

FILE

ERRATA TO THE TESTIMONY OF LEE SMITH
ON BEHALF OF
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL
PUCO CASE NO. 08-917-EL-SSO ET AL.

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PUCO

P. 15, Line 13

Add new paragraph:

"There also appears to have been a misallocation of capacity costs between classes, resulting in an overstatement of residential market prices and an understatement of industrial market prices in the tables on p. 13 in Mr. Baker's testimony. The cost of power acquired through a competitive solicitation will be allocated between rate classes, unless the Companies solicit power for separate rate classes. The Companies have not provided adequate information as to how such computations would be performed, but these computation should have a significant impact on class costs."

P. 23, Line 4

After "...if it hedges its obligations"

Add:

"A rough but conservative estimate of this risk would be less than \$2/MWH. This estimate is based on a potential variation in actual bidder quantities of plus or minus 5% of the quantity bid, and a potential variability in market prices of 50 %. In other words, the bidder might have to pay 50% more than planned for 5% of the bid quantity. This would be a potential variation in total cost of 50% multiplied by 5%, or 2.5%. At an energy plus capacity market plus loss price of roughly \$64, the commodity risk price would be \$1.60/MWH."

P. 28, Line 22

"...the SSO correct"

Corrected should read:

"the SSO correctly"

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P.37, Line 1

The phrase “result in an approximate 2.94% distribution increase to CSP”

Corrected should read:

“according to the response to OCC-3-94, should result in an approximate 2.94% to CSP. However, the incremental cost for 2009 for the GridSMART less the incremental cost of the HAN program appears to be about 5% of current distribution rates.”

P. 39, Line 9

“increase for CSPCO in 2009 will be 10.5%, 10.9% in 2010, and 11.1% in 2011.”

Corrected should read:

“increase for CSPCO in 2009 will be 10.8%, 11.4% in 2010, and 11.5% in 2011.”

P. 39, Lines 14-15

Delete “They could also be lower if the FAC costs for 2009 have been overstated.”

P. 40, Line 5

After ...”cost of long-term debt”

Add the phrase:

”... and should specify how a single price resulting from a competitive solicitation would be reflected in the FAC paid by different rate classes.”

Corrected Exhibits LS-2 and LS-3 attached

CALCULATION OF OCC RECOMMENDED CSPCO DISTRIBUTION INCREASE**Incremental revenue requirement from Roush**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Total</u>	
GridSmart					
O&M	\$9,195,608	-\$3,146,108	-\$1,600,000	\$4,449,500	1
Capital	<u>\$7,426,283</u>	<u>\$9,824,987</u>	<u>\$2,943,165</u>	<u>\$20,194,435</u>	2
Total	\$16,621,891	\$6,678,879	\$1,343,165		
Annual	\$16,621,891	\$23,300,770	\$24,643,935	\$64,566,596	

Incremental HAN costs calculated

Capital	\$77,988	\$467,930	\$779,884	3
O&M	\$162,000	\$0	\$0	4
Incentives/Edu.	<u>\$808,000</u>	<u>\$907,000</u>	<u>\$0</u>	5
Total	\$1,047,988	\$1,374,930	\$779,884	
Annual	\$1,047,988	\$2,422,918	\$3,202,802	

Roush Incremental Total costs less HAN Incremental costs equal GridSmart only

OCC allowed	\$15,573,903	\$20,877,852	\$21,441,133	\$57,892,888
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Footnotes

- 1 DMR-4
- 2 DMR-4 incremental revenue requirement
- 3 DMR-4 Capital 15 yr life, incremental rev. req.
- 4 KLS-1 p.4 year to to year change
- 5 KLS-1 p.4 year to year change

