previous month Line 5  
Line 6  
Line 7

**Ohio Power Company  
Typical Bill Comparison  
August 2018 EDR Filing  
Columbus Southern Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Difference</u>	<u>Difference</u>
<u>Residential</u>						
RR1 Annual	100		\$23.99	\$24.09	\$0.10	0.4%
	250		\$41.00	\$41.13	\$0.13	0.3%
	500		\$69.39	\$69.57	\$0.18	0.3%
RR Annual	750		\$97.71	\$97.94	\$0.23	0.2%
	1,000		\$126.10	\$126.37	\$0.27	0.2%
	1,500		\$182.82	\$183.18	\$0.36	0.2%
	2,000		\$239.52	\$239.97	\$0.45	0.2%
GS-1	375	3	54.97	55.09	\$0.12	0.2%
	1,000	3	117.74	117.95	\$0.21	0.2%
	750	6	92.64	92.82	\$0.18	0.2%
	2,000	6	218.21	218.57	\$0.36	0.2%
GS-2 Secondary						
	1,500	12	\$258.01	\$258.59	\$0.58	0.2%
	4,000	12	\$420.56	\$421.14	\$0.58	0.1%
	6,000	30	\$764.77	\$766.08	\$1.31	0.2%
	10,000	30	\$1,024.53	\$1,025.84	\$1.31	0.1%
	10,000	40	\$1,143.60	\$1,145.32	\$1.72	0.2%
	14,000	40	\$1,403.37	\$1,405.09	\$1.72	0.1%
	12,500	50	\$1,425.04	\$1,427.17	\$2.13	0.2%
	18,000	50	\$1,780.52	\$1,782.65	\$2.13	0.1%
	15,000	75	\$1,885.05	\$1,888.19	\$3.14	0.2%
	30,000	150	\$3,743.80	\$3,750.00	\$6.20	0.2%
	60,000	300	\$7,461.30	\$7,473.60	\$12.30	0.2%
	100,000	500	\$12,417.97	\$12,438.42	\$20.45	0.2%
GS-2 Primary						
	100,000	1,000	\$17,334.86	\$17,368.16	\$33.30	0.2%
GS-3 Secondary						
	30,000	75	\$2,850.77	\$2,853.91	\$3.14	0.1%
	50,000	75	\$4,138.38	\$4,141.52	\$3.14	0.1%
	30,000	100	\$3,148.44	\$3,152.61	\$4.17	0.1%
	36,000	100	\$3,534.71	\$3,538.88	\$4.17	0.1%
	60,000	150	\$5,675.21	\$5,681.41	\$6.20	0.1%

**Ohio Power Company  
Typical Bill Comparison  
August 2018 EDR Filing  
Columbus Southern Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Difference</u>	<u>Difference</u>
	100,000	150	\$8,250.42	\$8,256.62	\$6.20	0.1%
	90,000	300	\$9,392.72	\$9,405.02	\$12.30	0.1%
	120,000	300	\$11,324.13	\$11,336.43	\$12.30	0.1%
	150,000	300	\$13,255.54	\$13,267.84	\$12.30	0.1%
	200,000	300	\$16,474.56	\$16,486.86	\$12.30	0.1%
	150,000	500	\$15,637.00	\$15,657.45	\$20.45	0.1%
	180,000	500	\$17,568.40	\$17,588.85	\$20.45	0.1%
	200,000	500	\$18,856.01	\$18,876.46	\$20.45	0.1%
	325,000	500	\$26,903.56	\$26,924.01	\$20.45	0.1%
GS-3 Primary						
	300,000	1,000	\$29,733.14	\$29,766.44	\$33.30	0.1%
	360,000	1,000	\$33,452.62	\$33,485.92	\$33.30	0.1%
	400,000	1,000	\$35,932.28	\$35,965.58	\$33.30	0.1%
	650,000	1,000	\$51,430.12	\$51,463.42	\$33.30	0.1%
GS-4						
	1,500,000	5,000	\$124,554.84	\$124,565.54	\$10.70	0.0%
	2,500,000	5,000	\$181,921.64	\$181,932.34	\$10.70	0.0%
	3,250,000	5,000	\$224,946.74	\$224,957.44	\$10.70	0.0%
	3,000,000	10,000	\$240,205.04	\$240,215.74	\$10.70	0.0%
	5,000,000	10,000	\$354,938.64	\$354,949.34	\$10.70	0.0%
	6,500,000	10,000	\$440,988.84	\$440,999.54	\$10.70	0.0%
	6,000,000	20,000	\$471,501.92	\$471,512.62	\$10.70	0.0%
	10,000,000	20,000	\$700,969.12	\$700,979.82	\$10.70	0.0%
	13,000,000	20,000	\$873,073.04	\$873,083.74	\$10.70	0.0%
	15,000,000	50,000	\$1,165,406.64	\$1,165,417.34	\$10.70	0.0%
	25,000,000	50,000	\$1,739,074.64	\$1,739,085.34	\$10.70	0.0%
	32,500,000	50,000	\$2,169,325.64	\$2,169,336.34	\$10.70	0.0%

