

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Ohio Power Company to Adjust)	Case No. 22-88-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 and in Case No. 20-585-EL-AIR on November 17, 2021 approved AEP Ohio's request to either extend and/or 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 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. Additionally, the Commission Order in Case No. 20-585-EL-AIR modified the EDR to include the entire Interruptible 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 and 4 show the specific delta revenue calculations for the JSW and Pro-Tec contracts, respectively. Schedule 5 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 under-recoveries as evidenced by the projected 2022 delta revenues, as well as on the actual and projected delta revenues associated with the JSW and Pro-Tec contracts, the Company proposes that the EDR rate, to be applied to customers' distribution charges, should be set at 4.73099% effective with the first billing cycle of April 2022.¹ (See Schedule

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

- 1). The EDR rate prior to the first billing cycle of April 2022 will remain at 2.79073%.
6. The Company's approach in this application calculates a rate based on the over-/under-recovery balance as of December 2021, the projected over-/under-recoveries from January through March 2022, and the forecasted delta revenues and rider revenue from April through September 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

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 April 2022. If the Commission is unable to conclude this proceeding in time for the EDR rates to be effective with the first billing cycle of April 2022, the Company requests interim authorization to begin collection based on the proposed EDR rate at the start of the first billing cycle of April 2022, 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

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Counsel for Ohio Power Company

Ohio Power Company
February 2022 Economic Development Cost Recovery Rider True-Up

	<u>Description</u>		<u>Source</u>
1	Estimated Delta Revenue April - September 2022	\$ 11,244,406	Schedule No. 2 Line 5
2	Estimated Carrying Costs April - September 2022	\$ 131,071	Schedule No. 2 Line 7
3	Total (Over) / Under Collection as of December 2021	\$ 10,083,379	Schedule No. 2 Line 10
4	Estimated (Over) / Under Collection January - March 2022	\$ 98,879	Schedule No. 2 Line 10
5	Total Revenue Requirement	\$ 21,557,736	Sum of Lines 1 through 4
6	One-Half Annual Base Distribution Revenue	\$ 455,670,535	One-Half Actual 2020 Base Case Distribution Revenue
7	Economic Development Cost Recovery Rider	4.73099%	Line 5 divided by Line 6
8	Current Economic Development Cost Recovery Rider	2.79073%	Per Ohio Power Company Tariff Economic Development Rider
9	Change	1.94026%	Line 7 minus Line 8

Ohio Power Company
February 2022 Economic Development Cost Recovery Rider True-Up
Calculation of Cumulative Carrying Costs

	2021 Jun	Actual 2021						Estimated 2022								
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1 JSW Delta Revenue																
2 Pro-Tec Delta Revenue																
3 IRP Credit																
4 Automaker Credit																
5 Total Delta Revenue																
6 Monthly Carrying Charge Rate (WAC of LTD)		0.4633%	0.4633%	0.4633%	0.4633%	0.4633%	0.3667%	0.3667%	0.3667%	0.3667%	0.3667%	0.3667%	0.3667%	0.3667%	0.3667%	0.3667%
7 Monthly Carrying Charge																
8 Rider Collections		\$1,565,197	\$1,554,797	\$1,560,417	\$1,000,964	\$976,457	\$2,108,935	\$2,119,422	\$2,119,422	\$2,119,422	\$3,592,956	\$3,592,956	\$3,592,956	\$3,592,956	\$3,592,956	\$3,592,956
9 Net (Over)/ Under Collection																
10 Cumulative Net (Over)/ Under Collection																
11 Carrying Charge Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Ohio Power Company
JSW Economic Development Delta Revenue

2021 Jun	Actual 2021						Estimated 2022								
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1 JSW OAD Monthly Bill															
2 JSW Discount Monthly Bill															
3															
4															
5															
6 Delta Revenue															
7															

[Redacted text block]

PRO-TEC OAD Monthly Bill

PRO-TEC Discount Monthly Bill

3 Delo Revenue

6 [REDACTED]

[REDACTED]

[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]
[REDACTED] [REDACTED]