COMPARISON OF REVISED MIROS AND ESPS INCLUDING UPDATED FUEL PRICES

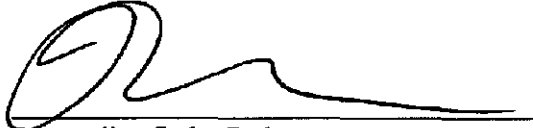
	Columbus Southern Power Company				Ohio Power Company			
	2009	2010	2011	Total	2009	2010	2011	Total
Estimated Cost of Market Rate Option.								
MWH Load to be Purchased under 10%/20%/30% MRO	2,271,512	4,543,023	6,814,535		2,815,095	5,630,189	8,445,284	
Estimated Market Price (\$/MWH)	\$73.94	\$73.94	\$73.94		\$71.07	\$71.07	\$71.07	
Estimated Purchase Cost of 10%/20%/30%	\$168	\$336	\$504	\$1,008	\$200	\$400	\$600	\$1,200
2001 - 2008 Incremental Environmental (90%/80%/70%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
POLR (90%/80%/70%)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Cost of 10%/20%/30% Market Rate Option								
	\$168	\$336	\$504	\$1,008	\$200	\$400	\$600	\$1,200
Estimated Other Costs for 90%, 80%, 70% load								
Base Non-FAC Costs	\$445	\$409	\$371	\$1,226	\$512	\$470	\$427	\$1,408
Base FAC Costs	\$477	\$516	\$461	\$1,454	\$380	\$491	\$494	\$1,365
FAC Increase	\$246	\$220	\$225	\$692	\$348	\$326	\$196	\$870
Estimated Total Cost of Companies' MRO	\$1,337	\$1,482	\$1,561	\$4,379	\$1,439	\$1,687	\$1,717	\$4,844
Estimated Cost of Companies' ESP								
Estimated Purchase Cost of 5%/10%/15%	\$84	\$168	\$252	\$504	\$100	\$200	\$300	\$600
2001 - 2008 Incremental Environmental	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
POLR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual non-FAC Increase	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Annual Distribution Increase	\$16	\$21	\$21	\$58	\$0	\$0	\$0	\$0
Estimated Cost of Companies' ESP	\$100	\$189	\$273	\$562	\$100	\$200	\$300	\$600
Estimated Other Costs for 95%, 90%, 85% load								
Base Non-FAC Costs	\$470	\$460	\$451	\$1,381	\$540	\$529	\$518	\$1,587
Base FAC Costs	\$504	\$580	\$559	\$1,644	\$401	\$552	\$600	\$1,553
FAC Increase	\$260	\$248	\$273	\$781	\$367	\$367	\$238	\$972
Estimated Total Cost of Companies' ESP	\$1,334	\$1,478	\$1,556	\$4,368	\$1,408	\$1,648	\$1,656	\$4,712
Estimated Benefit of Companies' ESP								
	\$3	\$4	\$5	\$11	\$31	\$39	\$61	\$131
Sales	22,715,116,000				28,150,945,000			

Columbus Southern Power Company
Summary of Requested Rate Increase

Description	Current Rates	2009			2010			2011		
		Non-FAC Increase	FAC Increase	Total Increase	Non-FAC Increase	Maximum FAC Increase	Total Increase	Non-FAC Increase	Maximum FAC Increase	Total Increase
FAC Components	\$604,035,556		\$147,939,677	\$147,939,677		\$247,612,870	\$247,612,870		\$273,242,516	\$273,242,516
Adjustment to FAC Base			\$0	\$0		(\$16,000,000)	(\$16,000,000)		(\$17,000,000)	(\$17,000,000)
Deferred FAC			\$111,709,281	\$111,709,281		\$0	\$0		\$0	\$0
Reduced Market Cost Est.			(\$16,000,000)	(\$16,000,000)		(\$32,000,000)	(\$32,000,000)		(\$48,000,000)	(\$48,000,000)
Total FAC Components	\$604,035,556	\$0	\$243,648,958	\$243,648,958	\$0	\$199,612,870	\$199,612,870	\$0	\$208,242,516	\$208,242,516
				13.70%			12.56%			9.48%
Non-FAC Components										
Adjustment to Non-FAC Base			\$0	\$0	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)	(\$9,000,000)	(\$9,000,000)	(\$9,000,000)
2001 - 2008 Incremental		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Environmental Capital Investment										
Annual 3% Non-FAC Generation		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Non-FAC	\$447,647,871	\$0	\$0	\$0	(\$10,000,000)	(\$10,000,000)	(\$10,000,000)	(\$9,000,000)	(\$9,000,000)	(\$9,000,000)
				0.00%			-0.51%			-0.41%
POLR	\$14,580,921	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
				0.00%			0.00%			0.00%
Distribution	\$340,137,828	\$15,573,903	\$0	\$15,573,903	\$20,877,852	\$20,877,852	\$20,877,852	\$21,441,133	\$21,441,133	\$21,441,133
				0.88%			1.05%			0.98%
Energy Efficiency and Peak Demand Reduction		\$13,554,675		\$13,554,675	\$14,843,325	\$14,843,325	\$14,843,325	\$9,576,500	\$9,576,500	\$9,576,500
				0.76%			0.75%			0.44%
Transmission Cost Recovery	\$181,192,902		\$0	\$0		\$0	\$0		\$0	\$0
				0.00%			0.00%			0.00%
Other*	\$191,037,658	(\$80,648,308)		(\$80,648,308)		\$0	\$0	\$22,800,000	\$22,800,000	\$22,800,000
				-4.53%			0.00%			1.04%
Total	\$1,778,632,736	(\$51,519,730)	\$243,648,958	\$192,129,228	\$25,721,177	\$199,612,870	\$225,334,047	\$44,817,533	\$208,242,516	\$253,080,149
AS FILED	\$1,778,632,736	\$90,549,167	\$147,939,677	\$238,488,844	\$54,955,368	\$247,612,870	\$302,568,237	\$74,710,957	\$273,242,516	\$347,963,473
				13.41%			15.00%			16.00%

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Errata to the Testimony of Lee Smith on Behalf of the Office of the Ohio Consumers' Counsel has been served upon those persons listed below via electronic transmission this 21st day of November, 2008.



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