

FILE

OCC EXHIBIT NO. _____

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Columbus)
Southern Power Company and Ohio Power)
Company, Individually and, if Their Proposed) Case No. 10-351-EL-AIR
Merger is Approved, as a Merged Company) Case No. 10-352-EL-AIR
(collectively, AEP Ohio) for Increase in)
Electric Distribution Rates)

In the Matter of the Application of Columbus)
Southern Power Company and Ohio Power) Case No. 10-353-EL-ATA
Company, Individually and, if Their Proposed) Case No. 10-354-EL-ATA
Merger is Approved, as a Merged Company)
(collectively, AEP Ohio) for Tariff Approval)

In the Matter of the Application of Columbus)
Southern Power Company and Ohio Power)
Company, Individually and, if Their Proposed) Case No. 10-356-EL-AAM
Merger is Approved, as a Merged Company) Case No. 10-358-EL-AAM
(collectively, AEP Ohio) for Approval to)
Change Accounting Methods)

**DIRECT TESTIMONY
OF
IBRAHIM SOLIMAN**

**On Behalf of
The Office of the Ohio Consumers' Counsel
10 West Broad Street, Suite 1800
Columbus, Ohio 43215-3485**

October 24, 2011

PUCO

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SCHEDULES

OCC A-1 through C-4.1 OCC Recommended Revenue Requirement

ATTACHMENTS

- IS-A Ibrahim Soliman – Testimony
- IS-B Staff Data Requests 23 and 90 (2009, 2010, and 2011 amortization of losses)
- IS-C Staff Data Request 90 (2011 amortization of losses)
- IS-D Staff Data Requests 62 and 76 (Account 1650014 at date certain)
- IS-E Applicant's Supplemental D-6 (Account 1650014)
- IS-F OCC Interrogatory No. 254 (ERRP reimbursement)
- IS-G OCC Interrogatory No. 112 (Actual May 2011 payroll)
- IS-H Staff Data Request 101B (Payments to Battelle)
- IS-I Staff Data Request 58 (PUCO and OCC assessments)

I. INTRODUCTION

Q1. PLEASE STATE YOUR NAME, ADDRESS AND POSITION.

A1. My name is Ibrahim Soliman. My business address is 10 West Broad Street, Suite 1800, Columbus, Ohio 43215-3485. I am employed by the Office of the Ohio Consumers' Counsel ("OCC" or "Consumers' Counsel") as a Senior Regulatory Analyst.

Q2. WHAT IS YOUR EDUCATIONAL BACKGROUND?

A2. I earned a Bachelor of Business Administration degree from Cairo University in 1976 with a major in accounting. I have completed many regulatory training programs. I retired from PUCO on July 2010 after 30 years of service. I am a Certified Public Accountant (CPA), Certified Internal Auditor (CIA), and Certified Management Accountant (CMA).

Q3. PLEASE SUMMARIZE YOUR WORK EXPERIENCE.

A3. I joined the OCC in January 2011 as a Senior Regulatory Analyst. Prior to my employment with the OCC, I worked for the Public Utilities Commission of Ohio ("PUCO" or "Commission") from July 1980 until July 2010. During my thirty years tenure with the Staff of the Commission, ("Staff") I held several positions as Utility Auditor, Utility Supervisor, and Utility Administrator. My current duties as an OCC Senior Regulatory Analyst include investigation and analysis of utility

1 applications for increases in rates. I also participate in other cases and
2 investigations in the electric, gas, and water industries.

3
4 ***Q4. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY BEFORE THIS***
5 ***COMMISSION?***

6 ***A4.*** Yes. During my employment with the Staff of the PUCO, I submitted testimony
7 before the Commission in several electric, gas, and water cases as shown on
8 Attachment IS-A.

9
10 ***Q5. WHAT DOCUMENTS HAVE YOU REVIEWED IN THE PREPARATION OF***
11 ***YOUR TESTIMONY?***

12 ***A5.*** I have reviewed the Application for an Increase in Electric Distribution Rates in
13 these cases filed by Columbus Southern Power Company (“CSP”) and Ohio
14 Power Company (“OPCo”) (collectively “AEP Ohio”, “Companies” or
15 “Applicant”); the Standard Filing Requirements and associated workpapers; and
16 AEP Ohio’s supporting testimony. I have also reviewed the PUCO Staff Reports
17 of Investigation (“Staff Reports”) and associated workpapers, and AEP Ohio
18 responses to PUCO data requests and OCC discovery.

19
20 **II. PURPOSE OF TESTIMONY**

21
22 ***Q6. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THESE***
23 ***PROCEEDINGS?***

1 **A6.** My testimony will support OCC's objections to the Staff Reports for CSP and
2 OPCo as they relate to the determination of operating income and rate base and
3 quantification of the impact of those objections on the calculation of the revenue
4 requirements. Specifically, I will address OCC's objections to the Staff Report
5 related to the following areas:

- 6 • Inclusion of Prepaid Pension in Rate Base (OCC Objection No.3)
- 7 • Amortization of Intangible Plant (OCC Objection No. 14)
- 8 • Amortization of Depreciation Reserve Over-accrual (OCC
9 Objection Nos. 2 and 13)
- 10 • Removal of Revenues and Expenses associated with Several Riders
11 Adjustments (OCC Objection No. 5)
- 12 • Amortization of Severance Expense Adjustment (OCC Objection
13 No. 6)
- 14 • Annualized Labor Adjustment (OCC Objection No. 7)
- 15 • Employees Savings Plan (OCC Objection No. 8)
- 16 • Miscellaneous O&M Expense (OCC Objection No. 9)
- 17 • O&M Budget Expense Adjustment (OCC Objection No. 10)
- 18 • O&M Actual Expense Adjustment (OCC Objection No. 11)
- 19 • Taxes Other Than Income Taxes (OCC Objection Nos. 15, 16, 17
20 and 18)
- 21 • Federal and State Income Taxes (OCC Objection No. 19)
- 22 • Deferred Distribution Regulatory Assets (OCC Objection Nos. 34,
23 35 and 36)

III. RATE BASE

A. PREPAID PENSION

***Q7. HOW DID THE STAFF REPORTS TREAT THE DATE CERTAIN
BALANCE OF ACCOUNT 1650010 - PREPAID PENSION BENEFITS IN
THEIR DETERMINATION OF RATE BASES FOR CSP AND OPCO?***

A7. The Staff Reports accepted the Applicant's increase to CSP rate base by \$86,404,000 and OPCo rate base by \$68,420,000 to recognize a prepaid pension asset in this account (Staff Reports at page 7 and 8, and Schedule B-6).

***Q8. DO YOU AGREE WITH THE STAFF'S INCLUSION IN RATE BASE OF
THESE ADDITIONAL CASH CONTRIBUTIONS FOR PENSION
BENEFITS?***

A8. No. On pages 7 and 8 of the Staff Reports, the Staff accepted the Applicant's justification to include prepaid pension asset in rate base. First, the Staff Reports repeat AEP Ohio witness McCoy's justification that the additional contributions benefit customers by reducing **future** pension costs through increased earnings. Second, the Staff accepts AEP Ohio witness McCoy's justification that Generally Accepted Accounting Principles ("GAAP") under Financial Accounting Standards Board ("FASB") Statement of Accounting Standards No. 87, *Employers' Accounting for Pensions* require recognition of an asset if the pension contributions are greater than the pension cost and a liability if pension

1 contributions are less than the pension cost. AEP Ohio witness McCoy concludes
2 that, on this basis, a state commission shall recognize these assets or liabilities for
3 ratemaking purposes.

4
5 ***Q9. DO YOU AGREE WITH THESE TWO JUSTIFICATIONS FOR INCLUDING***
6 ***PREPAID PENSION IN RATE BASE?***

7 ***A9.*** No, I do not. Regarding the first justification, the Applicant assumes that the
8 additional contributions made pre-2005¹, the 2005 contributions², and the 2010
9 contributions³ will benefit their customers by reducing future pension cost,
10 including test year pension cost in this rate case, through increasing investment
11 earnings (gains).

12
13 Applicant's witness McCoy on Exhibit HEM-1 computed a hypothetical growth
14 of the prepaid pension amount from 2005 through 2010 using various estimated
15 investment rates. His calculation of the 2005 prepaid pension balance of
16 \$84,296,519 for CSP has grown to \$125,008,742 as of the end of 2009, a growth
17 of \$40,712,223 or 48%. He also calculated that the 2005 prepaid pension balance
18 of \$64,507,272 for OPCo has grown to \$95,661,992 as of the end of 2009, a
19 growth of \$31,154,720 or 48%.

20

¹ \$27,736,122 for CSP and \$9,278,396 for OPCo per AEP Ohio witness McCoy, HEM-1 for pre-2005.

² \$56,560,397 for CSP and \$55,228,876 for OPCo per AEP Ohio witness McCoy, HEM-1 for 2005.

³ \$2,107,304 for CSP and \$3,980,584 for OPCo per AEP Ohio witness McCoy, HEM-1 for 2010.

1 For 2011, Mr. McCoy calculated an estimated investment return of \$9,851,494 for
2 CSP.⁴ Also for 2011 he calculated an investment return of \$7,722,300 for OPCo.⁵
3 Mr. McCoy claims that customers benefited from the investment because the
4 *earnings/returns on the additional pension contribution have reduced test year*
5 *pension cost* and that if the Commission excludes prepaid pension from rate base,
6 then the test year pension cost should be increased by \$9,851,494 for CSP and
7 \$7,722,300 for OPCo.

8
9 I disagree with Mr. McCoy's hypothetical calculation of prepaid pension
10 earnings. His calculation assumed constant principal investment amounts and a
11 compounded rate that resulted in 48% growth from 2005 through 2009. However,
12 his calculation did not reflect the possibility of losses to the principal investment
13 amount during these 4 years, especially large investment losses that occurred
14 during the 2008 financial crisis. Such losses may equal or exceed the return on
15 the prepaid pension investment.

16
17 After reviewing Actuarial Consultant, Towers Watson, Report for American
18 Electric Power System Retirement Plan for pension cost for calendar years 2009,
19 2010 and 2011, as provided in responses to Staff's Data Request Nos. 23 and 90, I
20 have found that the report shows amortization of investment losses of
21 \$55,980,961, \$86,553,049, and \$119,163,200, respectively, (Attachment IS-B)

⁴ Based on 2009 accumulated prepaid pension balance of \$125,008,742 plus a 2010 additional contribution of \$2,107,304, times an investment rate of 7.75%.

⁵ Based on 2009 accumulated prepaid pension balance of \$95,661,992 plus a 2010 additional contribution of \$3,980,584, times an investment rate of 7.75%.

1 and these investment losses have increased the pension cost in the last three years.

2 Therefore, it is difficult to assume that additional cash contributions made in the
3 past have benefited customers and reduced test year pension cost in this rate case
4 proceeding.

5
6 I would also point out that the Staff's test year pension cost, as calculated by the
7 actuarial consultant, Tower Watson, includes amortization of investment loss of
8 \$5,518,145 for CSP and \$5,865,414 for OPCo which increased, not reduced, test
9 year pension cost.⁶

10
11 It is uncertain and unknown that the extra pension cash investments made in the
12 past have produced **future** gains and reduced **future** pension costs in this
13 proceeding.

14
15 Regarding the second justification, the main purpose of GAAP is to make the
16 financial reporting of public companies uniform and consistent to give the public
17 comparable financial information that can be used for financial analysis and the
18 development of certain recommendations. Based on my thirty years of experience
19 in utilities regulation, it is my opinion that GAAP does not dictate certain
20 regulatory treatment for a state commission to follow for ratemaking purposes.

21 Recording a pension asset or liability on a company's financial statement

⁶ Staff Data Request No. 90 (Attachment IS-C).

1 according to FASB No. 87 does not force or require the Commission to increase
2 rate base by the prepaid pension amounts for ratemaking purposes.
3

4 ***Q10. DOES THE APPLICANT'S DATE CERTAIN BALANCE SHEET CONTAIN***
5 ***OTHER PREPAYMENTS RELATED TO PENSION THAT THE***
6 ***APPLICANT AND STAFF HAVE NOT REFLECTED IN RATE BASE IN***
7 ***THESE CASES?***

8 ***A10.*** Yes, the Applicant's date certain balance of Account 1650014 – FAS 158
9 Qualified Contra Asset shows a credit of \$86,438,317 for CSP and \$68,309,679
10 for OPCo (Attachment IS-D).
11

12 According the Applicant's Chart of Accounts, Account 1650014 is the account
13 "used to track the long term portion of the FAS 158 Projected Benefits Obligation
14 ("PBO") liability for the Qualified Pension Plan when the net plan is still prepaid.
15 This account offsets account 1650010"⁷ the account where the Applicant recorded
16 the prepaid pension amounts.
17

18 ***Q11. WHAT IS YOUR RECOMMENDATION REGARDING THE INCLUSION OF***
19 ***PREPAID PENSION IN RATE BASE?***

20 ***A11.*** I recommend that the Commission disallow the inclusion of Account 1650010
21 prepaid pension (OCC Schedule B-6) because it is uncertain and unknown that
22 customers benefited from the additional contribution to the pension plan and they

⁷ Applicants Supplemental D-6, page 16, Chart of Accounts (Attachment IS-E).

1 should not pay more for pension cost than what is determined by the actuarial
2 report. However, if the Commission decides to increase the rate base by the date
3 certain balance of Account 1650010 prepaid pension, then it should also reduce
4 the rate base by the date certain balance of Account 1650014 pension liability,
5 which is an offset to Account 1650010, in the determination of rate base for this
6 rate case proceeding.

7
8 **IV. OPERATING INCOME**

9
10 **A. AMORTIZATION OF INTANGIBLE PLANT**

11
12 ***Q12. WOULD YOU PLEASE EXPLAIN THE STAFF'S AMORTIZATION OF***
13 ***INTANGIBLE PLANT AS SHOWN ON THE STAFF'S SCHEDULE B-3.2***
14 ***AND SCHEDULE C-2?***

15 ***A12.*** The Staff accepted the Applicant's unadjusted test year amortization amount of
16 intangible plant of \$4,263,000 for CSP and \$4,084,000 for OPCo.⁸ The Staff did
17 not provide an explanation for or a calculation of the amortization amount.
18 Staff's unadjusted test year amortization amounts for CSP and OPCo exceed the
19 net intangible plant balances as of date certain, August 31, 2010. The date certain
20 net intangible plant balances are:

21

⁸ Applicants Schedule C-2.1, Account 404 amortization and Staff Schedule C-2.

	<u>CSP</u>	<u>OPCo</u>
Plant Investment (B-2.1)	\$22,914,000	\$25,402,000
Less: Depreciation Reserve (B-3.2)	<u>21,190,000</u>	<u>23,560,000</u>
Date Certain Net Plant Balance	\$ 1,724,000	\$ 1,842,000

***Q13. WHAT ANNUAL AMORTIZATION AMOUNTS FOR INTANGIBLE PLANT
DO YOU RECOMMEND BE INCLUDED IN THE DETERMINATION OF
THE REVENUE REQUIREMENT IN THIS PROCEEDING?***

A13. I recommend that the unadjusted test year amortization amount of the intangible plant be adjusted to reflect only the date certain remaining net plant balance. Therefore, I recommend that the test year amortization of the intangible plant be limited to only the net plant balance of \$1,724,000 for CSP and \$1,843,000 for OPCo (OCC Schedule B-3.2a and B-3.2b). Any further amortization beyond the remaining net plant balance would result in an over-accrual, meaning that customers would be asked to pay more than the original plant cost.

**B. AMORTIZATION OF DEPRECIATION RESERVE OVER-
ACCRUAL**

***Q14. HOW DID THE STAFF CALCULATE THE DEPRECIATION RESERVE
IMBALANCE, OR OVER-ACCRUAL?***

A14. As explained on page 6 of the Staff Reports, the Staff compared the Applicant's booked depreciation reserve level with a calculated theoretical depreciation

1 reserve based on the Staff's recommended depreciation accrual rates. The Staff
2 determined that the Applicant's actual book depreciation reserve was higher than
3 the calculated theoretical depreciation reserve for CSP and OPCo, by
4 approximately \$179 million and \$92 million, respectively.

5
6 ***Q15. WHAT DID THE STAFF RECOMMEND REGARDING THE***
7 ***DEPRECIATION RESERVE OVER-ACCRUAL?***

8 ***A15.*** The Staff recommends that the depreciation reserve over-accrual be amortized
9 over a 15- year period. Amortization of the reserve over-accrual is shown on
10 Schedule B-3.2 of the Staff Reports as a reduction to annual depreciation expense
11 of 1/15th of the reserve imbalance. This resulted in a reduction to annual
12 depreciation for CSP of \$11.948 million and for OPCo of \$6.127 million.⁹

13
14 ***Q16. WHAT IS YOUR RECOMMENDATION REGARDING THE***
15 ***DEPRECIATION RESERVE OVER-ACCRUAL?***

16 ***A16.*** I believe that 15 years is too long a period over which to amortize the depreciation
17 reserve over-accrual. Keeping a regulatory asset or liability, such as this reserve
18 over-accrual, on utility books for such a long period increases the risk that future
19 recovery from or return back to customers could be compromised due to the
20 possibility of future changes in the regulatory environment. I recommend that the
21 amortization period of the depreciation reserve over-accrual be 7 years and start
22 on January 1, 2012 (OCC Schedule B-3.2a and B-3.2b). A 7-year amortization

⁹ For CSP, \$179.223 million / 15 years = \$11.948 million per Staff WPB-3.2a2. For OPCo, \$91.999 million / 15 years x 99.9012% = \$6.127 million per Staff WPB-3.2a2.

