

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Ohio Power Company to Adjust)	Case No. 21-831-EL-RDR
The Economic Development Cost)	
Recovery Rider Rate)	

APPLICATION

1. Ohio Power Company (“Company” or “AEP Ohio”) is an electric light company, as that term is defined in §§4905.03 and 4928.01 (A) (7), Ohio Rev. Code.
2. In the Company’s Electric Security Plan proceeding (Case No. 13-2385-EL-SSO), the Commission authorized an Economic Development Cost Recovery Rider (EDR). Further, the Public Utilities Commission of Ohio (Commission) in Case No. 16-1852-EL-SSO on April 25, 2018 approved AEP Ohio's request to extend and modify its existing riders, including the EDR. The EDR is a rate that is determined by multiplying a percentage by the customers’ distribution charges. The EDR is to be adjusted periodically to recover economic development amounts authorized by the Commission.
3. By this application the Company proposes to update its EDR rate approved in AEP Ohio’s most recent EDR update (in Case No.16-1852-EL-SSO) based on unrecovered costs resulting from the delta revenues (plus associated carrying costs) under the current or prior reasonable arrangements (contracts) with TimkenSteel Corp. (TimkenSteel), Case No. 15-1857-EL-AEC; with JSW Steel Ohio, Inc. (FKA Acero Junction, Inc.), Case No. 17-2132-EL-

AEC; and with PRO-TEC Coating Company, LLC, Case No. 19-0124-EL-AEC. In compliance with the Commission Order in Case No. 16-1852-EL-SSO, the delta revenue also now includes half of program costs associated with the EE/PDR SubTran/Tran customers, half of the Interruptible Credit, and the entire Automaker Credit.

4. The detailed calculations and supporting data are reflected in the Schedules attached to the application. Schedule 1 is a summary sheet showing each component of the proposed EDR rates and is supported by calculations found in the remaining schedules. Schedule 2 shows the carrying charge calculations. Schedules 3, 4, and 5 show the specific delta revenue calculations for the TimkenSteel, JSW, and Pro-Tec contracts, respectively. Schedule 6 shows the typical bill impacts of the change in the EDR rate for Columbus Southern Power and Ohio Power rate zones. Some of the information is redacted from the public version of the schedules and a separate motion for a protective order is being filed in accordance with OAC 4901-1-24.
5. Based on the estimated cost over-recoveries as evidenced by the projected 2021 and 2022 delta revenues, as well as on the actual and projected delta revenues associated with the TimkenSteel, JSW, and Pro-Tec contracts, the Company proposes that the EDR rate, to be applied to customers' distribution charges, should be set at 2.03027%, effective with the first billing cycle of

October 2021.¹ (See Schedule 1). The EDR rate prior to the first billing cycle of October 2021 will remain at 2.708392%.

6. The Company's approach in this application calculates a rate based on the over-/under-recovery balance as of June 2021, the projected over-/under-recoveries from July through September 2021, and the forecasted delta revenues and rider revenue from October 2021 through March 2022. This approach is consistent with the Company's most recent EDR update.
7. The Company's rate approach continues to include the accrual of a carrying cost at the weighted average cost of long-term debt. In addition, if during any EDR rate period the Company determines either that the EDR collections are or will be substantially different than anticipated or the unrecovered costs based on delta revenues are or will be substantially different than anticipated (both of which typically would be related to significant changes to customers' load), it will file an application to modify its EDR rate for the remainder of that period in order to avoid unduly substantial over-and under-recovery deferrals. The Company will also continue its over/under accounting to track the delta revenues and the EDR collections in order to reconcile any difference through subsequent EDR rate adjustments.
8. Consistent with OAC 4901:1-38-08 and the Commission's decision in the prior EDR cases, the Company intends to continue making semiannual adjustments to its EDR rate, to be effective with the first billing cycle of April and of October in each year. The Company believes that its proposed EDR

¹ To be clear, all of the percentages discussed herein apply to only the distribution portion of the bill, not the entire bill.

rate is just and reasonable and, therefore, no hearing is needed. A hearing would result in needless delay in beginning the recovery of the delta revenues and associated carrying costs identified above, thereby resulting in increased carrying costs to the Company's customers.