**Ohio Power Company
Typical Bill Comparison
February 2022 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		\$25.53	\$25.78	\$0.25	1.0%
	250		\$43.61	\$43.93	\$0.32	0.7%
	500		\$73.81	\$74.26	\$0.45	0.6%
RR Annual	750		\$103.98	\$104.56	\$0.58	0.6%
	1,000		\$134.15	\$134.86	\$0.71	0.5%
	1,500		\$194.51	\$195.47	\$0.96	0.5%
	2,000		\$254.86	\$256.07	\$1.21	0.5%
GS-1	100	3	34.48	34.72	\$0.24	0.7%
	500	3	79.37	79.83	\$0.46	0.6%
	1,000	3	135.47	136.20	\$0.73	0.5%
	750	6	107.41	108.00	\$0.59	0.6%
	2,000	6	247.66	248.93	\$1.27	0.5%
<u>GS- Secondary</u>						
	1,500	12	\$284.16	\$285.97	\$1.81	0.6%
	4,000	12	\$425.54	\$427.35	\$1.81	0.4%
	6,000	30	\$801.74	\$806.00	\$4.26	0.5%
	10,000	30	\$1,027.60	\$1,031.86	\$4.26	0.4%
	10,000	40	\$1,173.85	\$1,179.47	\$5.62	0.5%
	14,000	40	\$1,399.71	\$1,405.33	\$5.62	0.4%
	12,500	50	\$1,457.85	\$1,464.84	\$6.99	0.5%
	18,000	50	\$1,770.14	\$1,777.13	\$6.99	0.4%
	15,000	75	\$1,968.05	\$1,978.44	\$10.39	0.5%
	30,000	150	\$3,903.57	\$3,924.15	\$20.58	0.5%
	60,000	300	\$7,774.52	\$7,815.51	\$40.99	0.5%
	100,000	500	\$12,935.84	\$13,004.03	\$68.19	0.5%
<u>GS- Primary</u>						
	100,000	1,000	\$18,721.11	\$18,837.31	\$116.20	0.6%
<u>GS- Secondary</u>						
	30,000	75	\$2,806.62	\$2,817.01	\$10.39	0.4%
	50,000	75	\$3,924.71	\$3,935.10	\$10.39	0.3%
	30,000	100	\$3,172.27	\$3,186.05	\$13.78	0.4%
	36,000	100	\$3,507.69	\$3,521.47	\$13.78	0.4%
	60,000	150	\$5,580.66	\$5,601.24	\$20.58	0.4%
	100,000	150	\$7,816.83	\$7,837.41	\$20.58	0.3%
	90,000	300	\$9,451.64	\$9,492.63	\$40.99	0.4%
	120,000	300	\$11,128.76	\$11,169.75	\$40.99	0.4%
	150,000	300	\$12,805.89	\$12,846.88	\$40.99	0.3%
	200,000	300	\$15,601.06	\$15,642.05	\$40.99	0.3%
	150,000	500	\$15,731.04	\$15,799.23	\$68.19	0.4%

**Ohio Power Company
Typical Bill Comparison
February 2022 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>
	180,000	500	\$17,408.14	\$17,476.33	\$68.19	0.4%
	200,000	500	\$18,526.22	\$18,594.41	\$68.19	0.4%
	325,000	500	\$25,514.19	\$25,582.38	\$68.19	0.3%
GS- Primary						
	300,000	1,000	\$29,035.47	\$29,151.67	\$116.20	0.4%
	360,000	1,000	\$32,129.76	\$32,245.96	\$116.20	0.4%
	400,000	1,000	\$34,192.65	\$34,308.85	\$116.20	0.3%
	650,000	1,000	\$47,085.61	\$47,201.81	\$116.20	0.3%
GS- Tran						
	1,500,000	2,000	\$81,361.62	\$81,377.63	\$16.01	0.0%
	2,500,000	2,000	\$124,503.92	\$124,519.93	\$16.01	0.0%
	3,250,000	2,000	\$156,860.65	\$156,876.66	\$16.01	0.0%
	3,000,000	10,000	\$200,836.35	\$200,906.20	\$69.85	0.0%
	5,000,000	10,000	\$287,120.95	\$287,190.80	\$69.85	0.0%
	6,500,000	10,000	\$351,834.40	\$351,904.25	\$69.85	0.0%
	6,000,000	20,000	\$394,763.25	\$394,833.10	\$69.85	0.0%
	10,000,000	20,000	\$567,332.45	\$567,402.30	\$69.85	0.0%
	13,000,000	20,000	\$696,759.35	\$696,829.20	\$69.85	0.0%
	15,000,000	50,000	\$976,543.95	\$976,613.80	\$69.85	0.0%
	25,000,000	50,000	\$1,407,966.95	\$1,408,036.80	\$69.85	0.0%
	32,500,000	50,000	\$1,731,534.20	\$1,731,604.05	\$69.85	0.0%

