



Public Utilities Commission

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April 22, 2021

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 Update Its Pilot Throughput
Balancing Adjustment Rider, Case No. 21-189-EL-RDR*

Dear Docketing Division:

Enclosed please find the Review and Recommendations of the Staff of the Public Utilities Commission of Ohio (Staff) in the Matter of Ohio Power Company's Application to update its Pilot Throughput Balancing Adjustment Rider, Case No. 21-189-EL-RDR

A handwritten signature in black ink, appearing to read "DLipthrott", written over a horizontal line.

David Lipthrott
Chief, Accounting & Finance Division
Public Utilities Commission of Ohio

Enclosure
Cc: Parties of Record

Ohio Power Company
Case No. 21-189-EL-RDR (Rider PTBAR)

SUMMARY

On December 14, 2011, in Case No. 11-351-EL-AIR et al., the Public Utilities Commission of Ohio (Commission) modified and approved the establishment of the Pilot Throughput Balancing Adjustment Rider (PTBAR) for residential and GS-1 tariff customers in both the Columbus Southern Power (CSP) and Ohio Power (OP) rate zones. As approved, Ohio Power Company d/b/a AEP Ohio (Company) is to make a monthly calculation comparing base distribution revenues actually collected by a customer class to the authorized base distribution revenues designed to be collected. The Company was authorized to apply a carrying charge based on its long-term debt rate. Any annual increases are subject to a three percent cap based on the total annual distribution revenues for a customer class, with additional amounts being deferred with carrying charges.

On February 26, 2021, the Company filed its PTBAR application comparing 2020 actual data with the test year data from the most recent distribution rate cases. Actual Energy Revenue in 2020 was lower than the Targeted Energy Revenue for both CSP and OP. This difference results in a total balancing account charge for RS and GS-1 customers of \$14,480,254 and \$14,672,449 for CSP and OP respectfully.

The proposed rider rates are as follows: \$0.0015677 per kWh for a CSP residential customers, \$0.0015502 per kWh for an OP residential customer, \$0.0016756 per kWh for CSP GS-1 customers, and \$0.0002507 for OP GS-1 customers. The 2020 calculation of the three percent cap results in a deferral of \$5,557,550 for residential CSP customers and a deferral of \$9,707,981 for residential OP customers.

FINANCIAL AUDIT

In its review, Staff examined the as-filed schedules for consistency with previous PTBAR cases to ensure proper accounting and regulatory treatment was applied. The audit consisted of a review of the financial statements for completeness, occurrence, presentation, valuation, allocation and accuracy. Staff conducted this audit through a combination of document review and interrogatories.

STAFF RECOMMENDATION

Staff has completed its review of the filing and finds that the Company has appropriately calculated its PTBAR filing. Staff recommends that the application filed on February 26, 2021, be approved and become effective on a bill rendered basis beginning on July 1, 2021.

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 21-0189-EL-RDR

Summary: Staff Review and Recommendation in the Matter of Ohio Power Company's Application to update its Pilot Throughput Balancing Adjustment Rider electronically filed by Zee Molter on behalf of PUCO Staff