1 period is also consistent with the Applicant's request for a 7-year amortization
2 period for recovery from customers of its Deferred Distribution Regulatory Assets
3 in these cases.¹⁰

4
5 **C. REVENUES AND EXPENSES ASSOCIATED WITH SEVERAL**
6 **RIDERS**

7
8 ***Q17. DID AEP OHIO ADJUST TEST YEAR REVENUE AND EXPENSES TO***
9 ***REMOVE THE IMPACT OF THE FOLLOWING RIDERS:***

- 10 • ***UNIVERSAL SERVICE FUND,***
11 • ***ADVANCED ENERGY FUND,***
12 • ***KWH TAX,***
13 • ***ENERGY EFFICIENCY & PEAK DEMAND,***
14 • ***ECONOMIC DEVELOPMENT COST RECOVERY,***
15 • ***ENHANCED SERVICE RELIABILITY,***
16 • ***MONONGAHELA POWER LITIGATION TERMINATION AND***
17 • ***GRIDSMART?***

18 ***A17.*** Yes. AEP Ohio adjusted its unadjusted test year revenues and expenses (i.e. 3
19 months actual and 9 months budget, "3&9") to remove the effects of these riders.

¹⁰ Staff Report at page 13.

Q18. DID THE STAFF ACCEPT AEP OHIO'S ADJUSTMENT AMOUNTS FOR THESE RIDERS' REVENUES AND EXPENSES?

A18. No, the Staff's adjustments for these eight riders were based on 12 months actual revenues and expenses rather than the Applicant's 3&9 adjustments. I do not see the benefit or necessity of the Staff's proposed actual updates for these riders. Actually, the methodology Staff used updating the riders is inconsistent with the remaining test year adjusted operating revenues and expenses. The impact of the Staff's proposed actual updates for these riders are an increase to test year operating revenues of \$2,269,000 for CSP and a reduction of \$6,712,000 for OPCo; and increases to test year operating expenses of \$19,259,999 for CSP and \$466,000 for OPCo. The net effect resulted in an overstatement of test year expenses. I believe that the Applicant's test year 3&9 adjustments are appropriate to remove the impact of these eight riders from the determination of revenue requirements in these proceedings. Therefore, I recommend that the Applicant's test year 3&9 adjustments for these riders be used in the determination of the revenue requirements as shown on my OCC Schedule C-3.

D. AMORTIZATION OF SEVERANCE EXPENSES

Q19. WHAT DID THE APPLICANT PROPOSE REGARDING THE AMORTIZATION OF SEVERANCE EXPENSES?

A19. The Applicant proposed to amortize the 2010 severance expenses over 3 years. For CSP, \$17.864 million was proposed to be amortized over three years,

1 resulting in an adjusted test year amount of \$5.955 million. For OPCo, the
2 Applicant proposed amortizing \$15.953 million over three years, for an adjusted
3 test year amount of \$5.318 million (Applicant Schedule C-3.10).

4
5 ***Q20. WHAT DID THE STAFF PROPOSE REGARDING THE AMORTIZATION***
6 ***OF SEVERANCE EXPENSES?***

7 ***A20.*** On page 9 of the Staff Reports, the Staff recommended an allocation of 50% of
8 the severance expenses to shareholders and 50% to customers, amortized over 3
9 years. This recommendation results in adjusted test year amounts of \$2.977
10 million for CSP and \$2.656 million for OPCo (Staff Report Schedule C-3.10).

11
12 ***Q21. DO YOU PROPOSE A FURTHER ADJUSTMENT TO STAFF'S***
13 ***RECOMMENDATION?***

14 ***A21.*** Yes. I also propose that the Staff's calculation of the amortization of severance
15 expenses be further reduced by \$249,000 for CSP and \$320,000 for OPCo for
16 federal assistance funds received by the Applicant to offset the 2010 severance
17 expenses (Calculated from OCC Interrogatory 254). The federal assistance funds
18 are provided to AEP under the Early Retiree Reinsurance Program ("ERRP") for
19 reimbursement of severance expenses made in 2010.¹¹ My proposed adjustment
20 to recognize these federal assistance funds results in adjusted test year severance
21 amortizations of \$2,784,097 for CSP and \$2,449,540 for OPCo (OCC Schedule
22 C-3.10).

¹¹ Applicant response to OCC Interrogatory No. 254 (Attachment IS-F).

E. LABOR ANNUALIZATION

***Q22. WOULD YOU PLEASE EXPLAIN THE APPLICANT'S LABOR
ADJUSTMENT?***

A22. The Applicant's unadjusted test year Operation and Maintenance (O&M) labor expense is \$29,939,000 for CSP and \$34,781,000 for OPCo. The Applicant workforce is a combination of three employee classifications (a) Exempt Salaried (b) Nonexempt Hourly, and (c) Salaried Nonexempt.

The Applicant proposes an adjustment to increase its unadjusted test year O&M labor by \$683,000 for CSP and \$654,000 for OPCo (Applicant's Schedules C-9 and C-9.1).

The Applicant annualized test year labor cost for its three employee classifications is based on **estimated** number of employees and estimated straight-time labor cost for the month of May 2011, last month of the test year. The Applicant also flowed through the effect of its annualized labor into over-time labor cost, saving plan expense, and payroll taxes (Applicant's Schedule C-3.11 and WPC-3.11a). The Applicant's adjusted test year O&M labor expense for CSP is \$30,622,000.¹² The Applicant's adjusted test year O&M labor expense for OPCo is \$35,436,000.¹³

¹² Applicant's Schedule C-9 (\$29,939,000 unadjusted test year O&M labor + \$683,000 O&M labor adjustment).

¹³ Applicant's Schedule C-9 (\$34,781,000 unadjusted test year O&M labor + \$654,000 O&M labor adjustment).

1 **Q23. WOULD YOU PLEASE EXPLAIN YOUR PROPOSED LABOR**

2 **ADJUSTMENT?**

3 **A23.** I have used the Applicant's methodology, step by step, to annualize test year labor
4 cost. However, this methodology t uses **estimated** employee labor cost for the
5 month of May 2011 because this was the information available at the time of
6 preparing the labor expense adjustment. Therefore, I have substituted the
7 Applicant's estimated number of employees and straight-time labor cost for the
8 month of May 2011 with the latest known actual data for May 2011, last month of
9 the test year (Attachment IS-G). The latest payroll costs reflect test year known
10 and measurable labor increases, number of employees, and labor costs. The result
11 of my labor calculation is a reduction to the unadjusted test year O&M labor of
12 \$4,238,596 for CSP and \$5,976,103 for OPCo (OCC's Schedule C-3.11). The
13 effect of my annualized labor cost is flowed through into over-time labor cost,
14 saving plan expense, and payroll taxes (OCC's Schedules C-3.23, C-3.26c, and C-
15 3.26d). OCC's adjusted test year O&M labor expense for CSP is \$25,700,404¹⁴
16 and for OPCo, \$28,804,897.¹⁵

17
18 **Q24. WHAT IS YOUR RECOMMENDATION REGARDING LABOR COST?**

19 **A24.** I recommend that the Commission adopt the Applicant's methodology of
20 calculating test year labor expense adjustment as updated through my calculation
21 on OCC Schedule C-3.11.

¹⁴ OCC's Schedule C-3.11(\$29,939,000 unadjusted test year O&M labor - \$4,238,596 O&M labor adjustment).

¹⁵ OCC's Schedule C-3.11 (\$34,781,000 unadjusted test year O&M labor - \$5,976,103 O&M labor adjustment).

1 ***Q25. DID THE STAFF ATTEMPT TO ADJUST TEST YEAR LABOR COST?***

2 **A25.** Yes. The Staff annualized test year labor expense to reflect the actual employee
3 levels for the month of May 2011, and wage rates for non-bargaining employees
4 that include a 3.2% annual wage increase effective January 1, 2011 for executives
5 and April 1, 2011 for other non-bargaining employees. The Staff's annualized
6 test year labor expense also reflects wage rates for bargaining employees that
7 include a 3% annual wage increase effective July 15, 2011 for Local 1466 IBEW
8 and July 1, 2011 for other union employees. The Staff utilized the test year actual
9 overtime and incentive pay. Also the Staff added to its annualized labor expense,
10 the actual test year labor expense allocated from AEP Service Company. The
11 Staff's adjustment is a reduction of \$3,704,000 for CSP and \$3,061,000 for OPCo
12 (Staff's Schedule C-3.11). The Staff also flowed through the effect of its labor
13 adjustment into payroll taxes (FICA and federal and state unemployment tax) but
14 not into the employee saving plan expense. The Staff's adjusted test year O&M
15 labor expense for CSP is \$56,037,000¹⁶ and for OPCo is \$54,693,000.¹⁷

16
17 ***Q26. DO YOU HAVE CONCERNS ABOUT THE STAFF'S METHODOLOGY OF***
18 ***CALCULATING TEST YEAR ANNUALIZED LABOR EXPENSE?***

19 **A26.** Yes, there are several concerns that I have about the Staff's methodology and
20 labor calculation. First, the Staff included wage increases that will occur after the
21 end of the test year. Second, the Staff used an average O&M expense ratio across

¹⁶ Staff's Schedule C-3.11 Work paper (\$59,741,000 unadjusted test year O&M labor - \$3,704,000 O&M labor adjustment).

¹⁷ Staff's Schedule C-3.11 Work paper (\$57,754,000 unadjusted test year O&M labor - \$3,061,000 O&M labor adjustment).

1 all of the Applicant's three employee classifications rather than specific O&M
2 expense ratios for each employee classification. Third, the Staff's addition of an
3 allocated AEP actual labor expense has overstated the test year O&M labor cost.
4 Finally, it seems that Staff used wrong unadjusted O&M labor costs. As shown in
5 the Staff's work papers, the Staff used unadjusted test year O&M labor cost of
6 \$59,741,000 for CSP, instead of the Applicant's amount of \$29,939,000. Also,
7 the Staff used unadjusted test year O&M labor cost of \$57,754,000 for OPCo,
8 instead of the Applicant's amount of \$ 34,781,000. The results of these concerns
9 on the calculation of test year labor costs means customers will pay more than is
10 appropriate for labor costs.

11
12 Because of these concerns, it is very difficult to understand the logic behind
13 Staff's methodology of its labor expense adjustment. Therefore I recommend that
14 the Commission do not adopt the Staff's labor calculation method.

15
16 **F. EMPLOYEE SAVING PLAN**

17
18 ***Q27. DID THE APPLICANT ADJUST TEST YEAR EMPLOYEE SAVING PLAN***
19 ***EXPENSE TO FLOW THROUGH THE IMPACT OF ITS LABOR***
20 ***ADJUSTMENT?***

21 **A27.** Yes. On Schedule 3.11, the Applicant calculated the impact of its labor
22 adjustment on the test year employee saving plan expense (Account 9260027 –
23 Employee Benefits – Savings Plan Contribution). This is the appropriate

1 methodology because the level of employee saving plan expense is depended on
2 the level of labor expense.

3
4 ***Q28. DID THE STAFF ADJUST TEST YEAR EMPLOYEE SAVING PLAN***
5 ***EXPENSE TO FLOW THROUGH THE IMPACT OF ITS LABOR***
6 ***ADJUSTMENT IN STAFF REPORT SCHEDULE C-3.11?***

7 ***A28.*** No. The Staff did not adjust test year employee saving plan expense to reflect the
8 impact of its labor adjustment. Staff's adjustment on Schedule C-3.11 reflects a
9 reduction to O&M labor expenses¹⁸ and the impacts of that adjustment on payroll
10 taxes, but not the impact on employee savings plan.

11
12 ***Q29. WHAT DO YOU RECOMMEND REGARDING THE EMPLOYEE SAVING***
13 ***PLAN EXPENSE?***

14 ***A29.*** I recommend that the impact of my labor expense adjustment be flowed through
15 to the test year employee saving plan expense. As shown on OCC Schedule C-
16 3.23, this results in a reduction of employee savings plan expense by \$168,696 for
17 CSP and \$236,056 for OPCo.

18
19 **G. MISCELLANEOUS O&M EXPENSES**

20
21 ***Q30. DO YOU HAVE ANY MATTERS TO ADDRESS TEST YEAR***
22 ***MISCELLANEOUS O&M EXPENSES?***

¹⁸ See also Staff WPC-3.11a, b and c.

1 **A30.** Yes. According to the Companies response to Staff's Data Request 101B,¹⁹
2 Account 588 test year unadjusted Miscellaneous Distribution Expenses for CSP
3 include amounts related to periods outside the test year. There are three payments
4 that totaled \$387,000 made to Battelle. The first invoice amount is \$9,945 for
5 billing period from 2/05/2010 to 2/25/2010. The second invoice amount is
6 \$141,568 for billing period from 3/1/2010 to 3/25/2010. The third invoice
7 amount is \$235,961 for billing period from 3/26/2010 to 4/29/2010. Because all
8 three of the above payments to Battelle were made outside of the test year, I
9 recommend an exclusion of \$387,473 from CSP test year operating expenses, as
10 shown on OCC Schedule C-3.20.

11
12 **Q31. DID THE STAFF ADJUST TEST YEAR OPERATING EXPENSES FOR**
13 **THE THREE PAYMENTS TO BATTELLE THAT WERE MADE OUTSIDE**
14 **OF THE TEST YEAR?**

15 **A31.** No. The Staff did not adjust test year operating expenses to exclude out-of- test
16 year miscellaneous expenses.

17
18 **H. O&M BUDGET EXPENSE ADJUSTMENT**

19
20 **Q32. WHAT IS STAFF'S BUDGET ADJUSTMENT ON SCHEDULE C-3.23?**

21 **A32.** On page 12 of the Staff Report, the Staff explains that on Schedule C-3.23 for
22 CSP and Schedule C-3.21 for OPCo, it "adjusted test year operation and

¹⁹ Attachment IS-H.

1 maintenance expenses to reflect the approved 2011 control budget, rather than a
2 budget developed specifically for the rate case.” The Staff’s Schedule C-3.23
3 proposes a reduction of \$11,373,000 for CSP and Schedule C-3.21 for OPCo
4 proposes a reduction of \$5,510,000.

5
6 ***Q33. DO YOU AGREE WITH THE STAFF’S PROPOSED O&M BUDGET***
7 ***ADJUSTMENT?***

8 ***A33.*** I agree with the principle that the Applicant should have used the approved 2011
9 budget rather than a budget developed specifically for a rate case. However, I
10 cannot agree with Staff’s proposed adjustment since I believe that further analysis
11 of test year (3&9) O&M expenses, and Staff’s proposed O&M adjustments would
12 need to be conducted before it can be determined if further adjustments to test
13 year operating income are needed.

14
15 ***I. O&M ACTUAL EXPENSE ADJUSTMENT***

16
17 ***Q34. WHAT IS STAFF’S ACTUAL O&M EXPENSES ADJUSTMENT ON***
18 ***SCHEDULE C-3.24?***

19 ***A34.*** The Staff adjusted test year operation and maintenance expenses for only CSP “to
20 reflect twelve months actual expenses ending May 2011 (CSP Staff Report at
21 page 12 and Schedule C-3.24).

1 ***Q35. DO YOU AGREE WITH THE STAFF'S PROPOSED ACTUAL O&M***
2 ***EXPENSES ADJUSTMENT FOR CSP?***

3 **A35.** No, I cannot agree to this adjustment by Staff for reasons similar to those I
4 expressed above about Staff's proposed O&M budget adjustment, I believe that
5 further analysis of test year (3&9) O&M expenses, and Staff's proposed O&M
6 adjustments would need to be conducted before it can be determined if further
7 adjustment to the test year operating income is needed.

8
9 **J. TAXES OTHER THAN INCOME TAXES**

10 **1. PROPERTY TAX**
11

12 ***Q36. WHAT IS STAFF'S PROPOSED ADJUSTMENT FOR PROPERTY TAXES?***

13 **A36.** The Staff adjusted property taxes to "reflect the latest rates and total estimated
14 property valuation for 2011"²⁰ through a reduction of \$1,340,000 for CSP and an
15 increase of \$2,041,000 for OPCo to the test year property tax expense. The Staff
16 adjustments are based on estimated tax calculation provided by the Applicant in
17 response to Staff's Data Request No. 92 (Staff Report Schedule C-3.25 for CSP
18 and C-3.22 for OPCo).

19
20 ***Q37. DO YOU AGREE WITH THE STAFF'S PROPERTY TAX ADJUSTMENTS***
21 ***ON SCHEDULES C-3.25 AND C-3.22?***

²⁰ Staff Report at page 12.

1 **A37.** No. The Staff's property tax adjustments on Schedules C-3.25 and C-3.22 fail to
2 include the impact of its plant in service exclusion adjustments and the latest tax
3 valuation assessment. My calculation of the property tax takes into consideration
4 the plant exclusion adjustments made to plant in service and the latest tax
5 valuation assessment and rates. My adjusted test year property tax expense is
6 \$63,633,000 for CSP and \$53,140,000 for OPCo (OCC Schedule C-3.26a). This
7 results in a reduction to test year unadjusted property tax of \$7,125,000 for CSP
8 and \$1,542,000 for OPCo.

10 **2. COMMERCIAL ACTIVITY TAX**

12 ***Q38. WHAT ADJUSTMENT DID THE STAFF MAKE FOR COMMERCIAL***
13 ***ACTIVITIES TAX ("CAT") EXPENSE?***

14 **A38.** The Staff increased test year distribution CAT expense by \$219,000 for CSP and
15 \$707,000 for OPCo, as an adjustment "to reflect the yearly amount booked during
16 the test year" (Staff Report at page 12 and Schedule C-3.25 for CSP and C-3.22
17 for OPCo).

19 ***Q39. DO YOU AGREE WITH THE STAFF'S PROPOSED CAT EXPENSE***
20 ***INCREASES FOR CSP AND OPCO?***

21 **A39.** No, I do not. The Staff should have utilized the adjusted test year distribution
22 operating revenue to calculate test year CAT expense. Instead, the Staff
23 multiplied total utility operating revenues reported on Ohio CAT tax returns for

1 the 2nd, 3rd, and 4th quarters of 2010 and 1st quarter of 2011, times a 0.26% tax
2 rate. By doing this, the Staff's calculation is based on operating revenues for a
3 period different than the test year period and not based as it should be on test year
4 adjusted operating revenues.

5
6 ***Q40. WHAT IS YOUR RECOMMENDATION REGARDING ADJUSTED TEST***
7 ***YEAR CAT EXPENSE?***

8 ***A40.*** I recommend that the test year distribution CAT expense should be based on
9 adjusted test year operating revenue times the CAT tax rate of 0.26%. As shown
10 on OCC Schedule C-3.26b, the adjusted test year CAT expense is \$1,499,000 for
11 CSP and \$1,423,000 for OPCo. This results in a reduction to test year CAT
12 expense of \$3,162,000 for CSP and \$3,053,000 for OPCo.

