



Public Utilities Commission

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March 11, 2021

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

RE: *In the Matter of Ohio Power Company to Adjust The Economic Development Cost Recovery Rider Rate, Case No. 21-104-EL-RDR.*

Dear Docketing Division:

Enclosed please find the Staff's Review and Recommendations regarding the application filed by Ohio Power Company to adjust its Economic Development Cost Recovery Rider Rate, Case No. 21-104-EL-RDR.

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

Enclosure
Cc: Parties of Record

Ohio Power Company
Case No. 21-104-EL-RDR

SUMMARY

On February 1, 2021, Ohio Power Company (Company) filed an application for approval to adjust its Economic Development Cost Recovery Rider (EDR). On March 9, 2021, the Company amended its application to remove certain costs as described below. The EDR provides the Company with timely recovery of costs resulting from Commission-approved reasonable arrangements as well as one-half of the program costs associated with the Company's Energy Efficiency/Peak Demand Rider for sub-transmission and transmission customers, one-half of the costs related to the Interruptible Credit provided to customers under the IRP-D rider, and the costs associated with the entire Automaker Credit provided to customers.

In its February 1, 2021 application, the Company included 100% of the costs related to the Interruptible Credit provided to customers under the IRP-D Rider. 50% of these costs are currently included in the EDR Rider and 50% of these costs are included in the Company's EE/PDR rider; however, the EE/PDR Rider was terminated on January 1, 2021, and as a result, the Company proposed to include 100% of these costs in the EDR.

In its March 9, 2021 amended application, the Company removed the additional 50% of costs related to the Interruptible Credit that was historically included in the EE/PDR Rider. The Company originally proposed to include these costs in the EDR in Case No. 20-585-EL-AIR (AIR Case). The AIR Case is pending and, as a result, the Company is removing these costs from its application until the Commission acts upon the AIR case.

According to the application, the Company proposes to adjust the EDR percentage from its current level of 2.23580% to 2.70839%. 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 under recovery of \$1,819,302 as of March 31, 2021, and a forecasted delta revenue, including carrying costs equal to \$6,773,828 from April 1, 2021 through September 30, 2021. The total proposed revenue requirement for the period of April 1, 2021 through September 30, 2021 is \$8,593,130, resulting in the proposed rate of 2.70839%.

The proposed EDR includes delta revenue amounts that result from reasonable arrangements approved by this Commission in, 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 one-half of the program costs associated with the EE/PDR sub-transmission and transmission voltage level customers, one-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 April 2021.

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 the Company has proposed to include through September 30, 2021.

CONCLUSION

The Staff believes that the application filed on February 1, 2021, as amended on March 9, 2021, accurately reflects the current and projected costs the Company has proposed to include in its EDR, and the proposed rates should become effective on the first billing cycle for April 2021.

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 21-0104-EL-RDR

Summary: Staff Review and Recommendation regarding the application filed by Ohio Power Company to adjust its Economic Development Cost Recovery Rider Rate electronically filed by Zee Molter on behalf of PUCO Staff