FILE

18

RECEIVED-DOCKETING DIV

2009 MAY -7 PM 4: 14

PUCO

09-394-EL-AIS

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

May 7, 2009

Re: **OHIO POWER COMPANY**

Gentlemen:

Enclosed on behalf of Ohio Power Company are one executed and five conformed copies of an Application for authority for authority to terminate the Lease Agreement between the Company and JMG Funding, Limited Partnership, to assume the obligations of JMG Funding, Limited Partnership under loan agreements, to refinance certain obligations related to those loan agreements, to enter into loan agreements in connection with such refinancings, to enter into guarantees, and to enter into interest rate management agreements.

An additional copy of the 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,

David C. House

DCH/jlh

Enclosures

Before
THE PUBLIC UTILITIES COMMISSION OF OHIO

. . . .

In the Matter of the application of OHIO POWER COMPANY for authority to terminate the Lease Agreement between the Company and JMG Funding, Limited Partnership, to assume the obligations of JMG Funding, Limited Partnership under loan agreements, to refinance certain obligations related to those loan agreements, to enter into loan agreements in connection with such refinancings, to enter into guarantees, and to enter into interest rate management agreements:

Case No. 09-394-EL-AIS

. . . .

APPLICATION AND STATEMENT AND REQUEST FOR EXPEDITED CONSIDERATION

TO THE PUBLIC UTILITIES COMMISSION OF OHIO:

Your Applicant, Ohio Power Company, respectfully shows:

FIRST: Applicant is an Ohio corporation engaged in the business of supplying to consumers within the State of Ohio electricity for light, heat and power purposes and is a public utility as defined by the Ohio Revised Code.

SECOND: Applicant's authorized and outstanding capital stock as of December 31, 2008 was as follows:

(1) 40,000,000 shares of Common Stock without par value authorized, of which there were 27,952,473 shares issued and outstanding;

(2) 3,762,403 Cumulative Preferred Shares (par value $100) authorized, of which the following were issued and outstanding: a 4-1/2% Series consisting of 97,373 shares; a 4.40% Series consisting of 31,512 shares; a 4.08% Series consisting of 14,595 shares; and a 4.20% Series consisting of 22,824 shares; and

(3) 4,000,000 Cumulative Preferred Shares (par value $25) authorized, of

which there were none issued and outstanding.

THIRD: The outstanding funded debt of Applicant as of December 31, 2008 consisted of $3,065,842,460 of unsecured long-term notes and other long-term debt (including capital leases), all of which notes were issued pursuant to former orders of your Honorable Commission. Applicant had short-term debt outstanding of $133,887,073 at December 31, 2008.

FOURTH: Attached hereto as Exhibit A are financial statements, including a balance sheet and statements of income and retained earnings of the Applicant as of December 31, 2008.

FIFTH: Applicant is a party to a lease dated January 25, 1995 (the "Project Lease") with JMG Funding, Limited Partnership ("JMG"), a Delaware limited partnership that was formed for the sole purpose of acquiring, owning and financing certain solid waste disposal facilities (the "Project") owned by JMG at Applicant's General James M. Gavin Plant located in Gallia County, Ohio (the "Gavin Plant"). Applicant was authorized to enter into the Project Lease by this Commission in Case No. 93-793-EL-AIS. Applicant makes rental payments under the Project Lease in an amount sufficient to enable JMG to make all required payments associated with the Project. Applicant has the option to terminate the Project Lease and purchase the project in 2010.

SIXTH: This Commission issued a Finding and Order dated June 4, 2008 in Case No. 08-498-EL-AIS ("2008 Order") authorizing the Applicant through April 1, 2009 to assume the obligations of JMG relating to four series of pollution control revenue refunding bonds in an aggregate principal amount of $218 million and ordering Applicant to seek approval prior to exercising the option to purchase the Project and/or terminate the Project Lease. Applicant has made attempts to refinance this debt of JMG since the date of the 2008 Order but has not been able to do so.

SEVENTH: Applicant has made a cost benefit analysis of the proposed lease termination.

Applicant's analysis of the Project Lease is based on the costs associated with the Project Lease being renewed on April 15, 2010 for an additional lease term of nineteen years with the Project debt referenced in Section 8(iv) of this Application being refinanced by JMG. This result was then compared to the cost of terminating the Project Lease with Applicant refinancing the debt referenced in said Section 8 (iv) at a lower rate than the debt issued by JMG and with the elimination of lease expenses. The net present value of savings to Applicant from terminating the Project Lease instead of renewing the Project Lease is approximately $32 million. The cost reductions include: (i) reduction in interest expense on the outstanding debt of JMG of approximately $29 million after the debt is refinanced by Applicant; (ii) savings of approximately $3 million in administration expenses under the Project Lease and (iii) a reduction in lease payments of approximately $8 million. These cost reductions are offset by the anticipated costs of terminating the Project Lease, currently estimated to be $8.5 million.