13
14 **3. FICA TAX**

15
16 ***Q41. DID THE STAFF ATTEMPT TO ADJUST TEST YEAR FICA TAX?***

17 ***A41.*** Yes. The Staff adjusted test year FICA tax through three adjustments. The first
18 adjustment is a reduction of \$686,000 for CSP and \$600,000 for OPCo to flow
19 through the impact of Staff's severance expense exclusion adjustment (Staff's
20 Schedule C-3.9). The second adjustment is an increase of \$105,000 for CSP and
21 \$100,000 for OPCo to flow through the impact of its severance expense
22 amortization adjustment (Staff's Schedule C-3.10). The third adjustment is an
23 increase of \$483,000 for CSP and \$344,000 for OPCo to flow through the impact

1 of its labor expense adjustment (Staff's Schedule C-3.11). The Staff used the
2 incorrect employee FICA tax rate of 4.2% in its calculation of test year FICA tax.
3

4 ***Q42. ARE THESE THREE ADJUSTMENTS ENOUGH TO ADJUST THE TEST***
5 ***YEAR FICA TAX TO THE LEVEL REQUIRED TO DETERMINE THE***
6 ***REVENUE REQUIREMENT IN THIS PROCEEDING?***

7 ***A42.*** No. The Staff should have utilized the proper 6.2% FICA tax rate. My
8 calculation of test year FICA tax on OCC Schedule C-3.26c reflects my adjusted
9 test year labor expenses subject to FICA tax and the 6.2% FICA tax rate. This
10 results in an adjusted test year FICA tax of \$2,031, 841 for CSP and \$2,267,894
11 for OPCo.
12

13 **4. FEDERAL AND STATE UNEMPLOYMENT TAXES**
14

15 ***Q43. DID THE STAFF ADJUST TEST YEAR FEDERAL AND STATE***
16 ***UNEMPLOYMENT TAXES?***

17 ***A43.*** Yes. Through its adjustment on Schedule C-3.11, the Staff adjusted test year
18 Federal and State unemployment taxes to reflect the actual number of employees
19 as of May 2011 and latest unemployment tax rates. This adjustment is a reduction
20 of \$430,000 for CSP and an increase of \$63,000 for OPCo.
21

22 ***Q44. WHAT IS YOUR RECOMMENDATION REGARDING FEDERAL AND***
23 ***STATE UNEMPLOYMENT TAXES?***

1 **A44.** I agree with the Staff in principle that the test year unemployment taxes should be
2 adjusted to reflect the latest number of employees and tax rates. However, to
3 reflect the impact of my proposed adjusted test year labor expense, I have
4 provided my calculation of unemployment taxes on OCC Schedule C-3.26d. The
5 adjusted test year state and federal unemployment taxes are \$75,590 for CSP and
6 \$80,453 for OPCo.

7
8 **5. PUCO AND OCC ASSESSMENTS**

9
10 **Q45. DID THE STAFF ADJUST TEST YEAR PUCO AND OCC ASSESSMENTS**
11 **TO REFLECT THE LAST ASSESSMENTS?**

12 **A45.** No. The Staff made no adjustments for PUCO and OCC assessments and thus
13 accepted the unadjusted test year PUCO and OCC assessments of \$2,549,000 for
14 CSP and \$2,781,000 for OPCo (Applicants Schedule C-2.1).

15
16 **Q46. WHAT DO YOU RECOMMEND TO USE FOR THE CALCULATION OF**
17 **PUCO AND OCC ASSESSMENTS?**

18 **A46.** I recommend that the last PUCO and OCC assessments be used, and that the OCC
19 assessment be reduced by 50% to reflect the level of OCC assessment that will
20 occur when distribution rates are in-effect (Attachment IS-I). My adjusted test
21 expense of PUCO and OCC for CSP is \$2,390,500 and \$2,364,500 for OPCo, as
22 shown on OCC Schedule C-3.26.e.

K. FEDERAL AND STATE INCOME TAXES

***Q47. DID THE STAFF ADJUST FEDERAL AND STATE INCOME TAXES TO
FLOW THROUGH THE IMPACT OF ITS ADJUSTED TEST YEAR NET
OPERATING INCOME?***

A47. Yes. On Schedule C-4, the Staff adjusted federal and state income taxes to reflect its adjusted test year net operating income which is different than my adjusted test year operating income.

***Q48. WHAT IS YOUR PROPOSED ADJUSTED TEST YEAR FEDERAL AND
STATE INCOME TAXES?***

A48. OCC Schedules C-4 and C-4.1 presents my federal and state income tax calculations reflecting my proposed adjusted net operating income. I recommend that the Commission adopt my calculation of the federal and state income taxes as shown on OCC Schedules C-3.27, C-4 and C-4.1. My adjusted test year federal and state income taxes are \$39,226,000 for CSP and \$24,810,000 for OPCo.

**L. DEFERRED DISTRIBUTION REGULATORY ASSET RECOVERY
RIDER**

***Q49. WHAT IS THE APPLICANT'S REQUEST REGARDING ITS DEFERRED
DISTRIBUTION REGULATORY ASSETS?***

1 **A49.** The Applicant requests a 7-year amortization and recovery period for several
2 deferred regulatory assets. Recovery from customers is proposed to begin in
3 January 2013, based on the estimated balances of the regulatory asset as of
4 December 31, 2012. Customers would pay for the December 31, 2012 balance of
5 regulatory assets through a Distribution Asset Recovery Rider ("DARR"). As
6 explained on page 13 of the Staff Report, these regulatory assets were approved
7 for deferral by the Commission in previous orders. The following deferred
8 regulatory assets are proposed to be included in the DARR:

- 10 1. **Consumer Education, Customer Choice implementation, and**
11 **transition plan filing**
- 12 2. **Rate Stabilization Plan rate case expenses**
- 13 3. **Carrying charges only on distribution line extension charges**
- 14 4. **Monongahela Power transfer integration cost and acquired net**
15 **regulatory assets**
- 16 5. **AEP Ohio's voluntary Ohio Green Pricing Program costs**
- 17 6. **Storm costs related to the Hurricane Ike windstorm**

18
19 **Q50. WHAT IS THE STAFF RECOMMENDATION REGARDING DARR?**

20 **A50.** The Staff reviewed all deferred costs and agrees with establishment of the DARR.
21 However, the Staff recommends that the associated carrying costs will require
22 review prior to implementation of the rider. Staff also recommends the use of the

1 latest Commission approved long term cost of debt to calculate the carrying cost
2 during the recovery period that would begin in January 2013.
3

4 ***Q51. WHAT IS YOUR RECOMMENDATION REGARDING DARR?***

5 ***A51.*** First, I agree with the Staff that further review of the carrying costs is needed
6 prior to the implementation of the DARR and that the carrying cost during the
7 recovery period be based on only the latest Commission-approved long term cost
8 of debt. However, I recommend that the recovery period should begin January 1,
9 2012, rather than the Applicant's proposal of January 1, 2013. Beginning the
10 recovery sooner will reduce the cost to the customers by reducing the carrying
11 costs that AEP Ohio will seek to collect from customers, and allow the Applicant
12 earlier recovery of cost. In addition, I recommend that the deferral of carrying
13 charges on distribution line extension investment cease as of the August 31, 2010,
14 the date certain in this case's test year.
15

16 ***Q52. WOULD YOU PLEASE EXPLAIN THE REASON FOR CEASING AT***
17 ***AUGUST 31, 2010, THE CARRYING CHARGES ON DISTRIBUTION LINE***
18 ***EXTENSION ELECTRICAL FACILITIES?***

19 ***A52.*** In Case No. 01-2798-EL-COI et al., the Commission authorized the Companies to
20 defer "carrying charges not covered through monthly customer surcharges,"²¹
21 which meant that the Companies deferred a carrying charge, at a rate of 18.97%,
22 on the expenditures they made for line extension investment that were not

²¹ AEP Ohio witness Earl at 3.

1 recovered through other payments and surcharges approved by the Commission.²²

2 According to AEP Ohio witness Moore, the actual and estimated balances of the
3 regulatory assets for the carrying charges on distribution line extensions are:

	Actual	Projected
	8/31/2010	12/31/2012
CSP	\$ 63,774,627	\$ 101,552,440
OPC	\$ 39,681,015	\$ 66,050,026
Total	\$ 103,455,642	\$ 167,602,466

4 Source: Mitchell Exhibit TEM-1

5 Ordinarily, the Commission allows utilities to continue carrying charges on
6 deferred costs until new rates provide for recovery of those deferred costs, a
7 general ratemaking practice to recognize that current rates are insufficient to
8 provide a return on the costs being deferred. However, the Companies' line
9 extension facilities, upon which these carrying charges are being deferred, are in
10 date certain rate base (OCC Schedules B-2.1a and B-2.1b). Based on that date
11 certain rate base, I have determined that current rates result in a revenue excess
12 (i.e. the absence of revenue deficiency) based on a reasonable rate of return (OCC
13 Schedule A-1). I believe that since the Applicant's current rates are more than
14 sufficient, based on date certain rate base, there should be no additional carrying
15 charges deferred after the date certain in this case on line extension investments.
16 To allow the continuation of such carrying charges and the collection of the
17 charges from customers when current rates result in a revenue excess is
18 unreasonable.

²² November 7, 2002 Opinion and Order in Case No. 01-2708-EL-COI et al. at 15.

V. OCC RECOMMENDED REVENUE REQUIREMENT

Q53. DID YOU PREPARE SCHEDULES THAT SHOW YOUR RECOMMENDED REVENUE REQUIREMENTS WHEN YOUR ADJUSTMENTS ARE CONSIDERED?

A53. Yes. Taking into consideration my additional adjustments to rate base and operating income over and above what the PUCO Staff had determined (see OCC Schedule A-1), and using the PUCO Staff's recommended lower bound rate of return of 7.06% for CSP and 7.05% for OPCo, I have calculated a revenue reduction of approximately \$44,885,000 or 12.43% for CSP and a revenue reduction of \$4,711,000 or 1.37% for OPCo. The calculation of these revenue requirements are shown on OCC Schedule-A-1.

VI. CONCLUSION

Q54. DOES THIS CONCLUDE YOUR TESTIMONY AT THIS TIME?

A54. Yes. However, I reserve the right to incorporate new information that may subsequently become available. I also reserve the right to supplement my testimony in the event that the PUCO Staff fails to support the recommendations made in the Staff Report and/or changes any of its positions made in the Staff Report.

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Overall Revenue Requirements
(\$000)

	Columbus Southern Power			Ohio Power Company			Total		
	Applicant (a)	Staff Mid Bound (b)	OCC (c)	Applicant (d)	Staff Mid Bound (e)	OCC (f)	Applicant (g) = (a) + (d)	Staff Mid Bound (h) = (b) + (e)	OCC (i) = (c) + (f)
(1) Rate Base	\$ 910,953	\$ 908,001	\$ 821,597	\$ 1,015,236	\$ 1,003,670	\$ 935,250	\$ 1,926,189	\$ 1,911,671	\$ 1,756,847
(2) Adjusted Operating Income	54,332	70,208	86,716	47,797	56,007	68,928	102,129	126,215	155,644
(3) Rate of Return Earned (2) / (1)	5.96%	7.73%	10.55%	4.71%	5.58%	7.37%			
(4) Rate of Return Recommended	8.26%	7.32%	7.06%	8.43%	7.33%	7.05%			
(5) Required Operating Income (1) x (4)	\$ 76,182	\$ 66,466	\$ 58,005	\$ 85,605	\$ 73,569	\$ 65,935	\$ 161,787	\$ 140,035	\$ 121,940
(6) Income Deficiency (5) - (2)	21,850	(3,742)	(28,711)	37,808	17,562	(2,993)	59,658	13,820	(31,704)
(7) Gross Revenue Conversion Factor	1.565733	1.563311	1.563311	1.575484	1.574049	1.574049			
(8) Revenue Increase Required (6) x (7)	34,211	(5,850)	(44,885)	59,603	27,643	(4,711)	93,814	31,793	(49,596)
(9) Revenue Increase Requested (g)	33,943	(5,850)	(44,885)	59,310	27,643	(4,711)	93,253	31,793	(49,596)
(10) Adjusted Operating Revenue	359,938	383,461	361,050	343,917	337,205	343,918	703,855	700,666	705,008
(11) Revenue Requirements (9) + (10)	\$ 393,881	\$ 357,611	\$ 316,205	\$ 403,227	\$ 364,848	\$ 339,207	\$ 797,108	\$ 722,459	\$ 655,412
(12) Increase Over Current Revenue (9) / (10)	9.43%	-1.61%	-12.43%	17.25%	8.20%	-1.37%	13.25%	3.11%	-7.03%

- (a) Applicant's Schedule A-1
 (b) Staff's Schedule A-1
 (c) OCC's Schedules
 (d) Applicant's Schedule A-1
 (e) Staff's Schedule A-1
 (f) OCC's Schedules
 (g) Applicant's Revenues Increases Requested in the PPN (AEP Witness Caudill Direct Testimony at Page 12)
 (The Company seek the Increase Included in the PPN of \$33,943,000 for CSP and \$59,310,000 for OPCO)

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Gross Revenue Conversion Factor

	<u>CSP</u>	<u>OPCo</u>
(1) Gross Revenue	100.000	100.0000
(2) Uncollectibles (a)	0.396	0.2500
(3) CATT Tax (a)	<u>0.260</u>	<u>0.2600</u>
(4) Income Before Federal Income Taxes (1) - (2) - (3)	99.344	99.49003
(5) State & Municipal Income Tax (4) x 0.9399% CSP & 1.7599% OPCo (a)	0.934	1.75093
(6) Income Before Federal Income Taxes (4) - (5)	98.410	97.73910
(7) Federal Income Taxes (5) x 35% (a)	<u>34.444</u>	<u>34.20869</u>
(8) Operating Income Percentage (5) - (6)	63.967	63.53042
(9) Gross Revenue Conversion Factor (1) / (7)	<u>1.563311</u>	<u>1.574049</u>

(a) Staff's Schedule A-2

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
As of Date Certain, August 31, 2010
(\$000)

	CSP		OCC		OPCO		OCC		Total	
	Applicant (a)	Staff (b)	Applicant (d)	Staff (e)	Applicant (d)	Staff (e)	Applicant (d)	Staff (e)	Applicant (d)	Staff (e)
(1) Plant in Service	\$ 1,859,524	\$ 1,859,492	\$ 1,859,492	\$ 1,732,774	\$ 1,729,640	\$ 1,729,640	\$ 1,729,640	\$ 3,592,298	\$ 3,589,132	\$ 3,589,132
(2) Depreciation Reserve	(793,730)	(793,730)	(793,730)	(594,448)	(594,448)	(594,448)	(594,448)	(1,388,178)	(1,388,178)	(1,388,178)
(3) Net Plant in Service	1,065,795	1,065,762	1,065,762	1,138,326	1,135,192	1,135,192	1,135,192	2,204,120	2,200,954	2,200,954
(4) Construction Work in Progress	0	0	0	0	0	0	0	0	0	0
(5) Working Capital Allowance	2,920	0	0	8,432	0	0	0	0	0	0
(6) Other Rate Base Items	(157,761)	(157,761)	(244,166)	(131,522)	(131,522)	(131,522)	(199,942)	(289,283)	(289,283)	(444,108)
(7) Rate Base (3) Thru (6)	\$ 910,953	\$ 908,001	\$ 821,597	\$ 1,015,236	\$ 1,003,670	\$ 935,250	\$ 1,914,837	\$ 1,911,671	\$ 1,756,847	\$ 1,756,847

- (a) Applicant's Schedule B-1
(b) Staff's Schedule B-1
(c) Staff's Schedule B-2
(d) Applicant's Schedule B-1
(e) Staff's Schedule B-1
(f) Staff's Schedule B-2

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Jurisdictional Plant in Service Summary
(\$000)

Major Property Groupings:	CSP		OCC	OPCo	
	Applicant (a)	Staff (b)		Applicant (d)	Staff (e)
			(c)		(f)
Intangible Plant	\$ 22,914	\$ 22,914	\$ 22,914	\$ 25,402	\$ 25,402
Distribution Plant	1,749,714	1,749,696	1,749,696	1,599,363	1,596,229
General Plant	86,897	86,883	86,883	108,008	108,008
Total Jurisdictional Plant	\$ 1,859,524	\$ 1,859,493	\$ 1,859,493	\$ 1,732,774	\$ 1,729,639

- (a) Applicant's Schedule B-2
- (b) Staff's Schedule B-2
- (c) Staff's Schedule B-2.1a
- (d) Applicant's Schedule B-2
- (e) Staff's Schedule B-2
- (f) Staff's Schedule B-2.1b

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Jurisdictional Plant in Service
(3000)