9. The Company requests that at the conclusion of the 20-day comment period prescribed by OAC 4901:1-38-08(C), the Commission approve this application for implementation by the start of the first billing cycle of October 2021. If the Commission is unable to conclude this proceeding in time for the EDR rates to be effective with the first billing cycle of October 2021, the Company requests interim authorization to begin collection based on the proposed EDR rate at the start of the first billing cycle of October 2021, with the understanding that the EDR recovery would be trued-up to the Commission's final order in this matter. Permitting such interim collection will avoid the impact of collecting the unrecovered costs over a shorter period of time.

Respectfully submitted,

/s/ Steven T. Nourse

Steven T. Nourse

American Electric Power Service Corporation

1 Riverside Plaza, 29th Floor

Columbus, Ohio 43215

Telephone: (614) 716-1608

Fax: (614) 716-2950

Email: stnourse@aep.com

Counsel for Ohio Power Company

Ohio Power Company
August 2021 Economic Development Cost Recovery Rider True-Up

	<u>Description</u>		<u>Source</u>
1	Estimated Delta Revenue October 2021 - March 2022	\$ 6,498,642	Schedule No. 2 Line 8
2	Estimated Carrying Costs October 2021 - March 2022	\$ (2,660)	Schedule No. 2 Line 10
3	Total (Over) / Under Collection as of June 2021	\$ 1,123,610	Schedule No. 2 Line 12
4	Estimated (Over) / Under Collection July - September 2021	\$ (1,407,717)	Schedule No. 2 Line 12
5	Total Revenue Requirement	\$ 6,211,875	Sum of Lines 1 through 7
6	One-Half Annual Base Distribution Revenue	\$ 305,962,421	One-Half Actual 2020 Base Distribution Revenue
7	Economic Development Cost Recovery Rider	2.03027%	Line 5 divided by Line 6
8	Current Economic Development Cost Recovery Rider	2.70839%	Per Ohio Power Company Tariff Economic Development Rider
9	Change	-0.67812%	Line 7 minus Line 8

Ohio Power Company
August 2021 Economic Development Cost Recovery Rider True-Up
Calculation of Cumulative Carrying Costs

	2020 Dec	Actual					Estimated											
		Jan	Feb	Mar	Apr	May	2021 Jun	Jul	Aug	Sep	Oct	Nov	Dec	2022 Jan	Feb	Mar		
1 TimkenSteel Delta Revenue																		
2 JSW Delta Revenue																		
3 Pro-Tec Delta Revenue																		
4 EEPDR Costs																		
5 RP Credit																		
6 Automaker Credit																		
7 Total Delta Revenue																		
8 Monthly Carrying Charge Rate (WAC of LTD)		0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.4633%		
9 Monthly Carrying Charge																		
10 Rider Collections		\$1,278,741	\$1,262,311	\$1,176,975	\$1,305,752	\$1,270,690	\$1,385,183	\$1,572,177	\$1,590,011	\$1,503,649	\$964,847	\$939,018	\$1,065,193	\$1,129,902	\$1,069,985	\$1,042,929		
11 Net (Over)/ Under Collection																		
12 Cumulative Net (Over)/ Under Collection																		
13 Carrying Charge Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Line 1 Actual and Estimated TimkenSteel Delta Revenue
Line 2 Actual and Estimated JSW Delta Revenue
Line 3 Actual and Estimated Pro-Tec Delta Revenue
Line 4 Actual and Estimated half of the Sub Tran/Tran EEPDR Program Costs
Line 5 Actual and Estimated half of the IRP Credits minus any PJM payments remitted
Line 6 Actual and Estimated Automaker Credit
Line 7 Sum of Lines 1 through 6
Line 8 Weighted Average Cost of Long Term Debt
Line 9 Line 8 times previous month Line 11
Line 10 Actual and Estimated Economic Development Cost Recovery Rider Collections
Line 11 Line 7 plus Line 9 minus Line 10
Line 12 Line 11 plus previous month Line 12
Line 13 Line 8 minus Line 9 plus previous month Line 13

