

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Review of the)	
Distribution Investment Rider Contained)	Case No. 13-419-EL-RDR
In the Tariffs of Ohio Power Company)	

AEP OHIO COMMENTS

In adopting the modified Electric Security Plan (ESP) for Ohio Power Company (“AEP Ohio” or the “Company”) in Case Nos. 11-346-EL-SSO *et al.*, the Commission approved among the other components of the ESP a Distribution Investment Rider (DIR). The DIR allow for the recovery of capital costs for distribution infrastructure investments in order to facilitate improved service reliability. The Commission required that the DIR be reviewed annually for accounting accuracy and prudence. (ESP Order at 46-47.) In this docket, the Commission undertook the first annual review and appointed Blue Ridge Consulting Services, Inc. (“Blue Ridge” or “Auditor”) to conduct the audit. On June 20, 2013, the Auditor filed its Audit Report. AEP Ohio hereby submits its initial comments on the Audit Report and reserves the right to file reply comments.

I. AEP Ohio’s prior unrecovered AMI investments that are outside the scope of the gridSMART Phase One pilot should be recovered through the DIR.

Upon completion of the Audit, the primary recommendation Blue Ridge included in its report to the Commission (at pp. 9, 36-41) is to quantify and exclude non-gridSMART AMI meter investments made in the past by AEP Ohio, even though those investments have not been recovered through the gridSMART rider or any other rate component. As further explained below, AEP Ohio submits that the Auditor’s

recommendation in this regard should be rejected because it is based on a misreading of the Commission's ESP order and would produce an unfair and unreasonable result.

In making its recommendation, Blue Ridge has made the improper assumption that all AMI meters are gridSMART investment. Throughout the audit report Blue Ridge referred to both AMI meters as well as the Phase I gridSMART pilot as gridSMART investment. In reality, the gridSMART phase one pilot program was for specific types of equipment installed in a specific pilot area. The dollars spent on this project were to be recovered half from the U.S. Department of Energy and half from AEP Ohio customers. The scope of the project, including estimated costs, estimated DOE reimbursements, AEP Corporation Contributions, Pacific Northwest National Laboratory contributions and Vendor In Kind Contributions, was specifically laid out in the Company's application and annual audits of the gridSMART rider which are used to verify the results of this pilot. (*See* Case Nos. 08-917-EL-SSO, 08-918-EL-SSO, 10-164-EL-RDR, 11-1353-EL-RDR) The pilot project can be identified by a set of unique projects and workorders that have been laid out since its inception in 2009. Blue Ridge incorrectly attempts to add all AMI meters of the Company to this category. Only the gridSMART workorders and projects are included for recovery in the gridSMART rider and, as such, only the gridSMART assets should be removed from the DIR.

The gridSMART assets are tracked separately from other assets by a unique set of projects and work order numbers. The gridSMART rider is collected from AEP Ohio ratepayers based on dollars spent as approved by the Commission. AEP Ohio's audit services group conducted an audit on the DIR to assure that the costs being recovered through the gridSMART rider were not being recovered through the DIR. Blue Ridge

references this fact in the audit report on page 40 and 41 of its DIR audit report. AEP Ohio provides to Blue Ridge a detailed explanation with accounting references to describe the unique projects and work orders for the gridSMART rider. This explanation is laid out in the Company's response to Blue Ridge Data Request 15-001, (attached hereto as Exhibit A). That comparison shows all gridSMART dollars spent to date (which Blue Ridge can tie back to the gridSMART rider filings to date). In addition, it shows the total of the gridSMART assets included in the Company's Net Book Value Query used to remove gridSMART assets from the DIR to assure no double recovery. The dollars spent are higher than what is removed from the DIR because some assets have yet to close to plant in service. However, as described to Blue Ridge in the Company's response to Blue Ridge 16-003 (attached hereto as Exhibit B), any amounts not included to be removed from the DIR were still in account 107 (CWIP) – and could have been easily verified by the Auditor as the account was included with the attachment in 15-001. Thus, Blue Ridge's recommendation that the Company develop a methodology to identify the amount reported to the DOE versus what is removed from the DIR is moot and inapplicable.

Blue Ridge (at p. 40) references the Company's response to Blue Ridge 16-004 Confidential. This response shows that the gridSMART meters were purchased and capitalized in December of 2009, prior to date certain and the scope of Blue Ridge's audit. In addition, Blue Ridge references (at p. 39) the Company's response to Blue Ridge 9-005 where the Company stated that there were no gridSMART meters purchased but not installed. That same data request reiterates that the gridSMART pilot was for a specific set of meters, specific equipment, and the parameters around what was included

was not only approved by the Commission but also approved by the DOE for reimbursement. Nothing outside of the DOE reimbursable amounts were to be included. The gridSMART pilot was for the initial purchase and install of the meters. Any meters that subsequently fail or need to be replaced are not included in the gridSMART rider for recovery, only the initial installation that was reimbursed by the DOE. More to the point, the non-gridSMART AMI investments referenced by the Auditor have not been recovered through the gridSMART rider and are beyond the scope of the gridSMART Phase One pilot program.

Blue Ridge further opines (at p. 40) that it cannot determine whether all of the gridSMART meters were included because there were additional AMI meters that the Company installed outside of those that are recovered through the gridSMART rider. Blue Ridge suggests (at p. 39) that the Company's response to Blue Ridge 3-009 Attachment 1 implied that the Company had a separate AMI program from its gridSMART program. However, this information has been included in at least two prior cases before the Commission. Once through Staff's Data Request 51 in Case No. 11-1353-EL-RDR (attached hereto as Exhibit C) and again in Staff's data request 67 in Case No. 11-351-EL-AIR (attached hereto as Exhibit D). In both of the 11-351-EL-AIR data requests, Staff asked whether or not the additional meters are being recovered through the gridSMART rider. These additional meters were installed in the 4th quarter of 2010, nearly two years prior to the Commission's order in the Company's ESP case. It is inappropriate and misguided for Blue Ridge to now take the stance that all AMI meters are gridSMART, as contemplated by the ESP Order language, and imply that the Company has intentionally ignored the Commission's order.