Acct. No.	Description	CSP				
		Applicant's	Jurisdictional	OCC's		OCC's
		Unadjusted	Allocations	Unadjusted	Adjustments	Adjusted
		(a)	(b)	Jurisdictional	(d)	Jurisdictional
				(c)		(e)
<u>Intangible Plant:</u>						
301	Organization	\$ 1	100.00%	\$ 1	\$ 0	1
302	Franchises & Consents	5	100.00%	5	0	5
303	Misc. Intangible Plant	62,017	36.94%	22,909	0	22,909
Total Intangible Plant		62,023		22,915	0	22,915
<u>Distribution Plant:</u>						
360	Land & Land Rights	28,141	100.00%	28,141	(283)	27,858
361	Structures & Improvements	9,781	100.00%	9,781		9,781
362	Station Equipment	233,982	100.00%	233,982	(755)	233,227
363	Storage Battery Equipment	0	100.00%	0	0	0
364	Poles, Towers and Fixtures	230,994	100.00%	230,994	(36)	230,958
365	Overhead Conductors and Devices	236,037	100.00%	236,037	(5,190)	230,847
366	Underground Conduit	93,777	100.00%	93,777		93,777
367	Underground Conductors and Devices	372,664	100.00%	372,664		372,664
368	Line Transformers	303,656	100.00%	303,656	(428)	303,228
369	Services	136,299	100.00%	136,299	(191)	136,108
370	Meters	80,935	100.00%	80,935	(7,486)	73,449
371	Installations on Customer Premises	25,211	100.00%	25,211		25,211
372	Leased Property on Customer Premises	103	100.00%	103		103
373	Street Lighting and Signal Systems	12,485	100.00%	12,485		12,485
Total Distribution Plant		1,764,065		1,764,065	(14,369)	1,749,696
<u>General Plant:</u>						
389	Land & Land Rights	3,600	93.40%	3,362	(14)	3,348
390	Structures & Improvements	59,850	98.09%	58,707	(501)	58,206
391	Office Furniture and Equipment	5,314	67.02%	3,561		3,561
392	Transportation Equipment	46	42.27%	19	0	19
393	Stores Equipment	302	62.62%	189		189
394	Tools, Shop, & Garage Equipment	10,514	77.71%	8,170		8,170
395	Laboratory Equipment	632	13.08%	83		83
396	Power Operated Equipment	3	76.99%	2		2
397	Communication Equipment	17,293	83.51%	14,441	(2,126)	12,315
398	Miscellaneous Equipment	1,594	52.90%	843		843
399	Other Tangible Plant	0	0.00%	0		0
399.1	Asset Retirement Costs for General Plant	144	100.00%	144		144
Total General Plant		99,292		89,523	(2,641)	86,882
Total CSP Plant		\$ 1,925,380		\$ 1,876,503	\$ (17,010)	\$ 1,859,493

- (a) Applicant's Schedule B-2.1
(b) Applicant's Schedule B-2.1 and OCC's Schedule B-7, Weighted Average Allocation Factor
(c) Columns (a) x (b)
(d) Staff's Schedule B-2.1
(e) Columns (c) + (d)

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Jurisdictional Plant in Service
(\$000)

Acct. No.	Description	OPCo			
		Applicant's Unadjusted	Jurisdictional Allocations	OCC's Unadjusted Jurisdictional	OCC's Adjusted Jurisdictional
		(a)	(b)	(c)	(e)
<u>Intangible Plant:</u>					
301	Organization	\$ 5	55.91%	\$ 3	\$ 3
302	Franchises & Consents	703	90.42%	636	636
303	Misc. Intangible Plant	87,253	28.38%	24,762	24,762
	Total Intangible Plant	87,961		25,401	25,401
<u>Distribution Plant:</u>					
360	Land & Land Rights	21,464	99.82%	21,425	21,425
361	Structures & Improvements	9,002	99.91%	8,994	8,994
362	Station Equipment	243,521	99.86%	243,180	243,180
363	Storage Battery Equipment	5,062	100.00%	5,062	5,062
364	Poles, Towers and Fixtures	326,284	99.82%	325,697	325,697
365	Overhead Conductors and Devices	286,548	99.82%	286,032	278,435
366	Underground Conduit	52,235	100.00%	52,235	52,235
367	Underground Conductors and Devices	92,715	100.00%	92,715	92,715
368	Line Transformers	319,157	100.00%	319,157	319,157
369	Services	135,158	100.00%	135,158	135,158
370	Meters	70,237	99.86%	70,139	70,139
371	Installations on Customer Premises	22,791	100.00%	22,791	22,791
372	Leased Property on Customer Premises	1	100.00%	1	1
373	Street Lighting and Signal Systems	21,233	100.00%	21,233	21,233
	Total Distribution Plant	1,605,408		1,603,819	1,596,222
<u>General Plant:</u>					
389	Land & Land Rights	4,967	91.18%	4,529	4,529
390	Structures & Improvements	66,486	92.27%	61,347	60,816
391	Office Furniture and Equipment	3,228	43.18%	1,394	1,394
392	Transportation Equipment	32	1.31%	0	0
393	Stores Equipment	270	37.67%	102	102
394	Tools, Shop, & Garage Equipment	16,363	55.99%	9,162	9,162
395	Laboratory Equipment	570	41.21%	235	235
396	Power Operated Equipment	631	1.81%	11	11
397	Communication Equipment	33,287	93.13%	31,000	31,000
398	Miscellaneous Equipment	2,087	29.35%	613	613
399	Other Tangible Plant	14,274	0.00%	0	0
399.1	Asset Retirement Costs for General Plant	154	97.88%	151	151
	Total General Plant	142,349		108,543	108,012
	Total OF Plant	1,835,718		1,737,763	1,729,635

- (a) Applicant's Schedule B-2.1
 (b) Applicant's Schedule B-2.1 and OCC's Schedule B-7, Weighted Average Allocation Factor
 (c) Columns (a) x (b)
 (d) Staff's Schedule B-2.1
 (e) Columns (c) + (d)

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Jurisdictional Depreciation Reserve
(\$000)

Acct. No.	Description	CSP				OCC's Adjusted Jurisdictional
		Applicant's Unadjusted	Jurisdictional Allocations	OCC's Unadjusted Jurisdictional	Adjustments	
		(a)	(b)	(c)	(d)	(e)
<u>Intangible Plant:</u>						
301	Organization	\$ 0	100.00%	\$ 0	\$	0
302	Franchises & Consents	5	100.00%	5		5
303	Misc. Intangible Plant	48,186	43.97%	21,187		21,187
	Total Intangible Plant	48,191		21,192	0	21,192
<u>Distribution Plant:</u>						
360	Land & Land Rights	0	100.00%	0		0
361	Structures & Improvements	4,931	100.00%	4,931		4,931
362	Station Equipment	77,977	100.00%	77,977	50	78,027
363	Storage Battery Equipment	0	100.00%	0	0	0
364	Poles, Towers and Pictures	141,873	100.00%	141,873	8	141,881
365	Overhead Conductors and Devices	64,324	100.00%	64,324	(174)	64,150
366	Underground Conduit	29,240	100.00%	29,240	0	29,240
367	Underground Conductors and Devices	164,721	100.00%	164,721	0	164,721
368	Line Transformers	135,225	100.00%	135,225	(6)	135,219
369	Services	54,775	100.00%	54,775	(19)	54,756
370	Meters	36,131	100.00%	36,131	(4,262)	31,869
371	Installations on Customer Premises	19,259	100.00%	19,259	0	19,259
372	Leased Property on Customer Premises	14	100.00%	14		14
373	Street Lighting and Singal Systems	6,845	100.00%	6,845		6,845
RWIP	Retirement Work in Progress	(1,888)	100.00%	(1,888)		(1,888)
	Total Distribution Plant	733,427		733,427	(4,403)	729,024
<u>General Plant:</u>						
389	Land & Land Rights	0	0.00%	0	0	0
390	Structures & Improvements	26,895	99.55%	26,774	(19)	26,755
391	Office Furniture and Equipment	3,482	93.02%	2,891		2,891
392	Transportation Equipment	8	100.00%	8		8
393	Stores Equipment	213	82.16%	175	0	175
394	Tools, Shop, & Garage Equipment	6,896	91.02%	6,277		6,277
395	Laboratory Equipment	380	57.38%	218		218
396	Power Operated Equipment	2	100.00%	2		2
397	Communication Equipment	8,505	78.88%	6,709	(127)	6,582
398	Miscellaneous Equipment	767	76.77%	589		589
399	Other Tangible Plant	0	0.00%	0	0	0
399.1	Asset Retirement Costs for General Plant	81	100.00%	81		81
RWIP	Retirement Work in Progress	(68)	90.39%	(61)		(61)
	Total General Plant	47,161		43,662	(146)	43,516
	Total CSP Plant	\$ 828,779		\$ 798,281	\$ (4,549)	\$ 793,732

- (a) Applicant's Schedule B-3
(b) Applicant's Schedule B-3 and OCC's Schedule B-7, Weighted Average Allocation Factor
(c) Columns (a) x (b)
(d) Staff's Schedule B-3
(e) Columns (c) + (d)

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Jurisdictional Depreciation Reserve
(\$000)

Acct. No.	Description	OPCo			
		Applicant's Unadjusted	Jurisdictional Allocations	OCC's Unadjusted Jurisdictional	OCC's Adjusted Jurisdictional
		(a)	(b)	(c)	(e)
	<u>Intangible Plant:</u>				
301	Organization	\$ 0	100.00%	\$ 0	\$ 0
302	Franchises & Consents	578	92.16%	533	533
303	Misc. Intangible Plant	69,708	33.03%	23,025	23,025
	Total Intangible Plant	70,286		23,557	23,557
	<u>Distribution Plant:</u>				
360	Land & Land Rights	(3)	100.00%	(3)	(3)
361	Structures & Improvements	3,921	99.90%	3,917	3,917
362	Station Equipment	55,282	99.90%	55,227	55,227
363	Storage Battery Equipment	832	99.90%	831	831
364	Poles, Towers and Fixtures	138,460	99.90%	138,322	138,322
365	Overhead Conductors and Devices	72,032	99.90%	71,960	71,796
366	Underground Conduit	14,642	99.90%	14,627	14,627
367	Underground Conductors and Devices	22,782	99.90%	22,759	22,759
368	Line Transformers	119,003	99.90%	118,884	118,884
369	Services	46,108	99.90%	46,062	46,062
370	Meters	35,675	99.90%	35,639	35,639
371	Installations on Customer Premises	9,465	99.90%	9,456	9,456
372	Leased Property on Customer Premises	1	99.90%	1	1
373	Street Lighting and Signal Systems	8,726	99.90%	8,717	8,717
RWIP	Retirement Work in Progress	(2,095)	99.90%	(2,094)	(2,093)
	Total Distribution Plant	524,831		524,306	524,142
	<u>General Plant:</u>				
389	Land & Land Rights	2	99.90%	2	2
390	Structures & Improvements	30,437	95.35%	29,022	28,918
391	Office Furniture and Equipment	1,673	89.82%	1,503	1,503
392	Transportation Equipment	3	52.80%	2	2
393	Stores Equipment	96	83.76%	80	80
394	Tools, Shop, & Garage Equipment	5,454	85.69%	4,674	4,674
395	Laboratory Equipment	376	87.79%	330	330
396	Power Operated Equipment	121	51.03%	62	62
397	Communication Equipment	11,473	97.61%	11,199	11,199
398	Miscellaneous Equipment	519	76.26%	396	396
399	Other Tangible Plant	13,508	0.00%	0	0
399.1	Asset Retirement Costs for General Plant	85	96.96%	82	82
RWIP	Retirement Work in Progress	(580)	88.02%	(511)	(511)
	Total General Plant	53,167		46,840	46,736
	Total OF Plant	\$ 558,284		\$ 594,794	\$ 594,436

- (a) Applicant's Schedule B-3
 (b) Applicant's Schedule B-3 and OCC's Schedule B-7, Weighted Average Allocation Factor
 (c) Columns (a) x (b)
 (d) Staff's Schedule B-3
 (e) Columns (c) + (d)

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Jurisdictional Depreciation Expense
(\$000)

Acct. No.	Description	CSP		
		Jurisdictional Plant In Service (a)	Accrual Rate (b)	Jurisdictional Depreciation Expense (c)
	<u>Intangible Plant:</u>			
301	Organization	\$ 1	0.00%	\$ 0
302	Franchises & Consents	5	0.00%	0
303	Misc. Intangible Plant	22,909	0.00%	1,724
	Total Intangible Plant	22,915		1,724 (f)
	<u>Distribution Plant:</u>			
360	Land & Land Rights	27,858	0.00%	0
361	Structures & Improvements	9,781	2.07%	202
362	Station Equipment	233,227	2.90%	6,764
363	Storage Battery Equipment	0	0	0
364	Poles, Towers and Fixtures	230,958	4.63%	10,693
365	Overhead Conductors and Devices	230,847	2.62%	6,048
366	Underground Conduit	93,777	1.67%	1,566
367	Underground Conductors and Devices	372,664	3.44%	12,820
368	Line Transformers	303,228	3.29%	9,976
369	Services	136,108	3.45%	4,696
370	Meters	73,449	3.58%	2,629
371	Installations on Customer Premises	25,211	9.23%	2,327
372	Leased Property on Customer Premises	103	3.33%	3
373	Street Lighting and Singal Systems	12,485	4.56%	569
	Amortization of Reseve Imbalance (d)			(22,941)
	Total Distribution Plant	1,749,696		35,353
	<u>General Plant:</u>			
389	Land & Land Rights	3,348	0.00%	0
390	Structures & Improvements	58,206	2.18%	1,166
391	Office Furniture and Equipment	3,561	3.33%	119
392	Transportation Equipment	19	2.00%	0
393	Stores Equipment	189	2.94%	6
394	Tools, Shop, & Garage Equipment	8,170	3.50%	286
395	Laboratory Equipment	83	3.57%	3
396	Power Operated Equipment	2	3.50%	0
397	Communication Equipment	12,315	2.86%	352
398	Miscellaneous Equipment	843	4.00%	34
399	Other Tangible Plant	0	0.00%	0
399.1	Asset Retirement Costs for General Plant	144	2.47%	4
	Amortization of Reseve Imbalance (e)			(2,661)
	Total General Plant	86,882		(692)
	Total CSP Plant	\$ 1,859,493		\$ 36,385

(a) Staff's Schedule B-2.1

(b) Staff's Schedule B-3.2

(c) Columns (a) x (b)

(d) Staff's Schedule B-3.2, Total Reserve Imbalance Amortized Over 7 Years (\$160,590,000 / 7 = 22,941,000)

(e) Staff's Schedule B-3.2, Total Reserve Imbalance Amortized Over 7 Years (\$18,630,000 / 7 = 2,661,000)

(f) Amortization is Date Certain Net Plant Balance (See Testimony)

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Jurisdictional Depreciation Expense
(\$000)

		OPCo		
Acct. No.	Description	Jurisdictional Plant In Service	Accrual Rate	Jurisdictional Depreciation Expense
		(a)	(b)	(c)
	<u>Intangible Plant:</u>			
301	Organization	\$ 3	0.00%	\$ 0
302	Franchises & Consents	636	0.00%	104
303	Misc. Intangible Plant	24,762	0.00%	1,739
	Total Intangible Plant	25,401		1,843 (f)
	<u>Distribution Plant:</u>			
360	Land & Land Rights	21,425	0.00%	0
361	Structures & Improvements	8,994	1.98%	178
362	Station Equipment	243,180	2.90%	7,052
363	Storage Battery Equipment	5,062	6.67%	338
364	Poles, Towers and Fixtures	325,697	5.84%	19,021
365	Overhead Conductors and Devices	278,435	3.87%	10,775
366	Underground Conduit	52,235	2.00%	1,045
367	Underground Conductors and Devices	92,715	3.17%	2,939
368	Line Transformers	319,157	3.38%	10,788
369	Services	135,158	3.64%	4,920
370	Meters	70,139	3.25%	2,280
371	Installations on Customer Premises	22,791	10.08%	2,297
372	Leased Property on Customer Premises	1	3.33%	0
373	Street Lighting and Singal Systems	21,233	5.90%	1,253
	Amortization of Reseve Imbalance (d)			(11,957)
	Total Distribution Plant	1,596,222		50,928
	<u>General Plant:</u>			
389	Land & Land Rights	4,529	0.00%	0
390	Structures & Improvements	60,816	2.10%	1,116
391	Office Furniture and Equipment	1,394	3.33%	46
392	Transportation Equipment	0	2.00%	0
393	Stores Equipment	102	2.94%	3
394	Tools, Shop, & Garage Equipment	9,162	3.63%	333
395	Laboratory Equipment	235	3.57%	8
396	Power Operated Equipment	11	3.62%	0
397	Communication Equipment	31,000	2.86%	887
398	Miscellaneous Equipment	613	4.00%	25
399	Other Tangible Plant	0	0.00%	0
399.1	Asset Retirement Costs for General Plant	151	2.76%	4
	Amortization of Reseve Imbalance (e)			(1,172)
	Total General Plant	108,012		1,250
	Total OP Plant	\$ 1,729,635		\$ 54,021

(a) Staff's Schedule B-2.1

(b) Staff's Schedule B-3.2

(c) Columns (a) x (b)

(d) Staff's Schedule B-3.2, Total Reserve Imbalance Amortized Over 7 Years (\$83,700,000 / 7 = 11,957,000)

(e) Staff's Schedule B-3.2, Total Reserve Imbalance Amortized Over 7 Years (\$8,205,000 / 7 = 1,172,000)

(f) Amortization is Date Certain Net Plant Balance (See Testimony)

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
CSP Other Rate Base Items.