\* Typical bills assume 100% Power Factor

**Ohio Power Company  
Typical Bill Comparison  
August 2018 EDR Filing  
Ohio Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Difference</u>
Residential	100		\$24.65	\$24.75	\$0.10	0.4%
	250		\$42.63	\$42.76	\$0.13	0.3%
	500		\$72.63	\$72.81	\$0.18	0.3%
	750		\$102.58	\$102.81	\$0.23	0.2%
	1,000		\$132.59	\$132.86	\$0.27	0.2%
	1,500		\$192.58	\$192.94	\$0.36	0.2%
	2,000		\$252.52	\$252.97	\$0.45	0.2%
GS-1 Secondary	375	3	\$59.58	\$59.73	\$0.15	0.3%
	1,000	3	\$114.67	\$114.84	\$0.17	0.2%
	750	6	\$92.64	\$92.80	\$0.16	0.2%
	2,000	6	\$202.85	\$203.04	\$0.19	0.1%
GS-2	1,500	12	\$290.52	\$291.25	\$0.73	0.3%
	4,000	12	\$469.32	\$470.05	\$0.73	0.2%
	6,000	30	\$829.95	\$831.44	\$1.49	0.2%
	10,000	30	\$1,115.72	\$1,117.21	\$1.49	0.1%
	10,000	40	\$1,236.68	\$1,238.59	\$1.91	0.2%
	14,000	40	\$1,522.47	\$1,524.38	\$1.91	0.1%
	12,500	50	\$1,536.28	\$1,538.61	\$2.33	0.2%
	18,000	50	\$1,927.53	\$1,929.86	\$2.33	0.1%
	15,000	75	\$2,017.29	\$2,020.67	\$3.38	0.2%
	30,000	100	\$3,382.95	\$3,387.38	\$4.43	0.1%
	36,000	100	\$3,808.26	\$3,812.69	\$4.43	0.1%
	30,000	150	\$3,987.78	\$3,994.31	\$6.53	0.2%
	60,000	300	\$7,928.78	\$7,941.62	\$12.84	0.2%
	90,000	300	\$10,055.33	\$10,068.17	\$12.84	0.1%
	100,000	500	\$13,183.46	\$13,204.69	\$21.23	0.2%
	150,000	500	\$16,727.69	\$16,748.92	\$21.23	0.1%
	180,000	500	\$18,854.21	\$18,875.44	\$21.23	0.1%

**Ohio Power Company  
Typical Bill Comparison  
August 2018 EDR Filing  
Ohio Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Difference</u>
GS-3 Secondary	18,000	50	\$1,927.53	\$1,929.86	\$2.33	0.1%
	30,000	75	\$3,080.56	\$3,083.94	\$3.38	0.1%
	50,000	75	\$4,498.26	\$4,501.64	\$3.38	0.1%
	36,000	100	\$3,808.26	\$3,812.69	\$4.43	0.1%
	30,000	150	\$3,987.78	\$3,994.31	\$6.53	0.2%
	60,000	150	\$6,114.32	\$6,120.85	\$6.53	0.1%
	100,000	150	\$8,949.71	\$8,956.24	\$6.53	0.1%
	120,000	300	\$12,181.87	\$12,194.71	\$12.84	0.1%
	150,000	300	\$14,308.40	\$14,321.24	\$12.84	0.1%
	200,000	300	\$17,852.63	\$17,865.47	\$12.84	0.1%
	180,000	500	\$18,854.21	\$18,875.44	\$21.23	0.1%
	200,000	500	\$20,271.92	\$20,293.15	\$21.23	0.1%
	325,000	500	\$29,132.49	\$29,153.72	\$21.23	0.1%
GS-2 Primary	200,000	1,000	\$25,612.38	\$25,651.31	\$38.93	0.2%
	300,000	1,000	\$32,435.74	\$32,474.67	\$38.93	0.1%
GS-3 Primary	360,000	1,000	\$36,529.75	\$36,568.68	\$38.93	0.1%
	400,000	1,000	\$39,259.10	\$39,298.03	\$38.93	0.1%
	650,000	1,000	\$56,317.49	\$56,356.42	\$38.93	0.1%
GS-2 Subtransmission	1,500,000	5,000	\$132,238.66	\$132,243.82	\$5.16	0.0%
GS-3 Subtransmission	2,500,000	5,000	\$194,734.56	\$194,739.72	\$5.16	0.0%
	3,250,000	5,000	\$241,606.49	\$241,611.65	\$5.16	0.0%
GS-4 Subtransmission	3,000,000	10,000	\$255,582.51	\$255,587.67	\$5.16	0.0%
	5,000,000	10,000	\$380,574.31	\$380,579.47	\$5.16	0.0%
	6,500,000	10,000	\$474,318.16	\$474,323.32	\$5.16	0.0%
	10,000,000	20,000	\$752,253.81	\$752,258.97	\$5.16	0.0%
	13,000,000	20,000	\$939,741.51	\$939,746.67	\$5.16	0.0%
GS-4 Transmission	25,000,000	50,000	\$1,867,292.31	\$1,867,297.47	\$5.16	0.0%
	32,500,000	50,000	\$2,336,011.56	\$2,336,016.72	\$5.16	0.0%

\* Typical bills assume 100% Power Factor

**This foregoing document was electronically filed with the Public Utilities**

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**Case No(s). 18-1256-EL-RDR**

Summary: Amended Application electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company