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American Electric Power
1 Riverside Plaza
Columbus, OH 43215-2373
www.aep.com

PUCO

The Public Utilities Commission of Ohio
180 East Broad Street
Columbus, OH 43215

April 3, 2007

Re: **OHIO POWER COMPANY**

07-307-EL-AIS

Gentlemen:

Enclosed on behalf of Ohio Power Company are one executed and five copies of a Supplemental Application for authority to finance portions of environmental and pollution control facilities, to enter into installment agreements of sale with West Virginia Economic Development Authority and to enter into interest rate management agreements.

An additional copy of the Supplemental Application is also enclosed. Please indicate by file-stamp the Commission's receipt and return the extra copy so marked to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "W. E. Johnson", is written over the typed name.

William E. Johnson

WEJ/jlh

Enclosures

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business
Technician SP Date Processed 4-3-07

Before
THE PUBLIC UTILITIES COMMISSION OF OHIO

..... :
In the Matter of the application of :
OHIO POWER COMPANY : Case No. 07-307-EL-AIS
for authority to finance portions of environmental :
and pollution control facilities, to enter into :
installment agreements of sale with West Virginia :
Economic Development Authority :
and to enter into interest rate management :
agreements :
.....

SUPPLEMENTAL APPLICATION AND STATEMENT

TO THE HONORABLE

THE PUBLIC UTILITIES COMMISSION OF OHIO:

Your Applicant, Ohio Power Company, respectfully shows:

FIRST: On March 21, 2007, Applicant filed an Application and Statement in this Case No. 07-307-EL-AIS with this Commission requesting that the Commission issue an Order authorizing Applicant (i) to transfer the Project to the Authority and for Applicant to acquire the Project from the Authority; (ii) to consummate and carry out the transactions proposed herein with respect to the financing of the Project and the terms of Applicant's Loan Agreement with the Authority, all as proposed and described in this Application; and (iii) to enter into Interest Rate Management Agreements within the parameters proposed and described in this Application, all as described therein. Capitalized terms used herein but not defined herein shall have the respective meanings set forth in the Application and Statement.

SECOND: Applicant now requests that the Application and Statement in Case No. 07-307-EL-AIS be amended as follows:

(A) By amending and restating the first paragraph of Item FIFTH to read as follows:

“To provide Applicant with necessary capital for financing portions of environmental and pollution control facilities at Applicant’s Mitchell Generating Station in Marshall County, West Virginia (the “Project”), Applicant proposes, with the consent and approval of your Honorable Commission, to either transfer the Project to the West Virginia Economic Development Authority (the “Authority”), and for Applicant to acquire the Project from the Authority, or obtain a loan from the Authority for the Project, all pursuant to a loan or installment sale agreement between Applicant and the Authority, to assume certain obligations under such agreements in an aggregate principal amount not to exceed \$75,000,000 in connection with the proposed issuance of one or more series of Solid Waste Disposal Facilities Revenue Bonds (the “Bonds”) to be issued by the Authority, to be appropriately designated and to be issued on or prior to December 31, 2007. The proceeds of the Bonds would be loaned to Applicant by the Authority to provide financing for a portion of the Project, a description of which is attached hereto as Exhibit B.”

(B) By amending and restating the first paragraph of Item EIGHTH to read as follows:

“The price, maturity date(s), interest rate(s), and the redemption provisions and other terms and provisions of each series of Bonds (including, in the event all or a portion of the Bonds initially bear a variable rate of interest, the method for determining the interest rate) would be determined on the basis of negotiations between Applicant, the Authority, and the purchasers of such Bonds. The Loan Agreement will provide that each loan payment or installment of the purchase price for the Project payable by Applicant will be in such an amount (together with other

moneys held by the Trustee under the Indenture for that purpose) as will enable the Authority to pay, when due, (i) the interest on all Bonds and any additional bonds and refunding bonds issued under the Indenture; (ii) the stated maturities of the principal of all Bonds and any additional bonds and refunding bonds issued under the Indenture; and (iii) amounts, including any accrued interest, payable in connection with any redemption of the Bonds and any additional bonds or refunding bonds issued under the Indenture. The Loan Agreement also will obligate Applicant to pay the fees and charges of the Trustee, as well as certain administrative expenses of the Authority. Applicant will not agree, without further order of this Commission, to the issuance of any Bonds (i) if the stated maturity of any such Bond shall be more than forty years; (ii) if the fixed rate of interest to be borne by any such Bond shall exceed 8% per annum or the initial rate of interest to be borne by any fluctuating rate shall exceed 8% per annum; or (iii) if the compensation payable to one or more underwriters exceeds 5% of the principal amount thereof. The discount from the initial public offering price of any such Bond shall not exceed 5% of the principal amount thereof and the initial public offering price of any such Bond shall not be less than 95% of the principal amount thereof. The commission payable to agents or underwriters will not exceed 3.5% of the principal amount of the Bonds sold. Based upon past experience with similar financings, Applicant estimates that bond insurance costs (if prepaid at closing) and other issuance costs, excluding underwriting fees, will be approximately \$1.2 million.”

(C) By amending and restating the sixth paragraph of Item EIGHTH to read as follows:

“The terms of each Facility, each Credit Agreement and each Facility Note would be negotiated by Applicant with the respective Bank or Facility Provider and would be the most favorable terms that can be negotiated by Applicant. The aggregate outstanding principal amount of the obligations of Applicant at any time under the Loan Agreements, and the Credit Facilities

and related notes set forth in the immediately preceding sentence will not exceed the original aggregate principal amount of the Bonds (which will not exceed an aggregate principal amount of \$75 million) plus accrued but unpaid interest and premium, if any, on such Bonds.”

(D) By amending and restating the first paragraph of Item ELEVENTH to read as follows:

“The actual cost of the Bonds will be determined at the time of the sale or sales thereof. The net effect on revenue requirements resulting from their issuance will be reflected in the determination of required revenue in rate proceedings in which all factors affecting rates are taken into account according to law. The proposed financing will be made in compliance with the Applicant’s electric transition plan approved by the Commission in Case No. 99-1730-EL-ETP and its Rate Stabilization Plan approved by the Commission in Case No. 04-169-EL-UNC.”

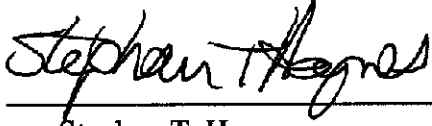
* * *

WHEREFORE: Applicant prays for authority from your Honorable Commission (i) to either transfer the Project to the Authority and for Applicant to acquire the Project from the Authority or obtain a loan from the Authority for the Project; (ii) to consummate and carry out the transactions proposed herein with respect to the financing of the Project and the terms of Applicant’s Loan Agreement with the Authority, all as proposed and described in this Application; and (iii) to enter into Interest Rate Management Agreements within the parameters proposed and described in this Application.

Applicant prays for all other and further relief necessary and appropriate in the premises.

Respectfully submitted this 3rd day of April, 2007.

OHIO POWER COMPANY

By 
Stephan T. Haynes
Assistant Treasurer

STATE OF OHIO)
) SS:
COUNTY OF FRANKLIN)

Before me, a Notary Public in and for Franklin County in the State of Ohio, personally appeared Stephan T. Haynes, Assistant Treasurer of Ohio Power Company, the Applicant in the foregoing application, and being duly sworn says that the facts and allegations herein contained are true to the best of his knowledge and belief.



TONIA SUTTON EDWARDS
Notary Public-State of Ohio
My Commission Expires
11/15/08

Dated: April 3, 2007

Tonia Sutton Edwards

Notary Public