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September 5, 2019

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RECEIVED-DOCKETING DIV

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. 19-1537-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's review and recommendations regarding the application of Ohio Power Company to update its Economic Development Cost Recovery Rider, Case No. 19-1537-EL-RDR.

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

David Lipthratt
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. 19-1537-EL-RDR**

SUMMARY

On August 1, 2019, Ohio Power Company (Company) filed an application for approval to adjust its Economic Development Cost Recovery Rider (EDR). The application was updated on August 27, 2019 to correct errors in the application language.

The EDR allows the Company to timely recover costs resulting from Commission-approved *reasonable arrangements as well as half of the program costs associated with the EE/PDR SubTran/Tran customers, half of the Interruptible Credit, and the entire Automaker Credit.* In its application, the Company proposes to adjust the EDR percentage from its current level of 1.97966% to 1.35371%. 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 over recovery of \$2,454,460 as of September 30, 2019 and a forecasted delta revenue, including carrying costs equal to \$6,850,692 from October 1, 2019 through March 31, 2020. The total proposed revenue requirement for the period of October 1, 2019 through March 31, 2020 is \$4,396,232, resulting in the proposed rate of 1.35371%.

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 No. 15-1857-EL-AEC with Timken Steel Corporation, Case No. 17-2132-EL-AEC with JSW Steel Ohio, Inc. and Case No. 19-124-EL-AEC with PRO-TEC Coating Company, LLC. In addition, the EDR includes costs related to the Commission's Order in Case No. 16-1852-EL-SSO, that authorized the Company to include half of the program costs associated with the EE/PDR SubTran/Tran customers, half of the Interruptible Credit, and the entire Automaker Credit.

The Company requests that the updated EDR rate become effective on the first billing cycle for October 2019.

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 accurately reflects the current and projected costs through March 31, 2020.

CONCLUSION

The Staff believes that the application filed on August 1, 2019, and updated on August 27, 2019, reflects the current and projected costs, and recommends approval of the application for the proposed rates to become effective on the first billing cycle for October, 2019.