

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

<b>In the Matter of the Application of</b>	)	
<b>Ohio Power Company to Update</b>	)	<b>Case No. 13-1063-EL-RDR</b>
<b>Its Enhanced Service Reliability Rider</b>	)	

**APPLICATION**

Ohio Power Company d/b/a AEP Ohio (“AEP Ohio” or the “Company”) submits this application to update its Enhanced Service Reliability Rider (“ESRR”) rates. In support of its Application, AEP Ohio states the following:

1. AEP Ohio is an electric utility as that term is defined in §4928.01(A)(11), Ohio Rev. Code.
2. In its Opinion and Order issued March 18, 2009, in AEP Ohio’s first Electric Security Plan proceedings (Case Nos. 08-917-EL-SSO *et al.*) (“*ESP I*”), the Commission approved the establishment of the ESRR.
3. In its Opinion and Order issued August 8, 2012, in AEP Ohio’s second Electric Security Plan proceedings (Case Nos. 11-346-EL-SSO *et al.*) (“*ESP II*”), the Commission approved the continuation of the ESRR. The Company hereby submits its 2012 ESRR reconciliation filing.
4. On page 65 of the *ESP II* Opinion and Order, the Commission directed AEP Ohio to file a revised vegetation management program consistent with the Order, which the Company did through initiation of Case No. 12-3284-EL-UNC.

5. On page 65 of the *ESP II* Opinion and Order, the Commission addressed the baseline expenditure level beyond which the incremental vegetation management expense would be recovered through the ESRR. The Company's proposed incremental recovery in this Application, as further explained below, is consistent with this finding regarding the baseline.
6. Schedule 1 attached to this Application reports the final, incremental vegetation management expenditures for 2012. Schedule 1 also sets forth the ESRR collections for 2012, and reports an over-recovery of \$2,657,136 during 2012. Schedule 1 also projects vegetation management expenditures for 2013 (updated with the latest information available, as explained below) and sets forth a revenue requirement for that portion of the 2013 ESRR. Finally, Schedule 1 proposes a new ESRR rate based on the prior over/under-recovery balances and the projected final spend for 2013.
7. The projection of 2013 O&M expenditures contains an increase of \$3,500,000 over the projection set forth in the *ESP II*. This increase represents the projected cost of completing the 434 circuit miles originally planned for 2012 but delayed due to the June 29<sup>th</sup> Derecho and Hurricanes Isaac and Sandy.
8. Schedules 2 and 3 contain the proposed tariffs.

9. In the motion filed December 21, 2012 in Case No. 12-3285-EL-RDR, the Company proposed that its 2011 ESRR filing be held in abeyance so that it could be efficiently processed along with this 2012 ESRR filing.

Based on the information and exhibits submitted with this filing, the Commission should approve the Company's application.

Respectfully submitted,

/s/ Yazen Alami

Steven T. Nourse

Matthew J. Satterwhite

Yazen Alami

American Electric Power Service  
Corporation

1 Riverside Plaza, 29<sup>th</sup> Floor

Columbus, Ohio 43215

Telephone: (614) 715-1608

Fax: (614) 716-2950

Email: stnourse@aep.com

mjsatterwhite@aep.com

yalami@aep.com

Counsel for Ohio Power Company

## 2012 Ohio Power Company ESR Rider True-Up

**Distribution Vegetation****2012 Over/(Under) Recovery**

	Base Vegetation Spend	2012 Actual Spending	2012 Actual Incremental	2012 Vegetation Revenue Requirement
O&M	\$ 20,570,412	\$ 48,437,349	\$ 27,866,937	\$ 27,866,937
January	\$ 202,465	\$ 699,533	\$ 497,067	\$ 257,611
February	\$ 183,062	\$ 634,456	\$ 451,394	\$ 262,543
March	\$ 303,941	\$ 898,712	\$ 594,771	\$ 267,856
April	\$ 394,869	\$ 1,036,073	\$ 641,203	\$ 274,950
May	\$ 519,409	\$ 669,495	\$ 150,086	\$ 282,566
June	\$ 303,813	\$ 605,353	\$ 301,540	\$ 284,254
July	\$ 316,508	\$ 290,259	\$ (26,250)	\$ 287,829
August	\$ 323,400	\$ 845,820	\$ 522,420	\$ 287,450
September	\$ 242,534	\$ 553,280	\$ 310,746	\$ 285,942
October	\$ 244,925	\$ 1,542,575	\$ 1,297,650	\$ 289,619
November	\$ 235,510	\$ 823,035	\$ 587,525	\$ 304,974
December	\$ 359,151	\$ 280,422	\$ (78,729)	\$ 311,927
Capital - 40 Year Life	\$ 3,629,588	\$ 8,879,011	\$ 5,249,423	\$ 3,397,519
Total	\$ 24,200,000			\$ 31,264,456
			2012 ESR Rider Collections	\$ 33,921,592
			2012 Over/(Under) Recovery	\$ 2,657,136

**Distribution Vegetation****2013 Incremental Investment**

	Base Vegetation Spend	Updated 2013 Vegetation Spend	Carrying Charge Rate	2013 Vegetation Revenue Requirement
O&M	\$ 20,570,412	\$ 37,500,000		\$ 37,500,000
Capital - 40 Year Life	\$ 3,629,588	\$ 5,000,000	14.19%	\$ 354,750 (a)
Total	\$ 24,200,000	\$ 42,500,000		\$ 37,854,750
		2009 Investment Carrying Costs		\$ 778,546
		2010 Investment Carrying Costs		\$ 1,072,084
		2011 Investment Carrying Costs		\$ 1,156,249
		2012 Investment Carrying Costs		\$ 744,893 (b)
		Over/(Under) Recovery to Date		\$ (2,943,165) (c)
		Over/(Under) Recovery (From Above)		\$ 2,657,136
		Total Revenue Requirement		\$ 41,892,551
		Base Distribution Revenues		\$ 638,823,874
		2013 ESR Rider		6.55776%
		Current ESR Rider		5.30956%
		Change in ESR Rider		1.24820%

(a) Annual carrying charge rate times updated 2013 capital spending times one-half year

(b) Annual carrying charge rate times 2012 actual capital spending

(c) Over/(Under) Recovery to Date (2009 Over Recovery of \$521,029 plus 2010 Under Recovery of (\$3,113,133) plus 2011 Under Recovery of (\$351,060) )

OHIO POWER COMPANY

Schedule 2

~~1<sup>st</sup>~~ <sup>2<sup>nd</sup></sup> Revised Sheet No. 483-1  
Cancels ~~1<sup>st</sup> Revised Original~~ Sheet No. 483-1

P.U.C.O. NO. 20

ENHANCED SERVICE RELIABILITY RIDER

Effective Cycle 1 ~~September 2012~~, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~5.309566~~ 5.55776% of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Filed pursuant to Order dated ~~August 8, 2012~~ in Case No. ~~11-346-EL-SSO~~

Issued: ~~August 16, 2012~~

Effective: Cycle 1 ~~September 2012~~

Issued by  
Pablo Vegas, President  
AEP Ohio

P.U.C.O. NO. 20

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

Effective Cycle 1 ~~September 2012~~, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~5.309566~~ 5.55776% of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

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AEP Ohio

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**Case No(s). 13-1063-EL-RDR**

Summary: Application of Ohio Power Company to Update Its Enhanced Service Reliability Rider electronically filed by Mr. Yazen Alami on behalf of Ohio Power Company