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BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application)
of Columbus Southern Power)
Company and Ohio Power Company)
to Update Their Enhanced Service)
Reliability Riders)

Case No. 11-1361-EL-RDR

APPLICATION

1. Columbus Southern Power Company (CSP) and Ohio Power Company (OP) collectively referred as "the Companies" or "AEP Ohio," are electric light companies, as that term is defined in §§4905.03 and 4928.01 (A) (7), Ohio Rev. Code.
2. In the Companies' Electric Security Plan (ESP) proceeding (Case Nos. 08-917-EL-SSO and 08-918-EL-SSO), AEP Ohio proposed four major programs relating to service reliability. The Commission found that the Companies' enhanced vegetation initiative, with Staff's additional recommendations, is a reasonable program that will advance state policy, while deferring inclusion of the remaining programs for potential future adoption. (Opinion and Order, March 18, 2009, p. 34). The Commission approved the Enhanced Service Reliability (ESR) incremental spending plan presented in the ESP Cases as being \$31.5 million in year one of the program, \$34.8 million in year two and \$38.1 million in year three. (*Id.* at 33.) Accordingly, the Commission approved the ESR Rider, subject to annual reconciliation based on the Companies' prudently-incurred costs.
3. In its Entry on Rehearing, the Commission clarified that it created the ESR Rider as a mechanism to recover the actual costs incurred so that the

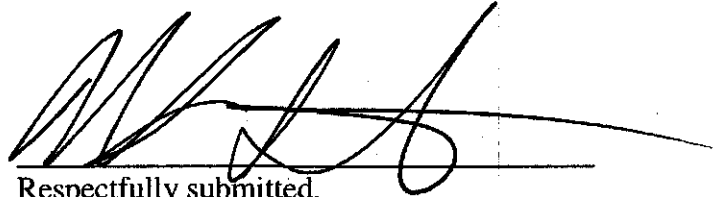
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expenditures could be tracked, reviewed to determine that they were prudent and incremental to costs included in base rates, and reconciled annually. (Entry on Rehearing, July 23, 2009, p. 17.) In doing so, the Commission indicated that it fully expects the Companies to work with Staff to strike the correct balance within the cost level established by its Order, which is based on the Companies' proposed ESRP program. (*Id.* at 18.)

4. In accordance with the Commission's orders, the Companies worked with the Staff and finalized its enhanced vegetation management initiative plan during the ESP and confirmed the baseline level of spending that defined the incremental costs to be included in the ESR Rider. The Commission cited these common understanding between AEP Ohio and Staff for resolving these matters in its August 25, 2010 Finding and Order in Commission Case No. 10-163-EL-RDR ("2010 Case").
5. In conformance with the Commission's authorization of such annual filings to recover incremental vegetation spending subject to reconciliation, the Companies seek authority to update the ESR Riders. The proposed updates to the ESR Riders, with supporting calculations, are attached to this application as CSP Schedule 1 and OP Schedule 1 and the updated tariff sheets are attached as CSP Schedule 2, SCP Schedule 2, and OPCO Schedule 2. CSP's proposed ESR Rider is 3.94187% of Distribution charges compared to the 3.30537% approved in the "2010 Case" and OP's proposed ESR Rider is 6.72393% of Distribution charges compared to the previous 5.59907%.
6. The Companies seek to adjust their respective ESR Riders based upon actual incremental vegetation spending in 2010 and projected spending for 2011.

7. The Companies propose that their ESR Riders become effective with the first billing cycle of July 2011.
8. The Commission found in the "2010 Case" Entry on Rehearing (August 25, 2010 at ¶15) that a hearing is not required in the rider proceedings. The Companies are authorized to make this filing results based on the Commission's orders in the Companies' ESP proceeding, and the schedules supporting the request, which are attached to the application, and can be verified by the Commission's Staff. The Companies recommend that to the extent any further process is needed that the Commission establish an opportunity for the filing of comments and reply comments, setting a reasonable schedule that would permit the Companies' proposed ESR Riders to become effective with the first billing cycle of July 2011.
9. The Companies' ESR Riders are just and reasonable and are authorized as part of their ESPs. Therefore, the Companies request that the Commission approve this application.



