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PUCO EXHIBIT FILING

Date of Hearing: 6/15/12

Case No. 11-346-EL-SSO, et al.

PUCO Case Caption:

Columbus Southern Power Co.

Ohio Power Company

List of exhibits being filed:

OCC 118

Ormet 110, 111

FES 120, 121

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Reporter's Signature: Maria DiPaolo Jones

Date Submitted:

OCC 118

Capacity Revenue at 146 per MW-day Workpaper_1

Retail Non-Fuel Gen Revenues	**PY 12/13**	**PY 13/14**	**PY 14/15**	**Total**
Residential	$ 157.2	$ 120.7	$ 69.5	$ 347.4
Commercial	$ 109.9	$ 83.5	$ 50.5	$ 243.9
Industrial	$ 135.8	$ 105.6	$ 62.0	$ 303.4
Total	$ 402.9	$ 309.9	$ 182.0	$ 894.8
CRES Capacity Revenues				
Residential	$ 13.5	$ 25.7	$ 116.2	$ 155.4
Commercial	$ 13.4	$ 23.9	$ 111.0	$ 148.3
Industrial	$ 11.5	$ 20.2	$ 92.5	$ 124.2
Total	$ 38.4	$ 69.8	$ 319.7	$ 427.9
Auction Capacity Revenues				
Residential	$ -	$ -	$ 26.2	$ 26.2
Commercial	$ -	$ -	$ 11.4	$ 11.4
Industrial	$ -	$ -	$ 16.3	$ 16.3
Total	$ -	$ -	$ 53.9	$ 53.9
Retail Stability Rider	$ 243.4	$ 230.8	$ (17.0)	$ 457.2
Total Revenues	$ 684.6	$ 610.5	$ 538.6	$ 1,833.7
RSR ($/MWh)	$ 5.0	$ 4.8	$ (0.4)	$ 3.2

OHIO POWER COMPANY'S RESPONSES
TO THE OFFICE OF THEOHIO CONSUMERS' COUNSEL'S
DISCOVERY REQUESTS
PUCO CASE 11-346-EL-SSO and 11-348-EL-SSO - Modified ESP
FIRST SET

INTERROGATORY

OCC-INT-1-027 Referring to Witness Allen's testimony at 13, line 13 he indicates that the Company is proposing a Retail Stability Rider that will replace "a portion" of "this lost revenue."

a. Please define what "portion" of the lost revenue the retail stability rider will replace;
b. Define "lost revenue";
c. Identify the cause of the lost revenues;
d. Define "possible energy margins";
e. Identify how the Company determined the value of the $3/MWH credit for shopped load related to possible energy margins that could be realized for reductions in load; and
f. Identify the actual margins expected that are related to reductions in load expected.

RESPONSE

a. Based upon the assumptions included in the testimony and workpapers of Company witness Allen, the RSR will replace $284M of the lost revenues over the ESP period.
b. Lost revenue is the difference between the price at which capacity is provided to CRES providers and the Company's cost of providing that capacity multiplied by the load served by CRES providers.
c. See the response to item b.
d. Possible energy margins are margins that could be realized by selling additional energy into the market. The level of margins that could be realized is not guaranteed.

e. The $3/MWH credit for possible energy margins related to shopping load was developed as part of the overall package proposed in the modified ESP.

f. The Company objects to the form of the question and further objects because this request seeking the Company's expectations about margins related to reduction in load requests information that is not presently know with certainty. Notwithstanding this objection, the proposed ESP plan encompasses a future period, therefore, actual margins cannot be determined.

Prepared by: W.A. Allen

OHIO POWER COMPANY'S RESPONSES
TO THE OFFICE OF THEOHIO CONSUMERS' COUNSEL'S
DISCOVERY REQUESTS
PUCO CASE 11-346-EL-SSO and 11-348-EL-SSO - Modified ESP
SECOND SET

INTERROGATORY

OCC-INT-2-043 Referring to Company Witness Allen's testimony at 13, please explain how the Company estimated that energy margins on shopped load would be approximately $3/MWh.

RESPONSE

The Company objects to the form of the question as the question mischaracterizes the Company's testimony. Without waiving the foregoing objection, the testimony states "As part of a larger compromise on the capacity pricing issue, AEP Ohio will recognize a $3/MWh credit for shopped load related to possible energy margins that could be realized by AEP Ohio for reductions in SSO load." The $3/MWh credit for shopped load was developed as part of the overall package proposed in the modified ESP. As stated in Company witness Powers' testimony at page 4, "...AEP Ohio would not be willing to provide discounted capacity and transition as quickly to market as proposed in the modified ESP if it does not receive all the benefits of the balanced package of terms in the proposed ESP..."

Prepared by: Counsel/William A. Allen

FES 121

**OHIO POWER COMPANY'S RESPONSES
TO FIRSTENERGY SOLUTIONS CORPORATION
DISCOVERY REQUESTS
PUCO CASE 11-346-EL-SSO and 11-348-EL-SSO - Modified ESP
FIFTH SET**

INTERROGATORY

FES-INT-5-07 Referring to the projected financial statements included with Mr. Sever's testimony:

(a) What would be the effect to the projected income statement if shopping did not increase as rapidly as forecasted?

(b) If shopping levels increase, would AEP Ohio expect a corresponding decrease in O&M expenses?

(c) If so, would these reductions be in both fuel and non-fuel related O&M costs?

RESPONSE

a. The requested case has not been run. However, generally lower switching would result in numerous changes including but not limited to, a different level of retail sales margins, OSS and CRES margins, third party transmission revenue, adjustments to any corresponding tracking mechanisms and an adjustment to the Retail stability Rider, interest and taxes. While the items that would change can be identified, the exact amount or direction of the change would be dependent upon other factors, including an assumption for market price for energy.

b. With respect to non-fuel O&M, the answer is no. The level of non-fuel O&M Expense is not directly linked to the level of shopping. Non-fuel O&M expense is a function of required work to be performed and the timing of when management approves such work to be performed. With respect to fuel expense (i.e., those costs includable in the FAC), the answer is yes. To the extent the level of switching is different, the level of fuel expense is likely to change.

c. Fuel expense, is a variable expense that fluctuates up and down with the level of energy generated.

Prepared by: Oliver Sever

FES 120

AEP Estimated Shopping Assumptions
Allen Rebuttal vs. Allen Direct

Case No. 11-346-EL-SSO

Estimated Shopping by December 31, 2012

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line	Class	3/1/2012	5/31/2012	Monthly Growth	12/31/2012 Calculated	AEP Est.	Difference
1	Residential	8.43%	14.31%	1.96%	28.03%	64.70%	-36.67%
2	Commercial	41.44%	47.55%	2.04%	61.81%	79.04%	-17.23%
3	Industrial	28.10%	31.51%	1.14%	39.47%	68.96%	-29.50%
4	Total	26.08%	31.09%	1.67%	42.78%	70.32%	-27.54%

NOTES

(B) Shopping as of 3/1/12. Source: Allen Direct, Exhibit WAA-1
(C) Shopping as of May 31, 2012. Source: Allen Rebuttal, pg. 10
(D) Average monthly growth in shopping from March - May 2012.
Calculation: [Column C - Column B] / 3 Months
(E) Estimated 12/31/12 shopping levels calculated by extrapolating average monthly growth rate from Mar - May 2012.
Calculation: Column C + (Column D x 7 Months)
(F) AEP estimate for 12/31/12 shopping levels in Case No. 11-346-EL-SSO.
Source: Calculated based on Allen workpaper "Retail Stability Rider."
(G) Calculation: Column E - Column F