Ohio Power Company
TimkenSteel Economic Development Delta Revenue

	2020 Dec	Actual					Estimated											
		2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2022	2022	2022
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar		
1 TimkenSteel Monthly Bill																		
2 TimkenSteel Discount Monthly Bill																		
3 Delta Revenue																		
4																		
5																		
6																		

1	JSW OAD Monthly Bill
2	JSW Discount Monthly Bill
3	
4	
6	
7	Delta Revenue
8	

[illegible][illegible]

1 PRO-TEC OAD Monthly Bill
2 PRO-TEC Discount Monthly Bill
3 Delta Revenue

4 [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]
5 [REDACTED] [REDACTED] [REDACTED]

[REDACTED]

[REDACTED] [REDACTED] [REDACTED]

**Ohio Power Company
Typical Bill Comparison
August 2021 EDR Filing
Columbus Southern Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Difference</u>	<u>Difference</u>
<u>Residential</u>						
RR1 Annual	100		\$26.57	\$26.50	-\$0.07	-0.3%
	250		\$44.01	\$43.92	-\$0.09	-0.2%
	500		\$73.14	\$73.02	-\$0.12	-0.2%
RR Annual	750		\$102.24	\$102.09	-\$0.15	-0.2%
	1,000		\$131.35	\$131.17	-\$0.18	-0.1%
	1,500		\$189.55	\$189.31	-\$0.24	-0.1%
	2,000		\$247.74	\$247.43	-\$0.31	-0.1%
GS-1	100	3	\$31.05	\$30.99	-\$0.06	-0.2%
	500	3	\$69.16	\$69.06	-\$0.10	-0.1%
	1,000	3	\$116.78	\$116.63	-\$0.15	-0.1%
	750	6	\$92.96	\$92.84	-\$0.12	-0.1%
	2,000	6	\$212.00	\$211.75	-\$0.25	-0.1%
<u>GS-2 Secondary</u>						
	1,500	12	\$253.48	\$253.09	-\$0.39	-0.2%
	4,000	12	\$376.57	\$376.18	-\$0.39	-0.1%
	6,000	30	\$705.29	\$704.41	-\$0.88	-0.1%
	10,000	30	\$901.88	\$901.00	-\$0.88	-0.1%
	10,000	40	\$1,029.89	\$1,028.74	-\$1.15	-0.1%
	14,000	40	\$1,226.47	\$1,225.32	-\$1.15	-0.1%
	12,500	50	\$1,280.80	\$1,279.37	-\$1.43	-0.1%
	18,000	50	\$1,549.42	\$1,547.99	-\$1.43	-0.1%
	15,000	75	\$1,723.70	\$1,721.58	-\$2.12	-0.1%
	30,000	150	\$3,412.63	\$3,408.47	-\$4.16	-0.1%
	60,000	300	\$6,790.50	\$6,782.24	-\$8.26	-0.1%
	100,000	500	\$11,294.33	\$11,280.59	-\$13.74	-0.1%
<u>GS-2 Primary</u>						
	100,000	1,000	\$17,066.77	\$17,044.40	-\$22.37	-0.1%
<u>GS-3 Secondary</u>						
	30,000	75	\$2,452.48	\$2,450.36	-\$2.12	-0.1%
	50,000	75	\$3,424.20	\$3,422.08	-\$2.12	-0.1%
	30,000	100	\$2,772.53	\$2,769.73	-\$2.80	-0.1%
	36,000	100	\$3,064.05	\$3,061.25	-\$2.80	-0.1%
	60,000	150	\$4,870.19	\$4,866.03	-\$4.16	-0.1%
	100,000	150	\$6,813.60	\$6,809.44	-\$4.16	-0.1%
	90,000	300	\$8,248.06	\$8,239.80	-\$8.26	-0.1%
	120,000	300	\$9,705.62	\$9,697.36	-\$8.26	-0.1%
	150,000	300	\$11,163.19	\$11,154.93	-\$8.26	-0.1%
	200,000	300	\$13,592.44	\$13,584.18	-\$8.26	-0.1%
	150,000	500	\$13,723.60	\$13,709.86	-\$13.74	-0.1%