	Total Company	Jursdictional Allocation	CSP
	(a)	(b)	(c)
(1) Contributions in Aid of Construction	\$ 0	0	\$ 0
(2) Customers' Deposits - Account 235	(127,743)	21.67%	(27,677)
(3) Customers' Advances for Construction Account 252	(276)	100.00%	(276)
(4) Investment Tax Credit - Account 255	0	0	0
(5) Deferred Income Taxes - Account 190	85,453	46.16%	39,446
(6) Deferred Income Taxes - Account 281	(29,076)	0	0
(7) Deferred Income Taxes - Account 282	(547,706)	32.28%	(176,795)
(8) Deferred Income Taxes - Account 283	(136,101)	57.95%	(78,864)
(9) Prepaid Pension (d)	<u>127,743</u>	0.00%	<u>0</u>
(10) Total Other Rate Base Items (1) Thru (9)	\$ <u>(627,706)</u>		\$ <u>(244,166)</u>

- (a) Staff's Schedule B-6
(b) Staff's Schedule B-6
(c) Columns (a) x (b)
(d) See Testimony

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
OPCo Other Rate Base Items
(\$000)

	Total Company (a)	Jurisdictional Allocation (b)	OPCo (c)
(1) Contributions in Aid of Construction	\$ 0	0 \$	0
(2) Customers' Deposits - Account 235	(26,441)	100.00%	(26,441)
(3) Customers' Advances for Construction - Account 252	0	0.00%	0
(4) Investment Tax Credit - Account 255	(1,231)	40.11%	(494)
(5) Deferred Income Taxes - Account 190	167,426	26.37%	44,157
(6) Deferred Income Taxes Account 281	(259,069)	0	0
(7) Deferred Income Taxes - Account 282	(903,769)	16.77%	(151,533)
(8) Deferred Income Taxes - Account 283	(370,754)	17.70%	(65,631)
(9) Prepaid Pension (d)	<u>152,280</u>	0.00%	<u>0</u>
(10) Total Other Rate Base Items (1) Thru (9)	\$ <u>(1,241,558)</u>		\$ <u>(199,942)</u>

- (a) Staff's Schedule B-6
(b) Staff's Schedule B-6
(c) Columns (a) x (b)
(d) See Testimony

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Proforma Operating Income Statement
For The Twelve Months Ending May 31, 2011
(\$000)

	CSP			OPCo		
	OCC Adjusted Revenues & Expenses (a)	OCC Proposed Increases (b)	OCC Proforma Revenues & Expenses (c)	OCC Adjusted Revenues & Expenses (a)	OCC Proposed Increases (b)	OCC Proforma Revenues & Expenses (c)
Operating Revenues						
Base Revenues	\$ 339,720	\$ (44,885)	\$ 294,835	\$ 324,383	\$ (4,711)	\$ 319,672
Other Operating Revenues	21,370	0	21,370	19,535	0	19,535
Total Operating Revenues	361,090	(44,885)	316,205	343,918	(4,711)	339,207
Operating Expenses						
Operation and Maintenance	130,722	(178)	130,544	136,891	(12)	136,879
Depreciation	34,785		34,785	54,021		54,021
Taxes, Other Than Income	69,640	(117)	69,524	59,269	(12)	59,256
State and Federal Income Taxes	39,226	(15,876)	23,350	24,810	(1,693)	23,117
Total Operating Expenses	274,374	(16,171)	258,203	274,990	(1,717)	273,273
Net Operating Income	\$ 86,716	\$ (28,714)	\$ 58,002	\$ 68,928	\$ (2,994)	\$ 65,934
Rate Base (d)	\$ 821,597	\$	\$ 821,597	\$ 935,250	\$	\$ 935,250
Rate of Return (e)	10.55%		7.06%	7.37%		7.05%

- (a) OCC's Schedule C-2
(b) OCC's Schedule C-1.1
(c) Columns (a) + (b)
(d) OCC's Schedule B-1
(e) Net Operating Income / Rate Base

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352 EL-AIR
Proposed Increases
(\$000)

	<u>CSP</u>	<u>OPCo</u>	<u>Total</u>
(1) Proposed Revenue Increases (a)	\$ <u>(44,885)</u>	\$ <u>(4,711)</u>	\$ <u>(49,596)</u>
(2) Uncollectible Accounts Expense (3) x Rates (b)	\$ <u>(178)</u>	\$ <u>(12)</u>	\$ <u>(190)</u>
(3) CATT Tax (1) x 0.26% (b)	\$ <u>(117)</u>	\$ <u>(12)</u>	\$ <u>(129)</u>
(4) State and Municipal Income Tax (c)	\$ <u>(415)</u>	\$ <u>(81)</u>	\$ <u>(496)</u>
(5) Federal Income Tax (d)	\$ <u>(15,461)</u>	\$ <u>(1,612)</u>	\$ <u>(17,073)</u>

(a) OCC's Schedule A-1
(b) Staff's Schedule A-2
(c) OCC's Schedule C-4.1, Proforma Less Adjusted
(d) OCC's Schedule C-4, Proforma Less Adjusted

OCC SCHEDULE C-2

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Adjusted Test Year Operating Income
(\$000)

	CSP			OPCO		
	Test Year Revenues & Expenses (a)	OCC Adjustments (b)	Adjusted Revenues & Expenses (c)	Test Year Revenues & Expenses (d)	OCC Adjustments (e)	Adjusted Revenues & Expenses (f)
<u>Operating Revenues</u>						
Base Revenues	\$ 555,231	\$ (215,511)	\$ 339,720	\$ 527,796	\$ (203,413)	\$ 324,383
Other Operating Revenues	21,295	75	21,370	20,232	(697)	19,535
Total Operating Revenues	576,526	(215,436)	361,090	548,028	(204,110)	343,918
<u>Operating Expenses</u>						
Fuel and Purchased Power	(1,800)	1,800	0	(2,424)	2,424	0
Operation & Maintenance	253,466	(122,744)	130,722	255,881	(118,990)	136,891
Depreciation & Amortization	71,281	(36,496)	34,785	70,145	(16,124)	54,021
Taxes, Other Than Income	149,735	(80,095)	69,640	140,346	(81,077)	59,269
Income Taxes	30,478	8,748	39,226	19,948	4,862	24,810
Total Operating Expenses (g)	504,960	(230,586)	274,374	486,320	(211,330)	274,990
Net Operating Income (g)	\$ 71,566	\$ 15,150	\$ 86,716	\$ 61,708	\$ 7,220	\$ 68,928

- (a) Applicant's Schedule C-2
(b) OCC's Schedule C-3
(c) Columns (a) + (b)
(d) Applicant's Schedule C-2
(e) OCC's Schedule C-3
(f) Columns (d) + (e)
(g) Total Operating Expenses excludes Fuel and Purchased Power Expense

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Summary of OCC's Adjustments
(\$000)

	Staff CSP (a)	OCC CSP (b)	OCC OPCo (c)	Staff OPCo (d)
<u>Operating Revenues</u>				
C-3.1 Universal Service Rider	\$ (36,154)	\$ (34,161)	\$ (28,997)	\$ (36,107)
C-3.2 Advanced Energy Rider	(471)	(791)	(756)	(446)
C-3.3 KWH Tax Rider	(71,934)	(73,913)	(75,941)	(76,636)
C-3.4 Energy Efficiency & Peak Demand Rider	(49,194)	(49,982)	(52,744)	(51,905)
C-3.5 Economic Development Rider	(35,023)	(35,754)	(27,140)	(26,787)
C-3.6 Enhanced Service Reliability Rider	(10,692)	(9,613)	(17,835)	(18,244)
C-3.7 Pole Attachment	75	75	(697)	(697)
C-3.21 Mon Power Litigation Termination	(2,249)	(2,633)	0	0
C-3.22 GridSmart	(7,425)	(8,664)	0	0
Total Revenue Adjustments	\$ (213,067)	\$ (215,436)	\$ (204,110)	\$ (210,822)
<u>Operating Expenses</u>				
C-3.1 Universal Service Rider	(35,967)	(35,784)	(29,890)	(36,015)
C-3.2 Advanced Energy Rider	(606)	(824)	(786)	(575)
C-3.4 Energy Efficiency & Peak Demand Rider	(24,077)	(39,549)	(43,686)	(50,348)
C-3.5 Economic Development Rider	(8,222)	1,800	2,424	2,424
C-3.6 Enhanced Service Reliability Rider	(3,577)	(10,798)	(19,950)	(9,332)
C-3.8 Pole Attachment	(583)	(583)	(602)	(602)
C-3.9 Severance Adjustment	(17,002)	(17,002)	(14,955)	(14,955)
C-3.10 Severance Amortization	2,867	2,784	2,450	2,556
C-3.11 Annualize Labor Expense	(3,704)	(4,239)	(5,976)	(3,061)
C-3.12 Annualize Pension Expense	27	27	141	142
C-3.13 Annualize OPEB Expense	(1,515)	(1,515)	(1,634)	(1,636)
C-3.14 Interest on Customer Deposits	(368)	(369)	(400)	(400)
C-3.15 Rate Case Expense	51	51	51	51
C-3.16 Public Safety Announcement Expense	(77)	(77)	(71)	(71)
	0	0	0	0
	0	0	0	0
	0	0	0	0
C-3.20 Miscellaneous O&M Expense	0	(387)	0	0
	0	0	0	0
C-3.22 GridSmart	(4,309)	(9,711)	0	0
C-3.23 Employees Saving Plan Expense	0	(169)	(236)	0
C-3.24 Storm Damage	(4,600)	(4,600)	(3,447)	(3,447)
Budget Adjustment	(11,373)	0	0	(5,510)
Actual Test Year O&M	(4,001)	0	0	0
Total O & M Expenses	(117,036)	(120,944)	(116,566)	(120,779) (e)
C-3.25 Depreciation & Amortization	(19,348)	(36,496)	(16,124)	(6,881)
C-3.26 Taxes Other Than Income	(73,580)	(80,095)	(81,077)	(74,105)
C-3.27 Income Taxes	(1,743)	8,748	4,862	(3,507)
Total Expense Adjustments	\$ (211,707)	\$ (228,786)	\$ (208,906)	\$ (205,272)

(a) Staff's Schedules C-3

(b) OCC's Schedules C-3.1 Through C-3.27

(c) OCC's Schedules C-3.1 Through C-3.27

(d) Staff's Schedules C-3

(e) Staff's Schedule C-3, Through Spreadsheet Error, Understated Total O&M Adjustment by 150 (i.e. 120,629 should be 120,779)

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Universal Service Fund Rider Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Removal of Test Year Universal Service Revenue (a)	\$ <u>(34,161,000)</u>	\$ <u>(28,997,000)</u>
(2) Removal of Test Year Universal Service Expense (a)	\$ <u>(35,784,000)</u>	\$ <u>(29,890,000)</u>

(a) Applicant's Schedule C-3.1

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Advanced Energy Fund Rider Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Removal of Test Year Advanced Energy Fund Revenue (a)	\$ <u>(791,000)</u>	\$ <u>(756,000)</u>
(2) Removal of Test Year Advanced Energy Fund Expense (a)	\$ <u>(824,000)</u>	\$ <u>(786,000)</u>

(a) Applicant's Schedule C-3.2

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
KWH Tax Revenue Rider Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Removal of Test Year KWH Revenue (a)	\$ <u>(73,913,000)</u>	<u>(75,941,000)</u>

(a) Applicant's Schedule C-3.3

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Energy Efficiency & Peak Demand Rider Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Removal of Test Year Energy Efficiency & Peak Demand Revenue (a)	\$ <u>(49,982,000)</u>	\$ <u>(52,744,000)</u>
(2) Removal of Test Year Energy Efficiency & Peak Demand Expense (a)	\$ <u>(39,549,000)</u>	\$ <u>(43,686,000)</u>

(a) Applicant's Schedule C-3.4

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Economic Development Recovery Rider Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Removal of Test Year Economic Development Recovery Revenue (a)	\$ <u>(35,754,000)</u>	\$ <u>(27,140,000)</u>
(2) Removal of Test Year Economic Development Recovery Expense (a)	\$ <u>1,800,000</u>	\$ <u>2,424,000</u>

(a) Applicant's Schedule C-3.5

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Enhanced Service Reliability Rider Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Removal of Test Year Enhanced Service Reliability Revenue (a)	\$ <u>(9,613,000)</u>	\$ <u>(17,835,000)</u>
(2) Removal of Test Year Enhanced Service Reliability Expense (a)	\$ <u>(10,798,000)</u>	\$ <u>(19,950,000)</u>

(a) Applicant's Schedule C-3.6

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Pole Attachment Revenue Adjustment

	<u>CSP</u>	<u>OPCO</u>
(1) Removal of Out of Test Year Period Pole Attachment Revenue (a)	\$ (1,078,000)	(697,000)
(2) GridSMART Stimulus Funds Received (b)	<u>1,153,000</u>	<u>0</u>
(3) Total Revenue Adjustment (1) + (2)	\$ <u>75,000</u>	\$ <u>(697,000)</u>

(a) Applicant's Schedule C-3.7
(b) Staff's Schedule C-3.7

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Pole Attachment Expense Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Removal of Out of Test Year Period Pole Attachment Expense (a)	\$ <u>(583,000)</u>	<u>(602,000)</u>

(a) Applicant's Schedule C-3.8

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Severance Expense Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Test Year Severance Expense Adjustment (a)	\$ (17,688,426)	\$ (15,569,828)
(2) Removal of FICA (a)	<u>686,254</u>	<u>600,490</u>
(3) Net Test Year Severance Expenses (1) + (2)	(17,002,172)	(14,969,338)
(4) Jurisdiction Allocation Factor (b)	<u>100.00%</u>	<u>99.9012%</u>
(5) Severance Expense Adjustment (3) x (4)	<u>\$ (17,002,172)</u>	<u>\$ (14,954,548)</u>

(a) Applicant's Schedule WPC-3.9c

(b) Applicant's Schedule C-3.9

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Severance Amortization Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Total Test Year Severance Expenses (a)	\$ 8,932,199	\$ 7,976,563
(2) Removal of FICA (a)	(330,981)	(300,648)
(3) Less: Federal Assistance Fund (b)	<u>(248,927)</u>	<u>(320,027)</u>
(4) Net Test Year Severance Expenses (1) + (2) + (3)	8,352,291	7,355,888
(5) Amortization Period (a)	<u>3</u>	<u>3</u>
(6) Severance Amortization Adjustment (1) x (2)	2,784,097	2,451,963
(7) Jurisdiction Allocation Factor (c)	<u>100.00%</u>	<u>99.9012%</u>
(8) Severance Amortization Adjustment (3) x (4)	<u>\$ 2,784,097</u>	<u>\$ 2,449,540</u>

(a) Applicant's Schedule C-3.9a and Staff's Recommended 50% Allocation (CSP \$17,864,397 and OPCo \$15,953,125)

(b) Derived from OCC's Interrogatory No. 254

	<u>AEP</u>	<u>CSP Share</u>	<u>OPCo Share</u>
Fund Received for 2010	\$ 2,663,473	\$ 117,068	\$ 150,506
Share Percentage		4.3953%	5.6507%
Fund for Last Quarter of 2010	3,000,000	<u>131,859</u>	<u>169,521</u>
Total Fund for 2010		<u>248,927</u>	<u>320,027</u>

(c) Applicant's Schedule C-3.9

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Annualized Labor Expense Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Annualized Labor Expense Adjustment - Exempt Salaried (a)	\$ 635,097	\$ (2,113,689)
(2) Annualized Labor Expense Adjustment - Nonexempt Hourly (b)	(4,098,940)	(3,021,207)
(3) Annualized Labor Expense Adjustment - Salaried Nonexempt (c)	<u>(774,753)</u>	<u>(841,207)</u>
(4) Total Annualized Labor Expense Adjustment (1) + (2) + (3)	\$ <u>(4,238,596)</u>	\$ <u>(5,976,103)</u>
(5) Unadjusted Test Year Labor Expense (d)	<u>29,939,000</u>	<u>34,781,000</u>
(6) Adjusted Test Year O&M Labor Expense (4) + (5)	\$ <u><u>25,700,404</u></u>	\$ <u><u>28,804,897</u></u>

- (a) OCC's Schedule C-3.11a
(b) OCC's Schedule C-3.11b
(c) OCC's Schedule C-3.11c
(d) Applicant's Schedule C-9

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Exempt Salaried Labor Expense

	<u>CSP</u>	<u>OPCo</u>
(1) Actual Straight-Time Payroll for the Month of May 2011 (a)	\$ 973,306	\$ 732,984
(2) Number of Months	<u>12</u>	<u>12</u>
(3) Total Annualized Straight-Time Payroll (1) x (2)	11,679,672	8,795,808
(4) Unadjusted Test Year Straight-Time Payroll (b)	<u>10,711,000</u>	<u>12,151,000</u>
(5) Adjustment to Base Payroll (3) - (4)	968,672	(3,355,192)
(6) O&M Ratio (c)	<u>63.94%</u>	<u>62.28%</u>
(7) O&M Adjustment to Base Payroll (5) x (6)	<u>619,369</u>	<u>(2,089,614)</u>
(8) Unadjusted Test Year Over-Time Payroll (b)	272,000	140,000
(9) Percentage Adjustment to Base Payroll (5) / (4)	<u>9.04%</u>	<u>-27.61%</u>
(10) Adjustment to Over-Time Payroll (8) x (9)	24,599	(38,657)
(11) O&M Ratio (c)	<u>63.94%</u>	<u>62.28%</u>
(12) O&M Adjustment to Base Payroll (10) x (11)	<u>15,729</u>	<u>(24,076)</u>
(13) Total Adjustment to Base Payroll (7) + (12)	\$ <u>635,097</u>	\$ <u>(2,113,689)</u>

(a) OCC's Interrogatory No. 112

(b) Applicant's Schedules C-9.1 and WPC-3.11a

(c) Applicant's Schedule C-9.1

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Nonexempt Hourly Labor Expense

	CSP	OPCo
(1) Actual Straight Time Wages for the Month of May 2011 (a)	\$ 1,443,695	\$ 2,064,216
(2) Number of Months	12	12
(3) Total Annualized Straight-Time Payroll (1) x (2)	17,324,340	24,770,592
(4) Unadjusted Test Year Straight-Time Payroll (b)	22,306,000	28,829,000
(5) Adjustment to Base Payroll (3) - (4)	(4,981,660)	(4,058,408)
(6) O&M Ratio (c)	66.33%	61.26%
(7) O&M Adjustment to Base Payroll (5) x (6)	(3,304,335)	(2,486,181)
(8) Unadjusted Test Year Over-Time Payroll (b)	5,364,000	6,204,000
(9) Percentage Adjustment to Base Payroll (5) / (4)	-22.33%	-14.08%
(10) Adjustment to Over-Time Payroll (8) x (9)	(1,197,957)	(873,369)
(11) O&M Ratio (c)	66.33%	61.26%
(12) O&M Adjustment to Base Payroll (10) x (11)	(794,605)	(535,026)
(13) Total Adjustment to Base Payroll (7) + (12)	\$ (4,098,940)	\$ (3,021,207)

- (a) OCC's Interrogatory No. 112
(b) Applicant's Schedules C-9.1 and WPC-3.11a
(c) Applicant's Schedule C-9.1

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL AIR & 11-352-EL-AIR
Salaried Nonexempt Labor Expense

	CSP	OPCo
(1) Actual Straight Time Wages for the Month of May 2011 (a)	\$ 618,365	\$ 820,864
(2) Number of Months	12	12
(3) Total Annualized Straight-Time Payroll (1) x (2)	7,420,380	9,850,368
(4) Unadjusted Test Year Straight-Time Payroll (b)	8,938,000	11,568,000
(5) Adjustment to Base Payroll (3) - (4)	(1,517,620)	(1,717,632)
(6) O&M Ratio (c)	47.55%	45.87%
(7) O&M Adjustment to Base Payroll (5) x (6)	(721,628)	(787,878)
(8) Unadjusted Test Year Over-Time Payroll (b)	658,000	783,000
(9) Percentage Adjustment to Base Payroll (5) / (4)	-16.98%	-14.85%
(10) Adjustment to Over-Time Payroll (8) x (9)	(111,725)	(116,261)
(11) O&M Ratio (c)	47.55%	45.87%
(12) O&M Adjustment to Base Payroll (10) x (11)	(53,125)	(53,329)
(13) Total Adjustment to Base Payroll (7) + (12)	\$ (774,753)	\$ (841,207)