Respectfully submitted,
Steven T. Nourse, Counsel of Record
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2010 Columbus Southern Power Company ESR Rider True-Up

CSP - Distribution Vegetation 2010 Over/(Under) Recovery

	Base Vegetation Spend	2010 Actual Spending	2010 Actual Incremental	2010 Vegetation Revenue Requirement*
O&M	\$ 9,194,144	\$ 20,752,452	\$ 11,558,308	\$ 11,558,308
January	\$ 65,809	\$ 630,843	\$ 565,034	33,210
February	\$ 66,398	\$ 101,405	\$ 35,007	39,999
March	\$ 97,710	\$ 245,797	\$ 148,087	40,436
April	\$ 138,973	\$ 337,530	\$ 198,557	42,282
May	\$ 229,935	\$ 427,796	\$ 197,861	44,757
June	\$ 79,621	\$ 291,600	\$ 211,979	47,224
July	\$ 132,439	\$ 409,080	\$ 276,641	49,866
August	\$ 107,287	\$ 445,525	\$ 338,238	53,315
September	\$ 16,309	\$ 383,478	\$ 367,169	57,532
October	\$ 60,780	\$ 520,171	\$ 459,391	62,109
November	\$ 95,597	\$ 571,699	\$ 476,102	67,836
December	\$ 116,810	\$ 452,476	\$ 335,666	73,772
Capital - 40 Year Life	\$ 1,207,669	\$ 4,817,400	\$ 3,609,732	\$ 612,339
Total	\$ 10,401,813			\$ 12,170,647
		2010 Actual Revenue Requirement		\$ 10,093,714
		2010 ESR Rider Collections		\$ (2,076,932)
		2010 Over/(Under) Recovery		

CSP - Distribution Vegetation 2011 Incremental Investment

	Base Vegetation Spend	Original ESP 2011 Estimated Vegetation Spend	Updated 2011 Vegetation Spend	Carrying Charge Rate	2010 Vegetation Revenue Requirement
O&M	\$ 9,194,144	\$ 10,500,000	\$ 10,031,520		\$ 10,031,520
Capital - 40 Year Life	\$ 1,207,669	\$ 2,700,000	\$ 2,638,464	14.96%	\$ 197,357 (a)
Total	\$ 10,401,813	\$ 13,200,000	\$ 12,669,984		\$ 10,228,877
		2010 Investment Carrying Costs			\$ 540,016 (b)
		Over/(Under) Recovery (From Above)			\$ (2,076,932)
		Total Revenue Requirement			\$ 12,845,825
		Base Distribution Revenues			\$ 325,881,559
		2011 ESR Rider			3.94187%
		Current ESR Rider			3.30537%
		Change in ESR Rider			0.63650%

(a) Annual carrying charge rate times updated 2011 capital spending times one-half year

(b) Annual carrying charge rate times 2010 actual capital spending

COLUMBUS SOUTHERN POWER COMPANY

CSP Schedule 2
2nd-3rd Revised Sheet No. 83-1
Cancels 4th-2nd Revised Sheet No. 83-1

P.U.C.O. NO. 7

ENHANCED SERVICE RELIABILITY RIDER

Effective ~~Cycle 1 September 2010~~ _____, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~3.30537%~~ 3.94187% of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Filed pursuant to Order dated August 25, 2010 _____ in Case No. ~~10-163-EL-RDR~~ _____

Issued: August 27, 2010 _____

Effective: Cycle 1 September, 2010 _____

Issued by
Joseph Hamrock, President
AEP Ohio

COLUMBUS SOUTHERN POWER COMPANY

CSP Schedule 3
2nd-3rd Revised Sheet No. 83-1D
Cancels 1st-2nd Revised Sheet No. 83-1D

P.U.C.O. NO. 7

OAD – ENHANCED SERVICE RELIABILITY RIDER
(Open Access Distribution – Enhanced Service Reliability Rider)