On the basis of such analysis Applicant has determined that its most reasonable course of action is to terminate the Project Lease. . Applicant proposes to purchase the equity interests of JMG and subsequently amend the Project Lease to provide for its termination. To accomplish this amendment various consents of lenders under loan agreements, bond insurers and trustees are required. Applicant proposes, upon receipt of authorization from this Commission, to begin the process of terminating the Project Lease prior to April 15, 2010, the expiration date of the initial term of the Project Lease. After such termination, the currently outstanding debt of JMG could be refinanced.

The assets covered by the Project are currently owned by JMG and consolidated on the books of Applicant for GAAP purposes.

If the Project Lease is not terminated prior to April 15, 2010, then Applicant must: (A) purchase the Project at an amount equal to the greater of (i) the Adjusted Acquisition Cost under the

Project Lease and (ii) its fair market value as agreed upon by JMG and Applicant or (B) renew the Project Lease for a term equal to 240 calendar months under its current terms or (C) find a third-party purchaser of the Project and refinance the Project with that new purchaser.

EIGHTH: The currently outstanding debt of JMG consists of:

(i) As of May 4, 2009, $3,000,000 in commercial paper issued under a Credit Agreement dated as of March 4, 2005 with West LB AG, New York Branch.

(ii) $6,000,000 principal amount of Intermediate Term Secured Notes, Series F, Due June 15, 2009. These Notes mature on June 15, 2009 and will be paid in full and retired on that date.

(iii) Two series of pollution control revenue bonds issued by the Ohio Air Quality Development Authority (the "Authority") for the benefit of JMG designated as the Authority's 5-5/8% Air Quality Development Revenue Bonds (JMG Funding, Limited Project) Series 1997 (collectively, the "Fixed Rate Bonds") as follows:

$19,565,000,000 Bonds due October 1, 2022
$19,565,000,000 Bonds due January 1, 2023; and

(iv) Four series of pollution control revenue bonds issued by the Authority which currently pay interest at a floating interest rate established periodically in the auction rate mode (the "Auction Rate Bonds") and insured by Financial Guaranty Insurance Company and issued as follows:

(1) $54,500,000 State of Ohio Air Quality Development Revenue Refunding Bonds (JMG Funding, Limited Partnership Project) Series 2005 A due January 1, 2029 [CUSIP No. 677525QL4].

(2) $54,500,000 State of Ohio Air Quality Development Revenue Refunding Bonds (JMG Funding, Limited Partnership Project) Series

2005 B due July 1, 2028 [CUSIP No. 677525QM2].

(3) $54,500,000 State of Ohio Air Quality Development Revenue Refunding Bonds (JMG Funding, Limited Partnership Project) Series 2005 C due April 1, 2028 [CUSIP No. 677525QJ9].

(4) $54,500,000 State of Ohio Air Development Revenue Refunding Bonds (JMG Funding, Limited Partnership Project) Series 2005 D due October 1, 2028 [CUSIP No. 677525QK6].

NINTH: When bonds are in the auction rate mode, an auction agent conducts auctions at certain periods of less than 365 days (usually 7-, 28- or 35-day periods) to set the interest rate at which the auction rate bonds will bear interest for the next period in accordance with auction procedures that are set forth in the indenture governing the bonds. All of the Auction Rate Bonds are insured by a financial guaranty insurance policy issued by Financial Guaranty Insurance Company, a municipal bond insurer, and the Auction Rate Bonds were rated by the rating agencies (Moody's Investors Service, Standard & Poor's, a Division of the McGraw-Hill Companies, Inc. and Fitch Ratings) based on the rating of the bond insurer. As a result of the subprime mortgage crisis, the bond insurer has been downgraded by one or more of the rating agencies. This has caused a lowering of the ratings on the Auction Rate Bonds and a decrease in the number of interested purchasers of the Auction Rate Bonds. This, among other factors, has resulted in failed auctions for the Auction Rate Bonds. Since each of the four series of Auction Rate Bonds continues to have failed auctions, the Auction Rate Bonds currently bear interest at the maximum auction rate which is 13%.