- (a) OCC's Interrogatory No. 112
(b) Applicant's Schedules C-9.1 and WPC-3.11a
(c) Applicant's Schedule C-9.1

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352 EL AIR
Annualized Pension Expense Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Annualized Pension Expense (a)	\$ 4,427,878	\$ 5,454,997
(2) O&M Ratio (b)	<u>46.15%</u>	<u>34.16%</u>
(3) Annualized O&M Pension Expense (1) x (2)	2,043,466	1,863,427
(4) Test Year Expense (c)	<u>2,016,000</u>	<u>1,722,000</u>
(5) Adjustment (3) - (4)	\$ <u>27,466</u>	\$ <u>141,427</u>

- (a) Staff's Data Request 90
(b) Applicant's Schedule C-3.12
(c) Applicant's Schedule C-2.1

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Annualized OPEB Expense Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Annualized OPEB Expense (a)	\$ 2,300,610	\$ 2,984,226
(2) O&M Ratio (b)	<u>75.13%</u>	<u>69.54%</u>
(3) Annualized O&M OPEB Expense (1) x (2)	1,728,448	2,075,231
(4) Test Year Expense (c)	<u>3,243,000</u>	<u>3,709,000</u>
(5) Adjustment (3) - (4)	\$ <u>(1,514,552)</u>	\$ <u>(1,633,769)</u>

- (a) Staff's Data Request 90
(b) Applicant's Schedule C-3.13
(c) Applicant's Schedule C-2.1

OHIO-AMERICAN WATER COMPANY
Case No. 03-2390-WS-AIR
Interest on Customer Deposits Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Date Certain Customer Deposits Balance (a)	\$ 27,676,908	\$ 26,441,000
(2) Interest Rate (b)	<u>3.00%</u>	<u>3.00%</u>
(3) Adjustment (1) - (2)	830,307	793,230
(4) Test Year Expense (c)	<u>1,199,000</u>	<u>1,193,000</u>
(5) Adjustment (3) - (4)	\$ <u><u>(368,693)</u></u>	\$ <u><u>(399,770)</u></u>

- (a) OCC's Schedule B-6
(b) Applicant's Schedule C-3.14
(c) Applicant's Schedule C-2.1

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Rate Case Expense Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Estimated Rate Case Expense (a)	\$ 153,000	\$ 153,000
(2) Amortization Period (b)	<u>3</u>	<u>3</u>
(3) Rate Case Amortization (1) / (2)	51,000	51,000
(4) Test Year Rate Case Expense (c)	<u>0</u>	<u>0</u>
(5) Adjustment (3) - (4)	\$ <u>51,000</u>	\$ <u>51,000</u>

- (a) Applicant's Schedule C-8
(b) Staff's Schedule C-3.15
(c) Applicant's Schedule C-2.1

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Public Safety Announcement Expense Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) General Advertising Expense (a)	\$ <u>(77,000)</u>	<u>(71,000)</u>

(a) Staff's Schedule C-3.16

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL AIR & 11-352-EL-AIR
Miscellaneous Expense Adjustment

	CSP	OPCo
(1) Removal of Out-of Test Year Miscellaneous Expense - A/C 588 (a)	\$ (387,473)	\$ 0

(a) Staff's Data Request 101B and OCC Testimony

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Monongahela Power Litigation Termination Revenue and Expense Adjustment

	<u>CSP</u>	<u>OPCO</u>
(1) Test Year Mon Power Litigation Revenue Rider (a)	\$ <u>(2,633,000)</u>	\$ <u>0</u>
(2) Test Year Mon Power Litigation Regulatory Debits (b)	\$ <u>(1,600,000)</u>	\$ <u>0</u>

(a) Applicant's Schedule C-3.21

(b) Reflected on OCC Schedule C-3.25

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
GradSmart Revenue and Expense Adjustment

	<u>CSP</u>	<u>OPCO</u>
(1) Test Year GradSmart Revenue (a)	\$ <u>(8,664,000)</u>	\$ <u>0</u>
(2) Test Year GradSmart O&M Expense (a)	\$ <u>(9,711,000)</u>	\$ <u>0</u>

(a) Applicant's Schedule C-3.22

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Employees Savings Plan Expense Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Test Year Labor Expense Adjustment (a)	\$ (4,238,596)	\$ (5,976,103)
(2) Savings Plan Loading Rate (b)	<u>3.98%</u>	<u>3.95%</u>
(3) Savings Plan Expense Adjustment (1) x (2)	\$ <u>(168,696)</u>	\$ <u>(236,056)</u>

(a) OCC's Schedule C-3.11
(b) Applicant's WPC-3.11a

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Storm Damage Expense Adjustment

	<u>CSP</u>	<u>OPCo</u>
(1) Maintenance of Overhead Lines - AC 593 (a)	\$ <u>(4,600,000)</u>	\$ <u>(3,447,000)</u>

(a) Staff's Schedules C-3.23 (OPCo) and C-3.26 (CSP)

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Depreciation and Amortization Expense Adjustment
(\$000)

	<u>CSP</u>	<u>OPCo</u>
(1) Adjusted Depreciation Expense (a)	\$ 61,987	\$ 67,150
(2) Amortization of Reseve Imbalance (a)	(25,603)	(13,129)
(3) Test Year Mon Power Litigation Expense Rider (b)	<u>(1,600)</u>	<u>0</u>
(4) Total Test Year Depreciation and Amortization (1) + (2) + (3)	34,785	54,021
(5) Test Year Depreciation Expense (c)	<u>71,281</u>	<u>70,145</u>
(6) Depreciation Expense Adjustment (4) - (5)	\$ <u>(36,496)</u>	\$ <u>(16,124)</u>

- (a) OCC's Schedules B-3.2a and B-3.2b
(b) OCC's Schedule C-3.21
(c) Applicant's Schedule C-2

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Summary of Taxes Other Than Income Adjustment
(\$000)

	Schedule Reference	CSP	OPCo
(1) Property Taxes	C-3.26a	\$ 63,633	\$ 53,140
(2) Commercial Activity Tax	C-3.26b	1,499	1,423
(3) KWH Tax		0	0
(4) FICA Taxes	C-3.26c	2,032	2,268
(5) Federal and State Unemployment Taxes	C-3.26d	76	80
(6) PUCO and OCC Assessments	C-3.26e	2,391	2,365
(7) Other Taxes	C-3.26f	<u>10</u>	<u>(7)</u>
(8) Total Taxes Other Than Income Taxes (1) Thru (7)		69,640	59,269
(9) Test Year Taxes Other Than Income Taxes (a)		<u>149,735</u>	<u>140,346</u>
(10) Adjustment (8) - (9)		\$ <u>(80,095)</u>	\$ <u>(81,077)</u>

(a) Applicant's Schedule C-2

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Property Taxes
(\$000)

	<u>CSP</u>	<u>OPCo</u>
(1) Jurisdictional Personal Plant in Service at 8/31/2010 (a)	\$ 1,760,300	\$ 1,633,871
(2) Material and Supplies (b)	<u>1,533</u>	<u>6,675</u>
(3) Total (1) + (2)	1,761,833	1,640,546
(4) Percentage of Assessment Value to the Total Cost (c)	<u>43.52970%</u>	<u>42.7354%</u>
(5) Property Subject to Ohio Property Taxes (3) x (4)	766,921	701,094
(6) Tax Rate per \$1,000 (d)	<u>81.53</u>	<u>61.37</u>
(7) Ohio Personal Property Tax (5) x (6)	\$ <u>62,527</u>	\$ <u>43,026</u>
(8) Jurisdictional Real Plant in Service at 8/31/2010 (e)	\$ 99,193	\$ 95,764
(9) Percentage of Assessment Value to the Total Cost (c)	<u>18.4695%</u>	<u>39.6319%</u>
(10) Property Subject to Ohio Property Taxes (8) x (9)	18,321	37,953
(11) Tax Rate per \$1,000 (d)	<u>50.83</u>	<u>44.34</u>
(12) Ohio Real Property Tax (10) x (11)	\$ <u>931</u>	\$ <u>1,683</u>
(13) Leased Property Tax (d)	\$ <u>175</u>	\$ <u>8,431</u>
(14) Total Ohio Property Tax (7) + (12) + (13)	\$ <u>63,633</u>	\$ <u>53,140</u>

- (a) OCC's Schedules B-2.1a and B-2.1b - Total Plant Less Accounts 360, 361, 389, and 390
(b) Applicant's Schedule B-5
(c) Derived from State of Ohio 2010 Property Valuation Notice and Property Tax Return
(d) Staff's Date Request 92
CSP Leased Property and Kentucky Property Taxes (\$226,585 + \$38,000) x 65.97%
OPCo Leased Property and West Vergina Property Taxes (\$422,139 + \$14,984,308) x 54.727%
(e) OCC's Schedules B-2.1a and B-2.1b - Accounts 360, 261, 389, and 390

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Commercial Activity Taxes
(\$000)

	<u>CSP</u>	<u>OPCO</u>
	Adjusted Operating Revenues	Adjusted Operating Revenues
(1) Adjusted Operating Revenues (a)	\$ 361,090	\$ 343,918
(2) Test Year Riders Revenues(b)	<u>215,511</u>	<u>203,413</u>
(3) Test Year Operating Revenues Subject to CAT (1) + (2)	576,601	547,331
(4) Commercial Activity Tax Rate (c)	<u>0.26%</u>	<u>0.26%</u>
(5) Commercial Activity Tax (3) x (4)	\$ <u>1,499</u>	\$ <u>1,423</u>

(a) OCC's Schedule C-1

(b) OCC's Schedules C-3.1, C-3.2, C-3.3, C-3.4, C-3.5, C-3.6, C-3.21, and C-3.22

(c) Applicant's Schedule A-1.1

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of FICA Tax

	<u>CSP</u>	<u>OP</u>
(1) Annualized O&M Labor Expense (a)	\$ 25,700,404	\$ 28,804,897
(2) Percentage of Wages Subject to Social Security Tax (b)	<u>97.2031%</u>	<u>97.99%</u>
(3) Old Age, Survivors and Disability Insurance Taxable Wages (1) x (2)	24,981,590	28,225,919
(4) Effective Tax Rate (c)	<u>6.20%</u>	<u>6.20%</u>
(5) OASDI Portion of FICA Tax (3) x (4)	<u>1,548,859</u>	<u>1,750,007</u>
(6) Medicare Effective Tax Rate (d)	<u>1.45%</u>	<u>1.45%</u>
(7) Medicare Portion of FICA Tax (1) x (6)	<u>372,656</u>	<u>417,671</u>
(8) Test Year FICA Tax (3) + (7)	1,921,514	2,167,678
(9) Less: Severance FICA Tax (e)	0	0
(10) Plus: Amortization of Severance FICA (f)	<u>110,327</u>	<u>100,216</u>
(11) Total Test Year FICA Tax (8) + (9) + (10)	<u>\$ 2,031,841</u>	<u>\$ 2,267,894</u>

- (a) OCC's Schedule C-3.11
(b) Applicant's Schedule WPC-3.11a
(c) Latest Known Tax Rate
(d) Applicant's Schedule WPC-3.11a
(e) OCC's Schedule C-3.9
(f) OCC's Schedule C-3.10

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Federal and State Unemployment Taxes

	CSP Federal	CSP State	OPCo Federal	OPCo State
(1) Number of Employees (a)	679	679	794	794
(2) Unemployment Tax Base (b)	\$ 7,000	\$ 9,000	\$ 7,000	\$ 9,000
(3) Total Taxable Wages (1) x (2)	4,753,000	6,111,000	5,558,000	7,146,000
(4) Unemployment Tax Rate (c)	0.8%	1.3%	0.8%	1.3%
(5) Unemployment Tax (3) x (4)	38,024	79,443	44,464	92,898
(6) O&M Percentage (d)	64.35%	64.35%	58.57%	58.57%
(7) Unemployment Taxes (5) x (6)	\$ 24,468	\$ 51,122	\$ 26,043	\$ 54,410

- (a) OCC's Interrogatory No. 6
(b) 2011 FUTA and SUTA Earning Base
(c) OCC's Interrogatory No. 117
(d) Applicant's Schedule C-9.1

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of PUCO and OCC Assessments

	<u>CSP</u>	<u>OP</u>
(1) PUCO Maintenance Assessment (a)	\$ 2,108,000	\$ 2,085,000
(2) OCC Fund Assessment x 50%(a)	<u>282,500</u>	<u>279,500</u>
(3) Total Assessment (1) + (2)	\$ <u>2,390,500</u>	\$ <u>2,364,500</u>

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Other Taxes

	<u>CSP</u>	<u>OP</u>
(1) Franchise Tax (a)	\$ 0	\$ 0
(2) Miscellaneous Taxes (b)	<u>10,000</u>	<u>(7,000)</u>
(3) Total Other Taxes (1) + (2)	<u>\$ 10,000</u>	<u>\$ (7,000)</u>

- (a) Franchise Tax has been replaced with CAT
(b) Applicant's Schedule C-2.1

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Federal and State Income Tax Expense Adjustment
(\$000)

	<u>CSP</u>	<u>OPCo</u>
(1) Adjusted Federal Income Taxes (a)	\$ 38,319	\$ 24,251
(2) Adjusted State Income Taxes (b)	<u>907</u>	<u>559</u>
(3) Total Adjusted Federal and State Income Taxes (1) + (2)	39,226	24,810
(4) Test Year Federal and State Income Taxes (c)	<u>30,478</u>	<u>19,948</u>
(5) Adjustment (3) - (4)	\$ <u>8,748</u>	\$ <u>4,862</u>

- (a) OCC's Schedule C-4
(b) OCC's Schedule C-4.1
(c) Applicant's Schedule C-2

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Federal Income Tax Expense Adjustment
(\$000)

	CSP		OPCo	
	Adjusted Operating Income	Proforma Operating Income	Adjusted Operating Income	Proforma Operating Income
(1) Operating Income Before FIT (a)	\$ 125,943	\$ 81,353	\$ 93,738	\$ 89,051
<u>Reconciling Items:</u>				
(2) Interest Charges (b)	(22,265)	(22,265)	(22,633)	(22,633)
(3) Book Depreciation (c)	61,987	61,987	67,150	67,150
(4) Tax Accelerated Depreciation (d)	84,045	84,045	84,749	84,749
(5) Excess of Tax Over Book Depreciation (3) - (4)	(22,058)	(22,058)	(17,599)	(17,599)
<u>Other Reconciling Items:</u>				
(6) Other Reconciling Items	(5,056)	(5,056)	(29,511)	(29,511)
(7) State Income Taxes (e)	(744)	(329)	(437)	(356)
(8) Total Other Reconciling Items (6) + (7)	(5,801)	(5,386)	(29,948)	(29,867)
(9) Total Reconciling Items (2) + (5) + (8)	(50,123)	(49,708)	(70,180)	(70,099)
(10) Federal Taxable Income (1) + (9)	75,819	31,644	23,558	18,952
<u>Federal Income Taxes:</u>				
(11) First \$50,000 x 15%	8	8	8	8
(12) Next \$25,000 x 25%	6	6	6	6
(13) Next \$25,000 x 34%	9	9	9	9
(14) Next \$235,000 x 39%	92	92	92	92
(15) Next \$9,665,000 x 34%	3,286	3,286	3,286	3,286
(16) Next \$5,000,000 x 35%	1,750	1,750	1,750	1,750
(17) Next \$3,333,333 x 38%	1,267	1,267	1,267	1,267
(18) Excess of Taxable Income Over \$18,333,333 x 35%	20,120	4,659	1,829	217
(19) Federal Income Taxes - Current (11) Through (18)	26,538	11,077	8,247	6,635
<u>Deferred Income Taxes:</u>				
(20) Tax Accelerated Depreciation (d)	84,045	84,045	84,749	84,749
(21) Tax Straight Line Depreciation (c)	61,987	61,987	67,150	67,150
(22) Excess of Tax Accelerated over Tax S/L Deprec. (20) - (21)	22,058	22,058	17,599	17,599
(23) Deferred Tax Depreciation (f)	14,626	14,626	10,877	10,877
<u>Other Deferred Taxes:</u>				
(24) Other Temporary Differences (f)	(2,595)	(2,595)	5,164	5,164
(25) Amortization of ITC (f)	(216)	(216)	0	0
(26) Excess DFIT Reversal - Depreciation (f)	(34)	(34)	(37)	(37)
(27) Total Other Deferred Taxes (24) Thru (26)	(2,845)	(2,845)	5,127	5,127
(28) Total Deferred Taxes (23) + (27)	11,781	11,781	16,004	16,004
(29) Total Federal Income Taxes (19) + (28)	\$ 38,319	\$ 22,858	\$ 24,251	\$ 22,639
(a) OCC's Schedule C-1				
(b) OCC's Schedule B-1 Rate Base x Weighted Cost of Debt (Staff's Sch. D-1 : 2.71% CSP & 2.42% OPCo)				
(c) OCC's Schedule C-3.25 (Exclude Mon Power and Amortization of Reserve Imbalance)				
(d) Applicant's Schedule C-4				
(e) OCC's Schedule C-4.1				
(f) Applicant's Schedule C-4				

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of State Income Taxes
(\$000)