Blue Ridge has taken this language out of context. In the ESP, the Company proposed to roll out additional AMI meters on a large scale and to recover the loss of removal of those meters. The Commission then ordered the loss on removal of meters point moot since they do not want any large deployments of gridSMART in the DIR. The Company understands, as made clear in the August 8, 2012 Opinion and Order (at 62-63), that the Commission does not want any future AMI deployments to run through the DIR but rather would like any additional deployments to be requested in a separate application and recovered through a gridSMART Phase II rider, if approved. Incidentally, the gridSMART Phase II rider, if pursued by the Company, would be structured based on plant in service, not dollars spent as was approved for gridSMART Phase I. Blue Ridge wrongly assumes that the Commission intended for AMI meters installed in the 4th quarter of 2010, nearly two years prior to this order, or the purchase of additional AMI meters to replace existing meters that may fail to be excluded from the DIR because they have the same characteristics.

It is clear to AEP Ohio that the Auditor has misread the ESP Order. First, the directive in the DIR section of the order indicated (at 46) that “gridSMART projects shall be separate and apart from the DIR mechanism and projects.” The AMI meters at issue here are not part of the gridSMART project, as Blue Ridge itself acknowledges. Second, the Commission when referring back to this directive in the gridSMART section of the ESP Order described the investments to be excluded from the DIR (at 63) as “subsequent, non-DIR, gridSMART expenditures” (emphasis added). It is clear that the Commission intended to refer to future gridSMART projects – not the AMI that had already been installed in 2010 or meters purchased to remain in stock for replacement purposes. Third,

it is simply untenable and would be unlawful and unreasonable to conclude that the Commission's August 2012 directive applied to somehow exclude recovery of these 2010 investments.

Moreover, these non-gridSMART AMI meters are not being recovered through the gridSMART rider, were installed nearly two years prior, or were purchased to stock replacements and as such should be appropriately recovered through the DIR. If it is the Commission's preference to remove these types of meters from the DIR to another Commission approved rider, the Company will do so once a recovery mechanism has been approved. However, the Auditor is incorrect in its reading of the ESP Order and, in any event, it would be unfair to apply the reasoning in the ESP Order retroactively to investments made years before the decision was issued.

Blue Ridge also compares meters booked in the 370 account to the series numbers and manufacturers of those meters purchased for gridSMART. This assumption is wrong on two levels. One, there were no gridSMART meters included in the workpapers that Blue Ridge refers to for this adjustment. Two, Blue Ridge compared AMR meters to AMI meters. Blue Ridge continuously refers to all AMI meters as gridSMART despite being given the documentation of gridSMART workorders, the documentation to tie out gridSMART dollars spent versus gridSMART assets removed from the DIR and the Capital Approval Requisition provided that demonstrated the Company's reasoning for installing an additional 22,000 meters parallel and filling holes within the gridSMART pilot area. This was a prudent decision given the infrastructure already in place due to the gridSMART project. It does not however automatically include these assets as gridSMART because they are similar to the gridSMART meters purchased. The

gridSMART meters were partially reimbursed by DOE and included for recovery in the gridSMART rider. It is inaccurate to try to include additional work orders to the gridSMART rider nearly 4 years after its inception. The Company cannot get reimbursement of these meters from the DOE and therefore they are not included in the scope of the gridSMART rider.

Blue Ridge also incorrectly assumed that a communication device is specific to AMI meters. AMR meters also have a communication device. The meter base is the same on AMR and AMI meters which is what Blue Ridge was comparing. The communication card associated with the meter is what determines the meter type. The AMR is a one way communicating meter while an AMI meter has the capabilities for two way communication. Blue Ridge refers to its confidential worksheet to show the Comparison of its conclusion that an additional \$2,128,083 of charges to account 370 was inaccurate. However, if one reviews the worksheet, the vendor and meter types are the same but the communication cards are different. Not only are they not the same as the gridSMART meters purchased, they are not the same as the non-gridSMART AMI meters in which Blue Ridge tries to compare. The workpaper used by Blue Ridge does not support its opinion. In addition, the Capital approval requisition requested by Blue Ridge clearly demonstrates that the meters associated with that work order are in fact AMR meters. Blue Ridge references the AEP-Ohio's communication for factual errors in the Draft Audit Report. In this report, the Company reiterated to Blue Ridge that the meters they were referring to were in fact AMR meters. A follow up to the e-mail referenced by Blue Ridge in footnote 95 (attached hereto as Exhibit E) also clarifies that

the meters in question were AMR and that the technology is in fact different from an AMI meter.

Prior to the audit, the Company did discover AMI meters that should have been booked to account 37016 that were booked to account 370 inadvertently. The total for these meters is \$2,338,302.63 and was already corrected in June business. This was based on the Company's response to Blue Ridge Data request 16-006 (attached hereto as Exhibit F). While this data request was not available prior to Blue Ridge filing its final report, it was subsequently served on the Auditor and parties and is relevant, uncontested information.