TENTH: The terms of the Auction Rate Bonds provide that they may be converted from one interest rate mode to another interest rate mode (daily, weekly, commercial paper, long-term interest or auction rate). Any conversion from the auction rate mode could help avoid an increase an interest due to a failed auction, but would not address the increase in interest rate attributable to the downgrade of the bond insurer. To avoid the negative effect on interest rates attributable to the bond insurer, the Auction Rate Bonds must be refunded and new refunding bonds (the "Refunding Bonds") must be issued with some other form of credit support, such as a letter of credit.

ELEVENTH: Alternatively, JMG could cause the Fixed Rate Bonds and/or the Auction Rate Bonds (together, the "Bonds") to be redeemed and reissued as a new series without bond insurance, but the reimbursement obligations under any letter of credit issued on behalf of JMG would have to be guaranteed by Applicant or the letter of credit would be issued for the account of Applicant. Applicant could also directly assume JMG's obligations under the existing loan agreements and cause the Bonds to be redeemed and reissued as a new series without bond insurance. If the Refunding Bonds are issued by the Authority for the benefit of JMG, Applicant seeks authority from the Commission to guarantee JMG's obligations under the new loan agreements and any new credit agreements providing for a letter of credit or to incur reimbursement obligations under any letter of credit in support of the Refunded Bonds.

TWELFTH: In order to avoid the increased costs associated with bond insurer downgrades and failed auctions and in order to have the flexibility to act quickly, Applicant requests the authority through March 31, 2010, to assume JMG's obligations under the existing loan agreements and to refund any or all of the Bonds with Refunding Bonds. The Refunding Bonds would bear interest at a long-term fixed interest rate, or a variable rate mode such as a daily, weekly or commercial paper mode. The Refunding Bonds would be issued pursuant to one or more new indentures, and one or more new loan agreements having the same basic provisions as the existing loan agreements.

THIRTEENTH: The price, maturity date(s), interest rate(s) and the redemption provisions and other terms of each series of Refunding Bonds (including the method of determining a variable rate of interest) would be determined by the Applicant, the issuer and the purchasers of such Refunding Bonds. Applicant reserves the right, from time to time, to convert the Refunding Bonds to other interest rate modes.

FOURTEENTH: It is contemplated that each series of the Refunding Bonds would be sold pursuant to arrangements with an underwriter or a group of underwriters. Applicant will not agree, without further Order of this Commission, to the issuance of any series of Refunding Bonds if (i) the stated maturity of any such Refunding Bonds would be more than 40 years; (ii) the initial long-term rate of interest to be borne by any such Refunding Bonds would exceed 10% or the initial rate of interest to be born by any such Refunding Bonds bearing a variable rate of interest would exceed 10%; (iii) the discount on the proceeds of the issuance of the Refunding Bonds would exceed 5% of the principal amount thereof; or (iv) the initial public offering price of any such Refunding Bond is less than 95% of the principal amount thereof.

FIFTEENTH: Applicant may provide some form of credit enhancement for any of the Refunding Bonds, such as a letter of credit or surety bond, or other insurance, and Applicant may pay a fee in connection therewith.

SIXTEENTH: Applicant proposes, with the consent and approval of the Commission, to utilize interest rate management techniques and enter into Interest Rate Management Agreements. Such authority will allow Applicant sufficient alternatives and flexibility when striving to reduce its effective interest cost and manage interest cost on financings.

A. *__Interest Rate Management Agreements__*

The Interest Rate Management Agreements will be products commonly used in today's capital markets, consisting of "interest rate swaps", "caps", "collars", "floors", "options", or hedging products such as "forwards" or "futures", or similar products, the purpose of which is to manage and minimize interest costs. Applicant expects to enter into these agreements with counterparties that are highly rated financial institutions. The transactions will be for a fixed period and a stated principal amount, and may be for underlying fixed or variable obligations of Applicant.

B. *Pricing Parameters*

Applicant proposes that the pricing parameters for Interest Rate Management Agreements be governed by the parameters contained herein. Fees and commissions in connection with any Interest Rate Management Agreement will be in addition to the above parameters and will not exceed 1.00% of the amount of the underlying obligation involved.

C. *Accounting*

Applicant proposes to account for these transactions in accordance with generally accepted accounting principles.

D. *Commission Authorization*

Since market opportunities for these interest rate management alternatives are transitory, Applicant must be able to execute interest rate management transactions when the opportunity arises to obtain the most competitive pricing. Thus, Applicant seeks approval to enter into any or all of the described transactions within the parameters discussed above prior to the time Applicant reaches agreement with respect to the terms of such transactions.