	CSP		OP	
	Adjusted Operating Income	Proforma Operating Income	Adjusted Operating Income	Proforma Operating Income
<u>West Virginia State Income Tax</u>				
(1) Federal Taxable Income Befor State Income Taxes (a)	\$ 75,819	\$ 31,644	\$ 23,558	\$ 18,952
(2) Apportionment Factor (b)	0.000006	0.000006	0.155165	0.155165
(3) Apportioned State Taxable Income (1) x (2)	0.455	0.190	3,655	2,941
(4) State Income Tax Rate (b)	0.085	0.085	0.085	0.085
(5) Current State Income Tax (3) x (4)	0.039	0.016	311	250
(6) Deferred State Income Tax (b)	0	0	0	0
(7) Total Current and Deferred State Income Tax (5) + (6)	\$ 0.039	\$ 0.016	\$ 311	\$ 250
<u>Ohio Municipal Income Tax</u>				
(8) Federal Taxable Income Befor State Income Taxes (a)	\$ 75,819	\$ 31,644	\$ 23,558	\$ 18,952
(9) Bonus Depreciation - Ohio Cities (c)	8,497	8,497	12,399	12,399
(10) Permanent State Differences - Ohio Cities (c)	(5,224)	(5,224)	(8,050)	(8,050)
(11) State Taxable Income Subject to Apportionment (8) + (9) + (10)	79,092	34,917	27,907	23,301
(12) Apportionment Factor (c)	0.9459	0.9459	0.6785	0.6785
(13) Apportioned State Taxable Income (11) x (12)	74,814	33,028	18,935	15,810
(14) State Income Tax Rate (c)	0.00922	0.00922	0.00520	0.00520
(15) Current State Income Tax (12) x (13)	690	305	98	82
(16) Deferred State Income Tax (c)	163	163	122	122
(17) Total Current and Deferred State Income Tax (15) + (16)	\$ 853	\$ 468	\$ 220	\$ 204
<u>Illinois State Income Tax</u>				
(18) Federal Taxable Income Befor State Income Taxes (a)	\$ 75,819	\$ 31,644	\$ 23,558	\$ 18,952
(19) Bonus Depreciation (d)	8,496	8,496	12,398	12,398
(20) State Taxable Income Subject to Apportionment (18) + (19)	84,315	40,140	35,956	31,350
(21) Apportionment Factor (d)	0.003357	0.003357	0.007987	0.007987
(22) Apportioned State Taxable Income (20) x (21)	283	135	287	250
(23) State Income Tax Rate (d)	0.073	0.073	0.073	0.073
(24) Current State Income Tax (22) x (23)	21	10	21	18
(25) Deferred State Income Tax (d)	0	0	0	0
(26) Total Current and Deferred State Income Tax (24) + (25)	\$ 21	\$ 10	\$ 21	\$ 18

AMERICAN ELECTRIC POWER - OHIO
Case Nos. 11-351-EL-AIR & 11-352-EL-AIR
Calculation of Federal and State Income Taxes
(\$000)

	CSP		OP	
	Adjusted Operating Income	Proforma Operating Income	Adjusted Operating Income	Proforma Operating Income
<u>Michigan State Income Tax</u>				
(27) Federal Taxable Income Before State Income Taxes (a)	\$ 75,819	\$ 31,644	\$ 23,558	\$ 19,952
(28) Bonus Depreciation - Ohio Cities (e)	11,011	11,011	15,007	15,007
(29) State Taxable Income Subject to Apportionment (27) + (28)	86,830	42,655	38,565	33,959
(30) Apportionment Factor (e)	0.004992	0.004992	0.005073	0.005073
(31) Apportioned State Taxable Income (29) x (30)	378	157,969	120	96
(32) State Income Tax Rate (e)	0.060385	0.060385	0.060385	0.060385
(33) Current State Income Tax (31) x (32)	23	10	7	6
(34) Deferred State Income Tax (e)	0	0	0	0
(35) Total Current and Deferred State Income Tax (33) + (34)	\$ 23	\$ 10	\$ 7	\$ 6
<u>Kentucky State Income Tax</u>				
(36) Federal Taxable Income Before State Income Taxes (a)	\$ 75,819	\$ 31,644	\$	\$
(37) Bonus Depreciation (f)	8,497	8,497		
(38) State Adjustment (f)	(294)	(294)		
(39) State Taxable Income Subject to Apportionment (36) + (37) + (38)	84,022	39,847		
(40) Apportionment Factor (f)	0.002189	0.002189		
(41) Apportioned State Taxable Income (39) x (40)	184	87		
(42) State Income Tax Rate (f)	0.06	0.06		
(43) Current State Income Tax (41) x (42)	11	5	0	0
(44) Deferred State Income Tax (f)	0	0	0	0
(45) Total Current and Deferred State Income Tax (43) + (44)	\$ 11	\$ 5	\$ 0	\$ 0
(46) Grand Total Current State Income Taxes (5)+(15)+(24)+(33)+(43)	\$ 744	\$ 329	\$ 437	\$ 356
(47) Grand Total Deferred State Income Taxes (6)+(16)+(25)+(34)+(44)	163	163	122	122
(48) Grand Total Current and Deferred State Income Taxes (46)+(47)	\$ 907	\$ 492	\$ 559	\$ 478

- (a) OCC's Schedule 4
(b) Applicant's Schedule WPC-4.1n
(c) Applicant's Schedule WPC-4.1o
(d) Applicant's Schedule WPC-4.1p
(e) Applicant's Schedules WPC-4.1r and WPC-4.1q
(f) Applicant's Schedule WPC-4.1q

ATTACHMENT IS-A**Ibrahim Soliman
Testimony Submitted**

Date	Docket	Company
1/30/1986	85-554-EL-AIR	Toledo Edison
11/7/1988	88-170-EL-AIR et al.	Toledo Edison, CEI
1/23/1990	89-616-EL-AIT et al.	Columbia Gas
4/23/1990	89-1001-EL-AIR	Ohio Edison
1/23/1992	91-418-EL-AIT	CSP
7/13/1994	93-487-TP-ALT et al.	Ohio Bell
3/20/1995	94-0578-EL-CMR et al.	CEI
1/16/1996	95-0299-EL-AIR et al.	Toledo Edison, CEI
1/30/2008	07-0551-EL-AIR et al.	FirstEnergy (Ohio Edison, CEI, Toledo Edison)
8/22/2008	07-0829-GA-AIR et al.	East Ohio Gas
11/7/2008	08-0917-EL-SSO et al.	Columbus Southern Power, Ohio Power
4/20/2009	09-0038-GA-UNC	Dominion East Ohio
10/14/2009	09-0458-GA-RDR	Dominion East Ohio
4/5/2010	09-1875-GA-UNC	Dominion East Ohio

ATTACHMENT IS-B
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AEP Ohio Companies
Case Nos 11-351-EL-AIR & 11-352-EL-AIR
Staff 90-001, Attachment 1
Page 27 of 88

American Electric Power System Retirement Plan

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2.8 Pension cost under U.S. GAAP (ASC 715)

All monetary amounts shown in US Dollars

Fiscal Year Ending	December 31, 2011	December 31, 2010
A Pension Cost		
1 Service cost	71,900,761	109,179,598
2 Interest cost	233,244,647	248,990,578
3 Expected return on assets	(314,959,939)	(312,808,907)
4 Net prior service cost/(credit) amortization	684,658	684,658
5 Net loss/(gain) amortization	119,183,200	86,553,049
6 Net periodic pension cost/(income)	110,033,327	132,598,976
B Key Assumptions²		
1 Discount rate	5.05%	5.60%
2 Rate of return on assets	7.75%	8.00%
3 Cash balance crediting rate	5.25%	5.25%
4 Rate of compensation increase	Rates vary by age from 3.5% to 11.5%	Rates vary by age from 3.5% to 11.5%
C Census Date	January 1, 2011	January 1, 2010

² These assumptions were used to calculate Net Periodic Pension Cost/(Income) as of the beginning of the year. For other assumptions used, as well as assumptions used for interim remeasurements, if any, refer to Appendix A.

SI-4

Pension Cost

	Fiscal 2010	Fiscal 2009
Pension Cost		
Service cost	\$ 109,179,598	\$ 102,723,635
Interest cost	248,990,578	248,651,629
Expected return on assets	(312,808,907)	(321,393,288)
Amortization:		
▶ Transition obligation (asset)	0	0
▶ Prior service cost (credit)	684,658	111,658
▶ Net loss (gain)	<u>86,553,049</u>	<u>55,980,961</u>
Pension cost	\$ 132,598,976	\$ 86,074,595
Percent of covered pay	7.9%	5.3%
Per active participant	\$ 6,346	\$ 4,192

Change in Pension Cost

Pension cost for fiscal 2009	\$ 86,074,595
Change from fiscal 2009 to fiscal 2010:	
▶ Expected based on prior valuation	(7,165,379)
▶ Loss (gain) from noninvestment experience	(16,004,325)
▶ Loss (gain) from asset experience	51,821,078
▶ Assumption changes	17,873,007
▶ Plan amendments	<u>0</u>
Pension cost for fiscal 2010	\$ 132,598,976

American Electric Power
Qualified Retirement Plan
2011 Net Periodic Pension Cost

Location	Projected Benefit Obligation	Market-Related Value of Assets	Service Cost	Interest Cost	Expected Return on Assets	Prior Service Cost/(Credit)	Amortizations (Gain)/Loss	Net Periodic Pension Cost
Appalachian Power Co - Distribution	\$329,522,796	\$277,065,083	\$3,453,440	\$16,262,614	(\$21,047,082)	\$485,847	\$8,347,979	\$7,502,798
Appalachian Power Co - Generation	271,533,287	230,968,978	3,290,217	13,422,425	(17,545,267)	\$362,368	8,878,900	6,408,643
Appalachian Power Co - Transmission	49,484,615	39,381,637	455,197	2,439,089	(3,006,785)	\$59,438	1,253,620	1,200,529
Appalachian Power Co - FERC	\$659,540,688	\$547,813,698	\$7,198,884	\$32,124,108	(\$41,898,144)	\$807,853	\$18,480,498	\$15,111,978
Cedar Coal Co	3,228,369	3,071,966	0	157,874	(233,360)	\$8,980	81,786	15,080
Central Coal Company	0	0	0	0	0	0	0	0
Appalachian Power Co - SEC	\$653,788,057	\$550,685,448	\$7,198,884	\$32,281,792	(\$41,832,504)	\$819,433	\$18,562,285	\$15,127,090
AEP Texas Central Company - Distribution	\$272,437,010	\$226,140,858	\$4,435,474	\$19,522,486	(\$17,178,654)	(\$1,147,758)	\$6,901,794	\$6,533,354
AEP Texas Central Company - Generation	27,353,524	36,348,189	564	1,335,978	(2,761,244)	\$0	682,982	(731,740)
AEP Texas Central Company - Transmission	30,137,039	24,627,142	580,468	1,489,271	(1,870,786)	(\$110,544)	763,478	841,887
AEP Texas Central Co.	\$329,927,573	\$287,117,188	\$4,996,046	\$18,357,747	(\$21,810,684)	(\$1,258,302)	\$8,356,234	\$6,643,581
Columbus Southern Power Co - Distribution	\$217,818,726	\$189,043,813	\$2,183,070	\$10,743,996	(\$14,360,598)	\$363,266	\$5,518,145	\$4,427,878
Columbus Southern Power Co - Generation	105,308,541	90,732,345	1,071,275	5,195,608	(6,882,428)	\$158,518	2,587,838	2,201,811
Columbus Southern Power Co - Transmission	21,582,590	18,111,298	140,703	1,060,969	(1,375,814)	\$38,043	546,763	410,664
Columbus Southern Power Co - FERC	\$344,718,887	\$287,887,487	\$3,376,048	\$17,090,573	(\$22,828,841)	\$580,827	\$8,732,746	\$7,040,353
Conestoga Coal Preparation Company	4,212,883	3,524,627	\$22,880	\$106,686	(267,746)	\$3,832	108,722	72,554
Columbus Southern Power Co - SEC	\$348,923,560	\$301,412,064	\$3,387,928	\$17,207,438	(\$22,896,587)	\$564,659	\$8,836,468	\$7,112,907
Indiana Michigan Power Co - Distribution	\$175,868,887	\$145,261,932	\$1,924,256	\$8,673,727	(\$11,034,795)	\$252,409	\$4,450,340	\$4,265,997
Indiana Michigan Power Co - Generation	110,812,630	94,118,894	1,374,578	5,479,242	(7,149,680)	\$138,960	2,807,276	2,650,376
Indiana Michigan Power Co - Nuclear	201,564,904	185,881,912	4,803,572	10,083,954	(13,968,478)	\$251,378	5,106,353	6,376,777
Indiana Michigan Power Co - Transmission	37,321,035	30,621,595	478,468	1,842,959	(2,328,150)	\$49,478	945,474	825,230
Ind Mich River Transp Lakin	32,232,922	30,903,178	616,136	1,614,121	(2,340,097)	\$50,606	816,574	957,340
Indiana Michigan Power Co - FERC	\$557,091,378	\$484,688,441	\$8,432,811	\$27,884,003	(\$36,816,148)	\$742,828	\$14,126,817	\$13,175,728
Price River Coal	411,255	478,045	0	20,086	(36,380)	\$1,124	10,419	(4,761)
Indiana Michigan Power Co - SEC	\$558,012,633	\$485,168,486	\$8,432,811	\$27,714,088	(\$36,855,530)	\$743,953	\$14,126,438	\$13,175,968
Kentucky Power Co - Distribution	\$73,516,512	\$61,137,197	\$773,688	\$3,828,297	(\$4,644,250)	\$82,116	\$1,862,408	\$1,712,258
Kentucky Power Co - Generation	35,117,878	28,827,471	463,406	1,737,796	(2,189,861)	\$48,371	888,560	947,372
Kentucky Power Co - Transmission	7,851,021	5,801,508	151,510	380,845	(516,872)	\$10,405	198,694	234,982
Kentucky Power Co.	\$116,484,412	\$95,766,178	\$1,388,604	\$5,756,938	(\$7,350,783)	\$148,892	\$2,850,982	\$2,894,613
Caudinal Operating Company	\$74,674,868	\$55,414,597	\$984,148	\$3,664,222	(\$4,208,538)	\$89,904	\$1,881,779	\$2,430,518
Central Ohio Coal	8,654,709	10,268,214	0	422,897	(780,018)	\$13,405	219,254	(124,663)
Cook Coal Terminal	3,168,754	3,037,615	73,868	158,420	(230,751)	\$4,063	80,301	85,922
Ohio Power Co - Distribution	231,527,626	193,462,648	2,480,941	11,428,505	(14,885,514)	\$384,651	5,885,414	5,464,987
Ohio Power Co - Generation	238,728,597	231,084,940	2,692,716	11,761,057	(17,654,988)	\$324,557	6,047,841	3,301,183
Ohio Power Co - Transmission	53,048,411	43,988,111	610,018	2,620,887	(3,341,630)	\$79,060	1,343,904	1,312,138
Southern Ohio Coal - Martinsburg	7,086,444	7,674,821	0	345,126	(583,013)	\$7,950	178,018	(50,918)
Southern Ohio Coal - Maize	10,008,503	11,518,232	0	488,817	(874,978)	\$16,968	253,551	(115,620)
Windsor	3,167,196	3,913,537	0	154,886	(287,288)	\$5,640	80,236	(56,727)
Ohio Power Co.	\$630,946,188	\$560,362,718	\$8,831,713	\$31,185,217	(\$42,567,418)	\$886,218	\$15,387,298	\$12,239,830

220 -Columbus Southern Power - Dist
Comparative Balance Sheet
March 31, 2011

Run Date: 04/08/2011 18:24

GLR200P	Rpt ID: GLR22001	Layout: GLR2200T	GLR	Month End Balances
220	V2098-01-01 Acct: PRPT ACCOUNT BU: 220		GLR	Aug 2010
1650001	Prepaid Insurance		398,358.15	
165000210	Prepaid Taxes		0.00	
1650006	Other Prepayments		0.00	
1650009	Prepaid Carry Cost-Factored AR		102,349.62	
1650010	Prepaid Pension Benefits		86,403,823.01	
165001210	Prepaid Use Taxes		50,000.00	
165001211	Prepaid Use Taxes		0.00	
1650014	FAS 158 Qual Contra Asset		(86,438,317.29)	
1650021	Prepaid Insurance - EIS		858,263.54	
	Prepayments		1,374,477.03	

250 -Ohio Power Co - Distribution
Comparative Balance Sheet
March 31, 2011

Run Date: 04/08/2011 18:29		Rpt ID: GLR2200T Layout: GLR2200T		nd Month End Balances	
GLR6200P		V2008-01-01 Acct: PRPT ACCOUNT BU: 250		F:11 Aug 2010	
250					
1650001	Prepaid Insurance				550,848.98
165000210	Prepaid Taxes				0.00
1650006	Other Prepayments				0.00
1650009	Prepaid Carry Cost-Factored AR				112,715.31
1650010	Prepaid Pension Benefits				68,487,855.70
165001210	Prepaid Use Taxes				51,918.00
165001211	Prepaid Use Taxes				0.00
1650014	FAS 158 Qual Contra Asset				(68,308,678.66)
1650021	Prepaid Insurance - EIS				1,145,970.84
	Prepayments				2,039,630.18

68,399 07/10
68,488 09/10

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-381-EL-AIR
Chart of Accounts
August 31, 2010

OCC Set 1
Question RPD-008
Attachment 1

Date: ☒ Actual ☐ Estimated
Type of Filing: ☒ Original ☐ Updated ☐ Revised
Work Paper Reference No(s):

