



**Public Utilities
Commission**

Asim Z. Haque, Chairman

Commissioners

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February 27, 2019

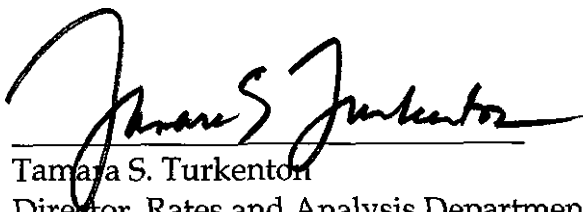
Docketing Division
Public Utilities Commission of Ohio
180 East Broad Street
Columbus OH 43215

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PUCO

RE: *In the Matter of application of Ohio Power Company to updated its Storm Damage Recovery Rider Rates, Case No. 18-0731-EL-RDR.*

Dear Docketing Division:

Enclosed please find Staff's response to the Company's Reply comments regarding the application filed by Ohio Power Company to adjust its Storm Damage Recovery Rider rates in Case No. 18-0731-EL-RDR.



Tamara S. Turkenton
Director, Rates and Analysis Department
Public Utilities Commission of Ohio



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

Enclosure
Cc: Parties of Record

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Ohio Power Company
Case No. 18-0731-EL-RDR

SUMMARY

On April 19, 2018, Ohio Power Company (Company) filed its application (Application) for the review of costs attributable to major storms during the calendar year 2017. The Company's Storm Damage Recovery Rider (SDRR) is a non-bypassable rider, approved by the Commission in Case No. 11-346-EL-SSO (ESP II) as the mechanism for recovery (or refund) of deferred incremental distribution expenses over or under \$5.0 million annually relating to "Major Events" as defined by Rule 4901:1-10-10(B) of the Ohio Administrative Code beginning January 1, 2012.

On February 25, 2015, the Commission issued an Opinion and Order in the Company's ESP III, Case No. 13-2385-EL-SSO, in part providing for the continuation of the SDRR, which requires a true-up application to be filed in April of each year.

In the Application, the Company proposed to refund an over-collection of approximately \$1.5 million during the year 2017. The Company proposed that the over-collection be credited to customers over a one-month period on a fixed customer charge basis.

On November 7, 2018, Staff filed a letter that recommended a reduction of \$23,325 for the 2017 major storm expenses, which increased the credit owed to customers, to \$1,524,226. This reduction resulted in an increase, from what was filed in the Application, in the credit amount for non-residential customers from \$(3.09) to \$(3.12). The credit for residential customers remained unchanged at \$(.72).

On December 4, 2018, the Company filed Reply comments to the Staff recommendations. The Company disagreed with Staff's adjustment to the repair and replacement of an underground cable, but stated that this should be capitalized instead of expensed and therefore would not seek recovery in the SDRR. This removal resulted in an additional \$466.98 deduction of the storm expenses. The Company also removed a \$160.57 expense that was inadvertently charged to this rider that was not included in Staff's adjustments. The Company agreed with Staff's other adjustments.

These adjustments increased the one month credit for residential customers to \$(.73) from \$(.72) but the non-residential credit remained unchanged at \$(3.13).

STAFF REVIEW

Staff has reviewed the Company's Reply comments and is satisfied with the treatment proposed by the Company and agrees with the amounts that are due to be credited to the customers' accounts.

CONCLUSION

Staff recommends that the SDRR be approved subject to Staff's recommended adjustments as detailed in its Staff Review and Recommendation Letter filed on November 7, 2018, and as

modified above. These recommendations would reduce the major storm expenses for 2017 by \$23,953 and increases the credit to \$1,524,858. The monthly credit for residential customers is increased to \$(.73) and the non-residential customers will receive a credit of \$(3.13).