Finally, Blue Ridge asserts that it found over \$15.2 million charged to FERC account 37016 from date certain through December 31, 2012. This is not accurate. Upon review of Blue Ridge's workpapers to support this amount, Blue Ridge included the 370 meter values in its worksheet from Blue Ridge 1-001 Attachment 5 instead of the 37016 account overstating its value by almost \$6 million. Regardless of the error, the Company had shown in its response to Data Request 9-005 (Attached hereto as Exhibit G) that the gridSMART pilot was for the initial purchase and install of the meters. Any meters that subsequently fail or need to be replaced are not included in the gridSMART rider for recovery, only the initial installation that was reimbursed by the DOE. Therefore, the Company has additional AMI meters in stock.

The Audit Report also states (at p. 9) "[t]here are dollars reported to the DOE associated with the gridSMART project that have not been excluded from the DIR." The Auditor then continues in that same paragraph to state that the same type of meter is used in both gridSMART and non-gridSMART applications. The Company would like to

clarify that if Blue Ridge is stating that there are dollars reported to the DOE associated with the gridSMART project that have not been excluded from the DIR as it relates to plant in service versus dollars spent, the Company agrees as stated above. The DIR is based on Net Plant and if there are assets that are not in service, they are not included in net plant, therefore not included in the DIR and as such only the gridSMART assets closed to plant in service should be removed.

The Company provided the data requests, as mentioned above, that reconcile and prove that all gridSMART assets reported to the DOE and closed to plant in service are in fact removed from the DIR rider. The Company also stated its commitment to reconcile these amounts annually through its data request providing the resolution to its internal audit report. However, the language in that paragraph seems to indicate that there were additional dollars for AMI meters installed outside of the gridSMART pilot that were reported to the DOE and not removed from the rider. If Blue Ridge's conclusion is that there are additional AMI meters reported to the DOE for reimbursement but not excluded, this is incorrect and unsupported.

Blue Ridge may take the position that all AMI meters are gridSMART, but any additional AMI meters, outside of the original 110,000 gridSMART pilot meter installations, purchased or in stock were not submitted to the DOE for reimbursement as they are not the original install of those meters. Instead, the Company installed an additional 22,000 AMI meters in the fourth quarter of 2010 and also maintains a quantity of AMI meters in order to replace any AMI meters that may fail. Only the original 110,000 meters and installations are reimbursed by the DOE. Any subsequent replacements of these meters are not subject to reimbursement; therefore they are not

included in the gridSMART rider. Under the Auditor's logic, none of the AMI meter inventory would be recovered by the Company – even though it is absolutely necessary to have such a stock of AMI meters and the cost has never been included in the gridSMART rider. That is unfair and unjustified.

In conclusion, the Company opposes Blue Ridge's assertion that there are additional assets included in the DIR for gridSMART. The Company provided through numerous data requests and draft factual misstatements that there were in fact 22,000 additional meters installed to fill holes in the gridSMART pilot area. However, these meters were installed in the fourth quarter of 2010 and were reference in two previous cases before this Commission. If it is the Commission's desire for the Company to remove these assets from the DIR, the Company requests that the Commission allow the recovery in either the current gridSMART rider or another rider mechanism. The Company will file with the Commission for approval prior to any installations of AMI infrastructure per the final order in Case No. 11-346-EL-SSO as the Company interprets the context of this order. The Company does not understand the ESP Order as denying approval of additional AMI meters installed in 2010.

CONCLUSION

Consistent with the above explanation, AEP Ohio urges the Commission to reject the Auditor's recommendation to quantify and exclude unrecovered AMI investment made by the Company from recovery through the DIR. AEP Ohio reserves the right to file reply comments addressing comments and proposals submitted by Staff and intervenors.

Respectfully submitted,

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EXHIBIT A

OHIO POWER COMPANY'S RESPONSE TO
PUCO-STAFF AUDITOR'S DATA REQUEST
PUCO Case No. 13-419-EL-RDR
FIFTEENTH SET

DATA REQUEST

DR-15-001 Reference Company response to Data Request 2-006. The original response indicated that the audit report resolution is due on May 3rd and this data request would be updated. Please provide that update with the final resolution. If the final resolution has not been reached please explain why and what the plan is to resolve the outstanding audit comments.

RESPONSE

(a) As a clarification the audit report did not state that the UPIS was overstated by \$1 million. The audit report was referring to a discrepancy in information provided to the audit service team in which the values included for gridSMART were different. One set of data was provided from the owned asset system based on the work order side, which has an in service date if the asset was placed in service, but does not show retirements or transfers that may take place once the assets are placed in service. The other set of data was run from the Net Book Value which would include and retirements or transfers. The audit report suggested that a reconciliation be done to assure that all gridSMART work orders with related expenditures being recovered under the AEP Ohio gridSMART rider were being removed from the AEP Ohio DIR UPIS through inclusion in the gridSMART Net Book Value Query. This review was completed in May, 2012 and it was discovered that all gridSMART work orders were included in the Net Book Value query used to remove gridSMART assets from the DIR. However, it was discovered that one non-gridSMART workorder was being included in error. This correction was made and all adjustments for prior periods were corrected. The total amount of the adjustment was \$164.

(b) Yes. The Company made these corrections with the December 2012 filing. The total amount was \$164.

(c) Due to the immateriality of this change, the resolution for process improvement was that Property Accounting and Regulatory will reconcile before the December DIR filing each year to assure that all gridSMART work orders are included in the gridSMART Net Book Value Query to assure all gridSMART is being removed from the DIR. See Blue Ridge 15-001 Attachment 1 for the reconciliation.