If Applicant utilizes Interest Rate Management Agreements, Applicant's annual long-term interest charges could change. The authorization of the Interest Rate Management Agreements consistent with the parameters herein in no way relieves Applicant of its responsibility to obtain the best terms reasonably available for the product selected and, therefore, it is appropriate and reasonable for this Commission to authorize Applicant to agree to such terms and prices consistent with said parameters.

The authorization which Applicant requests herein to enter into Interest Rate Management Agreements is consistent with the authority granted by the Commission to Applicant in Case No. 02-2628-EL-AIS.

SEVENTEENTH: Applicant presently proposes, if market conditions warrant, in accordance with the terms of the applicable agreements of sale and loan agreements, to formally request the Authority to issue and sell Refunding Bonds to refund the outstanding Bonds.

EIGHTEENTH: All proceeds realized from the sale of the Refunding Bonds, together with any other funds which may become available to Applicant, will be used to refund the Bonds to be redeemed.

NINETEENTH: In order to act quickly in this financial market, Applicant hereby requests expedited Commission action in connection with this Application.

WHEREFORE: Applicant prays for authority from the Commission to consummate and carry out the transactions proposed herein through April 30, 2010 with respect to (i) the termination of the Project Lease between JMG Funding, Limited Partnership and the Applicant, as proposed and described in this Application; (ii) the assumption of JMG's obligations under loan agreements with the Ohio Air Quality Development Authority, all as proposed and described in this Application; (iii) the incurring of obligations in connection with the refunding of any of the Fixed Rate Bonds or Auction Rate Bonds or other debt of JMG, (iv) entering into guarantees of JMG's obligations for, or reimbursement obligations under any credit support for, the Refunded Bonds, including any obligations under any new loan agreements and credit agreements; and (v) entering 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 7th day of May, 2009.

OHIO POWER COMPANY

By ______________________

Renee V. Hawkins
Assistant Treasurer

Counsel:

____

David C. House, Esq.
1 Riverside Plaza, Columbus, OH 43215
(614)716-1630

STATE OF OHIO)
) SS:
COUNTY OF FRANKLIN)

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

____

Notary Public
My Commission expires

Dated: May 7, 2009

NOTARIAL SEAL
STATE OF OHIO

MOLLY A MILLER
Notary Public, State of Ohio
My Commission Expires 01-03-11

EXHIBIT A

Financial Statements of Applicant as of March 31, 2009.

OHIO POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2009 and 2008
(in thousands)
(Unaudited)

	2009	2008
REVENUES		
Electric Generation, Transmission and Distribution	$ 524,686	$ 555,478
Sales to AEP Affiliates	226,694	236,848
Other - Affiliated	7,488	5,299
Other - Nonaffiliated	3,847	4,563
TOTAL	762,715	802,188
EXPENSES		
Fuel and Other Consumables Used for Electric Generation	253,474	238,934
Purchased Electricity for Resale	52,269	34,577
Purchased Electricity from AEP Affiliates	16,742	32,516
Other Operation	99,598	89,882
Maintenance	60,040	48,697
Depreciation and Amortization	84,023	68,566
Taxes Other Than Income Taxes	51,492	51,578
TOTAL	617,638	564,750
OPERATING INCOME	145,077	237,438
Other Income (Expense):		
Interest Income	244	2,908
Carrying Costs Income	1,584	4,229
Allowance for Equity Funds Used During Construction	867	544
Interest Expense	(38,681)	(33,919)
INCOME BEFORE INCOME TAX EXPENSE	109,091	211,200
Income Tax Expense	36,482	72,910
NET INCOME	72,609	138,290
Less: Net Income Attributable to Noncontrolling Interest	463	463
NET INCOME ATTRIBUTABLE TO OPCo SHAREHOLDERS	72,146	137,827
Less: Preferred Stock Dividend Requirements	183	183
EARNINGS ATTRIBUTABLE TO OPCo COMMON SHAREHOLDER	$ 71,963	$ 137,644

The common stock of OPCo is wholly-owned by AEP.

See Condensed Notes to Condensed Financial Statements of Registrant Subsidiaries beginning on page H-1.