**Ohio Power Company
Typical Bill Comparison
August 2021 EDR Filing
Columbus Southern Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>\$</u> <u>Difference</u>	<u>Difference</u>
	180,000	500	\$15,181.15	\$15,167.41	-\$13.74	-0.1%
	200,000	500	\$16,152.86	\$16,139.12	-\$13.74	-0.1%
	325,000	500	\$22,226.01	\$22,212.27	-\$13.74	-0.1%
GS-3						
Primary						
	300,000	1,000	\$27,639.43	\$27,617.06	-\$22.37	-0.1%
	360,000	1,000	\$30,811.23	\$30,788.86	-\$22.37	-0.1%
	400,000	1,000	\$32,925.76	\$32,903.39	-\$22.37	-0.1%
	650,000	1,000	\$46,141.59	\$46,119.22	-\$22.37	-0.1%
GS-4						
	1,500,000	5,000	\$105,191.49	\$105,184.30	-\$7.19	0.0%
	2,500,000	5,000	\$150,945.89	\$150,938.70	-\$7.19	0.0%
	3,250,000	5,000	\$185,261.69	\$185,254.50	-\$7.19	0.0%
	3,000,000	10,000	\$206,073.09	\$206,065.90	-\$7.19	0.0%
	5,000,000	10,000	\$297,581.89	\$297,574.70	-\$7.19	0.0%
	6,500,000	10,000	\$366,213.49	\$366,206.30	-\$7.19	0.0%
	6,000,000	20,000	\$407,836.29	\$407,829.10	-\$7.19	0.0%
	10,000,000	20,000	\$590,853.89	\$590,846.70	-\$7.19	0.0%
	13,000,000	20,000	\$728,117.09	\$728,109.90	-\$7.19	0.0%
	15,000,000	50,000	\$1,013,125.89	\$1,013,118.70	-\$7.19	0.0%
	25,000,000	50,000	\$1,470,669.89	\$1,470,662.70	-\$7.19	0.0%
	32,500,000	50,000	\$1,813,827.89	\$1,813,820.70	-\$7.19	0.0%

* Typical bills assume 100% Power Factor

**Ohio Power Company
Typical Bill Comparison
August 2021 EDR Filing
Ohio Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Difference</u>
Residential	100		\$26.57	\$26.50	-\$0.07	-0.3%
	250		\$44.01	\$43.92	-\$0.09	-0.2%
	500		\$73.13	\$73.01	-\$0.12	-0.2%
	750		\$102.22	\$102.07	-\$0.15	-0.2%
	1,000		\$131.33	\$131.15	-\$0.18	-0.1%
	1,500		\$189.52	\$189.28	-\$0.24	-0.1%
	2,000		\$247.70	\$247.39	-\$0.31	-0.1%
GS-1 Secondary	100	3	\$40.01	\$39.92	-\$0.09	-0.2%
	500	3	\$73.09	\$73.00	-\$0.09	-0.1%
	1,000	3	\$114.43	\$114.32	-\$0.11	-0.1%
	750	6	\$93.76	\$93.66	-\$0.10	-0.1%
	2,000	6	\$197.08	\$196.95	-\$0.13	-0.1%
GS-2	1,500	12	\$286.92	\$286.43	-\$0.49	-0.2%
	4,000	12	\$426.86	\$426.37	-\$0.49	-0.1%
	6,000	30	\$772.56	\$771.56	-\$1.00	-0.1%
	10,000	30	\$996.10	\$995.10	-\$1.00	-0.1%
	10,000	40	\$1,126.06	\$1,124.78	-\$1.28	-0.1%
	14,000	40	\$1,349.60	\$1,348.32	-\$1.28	-0.1%
	12,500	50	\$1,395.74	\$1,394.18	-\$1.56	-0.1%
	18,000	50	\$1,701.44	\$1,699.88	-\$1.56	-0.1%
	15,000	75	\$1,860.35	\$1,858.08	-\$2.27	-0.1%
	30,000	100	\$3,015.14	\$3,012.17	-\$2.97	-0.1%
	36,000	100	\$3,347.10	\$3,344.13	-\$2.97	-0.1%
	30,000	150	\$3,664.95	\$3,660.56	-\$4.39	-0.1%
	60,000	300	\$7,274.13	\$7,265.51	-\$8.62	-0.1%
	90,000	300	\$8,933.89	\$8,925.27	-\$8.62	-0.1%
	100,000	500	\$12,086.36	\$12,072.10	-\$14.26	-0.1%
	150,000	500	\$14,852.64	\$14,838.38	-\$14.26	-0.1%
	180,000	500	\$16,512.38	\$16,498.12	-\$14.26	-0.1%