Data for Dollars Spent for gridSMART			Net Book Value Query DIR Schedule			
company_c	work_order_number	amount	work_order_number	1010001	1060001 Total EPIS	
	41496526 Total	-1,128.52	41496526		(1,128.52)	(1,128.52)
	41496973 Total	107,578.26	41496973	107,578.26	-	107,578.26
	41496982 Total	259,725.16	41496982	259,725.16	-	259,725.16
	41496987 Total	54,440.79	41496987	54,440.79	-	54,440.79
	41497002 Total	58,776.71	41497002	58,776.71	-	58,776.71
	41497017 Total	250,855.16	41497017	250,855.16	-	250,855.16
	41497020 Total	54,462.50	41497020	54,462.50	-	54,462.50
	41497038 Total	743,897.13	41497038	743,897.06	-	743,897.06
	41497039 Total	-227.44	41497039		(227.44)	(227.44)
	41497043 Total	62,138.73	41497043	393.98	-	393.98
	41497044 Total	14,113.01	41497044		14,092.30	14,092.30
	41855450 Total	1,086.11	41855450		1,085.90	1,085.90
	DCS0117743 Total	-73,847.46				-
	DCS0118000 Total	292,788.03				-
	DCS0118091 Total	388,071.18	DCS0118091	519.87	-	519.87
	DCS0118850 Total	65,873.74	DCS0118850		-	-
	DCS0119252 Total	37,222.76	DCS0119252		-	-
	DCS0119253 Total	16,135.54	DCS0119253		-	-
	DCS0119454 Total	18.04	DCS0119454		-	-
	DCS0119464 Total	50.93	DCS0119464		-	-
	DCS0119668 Total	7,346.55	DCS0119668		-	-
	DCS0119854 Total	31,016.96	DCS0119854	31,016.96	-	31,016.96
	DCS0119891 Total	13,139.45	DCS0119891		-	-
	DCS0120048 Total	10,524.28	DCS0120048		-	-
	DCS0120100 Total	14,934.66	DCS0120100		-	-
	DCS0120101 Total	21,540.73	DCS0120101		-	-
	DCS0120144 Total	11,135.15	DCS0120144		-	-
	DCS0120145 Total	12,893.51	DCS0120145		-	-
	DCS0120146 Total	6,993.14	DCS0120146		-	-
	DCS0120147 Total	17,813.55	DCS0120147		-	-
	DCS0120148 Total	12,778.83	DCS0120148		-	-
	DCS0120149 Total	4,335.93	DCS0120149		-	-
	DCS0120281 Total	429,350.04				-
	DCS0120381 Total	34,602.22	DCS0120381		-	-
	DCS0120632 Total	1,154,900.28				-
	DCS0121025 Total	4,413.99	DCS0121025		-	-
	DCS0121045 Total	11,669.46	DCS0121045		-	-
	DCS0121048 Total	4,602.93	DCS0121048		-	-
	DCS0121319 Total	23,618.99	DCS0121319		-	-
			DCS0121440	5,821.56		5,821.56
	DCS0121574 Total	18,324.89	DCS0121574	18,324.89	-	18,324.89
	DCS0121634 Total	129,209.61	DCS0121634	128,453.39	-	128,453.39
	DCS0121722 Total	70,607.31	DCS0121722	70,607.31	-	70,607.31
	DCS0121793 Total	187,524.83	DCS0121793		-	-
	DCS0121806 Total	58,370.37	DCS0121806		-	-
	DCS0121939 Total	138,206.03	DCS0121939		-	-
	DCS0121940 Total	138,742.31	DCS0121940	81.23	-	81.23
	DCS0121963 Total	90,668.67	DCS0121963	65,403.60	-	65,403.60
	DCS0121977 Total	105,310.89	DCS0121977	-	-	-
	DCS0122026 Total	126,494.16	DCS0122026		-	-
	DCS0122071 Total	46,131.79	DCS0122071		46,131.79	46,131.79
	DCS0122111 Total	43,791.63	DCS0122111		43,791.63	43,791.63
	DCS0122170 Total	78,248.12	DCS0122170		78,248.12	78,248.12
	DCS0122242 Total	71,445.49	DCS0122242		71,445.49	71,445.49
	DCS0122262 Total	81,194.73	DCS0122262		81,194.73	81,194.73
	DCS0122281 Total	68,712.06	DCS0122281		-	-
	DCS0122302 Total	52,700.76	DCS0122302		-	-
	DCS0122334 Total	52,167.51	DCS0122334		-	-
	DCS0122335 Total	56,426.13	DCS0122335		56,426.13	56,426.13
	DCS0122347 Total	76,070.89	DCS0122347		76,070.89	76,070.89
	DCS0122351 Total	84,348.88	DCS0122351		84,348.88	84,348.88
	DCS0122367 Total	100,235.63	DCS0122367		-	-
	DCS0122392 Total	113,600.23	DCS0122392		113,600.23	113,600.23