Effective Cycle ~~1~~ September 2010 _____, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~3.30537%~~ 3.94187% of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

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Issued: August 27, 2010 _____ Effective: Cycle 1 September 2010 _____

Issued by
Joseph Hamrock, President
AEP Ohio

2010 Ohio Power Company ESR Rider True-Up

**OPCo - Distribution Vegetation
2010 Over/(Under) Recovery**

	Base Vegetation Spend	2010 Actual Spending	2010 Actual Incremental	2010 Vegetation Revenue Requirement*
O&M	\$ 11,376,268	\$ 29,912,348	\$ 18,536,080	\$ 18,536,080
January	\$ 136,656	\$ 365,911	\$ 229,255	\$ 33,784
February	\$ 116,663	\$ 126,837	\$ 10,174	\$ 34,923
March	\$ 206,231	\$ 393,086	\$ 186,855	\$ 35,043
April	\$ 255,896	\$ 546,620	\$ 290,724	\$ 37,282
May	\$ 289,474	\$ 626,308	\$ 336,834	\$ 40,766
June	\$ 224,192	\$ 448,774	\$ 224,582	\$ 44,802
July	\$ 184,069	\$ 411,784	\$ 227,715	\$ 47,493
August	\$ 216,113	\$ 486,963	\$ 270,850	\$ 50,222
September	\$ 226,225	\$ 784,754	\$ 558,529	\$ 53,468
October	\$ 184,145	\$ 716,631	\$ 532,486	\$ 60,161
November	\$ 139,913	\$ 756,862	\$ 616,949	\$ 66,542
December	\$ 242,341	\$ 702,867	\$ 460,526	\$ 73,935
Capital - 30 Year Life	\$ 2,421,919	\$ 6,367,397	\$ 3,945,478	\$ 578,419
Total	\$ 13,798,187			\$ 19,114,499
			2010 ESR Rider Collections	\$ 18,078,298
			2010 Over/(under) Recovery	\$ (1,036,201)

**OPCo - Distribution Vegetation
2011 Incremental Investment**

	Base Vegetation Spend	Original ESP 2011 Estimated Vegetation Spend	Updated 2011 Vegetation Spend	Carrying Charge Rate	2011 Vegetation Revenue Requirement
O&M	\$ 11,376,268	\$ 19,800,000	\$ 19,220,331		\$ 19,220,331
Capital - 30 Year Life	\$ 2,421,919	\$ 5,200,000	\$ 5,076,593	14.38% (a)	\$ 365,007 (a)
Total	\$ 13,798,187	\$ 25,000,000	\$ 24,296,924		\$ 19,585,338
			2010 Investment Carrying Costs		\$ 567,360 (b)
			Over/(Under) Recovery (From Above)		\$ (1,036,201)
			Total Revenue Requirement		\$ 21,188,899
			Base Distribution Revenues		\$ 315,126,553
			2011 ESR Rider		6,723,939
			Current ESR Rider		5.89839%
			Change in ESR Rider		0.82454%

(a) Annual carrying charge rate times updated 2011 capital spending times one-half year

(b) Annual carrying charge rate times 2010 actual capital spending

OHIO POWER COMPANY

OPCO Schedule 2
2nd - 3rd Revised Sheet No. 83-1
Cancels 1st - 2nd Revised Sheet No. 83-1

P.U.C.O. NO. 19

ENHANCED SERVICE RELIABILITY RIDER

Effective ~~Cycle 1 September 2010~~ _____, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~5.89939%~~ 6.72393 of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

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Issued: August 27, 2010 _____

Effective: Cycle 1 September 2010 _____

Issued by
Joseph Hamrock, President
AEP Ohio

OHIO POWER COMPANY

OPCo Schedule 3
2nd-3rd Revised Sheet No. 83-1D
Cancels 4th-2nd Revised Sheet No. 83-1D

P.U.C.O. NO. 19

OAD – ENHANCED SERVICE RELIABILITY RIDER
(Open Access Distribution – Enhanced Service Reliability Rider)

Effective ~~Cycle 1 September 2010~~, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~5.89939%~~ 6.72393% of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

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