* Typical bills assume 100% Power Factor

**Ohio Power Company
Typical Bill Comparison
February 2022 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		\$25.53	\$25.78	\$0.25	1.0%
	250		\$43.61	\$43.93	\$0.32	0.7%
	500		\$73.81	\$74.26	\$0.45	0.6%
	750		\$103.96	\$104.54	\$0.58	0.6%
	1,000		\$134.13	\$134.84	\$0.71	0.5%
	1,500		\$194.49	\$195.45	\$0.96	0.5%
	2,000		\$254.83	\$256.04	\$1.21	0.5%
GS-1	100	3	\$32.74	\$32.95	\$0.21	0.6%
	500	3	\$70.65	\$70.96	\$0.31	0.4%
	1,000	3	\$117.99	\$118.44	\$0.45	0.4%
	750	6	\$94.31	\$94.70	\$0.39	0.4%
	2,000	6	\$212.72	\$213.44	\$0.72	0.3%
Secondary	1,500	12	\$284.16	\$285.97	\$1.81	0.6%
	4,000	12	\$425.54	\$427.35	\$1.81	0.4%
	6,000	30	\$801.74	\$806.00	\$4.26	0.5%
	10,000	30	\$1,027.59	\$1,031.85	\$4.26	0.4%
	10,000	40	\$1,173.85	\$1,179.47	\$5.62	0.5%
	14,000	40	\$1,399.70	\$1,405.32	\$5.62	0.4%
	12,500	50	\$1,461.27	\$1,468.26	\$6.99	0.5%
	18,000	50	\$1,770.14	\$1,777.13	\$6.99	0.4%
	15,000	75	\$1,968.05	\$1,978.44	\$10.39	0.5%
	30,000	100	\$3,172.27	\$3,186.05	\$13.78	0.4%
	36,000	100	\$3,507.69	\$3,521.47	\$13.78	0.4%
	30,000	150	\$3,903.57	\$3,924.15	\$20.58	0.5%
	60,000	300	\$7,774.52	\$7,815.51	\$40.99	0.5%
	90,000	300	\$9,451.64	\$9,492.63	\$40.99	0.4%
	100,000	500	\$12,935.84	\$13,004.03	\$68.19	0.5%
	150,000	500	\$15,731.05	\$15,799.24	\$68.19	0.4%
	180,000	500	\$17,408.14	\$17,476.33	\$68.19	0.4%
Secondary	18,000	50	\$1,770.14	\$1,777.13	\$6.99	0.4%
	30,000	75	\$2,806.62	\$2,817.01	\$10.39	0.4%
	50,000	75	\$3,924.71	\$3,935.10	\$10.39	0.3%
	36,000	100	\$3,507.69	\$3,521.47	\$13.78	0.4%
	30,000	150	\$3,903.57	\$3,924.15	\$20.58	0.5%
	60,000	150	\$5,580.67	\$5,601.25	\$20.58	0.4%
	100,000	150	\$7,816.83	\$7,837.41	\$20.58	0.3%
	120,000	300	\$11,128.76	\$11,169.75	\$40.99	0.4%
	150,000	300	\$12,805.89	\$12,846.88	\$40.99	0.3%
	200,000	300	\$15,601.06	\$15,642.05	\$40.99	0.3%
	180,000	500	\$17,408.14	\$17,476.33	\$68.19	0.4%
	200,000	500	\$18,526.22	\$18,594.41	\$68.19	0.4%
	325,000	500	\$25,514.19	\$25,582.38	\$68.19	0.3%

**Ohio Power Company
Typical Bill Comparison
February 2022 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>
Primary	200,000	1,000	\$24,903.57	\$25,037.22	\$133.65	0.5%
	300,000	1,000	\$30,060.75	\$30,194.40	\$133.65	0.4%
Primary	360,000	1,000	\$33,120.86	\$33,253.93	\$133.07	0.4%
	400,000	1,000	\$35,183.74	\$35,316.81	\$133.07	0.4%
	650,000	1,000	\$48,076.70	\$48,209.77	\$133.07	0.3%
Transmission	1,500,000	2,000	\$81,361.62	\$81,377.63	\$16.01	0.0%
Transmission	2,500,000	5,000	\$147,015.19	\$147,085.04	\$69.85	0.1%
	3,250,000	5,000	\$179,371.92	\$179,441.77	\$69.85	0.0%
Transmission	3,000,000	10,000	\$200,836.34	\$200,906.19	\$69.85	0.0%
	5,000,000	10,000	\$287,120.94	\$287,190.79	\$69.85	0.0%
	6,500,000	10,000	\$351,834.39	\$351,904.24	\$69.85	0.0%
	10,000,000	20,000	\$567,332.44	\$567,402.29	\$69.85	0.0%
	13,000,000	20,000	\$696,759.34	\$696,829.19	\$69.85	0.0%
Transmission	25,000,000	50,000	\$1,407,966.94	\$1,408,036.79	\$69.85	0.0%
	32,500,000	50,000	\$1,731,534.19	\$1,731,604.04	\$69.85	0.0%

* Typical bills assume 100% Power Factor

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Case No(s). 22-0088-EL-RDR

Summary: Application Application/Public Version EDR Schedules electronically
filed by Mr. Steven T. Nourse on behalf of Ohio Power Company