Data for Dollars Spent for gridSMART			Net Book Value Query DIR Schedule		
company_c	work_order_number	amount	work_order_number	1010001	1060001 Total EPIS
	DCS0122418 Total	28,911.13	DCS0122418	-	-
	DCS0122427 Total	71,836.73	DCS0122427	71,836.73	71,836.73
	DCS0122437 Total	149,103.77	DCS0122437	149,103.77	149,103.77
	DCS0122442 Total	96,590.80	DCS0122442	96,590.80	96,590.80
	DCS0122466 Total	65,247.81	DCS0122466	65,247.81	65,247.81
	DCS0122542 Total	644.31	DCS0122542	-	-
	DCS0122543 Total	3,071.18	DCS0122543	-	-
	DCS0122562 Total	12,852.93	DCS0122562	-	-
	DCS0122588 Total	62,612.76	DCS0122588	62,612.76	62,612.76
	DCS0122630 Total	101,877.51	DCS0122630	101,877.51	101,877.51
	DCS0122639 Total	98,746.15	DCS0122639	-	-
	DCS0122685 Total	86,825.61	DCS0122685	-	-
	DCS0122702 Total	77,840.39	DCS0122702	74,765.57	74,765.57
	DCS0122786 Total	57,050.58	DCS0122786	57,142.81	57,142.81
	DCS0122800 Total	60,876.00	DCS0122800	-	-
	DCS0122814 Total	62,228.62	DCS0122814	154.35	154.35
	DCS0122816 Total	40,499.14	DCS0122816	-	-
	DCS0122847 Total	38,314.31	DCS0122847	-	-
	DCS0122850 Total	90,412.25	DCS0122850	-	-
	DCS0122858 Total	27,980.82	DCS0122858	312.74	312.74
	DCS0122871 Total	65,057.28	DCS0122871	-	-
	DCS0122910 Total	65,431.46	DCS0122910	65,431.46	65,431.46
	DCS0122929 Total	4,054.29	DCS0122929	-	-
	DCS0122942 Total	70,693.77	DCS0122942	70,693.77	70,693.77
	DCS0122945 Total	117,603.17	DCS0122945	51,908.67	51,908.67
	DCS0122958 Total	59,933.12	DCS0122958	909.77	909.77
	DCS0122972 Total	3,632.63	DCS0122972	-	-
	DCS0122976 Total	93,488.99	DCS0122976	93,562.10	93,562.10
	DCS0123000 Total	62,546.62	DCS0123000	-	-
	DCS0123036 Total	90,389.62	DCS0123036	90,389.62	90,389.62
	DCS0123037 Total	728.13	DCS0123037	-	-
	DCS0123093 Total	81,028.92	DCS0123093	81,028.92	81,028.92
	DCS0123145 Total	45,224.26	DCS0123145	45,224.26	45,224.26
	DCS0123162 Total	41,221.80	DCS0123162	-	-
	DCS0123197 Total	58,952.03	DCS0123197	25,118.07	25,118.07
	DCS0123376 Total	5,547.42	DCS0123376	24.38	24.38
	DCS0123394 Total	5,037.42	DCS0123394	-	-
	DCS0123403 Total	2,944.61	DCS0123403	60.93	60.93
	DCS0123428 Total	20,132.82	DCS0123428	-	-
	DCS0123456 Total	63,906.32	DCS0123456	63,906.32	63,906.32
	DCS0123567 Total	55,540.58	DCS0123567	-	-
	DCS0123614 Total	32,088.96	DCS0123614	-	-
	DCS0123629 Total	61,655.48	DCS0123629	61,655.48	61,655.48
	DCS0123677 Total	55,216.43	DCS0123677	-	-
	DCS0123687 Total	75,327.62	DCS0123687	34,772.19	34,772.19
	DCS0123707 Total	45,993.78	DCS0123707	-	-
	DCS0123715 Total	22,839.43	DCS0123715	(640.45)	(640.45)
	DCS0123802 Total	97,723.90	DCS0123802	97,723.90	97,723.90
	DCS0123846 Total	60,438.92	DCS0123846	60,438.92	60,438.92
	DCS0124175 Total	54,732.82	DCS0124175	54,732.82	54,732.82
	DCS0124374 Total	139,325.59	DCS0124374	120,223.72	120,223.72
	DCS0124551 Total	123,141.08	DCS0124551	123,141.08	123,141.08
	DCS0124833 Total	54,895.78	DCS0124833	-	-
	DCS0124898 Total	128,670.61	DCS0124898	128,670.61	128,670.61
	DCS0124966 Total	1,841.88	DCS0124966	-	-
	DCS0124980 Total	935.11	DCS0124980	-	-
	DCS0124981 Total	2,809.82	DCS0124981	-	-
	DCS0125002 Total	7,789.68	DCS0125002	7,789.68	7,789.68
	DCS0125079 Total	145,225.12	DCS0125079	-	-
	DCS0125185 Total	72,153.75	DCS0125185	77,233.75	77,233.75
	DCS0125451 Total	0.00	DCS0125451	-	-
	DCS0125655 Total	34.44	DCS0125655	-	-
	DCS0126047 Total	727.16	DCS0126047	727.16	727.16

