



Public Utilities Commission

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April 21, 2023

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. 23-170-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. 23-170-EL-RDR.

Adam Burns
Supervisor, Accounting & Finance Division
Public Utilities Commission of Ohio

Enclosure

Cc: Parties of Record

Ohio Power Company
Case No. 23-170-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, the Ohio Power Company d/b/a AEP Ohio (Company) is to make a monthly calculation comparing base distribution revenues collected by customer class to 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 per customer class, with additional amounts deferred with carrying charges.

In Case No. 18-1007-EL-UNC, the Commission approved in its Finding and Order dated October 3, 2018, a one-time offset of \$48.2 million of tax savings from the Tax Cut and Jobs Act of 2017 to the amount currently deferred as residential PTBAR under-recovery.

In Case No. 20-585-EL-AIR, the Company filed an application to increase base rates. The Commission approved in its Opinion and Order dated November 17, 2021, a stipulation resolving all issues related to the base rate application. In the Stipulation, the Company agreed to terminate the PTBAR, effective upon the date new rates become effective in the case, subject to a final reconciliation based on that same termination date. The Company agreed to waive any reconciliation charges for 2021 that exceeds \$12 million for the period from February 2021 to the date of the effective rates of December 1, 2021.

On March 1, 2023, the Company filed its PTBAR application proposing to continue the current PTBAR rates without modifications. The rates will remain in effect until the current under recovered balances and applicable carrying charge balances are recovered in full.

FINANCIAL AUDIT

In its review, Staff examined Schedule 1, which forecasts the recovery of the under recovered balances and applicable carrying charges at current rates until the month that the balances are recovered in full. Based on the Company's forecast, CSP residential customers should be recovered in July 2023 and OP residential customers should be recovered in March 2024. CSP General Service-1 (GS-1) should be fully recovered in August 2023 and OP GS-1 should be fully recovered in December 2023.

STAFF RECOMMENDATION

Staff has completed its review of the filing and finds that the Company has appropriately calculated its PTBAR filing. Staff recommends the application filed on March 1, 2023 be approved, and become effective on a bill rendered basis beginning on July 1, 2022. Staff further recommends the Company make a filing with the Commission and work with Staff to move any remaining rider balances into a similarly structured non-bypassable rider.

**This foregoing document was electronically filed with the Public Utilities
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Case No(s). 23-0170-EL-RDR

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