

THE PUBLIC UTILITIES COMMISSION OF OHIO

**IN THE MATTER OF OHIO POWER
COMPANY'S IMPLEMENTATION OF THE
TAX CUTS AND JOBS ACT OF 2017.**

CASE NO. 18-1007-EL-UNC

**IN THE MATTER OF THE APPLICATION OF
OHIO POWER COMPANY TO AMEND ITS
TARIFFS.**

CASE NO. 18-1451-EL-ATA

ENTRY

Entered in the Journal on October 24, 2018

I. SUMMARY

{¶ 1} The Commission approves Ohio Power Company d/b/a AEP Ohio's compliance tariffs, as filed on October 15, 2018, and amended on October 23, 2018.

II. DISCUSSION

{¶ 2} Ohio Power Company d/b/a AEP Ohio (AEP Ohio or the Company) is an electric distribution utility as defined in R.C. 4928.01(A)(6) and a public utility as defined in R.C. 4905.02, and, as such, is subject to the jurisdiction of this Commission.

{¶ 3} R.C. 4909.18 provides, in part, that a public utility may file an application to establish or change any rate, charge, regulation, or practice. If the Commission determines that the application is not for an increase in any rate and does not appear to be unjust or unreasonable, the Commission may approve the application without the need for a hearing.

{¶ 4} The Tax Cuts and Jobs Act of 2017 (TCJA), which was signed into law on December 22, 2017, provides for a number of changes in the federal tax system. Most notably, the federal corporate income tax rate was reduced from 35 percent to 21 percent, effective January 1, 2018.

{¶ 5} On October 3, 2018, in the above-captioned cases, the Commission approved a joint stipulation and recommendation (Tax Stipulation) resolving the issues related to AEP Ohio's implementation of the TCJA.

{¶ 6} On October 15, 2018, AEP Ohio filed proposed compliance tariffs to become effective with the first billing cycle of November 2018. AEP Ohio notes that, in accordance with the Tax Stipulation, the proposed tariffs would update the Pilot Throughput Balancing Adjustment Rider to reflect a \$48.2 million one-time offset to the rider's current under-recovery; establish the initial rate for the Tax Savings Credit Rider (TSCR); and adjust the Distribution Investment Rider to reflect the credits to be applied from January through March 2018, in order to align the credits with the current rate collection that is based on March 2018 data. On October 23, 2018, AEP Ohio amended its proposed tariffs, in order to clarify that the TSCR provides a credit to customers' bills.

{¶ 7} On October 23, 2018, Staff filed its review and recommendations. Staff notes that it has reviewed AEP Ohio's proposed tariffs, as amended, and finds that they are in compliance with the October 3, 2018 Finding and Order. Staff, therefore, recommends that the proposed tariffs be approved, effective with the first billing cycle of November 2018.

{¶ 8} Upon review of AEP Ohio's compliance tariff filing of October 15, 2018, as amended on October 23, 2018, and Staff's review and recommendations, the Commission finds that the Company's proposed compliance tariffs are reasonable and consistent with the Tax Stipulation and the October 3, 2018 Finding and Order. Accordingly, the proposed compliance tariffs, as amended, should become effective with the first billing cycle of November 2018. We note that the TSCR will include an annual review and reconciliation to ensure the appropriate annual amounts are credited to customers.

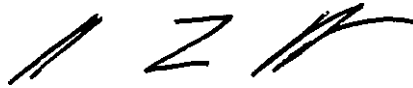
III. ORDER

{¶ 9} It is, therefore,

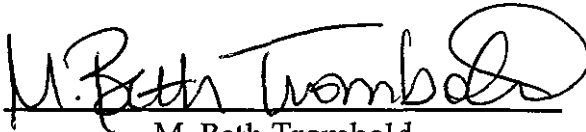
{¶ 10} ORDERED, That the proposed compliance tariffs filed by AEP Ohio on October 15, 2018, and amended on October 23, 2018, be approved, effective with the first billing cycle of November 2018. It is, further,

{¶ 11} ORDERED, That a copy of this Entry be served upon all parties of record.

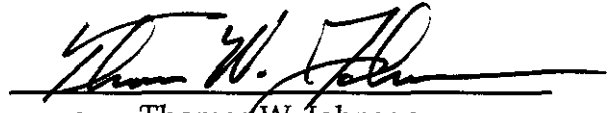
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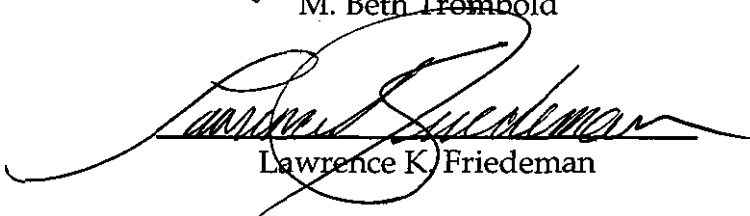
Asim Z. Haque, Chairman



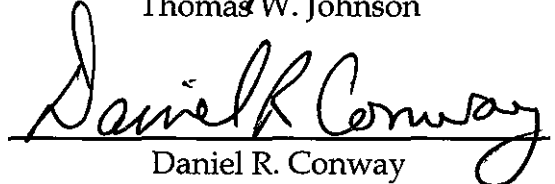
M. Beth Trombold



Thomas W. Johnson



Lawrence K. Friedeman



Daniel R. Conway

SJP/sc

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OCT 24 2018



Barcy F. McNeal
Secretary