Data for Dollars Spent for gridSMART			Net Book Value Query DIR Schedule			
company_c	work_order_number	amount	work_order_number	1010001	1060001	Total EPIS
	DCS0126079 Total	5,675.43	DCS0126079	97.48	-	97.48
	DCS0126112 Total	11,720.63	DCS0126112	-	-	-
	DCS0126229 Total	4,036.88	DCS0126229	-	-	-
	DCS0126262 Total	20,265.42	DCS0126262	393.97	-	393.97
	DCS0126381 Total	34,986.77	DCS0126381	-	34,986.77	34,986.77
	DCS0126458 Total	80,528.47	DCS0126458	-	80,528.47	80,528.47
	DCS0126484 Total	13,928.30	DCS0126484	215.26	-	215.26
	DCS0126485 Total	59,831.63	DCS0126485	-	59,831.63	59,831.63
	DCS0126545 Total	108,085.19	DCS0126545	-	108,085.19	108,085.19
	DCS0126797 Total	8,711.87	DCS0126797	-	8,711.87	8,711.87
	DCS0126914 Total	7,645.90	DCS0126914	134.04	-	134.04
	DCS0126942 Total	133,233.96	DCS0126942	133,632.84	-	133,632.84
	DCS0127013 Total	16,323.74	DCS0127013	288.37	-	288.37
	DCS0127442 Total	2,166.44	DCS0127442	13,558.92	-	13,558.92
	DCS0127447 Total	8,157.66	DCS0127447	138.10	-	138.10
	DCS0127513 Total	21,188.12	DCS0127513	-	-	-
	DCS0127694 Total	95,292.87	DCS0127694	-	95,292.87	95,292.87
	DCS0127791 Total	49,927.51	DCS0127791	-	49,927.51	49,927.51
	DCS0127871 Total	9,923.27	DCS0127871	870.85	-	870.85
	DCS0128261 Total	7,605.17	DCS0128261	-	-	-
	DCS0128423 Total	75,622.09	DCS0128423	-	75,622.09	75,622.09
	DCS0128660 Total	22,983.41	DCS0128660	22,970.13	-	22,970.13
	DCS0128772 Total	9,002.04	DCS0128772	223.37	-	223.37
	DCS0128861 Total	12,447.23	DCS0128861	211.20	-	211.20
	DCS0129025 Total	5,613.62	DCS0129025	73.12	-	73.12
	DCS0129624 Total	17,942.02	DCS0129624	334.62	-	334.62
	DCS0129788 Total	15,364.86	DCS0129788	-	-	-
	DCS0129789 Total	17,005.27	DCS0129789	276.02	-	276.02
	DCS0129790 Total	8,685.69	DCS0129790	5,807.65	-	5,807.65
	DCS0130610 Total	27,091.53	DCS0130610	26,011.30	-	26,011.30
	DCS0130693 Total	5,901.16	DCS0130693	80.33	-	80.33
	DCS0130895 Total	5,587.80	DCS0130895	-	-	-
	DCS0131400 Total	151.81	DCS0131400	151.81	-	151.81
	DCS0132590 Total	989.89				-
	DOP0177047 Total	11,246.45	DOP0177047		11,246.45	11,246.45
	DOP0177888 Total	2,666.36			-	-
	DOP0179347 Total	9,851.24	DOP0179347		9,851.24	9,851.24
	DOP0179348 Total	3,014.53	DOP0179348		3,014.53	3,014.53
	DOP0183351 Total	258.66	DOP0183351		258.60	258.60
	TC024163 Total	234,382.05	TC024163	12.19	-	12.19
	TC024164 Total	418,403.83	TC024164	-	-	-
	TC024197 Total	611,300.80	TC024197	-	-	-
	TC024337 Total	215,895.25	TC024337	-	-	-
	TC024357 Total	42,287.62	TC024357	4.06	-	4.06
	TC024377 Total	170,599.80	TC024377	-	-	-
	TC026978 Total	18,332.36	TC026978	(365.55)	-	(365.55)
	TC026997 Total	204,699.34			-	-
	TC027017 Total	9,055.00	TC027017	(170.59)	-	(170.59)
	TC027018 Total	88,294.82	TC027018		88,294.82	88,294.82
	TC027417 Total	270,395.01	TC027417	270,395.01	-	270,395.01
	TC027698 Total	3,657.75	TC027698	(73.11)	-	(73.11)
	TC028437 Total	0.00			-	-
	TC028457 Total	0.00			-	-
	TC028458 Total	3,417.04	TC028458	(69.05)	-	(69.05)
	TC028477 Total	0.00	TC028477	-	-	-
	TC028497 Total	44.68	TC028497	44.68	-	44.68
	TC029199 Total	109,659.34	TC029199	114.70	-	114.70
	TC030138 Total	171,885.34	TC030138		171,885.34	171,885.34
	TC030659 Total	85,276.42	TC030659		85,276.42	85,276.42
	TC030664 Total	64,101.80	TC030664	64,101.80	-	64,101.80
	TC030665 Total	33,920.38	TC030665	33,920.38	-	33,920.38
	TC031237 Total	4,092.08			-	-
	W0019264 Total	1,762,618.78	W0019264	3,561,360.18		3,561,360.18

Data for Dollars Spent for gridSMART			Net Book Value Query DIR Schedule			
company_c	work_order_number	amount	work_order_number	1010001	1060001	Total EPIS
	W0019597 Total	1,464,705.70	W0019597		2,126,328.49	2,126,328.49
	W0019599 Total	8,691,763.87	W0019599	8,260.04	(4,870.51)	3,389.53
	W0019766 Total	212,452.41				-
	W0019819 Total	1,299,892.39				-
	W0020074 Total	1,403,049.13				-
	W0020142 Total	1,453,197.14				-
	W0020143 Total	353,870.69				-
	W0020509 Total	208,545.19				-
	W0020511 Total	383,180.79				-
	W0020512 Total	106,866.00				-
	W0020513 Total	60,406.54				-
	W0020544 Total	928,377.94				-
	W0020547 Total	95,068.16				-
	W0020548 Total	22,722.83				-
	W0020586 Total	17,912.22	W0020586		-	-
	W0020806 Total	2,609,880.95				-
	W0020823 Total	5,209,477.62				-
	W0020830 Total	0.00	W0020830	0		-
	W0020831 Total	0.00	W0020831	-		-
	W0020832 Total	498,807.61				-
	W0020851 Total	24,833.74				-
	W0020854 Total	0.00				-
	W0020900 Total	992.88				-
	W0020901 Total	20,040.72				-
	W0020902 Total	8,885.43				-
	W0020903 Total	672.88				-
	W0020910 Total	4,444.90				-
	W0020912 Total	17,978.19				-
	W0020913 Total	385.83				-
	W0020914 Total	952,117.03				-
	W0020916 Total	531,784.03				-
	W0020938 Total	-22.58				-
	W0021083 Total	34,414.60				-
	W0021168 Total	1,488,370.35				-
	W0021169 Total	702,275.54				-
	W0021182 Total	318,628.38				-
	W0021319 Total	29,338.86				-
	W0021503 Total	10,237.37				-
	W0021632 Total	228,692.06				-
	W0021789 Total	94,120.96				-
	W0021790 Total	589,955.85				-
	W0021791 Total	85,140.15				-
	W0021837 Total	256,716.22	W0021837		256,716.22	256,716.22
	W0021885 Total	1,255,167.81				-
	W0022027 Total	117,443.08				-
	W0022029 Total	347,142.33				-
	W0022031 Total	901,159.18				-
	W0022032 Total	38,110.34				-
	W0022139 Total	119,728.55				-
	W0022202 Total	470,509.29				-
	W0022215 Total	129,650.01				-
	W0022393 Total	86,988.97	W0022393	(108,931.90)	(54.07)	(108,985.97)
	W0022395 Total	-37,899.60	W0022395	387,202.16	(1,970.19)	385,231.97
	W0022410 Total	7,863.73				-
	W0022436 Total	61,602.04	W0022436	61,602.04	-	61,602.04
	W0022472 Total	142,755.00	W0022472		142,755.00	142,755.00
	W0022474 Total	-14,685.02	W0022474		109,813.15	109,813.15
	W0022696 Total	23,616.05				-
						-
			PTR 250	13,213,582.70		13,213,582.70
			Total NBV Query			25,757,801.55
			Remove Incorrect WO coded as GS per Audit Review			(5,821.56)

