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Public Utilities Commission of Ohio
PUCO Docketing
180 E. Broad Street, 10th Floor
Columbus, Ohio 43215

In re: Case No. 08-917-EL-SSO and 08-918-EL-SSO

Dear Sir/Madam:

Please find enclosed an original and twenty (20) copies of the ERRATA TO BRIEF OF OHIO ENERGY GROUP ON LONG TERM ESP filed in the above-referenced matter.

Copies have been served on all parties on the attached certificate of service. Please place this document of file.

Respectfully yours,



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IN RE:	IN THE MATTER OF THE APPLICATION)	
	OF COLUMBUS SOUTHERN POWER)	
	COMPANY FOR APPROVAL OF ITS)	
	ELECTRIC SECURITY PLAN; AN)	Case No. 08-917-EL-SSO
	AMENDMENT TO ITS CORPORATE)	
	SEPARATION PLAN; AND THE SALE)	
	OR TRANSFER OF CERTAIN)	
	GENERATING ASSETS)	
)	
	IN THE MATTER OF THE APPLICATION)	
	OF OHIO POWER COMPANY FOR)	
	APPROVAL OF ITS ELECTRIC SECURITY)	Case No. 08-918-EL-SSO
	PLAN; AND AN AMENDMENT TO ITS)	
	CORPORATE SEPARATION PLAN)	

On December 30, 2008, the Ohio Energy Group (“OEG”) filed its brief in this case. The TABLE OF CONTENTS and headings contained a typographical error which is identified and corrected on the following errata pages.

Miss P. Pitt

COUNSEL FOR THE OHIO ENERGY GROUP

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II. ARGUMENT

AEP's view of the ESP process is contrary to the legal framework established by the Commission in its December 19, 2008 ESP Order in Case No. 08-935-EL-SSO. AEP believes that no component of its ESP needs to be justified as prudent, reasonable or cost based. According to AEP, anything can be included in the ESP provided that it is more favorable in the aggregate than the forecasted result of an MRO. This erroneous belief guided AEP throughout its ESP and has rendered large portions of its ESP unreasonable or unlawful.

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A. Component by Component Breakdown Of AEP's Proposed \$5.823 Billion ESP.

If approved, AEP's ESP will cost Ohio consumers **\$5.823 billion** over the first three years, assuming that the fuel adjustment clause is increased at the maximum amounts each year and that there are no deferrals of fuel adjustment clause recoveries. The annual effect of the Company's proposed ESP increases will be **\$2.816 billion** in 2011. This represents an increase of 73% for CSP consumers and 88% for OPC consumers compared to current rates. This represents a near doubling of the current rates of Ohio Power and Columbus Southern. The following table summarizes the cumulative effects of the AEP ESP rate increases for each Company, assuming the fuel adjustment clause at the maximum amounts each year and that there are no deferrals of fuel adjustment clause recoveries.

B. The Commission Should Modify The Proposed \$5.823 Billion ESP To Include Revenues Not Accounted For And To Exclude Expenses That Are Not Prudent Or Reasonable.

The Commission should adjust the Companies' Application so all revenues are properly accounted for and that only prudently incurred and reasonable costs are approved as recoverable.

Ohio Power and CSP are both Members of the AEP Interconnection Agreement. The Interconnection Agreement controls many aspects of the Companies' operations and an understanding of the Agreement is essential to addressing the issues raised here. Any state commission that tries to regulate an AEP utility without understanding the Interconnection Agreement is flying blind.

The Interconnection Agreement was originally entered into on July 6, 1951. It is an agreement among the AEP-East Operating Companies, under which the individual generation resources of the participating companies ("Members") are dispatched on a single-system basis, and the costs and benefits of generation resources are shared on a system-wide basis. The Members are Ohio Power, CSP, Kentucky Power Company, Indiana & Michigan Power Company, and Appalachian Power Company (Virginia and West Virginia). The Interconnection Agreement is a FERC-approved rate schedule.¹¹

The Interconnection Agreement provides for meeting total AEP system energy requirements on a least-cost basis from among available resources. AEP Service Corporation, acting as agent for the Members, dispatches energy on an economic basis, assigning the highest incremental cost to off-system sales. Each Member meets its requirement initially out of its own generation to the extent dispatched, and thereafter through primary purchases from affiliates. The Interconnection Agreement prices such primary purchases at the delivering Member's average cost of generation for the month.¹²

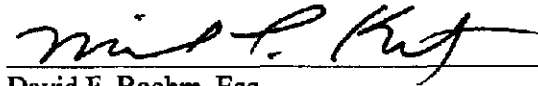
Revenues from off-system sales are initially allocated to the Member providing the generation dispatched for each sale up to the amount of its generation costs for the sale. Above that point, the Members share net revenues (profits or margins) from such sales on the basis of their Member Load Ratio ("MLR") the ratio of each Member's Non-Coincident Peak ("NCP") load over the latest twelve-month period to the sum of NCP loads for

¹¹ Direct Testimony of Lane Kollen p. 7.

¹² Direct Testimony of Lane Kollen pp. 7-8.

CERTIFICATE OF SERVICE

I hereby certify that true copy of the foregoing was served by electronic mail and ordinary mail, unless otherwise noted, this 5th day of January, 2009 to the individuals listed on the attached certificate of service:



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