OHIO POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AND COMPREHENSIVE INCOME (LOSS)
For the Three Months Ended March 31, 2009 and 2008
(in thousands)
(Unaudited)

	OPCo Common Shareholder					
	Common Stock	Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total
DECEMBER 31, 2007	$ 321,201	$ 536,640	$ 1,469,717	$ (36,541)	$ 15,923	$ 2,306,940
EITF 06-10 Adoption, Net of Tax of $1,004			(1,864)			(1,864)
SFAS 157 Adoption, Net of Tax of $152			(282)			(282)
Common Stock Dividends – Nonaffiliated					(463)	(463)
Preferred Stock Dividends			(183)			(183)
Other					2,015	2,015
TOTAL						2,306,163
COMPREHENSIVE INCOME						
Other Comprehensive Income (Loss), Net of Taxes:						
Cash Flow Hedges, Net of Tax of $4,745				(8,811)		(8,811)
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $379				703		703
NET INCOME			137,827		463	138,290
TOTAL COMPREHENSIVE INCOME						130,182
MARCH 31, 2008	$ 321,201	$ 536,640	$ 1,605,215	$ (44,649)	$ 17,938	$ 2,436,345
DECEMBER 31, 2008	$ 321,201	$ 536,640	$ 1,697,962	$ (133,858)	$ 16,799	$ 2,438,744
Common Stock Dividends – Nonaffiliated					(463)	(463)
Preferred Stock Dividends			(183)			(183)
Other					1,111	1,111
TOTAL						2,439,209
COMPREHENSIVE INCOME						
Other Comprehensive Income, Net of Taxes:						
Cash Flow Hedges, Net of Tax of $570				1,058		1,058
Amortization of Pension and OPEB Deferred Costs, Net of Tax of $855				1,588		1,588
NET INCOME			72,146		463	72,609
TOTAL COMPREHENSIVE INCOME						75,255
MARCH 31, 2009	$ 321,201	$ 536,640	$ 1,769,925	$ (131,212)	$ 17,910	$ 2,514,464

See Condensed Notes to Condensed Financial Statements of Registrant Subsidiaries beginning on page H-1.

OHIO POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
March 31, 2009 and December 31, 2008
(in thousands)
(Unaudited)

	2009	2008
CURRENT ASSETS		
Cash and Cash Equivalents	$ 13,369	$ 12,679
Accounts Receivable:		
Customers	76,210	91,235
Affiliated Companies	99,508	118,721
Accrued Unbilled Revenues	22,658	18,239
Miscellaneous	12,797	23,393
Allowance for Uncollectible Accounts	(3,630)	(3,586)
Total Accounts Receivable	207,543	248,002
Fuel	238,012	186,904
Materials and Supplies	108,899	107,419
Risk Management Assets	63,360	53,292
Accrued Tax Benefits	51,287	13,568
Prepayments and Other	40,101	42,999
TOTAL	722,571	664,863
PROPERTY, PLANT AND EQUIPMENT		
Electric:		
Production	6,589,421	6,025,277
Transmission	1,128,310	1,111,637
Distribution	1,493,642	1,472,906
Other	390,415	391,862
Construction Work in Progress	270,475	787,180
Total	9,872,263	9,788,862
Accumulated Depreciation and Amortization	3,149,697	3,122,989
TOTAL - NET	6,722,566	6,665,873
OTHER NONCURRENT ASSETS		
Regulatory Assets	510,585	449,216
Long-term Risk Management Assets	45,665	39,097
Deferred Charges and Other	160,171	184,777
TOTAL	716,421	673,090
TOTAL ASSETS	$ 8,161,558	$ 8,003,826

See Condensed Notes to Condensed Financial Statements of Registrant Subsidiaries beginning on page H-1.

OHIO POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND EQUITY
March 31, 2009 and December 31, 2008
(Unaudited)

