

Staff Review and Recommendation**In the Matter of
Columbus Southern Power Company and
Ohio Power Company to
Update the Energy Efficiency and
Peak Demand Reduction Riders****Case Nos. 11-2768-EL-RDR and
11-2769-EL-RDR****RECEIVED-DOCKETING DIV
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PUCO****Summary**

On April 29, 2011, the AEP Ohio Operating Companies, Columbus Southern Power Company and Ohio Power Company, filed their updated Energy Efficiency and Peak Demand Reduction Riders for Commission approval. As the Application states, the Companies have filed their trued-up program costs, net lost distribution revenues, and shared savings. Included in the filing, the Companies are requesting the recovery of net lost distribution revenues that have and are occurring in calendar year 2011. These net lost distribution revenue amounts are found on Schedule 3, pages 1 and 2 of the Attachment. The Staff does not object to the recovery of net lost distribution revenues for the calendar years 2009 and 2010. However, based on the Commission's clarifying Entry in Case Nos. 09-1089-EL-POR and 09-1090-EL-POR, dated May 13, 2010, the Commission denied recovery of AEP-Ohio Companies lost distribution revenues incurred after December 31, 2010.

Staff Recommendations

The Staff recommends to the Commission that, consistent with the Commission's ruling, the Companies be denied the inclusion of net lost distribution revenues as reflected in Schedule 3 of the Attachment. These amounts would be \$4,022,906 for the Columbus Southern Power Company and \$2,774,608 for the Ohio Power Company. The Staff further recommends that the Companies be directed to refile their energy efficiency and peak demand reduction riders, without these costs, as soon as possible. Until such time as when the revised rider application is filed and approved by the Commission, Staff recommends that the currently existing riders remain in effect.

Filed by: G. Scheck
Date: June 24, 2011

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