Data for Dollars Spent for gridSMART		
company_c	work_order_number	amount
	Grand Total	49,120,672.06

Net Book Value Query DIR Schedule		
work_order_number	1010001	1060001 Total EPIS
Total EPIS gridSMART December 2012		25,751,979.99

EXHIBIT B

OHIO POWER COMPANY'S RESPONSE TO
PUCO-STAFF AUDITOR'S DATA REQUEST
PUCO Case No. 13-419-EL-RDR
SIXTEENTH SET

DATA REQUEST

DR-16-003 Follow up to AEP-Ohio's preliminary comments related to Blue Ridge's draft report. Data Request 13-006, Attachment 1, shows total capital spent on gridSMART is \$49,105,965. Removal costs are (\$2,508,180) for a total spent on plant of \$46,597,785.

- a. How much of the capital amount spent on gridSMART was still in CWIP and/or not included in plant in service as of December 31, 2012.
- b. How much of the capital spent on gridSMART included in plant in service was recorded to 303 and 397 as of December 31, 2012.

RESPONSE

a. See Blue Ridge 15-001 Attachment 1 which is the resolution to the audit report. Any dollars spent on the gridSMART rider but not included in the NBV query are still in the 107 (CWIP) account and have not yet been closed to service therefore are not included in the Net Plant balance for recovery through the DIR.

b. See Blue Ridge 13-001 Attachment 1

utility_account	cc_rate_codes	ldg_work_order_number	book_cost	allocated_reserve	net_book_value
30300 - Intangible Property Total			4,365,663.53	193111.84	4172551.69
36200 - Station Equipment Total			4,156,605.90	208707.3	3947898.6
36400 - Poles, Towers and Fixtures Total			275,510.51	26836.96	248673.55
36500 - Overhead Conductors, Device Total			5,736,082.09	342311.27	5393770.82
36600 - Underground Conduit Total			1,290.92	37.44	1253.48
36700 - Undergrnd Conductors, Device Total			16,387.16	196.2	16190.96
36800 - Line Transformers Total			1,100,044.82	75237.92	1024806.9
36900 - Services Total			97,629.18	5330.74	92298.44
37000 - Meters Total			-4,870.51	-75.34	-4795.17
37016 - AMI Meters Total			7,829,384.76	2699934.62	5129450.14
37100 - Installs Customer Premises Total			558.24	118.56	439.68
37300 - Street Lghtng & Signal Sys Total			2,874.55	279.63	2594.92
39700 - Communication Equipment Total			0.00	0	0
39716 - AMI Communication Equipment Total			2,174,818.84	845270.63	1329548.21
Grand Total			25,751,979.99	4397297.77	21354682.22
		Remove 303	-4,365,663.53	-193,111.84	-4,172,551.69
		Remove 397	-2,174,818.84	-845,270.63	-1,329,548.21
		GS EPIS For DIR	19,211,497.62	3,358,915.30	15,852,582.32

EXHIBIT C

**COLUMBUS SOUTHERN POWER COMPANY'S
RESPONSE TO
THE PUBLIC UTILITIES COMMISSION OF OHIO'S
DATA REQUEST
PUCO CASE NO. 11-1353-EL-RDR
FIFTY-FIRST SET**

INTERROGATORY

INT-051.

In reference to INT-03 Response, \$2,224,834 is the loss related to meters:

1. How many meters are a part of this loss?
2. How many of the total meters from question #1 will be used to replace other meters in your territory?
3. How many of the total meters from question #1 are still on hand?
4. How many of the total meters from question #1 were disposed of?

From the 22,000 to 25,000 additional meters that were removed and replaced with AMI meters (which were in addition to 110,000 pilot program):

1. How did you account for the loss on those meters? Please explain any accounting entries, revised depreciation calculations or studies.
2. Did you expense them on your books? If yes, when and provide any related journal entry documentation.
3. Are any of these additional meters a part of the meter loss of \$2,224,834?
4. If the answer to #3 is yes, how many?