	2009	2008
	(in thousands)	
CURRENT LIABILITIES		
Advances from Affiliates	$ 320,166	$ 133,887
Accounts Payable:		
General	188,516	193,675
Affiliated Companies	99,427	206,984
Long-term Debt Due Within One Year – Nonaffiliated	73,000	77,500
Risk Management Liabilities	35,895	29,218
Customer Deposits	26,406	24,333
Accrued Taxes	146,442	187,256
Accrued Interest	35,934	44,245
Other	166,113	163,702
TOTAL	1,091,899	1,060,800
NONCURRENT LIABILITIES		
Long-term Debt – Nonaffiliated	2,762,039	2,761,876
Long-term Debt – Affiliated	200,000	200,000
Long-term Risk Management Liabilities	24,995	23,817
Deferred Income Taxes	971,014	927,072
Regulatory Liabilities and Deferred Investment Tax Credits	127,916	127,788
Employee Benefits and Pension Obligations	284,918	288,106
Deferred Credits and Other	167,686	158,996
TOTAL	4,538,568	4,487,655
TOTAL LIABILITIES	5,630,467	5,548,455
Cumulative Preferred Stock Not Subject to Mandatory Redemption	16,627	16,627
Commitments and Contingencies (Note 4)		
EQUITY		
Common Stock – No Par Value:		
Authorized – 40,000,000 Shares		
Outstanding – 27,952,473 Shares	321,201	321,201
Paid-in Capital	536,640	536,640
Retained Earnings	1,769,925	1,697,962
Accumulated Other Comprehensive Income (Loss)	(131,212)	(133,858)
TOTAL COMMON SHAREHOLDER'S EQUITY	2,496,554	2,421,945
Noncontrolling Interest	17,910	16,799
TOTAL EQUITY	2,514,464	2,438,744
TOTAL LIABILITIES AND EQUITY	$ 8,161,558	$ 8,003,826

See Condensed Notes to Condensed Financial Statements of Registrant Subsidiaries beginning on page H-1.

OHIO POWER COMPANY CONSOLIDATED
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended March 31, 2009 and 2008
(in thousands)
(Unaudited)

	2009	2008
OPERATING ACTIVITIES		
Net Income	$ 72,609	$ 138,290
Adjustments to Reconcile Net Income to Net Cash Flows from (Used for) Operating Activities:		
Depreciation and Amortization	84,023	68,566
Deferred Income Taxes	71,740	10,850
Carrying Costs Income	(1,584)	(4,229)
Allowance for Equity Funds Used During Construction	(867)	(544)
Mark-to-Market of Risk Management Contracts	(7,117)	(5,035)
Deferred Property Taxes	21,527	20,574
Fuel Over/Under-Recovery, Net	(65,192)	-
Change in Other Noncurrent Assets	1,669	(46,438)
Change in Other Noncurrent Liabilities	19,318	5,397
Changes in Certain Components of Working Capital:		
Accounts Receivable, Net	39,518	(21,586)
Fuel, Materials and Supplies	(52,588)	(4,130)
Accounts Payable	(95,306)	9,005
Customer Deposits	2,073	69
Accrued Taxes, Net	(78,533)	15,790
Accrued Interest	(8,311)	(4,348)
Other Current Assets	(15,394)	(13,020)
Other Current Liabilities	(10,485)	(19,146)
Net Cash Flows from (Used for) Operating Activities	(22,900)	150,065
INVESTING ACTIVITIES		
Construction Expenditures	(163,263)	(142,257)
Proceeds from Sales of Assets	2,796	2,004
Other	3,883	-
Net Cash Flows Used for Investing Activities	(156,584)	(140,253)
FINANCING ACTIVITIES		
Change in Short-term Debt, Net – Nonaffiliated	-	(701)
Change in Advances from Affiliates, Net	186,279	(14,140)
Retirement of Long-term Debt – Nonaffiliated	(4,500)	(7,463)
Funds from Amended Coal Contact	-	10,000
Principal Payments for Capital Lease Obligations	(1,316)	(1,926)
Dividends Paid on Common Stock – Nonaffiliated	(463)	(463)
Dividends Paid on Cumulative Preferred Stock	(183)	(183)
Other	357	2,015
Net Cash Flows from (Used for) Financing Activities	180,174	(12,861)
Net Increase (Decrease) in Cash and Cash Equivalents	690	(3,049)
Cash and Cash Equivalents at Beginning of Period	12,679	6,666
Cash and Cash Equivalents at End of Period	$ 13,369	$ 3,617
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest, Net of Capitalized Amounts	$ 64,554	$ 37,491
Net Cash Paid for Income Taxes	2,337	10,850
Noncash Acquisitions Under Capital Leases	157	687
Noncash Acquisition of Coal Land Rights	-	41,600
Construction Expenditures Included in Accounts Payable at March 31,	15,767	21,828

See Condensed Notes to Condensed Financial Statements of Registrant Subsidiaries beginning on page H-1.

OHIO POWER COMPANY CONSOLIDATED
INDEX TO CONDENSED NOTES TO CONDENSED FINANCIAL STATEMENTS OF REGISTRANT SUBSIDIARIES

The condensed notes to OPCo's condensed consolidated financial statements are combined with the condensed notes to condensed financial statements for other registrant subsidiaries. Listed below are the notes that apply to OPCo. The footnotes begin on page H-1.