Supplemental D-6
Page 17 of 79
Witness: T. E. Mitchell

Account	Account Title	Description of Charges
1650007	Corporate Owned Life Insurance	This account shall include amounts representing prepayments of Corporate Owned Life Insurance.
1650009	Prepaid Carry Cost-Factored AR	This account is used for factoring the AEP-East electric accounts receivable.
1650010	Prepaid Pension Benefits	To segregate the west prepaid pension from the other prepaid employee benefits per the request of the reporting group for the purpose of SEC reporting
165001208	Prepaid Sales/Use Taxes	This account shall include amounts representing prepayments of sales and use taxes
165001209	Prepaid Sales/Use Taxes	This account shall include amounts representing prepayments of sales and use taxes
165001210	Prepaid Use Taxes	This account shall include amounts representing prepayments of use taxes. Description change per CF#7033 effective 01/01/10.
1650014	FAS 158 Qual Contra Asset	This account is used to track the long term portion of the FAS 158 PBO liability (Projected Benefit Obligation) for the Qualified Pension Plan when the net plan is still prepaid. This account offsets account 1650010.
1650016	FAS 112 ASSETS	This account is used to record the overfunding of FAS112 as an asset on all related business units. Previously this balance was recorded as a net liability in account 2283005.
1650017	Prepayment - Coal	Track prepayments required under coal contracts or purchase orders
1650019	Prepaid Pension Expense - CG&E	LONG TERM ACCOUNT SHALL INCLUDE NON-CASH PENSION BENEFITS. See chartfield request #6149 for more detail if needed.
1650020	Prepaid Pension Expense - DP&L	LONG TERM ACCOUNT SHALL INCLUDE NON-CASH PENSION BENEFITS. See chartfield request #6149 for more detail if needed.
1650021	Prepaid Insurance - EIS	This account shall include amounts representing prepayments of insurance with EIS (Energy Insurance Services).
1650023	Prepaid Lease	Track balance of prepaid lease expense for agreements that qualify as a lease under company policy and are not tracked in PowerPlant Lease Accounting system will use this account. Prepaid Rents account should be when the payment does not cover multiple accounting periods or does not qualify as a lease under company policy.
1650024	LT Coal Prepayment	To record long term portion of the Buckingham Amendment payments.
1650025	Reserve - LT Coal Prepayment	To record long term portion of the Buckingham Amendment payments.
1710000	Interest&Dividends Receivable	This account shall include the amount of interest on bonds, mortgages, notes, commercial paper, loans, open accounts, deposits, etc., the payment of which is reasonably assured, and the amount of dividends declared or guaranteed on stocks owned. Note A: Interest which is not subject to current settlement shall not be included herein but in the account in which is carried the principal on which the interest is accrued. Note B: Interest and dividends receivable from associated companies shall be included in account 146, Accounts receivable from associated companies.
1710048	Interest Receivable -FIT -LT	Interest Receivable -FIT -LT
1710248	Interest Receivable -FIT -ST	Interest Receivable -FIT -ST
1710348	Interest Receivable -SIT -LT	Interest Receivable -SIT -LT
1710448	Interest Receivable. -SIT -ST	Interest Receivable -SIT -ST
1720000	Rents Receivable	This account shall include rents receivable or accrued on property rented or leased by the utility to others. Note: Rents receivable from associated companies shall be included in account 146, Accounts Receivable from Associated Companies.
1730000	Accrued Utility Revenues	At the option of the utility, the estimated amount accrued for service rendered, but not billed at the end of any accounting period, may be included herein. In case accruals are made for unbilled revenues, they shall be made likewise for unbilled expenses, such as for the purchase of energy.
1730002	Acrd Utility Rev-Factored-Assc	This account is used for factoring the AEP-East electric accounts receivable.
1730005	Accrued Util. Rev.- SECA	Account for SECA net revenue expected to be collected through PJM but not yet billed. Reflects net AR for SECA revenues and expense.
1740000	Misc Current & Accrued Assets	This account shall include the book cost of all miscellaneous current and accrued assets.
174001108	Non-Highway Fuel Tx Credit-2008	2008 vintage year account to enable recordation of the 2008 non-highway fuel tax credit
174001109	Non-Highway Fuel Tx Credit-2009	2009 vintage year account to enable recording of the 2009 non-highway fuel tax credit
1740012	Pension Plan	This account shall include the book cost of current and accrued assets applicable to company pensions.
1740035	Misc Current Assets - EIS	This account shall include the book cost of all miscellaneous current and accrued assets for Energy Insurance Services (EIS).

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Chart of Accounts
August 31, 2010

OCC Set 1
Question RPD-008
Attachment 2

Date: X Actual Estimated
Type of Filing: Original Updated Revised
Work Paper Reference No(s):

Supplemental D-6
Page 17 of 84
Witness: T. E. Mitchell

Account	Account Title
1630158	Stores Exp - Darby Plant
1630157	Stores Exp - Mattison Plant
1630158	Stores Exp-Lawrenceburg Plant
1630999	Cash Discount Allocation Only
1650001	Prepaid Insurance
165000208	Prepaid Taxes
165000209	Prepaid Taxes
1650003	Prepaid Rents
1650004	Prepaid Interest
1650005	Prepaid Employee Benefits
1650006	Other Prepayments
1650007	Corporate Owned Life Insurance
1650009	Prepaid Carry Cost-Factored AR
1650010	Prepaid Pension Benefits
165001208	Prepaid Sales/Use Taxes
165001209	Prepaid Sales/Use Taxes
165001210	Prepaid Use Taxes
1650014	FAS 158 Qual Contra Asset
1650016	FAS 112 ASSETS
1650017	Prepayment - Coal
1650021	Prepaid Insurance - EIS
1710000	Interest&Dividends Receivable
1710048	Interest Receivable -FIT -LT
1710248	Interest Receivable -FIT -ST
1720000	Rents Receivable

Description of Charges

A. This account shall include the cost of supervision, labor and expenses incurred in the operation of the Darby Plant storeroom, including purchasing, storage, handling and distribution of materials and supplies. B. This account shall be cleared by adding to the cost of materials and supplies issued a suitable loading charge which will distribute the expense equitably over stores issues. ITEMS Labor: 1. Inspecting and testing materials and supplies when not assignable to specific items. 2. Unloading from shipping facility and putting in storage. 3. Supervision of purchasing and stores department to extent assignable to materials handled through stores. 4. Getting materials from stock and in readiness to go out. 5. Inventorying stock received or stock on hand by stores employees but not including inventories by general department employees as part of internal or general audits. 6. Purchasing department activities in checking material needs, investigating sources of supply, analyzing prices, preparing and placing orders, and related activities to extent applicable to materials handled through stores. (Optional. Purchasing department expenses may be included in To enable stores accounting to spread storeroom costs to the plant. To enable stores accounting to spread storeroom costs to the plant. This account shall include the cash discount allocation applicable to stores expense. NOTE: Charges to this Balance Sheet account by AEPSC (company number 61) will be passed to the AEPSC Billing System for billing to Client companies.

This account shall include amounts representing prepayments of insurance.

This account shall include amounts representing prepayments of taxes.

This account shall include amounts representing prepayments of taxes.

This account shall include amounts representing prepayments of rents.

This account shall include amounts representing prepayments of interest.

This account shall include amounts representing prepayments of employee benefits.

This account shall include amounts representing prepayments of other items not listed.

This account shall include amounts representing prepayments of Corporate Owned Life Insurance.

This account is used for factoring the AEP-East electric accounts receivable.

To segregate the west prepaid pension from the other prepaid employee benefits per the request of the reporting group for the purpose of SEC reporting

This account shall include amounts representing prepayments of sales and use taxes

This account shall include amounts representing prepayments of sales and use taxes

This account shall include amounts representing prepayments of use taxes
Description change per CF#7033 effective 01/01/10.

This account is used to track the long term portion of the FAS 158 PBO liability (Projected Benefit Obligation) for the Qualified Pension Plan when the net plan is still prepaid. This account offsets account 1650010.

This account is used to record the overfunding of FAS112 as an asset on all related business units. Previously this balance was recorded as a net liability in account 2283005.

Track prepayments required under coal contracts or purchase orders

This account shall include amounts representing prepayments of insurance with EIS (Energy Insurance Services).

This account shall include the amount of interest on bonds, mortgages, notes, commercial paper, loans, open accounts, deposits, etc., the payment of which is reasonably assured, and the amount of dividends declared or guaranteed on stocks owned. Note A: Interest which is not subject to current settlement shall not be included herein but in the account in which is carried the principal on which the interest is accrued. Note B: Interest and dividends receivable from associated companies shall be included in account 146, Accounts receivable from associated companies.

Interest Receivable -FIT -LT

Interest Receivable -FIT -ST

This account shall include rents receivable or accrued on property rented or leased by the utility to others. Note: Rents receivable from associated companies shall be included in account 146, Accounts Receivable from Associated Companies.

**COLUMBUS SOUTHERN POWER COMPANY'S
AND OHIO POWER COMPANY'S RESPONSE TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL IN
PUCO CASE NOS. 11-351-EL-AIR AND 11-352-EL-AIR
FOURTEENTH SET**

INT-14-254 Please identify the expected total revenues to be received by AEP Ohio associated with the federal assistance for early retirees, under last year's health care reform law. Please identify these revenues on a company specific basis for CSP and OPG, and identify these companies' share of the federal assistance dollars, along with the expected date(s) such revenues are to be received.

Response:

To date in 2011, AEP has received one payment, in the amount of \$2,663,473, under the Early Retiree Reinsurance Program (ERRP). This was for the first three quarters of 2010 and represents reimbursement of eligible expenses for all eligible participants, Systemwide. A request for additional ERRP funds has not yet been made as we are currently in the process of gathering claims data. We estimate the ERRP payment for the last quarter of 2010 to be approximately \$3 million. For calendar year 2011, we estimate the reimbursement will be approximately \$12.6 million. We do not have estimates of reimbursements beyond 2011. It is important to note that due to the limited amount of funds and the unknown number of organizations seeking reimbursement there is no guarantee that any company will receive estimated ERRP payments.

Of the total \$2,663,473 received so far for the entire AEP System, approximately 10.0% applies to AEP Ohio's distribution function (\$117,068 for CSP Distribution and \$150,506 for OPG Distribution). A similar percentage is expected to apply to future ERRP payments.

Prepared by Hugh McCoy.

**COLUMBUS SOUTHERN POWER COMPANY'S
AND OHIO POWER COMPANY'S RESPONSE TO
THE OFFICE OF THE OHIO CONSUMERS' COUNSEL IN
PUCO CASE NOS. 11-351-EL-AIR AND 11-352-EL-AIR
NINTH SET**

INT-112. Referring to Schedule WPC-3.11a (CSP and OPCo), please identify the actual payroll expense for the month of May 2011 for Exempt Salaried, Nonexempt Hourly, and Salaried Nonexempt. Please breakdown the actual payroll for each category between straight-time, over-time, part-time, and intern/summer-time.

RESPONSE:

Payroll Expense Month of May 2011 Columbus Southern Power			
	E	N	S
Straight Time			
Regular	973,306	1,443,695	618,467
Part time	0	0	0
Intern	0	0	1,898
Total	973,306	1,443,695	618,365

Overtime			
Regular	44,861	394,064	115,449
Part time	0	0	0
Intern	0	0	0
Total	44,861	394,064	115,449

Ohio Power			
	E	N	S
Straight Time			
Regular	732,984	2,064,216	819,304
Part time	0	0	0
Intern	0	0	1,560
Total	732,984	2,064,216	820,864

Overtime			
Regular	17,467	643,110	133,679
Part time	0	0	0
Intern	0	0	0
Total	17,467	643,110	133,679

Prepared by Thomas E. Mitchell.

Battelle*The Business of Innovation***Invoice****BATTELLE**

Dept L 998
Columbus, Ohio 43260
Billing Mgr (614) 424-3278
FAX NO (614) 458-0478
DUNS NO: 00-790-1598
FEDERAL ID# 31-4379427

IN ACCOUNT WITH**AEP OHIO**

ATTN: KAREN SLONEKER
850 TECH CENTER DRIVE
GAHANNA, OH 43230-6605

03/25/2010

TERMS NET UPON RECEIPT OF INVOICE**INVOICE NUMBER**

64901

YOUR IDENTIFICATION NUMBER**RELEASE 1****PRIME # DE-AC05-RL01830****OUR PROJECT NUMBER**

G93740100

CG

PLEASE REFERENCE OUR INVOICE NUMBER AND PROJECT NUMBER ON YOUR REMITTANCE ADVICE. THANK YOU**Billing Period FROM 02/05/2010 TO 02/25/2010****NET AMOUNT DUE****9,944.80**

RELEASE 1: WBS TASK 1.0 PROJECT MANAGEMENT
DOE FUNDING

ATTACHMENT IS-H

Page 2 of 6

Columbus Southern Power Co.
Case No. 11-351-EL-AIR
Staff 101B-001 Attachment 3
Page 8 of 20



Accounts Payable Coding Form

Created by Ronald S Baran on 05/20/2010

Approver Signature: _____

Date: 5/20/10

Description: Battelle Release 2 LNTP
Classified By: Ronald S Baran
Approver Name: Cannon, Jodi L

Phone: 910-7888
Phone: 200-1564

AP Business Unit: 220
Zip Code: 43260
Contract Number: LNTP Release 2
Purchase Order:
Invoice Id: 64901

Vendor: | BATTELLE INC [R]

Amount 9,944.80
Sum of Lines 9,944.80
Difference 0.00

Special Handling:

>>> SPEEDCHART: 1005200089 <<<

1	9944.80	220	DISTR	GSBADR001	30000220	5880000	13001	290	280	-	-	-	-
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PRIORITY

Battelle*The Business of Innovation***Invoice****BATTELLE**

Dept L 998
Columbus, Ohio 43260
Billing Mgr (614)424-3278
FAX NO (614)458-0478
DUNS NO: 00-790-1598
FEDERAL ID# 31-4379427

IN ACCOUNT WITH**ASP OHIO**

ATTN: KAREN SLONEKER
850 TECH CENTER DRIVE
GAHANNA, OH 43230-6605

04/12/2010

TERMS NET UPON RECEIPT OF INVOICE**INVOICE NUMBER**

64920

YOUR IDENTIFICATION NUMBER

LIMITED NOTICE TO PROCEED
AGREEMENT - RELEASE 2

OUR PROJECT NUMBER

G93740200

CG

PLEASE REFERENCE OUR INVOICE NUMBER AND PROJECT NUMBER ON YOUR REMITTANCE ADVICE. THANK YOU

Billing Period FROM 03/01/2010 TO 03/25/2010

NET AMOUNT DUE

141,568.43

RELEASE 2: WBS TASK 2.0 DEMAND RESPONSE



Accounts Payable Coding Form

Created by Ronald S Baran on 05/20/2010

Approver Signature: _____ Date: 5/20/10

Description:	Battelle Invoice 64920 LNTP Release 2	Phone:	910-7888
Classified By:	Ronald S Baran	Phone:	200-3154
Approver Name:	Shapard, Darren A		
AP Business Unit:	220	Vendor:	BATTELLE INC [R]
Zip Code:	43260		
Contract Number:	LNTP Release 2	Amount	141,588.43
Purchase Order:		Sum of Lines	141,588.43
Invoice Id:	64920	Difference	0.00

Special Handling:

>>> SPEEDCHART: 1005200098 <<<

1	141568.43	220	DISTR	GSBADR001	G0000220	5880000	13001	290	260	-	-	-	-
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PRIORITY

Battelle*The Business of Innovation***Invoice****BATTELLE**

Dept L 998
Columbus, Ohio 43260
Billing Mgr (614) 424-3278
FAX NO (614) 458-0478
DUNS NO: 00-790-1898
FEDERAL ID# 31-4379427

IN ACCOUNT WITH

AEP OHIO
ATTN: KAREN SLONEKER
850 TECH CENTER DRIVE
GAHANNA, OH 43230-6605

05/14/2010

TERMS NET UPON RECEIPT OF INVOICE

INVOICE NUMBER

64970

YOUR IDENTIFICATION NUMBER

LIMITED NOTICE TO PROCEED
AGREEMENT RELEASE 2

OUR PROJECT NUMBER

G93740200

CG

PLEASE REFERENCE OUR INVOICE NUMBER AND PROJECT NUMBER ON YOUR REMITTANCE ADVICE. THANK YOU

Billing Period FROM 03/26/2010 TO 04/29/2010

NET AMOUNT DUE

235,960.69

RELEASE 2: WBS TASK 2.0 DEMAND RESPONSE
AEP FUNDING \$ 117,980.35
DOE FUNDING \$ 117,980.34

ATTACHMENT IS-H

Page 6 of 6

Columbus Southern Power Co.
Case No. 11-351-EL-AIR
Staff 101B-001 Attachment 3
Page 19 of 20



Accounts Payable Coding Form

Created by Ronald S Baran on 05/20/2010

Approver Signature: _____ Date: 5/20/10

Description:	Battelle Invoice 64970 5 14 2010	Phone:	910-7888
Classified By:	Ronald S Baran	Phone:	222-3740
Approver Name:	Shepard, Darren A	Vendor:	BATTELLE INC [R]
AP Business Unit:	220	Amount	235,960.69
Zip Code:	43215	Sum of Lines	235,960.69
Contract Number:	Limited notice to proceed	Difference	0.00
Purchase Order:	LNTP Release 2		
Invoice Id:	64970		

Special Handling:

>>> SPEEDCHART: 1005200099 <<<

IS	Am	GL	PC	BP	Project	Workorder	Account	Dept	CC	Act	Sub	Stat	Prod	Alt
1	235960.69	220	DISTR		GSBADR001	G0000220	5880000	13001	290	260	-	-	-	-

PRIORITY

05/20/2010 08:34:47 AM

**AEP Ohio's Responses to
Staff Request DR 58
Jeffrey Hecker
PUCO Case Nos. 11-351-EL-AIR and 11-352-EL-AIR**

Interrogatory INT-001

For both companies please provide the following for regulatory fees:

Latest assessments for the PUCO and OCC

Response

The latest assessments received/paid were for calendar year 2010. A 50% estimate was due in June 2010. In September we received the actual assessment and the balance was due in October 2010. Attached are the October invoices for the PUCO and OCC assessments.

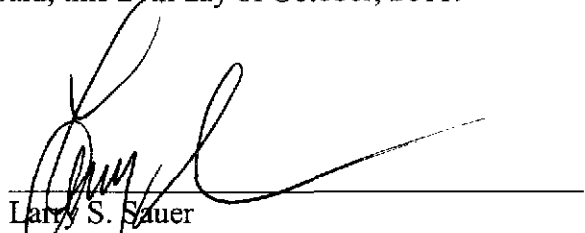
Here are the payments that were made in 2010:

		Jun	Oct	2010 Total
CSP	PUCO	1,096,347.81	1,011,215.79	2,107,563.60
CSP	OCC	281,888.19	282,700.44	564,588.63
OPCO	PUCO	1,081,753.27	1,003,688.37	2,085,441.64
OPCo	OCC	278,135.70	280,526.74	558,662.44

Prepared By: Jeffrey B. Bartsch

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Direct Testimony of Ibrahim Soliman of the Office of the Ohio Consumers' Counsel has been served upon those persons listed below by First Class U.S. Mail, postage prepaid, this 24th day of October, 2011.


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Assistant Consumers' Counsel

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