**Ohio Power Company
Typical Bill Comparison
August 2021 EDR Filing
Ohio Power Rate Zone**

<u>Tariff</u>	<u>kWh</u>	<u>KW</u>	<u>Current</u>	<u>Proposed</u>	<u>Difference</u>	<u>Difference</u>
GS-3	18,000	50	\$1,701.44	\$1,699.88	-\$1.56	-0.1%
Secondary	30,000	75	\$2,690.24	\$2,687.97	-\$2.27	-0.1%
	50,000	75	\$3,796.76	\$3,794.49	-\$2.27	-0.1%
	36,000	100	\$3,347.10	\$3,344.13	-\$2.97	-0.1%
	30,000	150	\$3,664.95	\$3,660.56	-\$4.39	-0.1%
	60,000	150	\$5,324.71	\$5,320.32	-\$4.39	-0.1%
	100,000	150	\$7,537.72	\$7,533.33	-\$4.39	-0.1%
	120,000	300	\$10,593.65	\$10,585.03	-\$8.62	-0.1%
	150,000	300	\$12,253.42	\$12,244.80	-\$8.62	-0.1%
	200,000	300	\$15,019.67	\$15,011.05	-\$8.62	-0.1%
	180,000	500	\$16,512.38	\$16,498.12	-\$14.26	-0.1%
	200,000	500	\$17,618.89	\$17,604.63	-\$14.26	-0.1%
	325,000	500	\$24,534.55	\$24,520.29	-\$14.26	-0.1%
GS-2	200,000	1,000	\$22,830.42	\$22,804.28	-\$26.14	-0.1%
Primary	300,000	1,000	\$27,929.75	\$27,903.61	-\$26.14	-0.1%
GS-3	360,000	1,000	\$30,989.35	\$30,963.21	-\$26.14	-0.1%
	400,000	1,000	\$33,029.08	\$33,002.94	-\$26.14	-0.1%
	650,000	1,000	\$45,777.41	\$45,751.27	-\$26.14	-0.1%
GS-2						
Subtransmission	1,500,000	5,000	\$99,779.19	\$99,775.71	-\$3.48	0.0%
GS-3	2,500,000	5,000	\$142,483.59	\$142,480.11	-\$3.48	0.0%
Subtransmission	3,250,000	5,000	\$174,511.89	\$174,508.41	-\$3.48	0.0%
GS-4	3,000,000	10,000	\$196,085.79	\$196,082.31	-\$3.48	0.0%
Subtransmission	5,000,000	10,000	\$281,494.59	\$281,491.11	-\$3.48	0.0%
	6,500,000	10,000	\$345,551.19	\$345,547.71	-\$3.48	0.0%
	10,000,000	20,000	\$559,516.59	\$559,513.11	-\$3.48	0.0%
	13,000,000	20,000	\$687,629.79	\$687,626.31	-\$3.48	0.0%
GS-4	25,000,000	50,000	\$1,393,582.59	\$1,393,579.11	-\$3.48	0.0%
Transmission	32,500,000	50,000	\$1,713,865.59	\$1,713,862.11	-\$3.48	0.0%

* Typical bills assume 100% Power Factor

This foregoing document was electronically filed with the Public Utilities

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Case No(s). 21-0831-EL-RDR

Summary: Application - In the Matter of the Application of Ohio Power Company to Adjust the Economic Development Cost Recovery Rider Rate electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company