



**Public Utilities
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March 12, 2020

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

RE: *In the Matter of the Application of the Ohio Power Company to Update Its Basic
Transmission Cost Rider, Case No. 20-95-EL-RDR*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations in regard to the
application filed by Ohio Power Company to update its Basic Transmission Cost Rider
in Case No. 20-95-EL-RDR



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

Enclosure
Cc: Parties of Record

**Ohio Power Company
Case No. 20-95-EL-RDR**

Summary

On January 15, 2020, Ohio Power Company (Ohio Power or Company) filed an application to update its Basic Transmission Cost Rider (BTCR). On February 21, 2020, the Company filed its amended application to update the BTCR rate according to the final notification of participation in the BTCR pilot program (Pilot). Through the BTCR, Ohio Power recovers the non-market based transmission charges assessed to it by PJM Interconnection, LLC (PJM), as authorized by the Federal Energy Regulatory Commission (FERC). The Commission authorized the establishment of this rider in Case No. 13-2385-EL-SSO. Through Case No. 16-1852-EL-SSO, the Commission continued the BTCR, with modification, for the period of June 1, 2018 through May 31, 2024.

The Pilot was approved in Case No. 16-1852-EL-SSO. Participants of the Pilot are billed for demand related transmission costs based on their individual Network Service Peak Load (NSPL). This provides an opportunity for these customers to control their transmission related costs by controlling their NSPL.

Staff Review and Recommendations

Staff reviewed the January 15, 2020 application and February 21, 2020 amended application. In its review, Staff examined the as-filed schedules for consistency with Commission's Opinion and Orders in previous cases and conducted this audit through a combination of document review, interviews, and interrogatories. For the audit period January through December 2019, Staff requested documentation as needed to determine that the costs were substantiated and jurisdictional or to conclude that an adjustment was warranted.

The BTCR includes \$903,852 in charges for PJM Transmission Loss Credits-LSE. The Company explained that pursuant to a recent FERC decision, PJM billed the Company to reverse credits the Company had previously received and passed to its customers through the bypassable Transmission Cost Recovery Rider (TCRR). Staff needs additional time to review this charge, the FERC decision, and company allocation. However, Staff notes that the TCRR terminated in May of 2016 and the remaining TCRR balance was recovered through the bypassable Auction Cost Reconciliation Rider (ACRR). Staff believes that any charges related to service provided under the bypassable TCRR be recovered on a bypassable basis through the ACRR. Therefore, Staff recommends that this charge be removed from the BTCR, the Company continue to work with Staff in its review of this charge and the Company request recovery through the ACRR.

Per the stipulation in Case No. 16-1852-EL-SSO, participation in the Pilot is limited to 500 MW in 2019, plus an additional 20 MW for schools. Staff has verified that the 2019 Pilot participants' load does not exceed the MW load limit.

Conclusion

Staff recommends that the schedules filed on January 15, 2020 and amended on February 21, 2020 be approved subject to the above recommendations. Staff recommends that the rates become effective on the first billing cycle of April, 2020.

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Case No(s). 20-0095-EL-RDR

Summary: Staff Review and Recommendation in regard to the application filed by Ohio Power Company to update its Basic Transmission Cost Rider electronically filed by Zee Molter on behalf of PUCO Staff