RESPONSE

1. 98,606
2. None, they are all retired
3. None, they are all retired
4. 98,606

1. There was no loss calculated or recorded on the meters removed and replaced with AMI meters. The Company follows FERC's Accounting and Reporting Requirements for Public Utilities and Licensees which under Electric Plant Instructions paragraph 10, "Additions and Retirements of Electric Plant", item F states; "The book cost less net salvage of depreciable electric plant retired shall be charged in its entirety to account 108, Accumulated Provision for Depreciation of Electric Plant in Service. . . ." In addition, where the meters removed and replaced were not final retirements, the removal cost would have been charged directly to account 586, Meter Expenses with no retirement booked. Since the depreciation study was based on plant in service at December 31, 2009, the retirement of the AMI meters was not included and no depreciation study revision was needed.

2. No
3. No

EXHIBIT D

**AEP Ohio's Responses to
Staff Request DR 67
John Berringer
PUCO Case Nos. 11-351-EL-AIR and 11-352-EL-AIR**

Interrogatory INT-001

Identify all costs included in Plant in Service for additional GridSmart AMI meters over and above the authorized 110,000 GridSmart meters for which CSP and OP seek recovery in Case Nos. 11-351-EL-AIR and 11-352-EL-AIR.

Response

AEP Ohio installed approximately 22,500 additional AMI meters late in 2010 post date certain but these meters are not associated with the gridSMART Phase one project nor are we seeking direct rider recovery for these meter installs in Case Nos. 11-351-EL-AIR and 11-352-EL-AIR

Prepared by Andrea Moore

**AEP Ohio's Responses to
Staff Request DR 67
John Berringer
PUCO Case Nos. 11-351-EL-AIR and 11-352-EL-AIR**

Interrogatory INT-002

Identify all O&M costs included in the test year for both CSP and OP related to additional GridSmart AMI meters over and above the authorized 110,000 GridSmart meters for which CSP and OP seek recovery in Case Nos. 11-351-EL-AIR and 11-352-EL-AIR.

Response

See Staff 67-002 Attachment 1 for the required information.

Prepared by Andrea Moore

**OPCO and CSP
All O&M Accounts**

O&M Charges for Meters Installed Beyond GridSMART Phase 1

For September 2010 - May 2011

Years #	Periods #	GL BU-Regional Level 6	Project	O&M Account	Update Q3 \$
2010 (09) Sep	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5880000 Miscellaneous Distribution Exp	1,556
2010 (09) Sep	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	35,150
2010 (09) Sep	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	-
2010 (09) Sep	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	9260055 IntercoFringeOffset- Don't Use	(991)
2010 (10) Oct	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5880000 Miscellaneous Distribution Exp	2,538
2010 (10) Oct	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	45,553
2010 (10) Oct	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	-
2010 (10) Oct	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	9260055 IntercoFringeOffset- Don't Use	(1,635)
2010 (11) Nov	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5880000 Miscellaneous Distribution Exp	2,374
2010 (11) Nov	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	42,403
2010 (11) Nov	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	-
2010 (11) Nov	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	9260055 IntercoFringeOffset- Don't Use	(1,783)
2010 (12) Dec	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5880000 Miscellaneous Distribution Exp	2,036
2010 (12) Dec	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	39,627
2010 (12) Dec	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	-
2010 (12) Dec	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	9260055 IntercoFringeOffset- Don't Use	(1,402)
2011 (01) Jan	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5880000 Miscellaneous Distribution Exp	2,426
2011 (01) Jan	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	42,342
2011 (01) Jan	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	-
2011 (01) Jan	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	9260055 IntercoFringeOffset- Don't Use	(1,501)
2011 (02) Feb	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5880000 Miscellaneous Distribution Exp	2,335
2011 (02) Feb	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	41,386
2011 (02) Feb	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	-
2011 (02) Feb	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	9260055 IntercoFringeOffset- Don't Use	(1,408)
2011 (03) Mar	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5880000 Miscellaneous Distribution Exp	2,713
2011 (03) Mar	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	44,959
2011 (03) Mar	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	-
2011 (03) Mar	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	9260055 IntercoFringeOffset- Don't Use	(1,730)
2011 (04) Apr	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5880000 Miscellaneous Distribution Exp	2,417
2011 (04) Apr	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	42,174
2011 (04) Apr	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	-
2011 (04) Apr	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	9260055 IntercoFringeOffset- Don't Use	(1,497)
2011 (05) May	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5880000 Miscellaneous Distribution Exp	2,478
2011 (05) May	CSP Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	42,658
2011 (05) May	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	5930000 Maintenance of Overhead Lines	-
2011 (05) May	OPCO Integrated Consolidated	EDN014647	Ds/Csp/Cs-New Customers	9260055 IntercoFringeOffset- Don't Use	(1,508)

**AEP Ohio's Responses to
Staff Request DR 67
John Berringer
PUCO Case Nos. 11-351-EL-AIR and 11-352-EL-AIR**

Interrogatory INT-003

Identify the exact number of additional GridSmart AML meters CSP and OP seek recovery for in Case Nos. 11-351-EL-AIR and 11-352-EL-AIR.

Response

See 67-001.

Prepared by Andrea Moore

**AEP Ohio's Responses to
Staff Request DR 67
John Berringer
PUCO Case Nos. 11-351-EL-AIR and 11-352-EL-AIR**

Interrogatory INT-004

For all additional GridSmart AMI meters over and above the authorized 110,000 for which CSP and OP seek recovery, explain the status of the replaced meters and why they were replaced early.

Response

The Company is not seeking recovery of these meters in this base distribution case.

Prepared by Andrea Moore

EXHIBIT E

Fw: AEP-Ohio Draft 2012 Rider DIR Report

Andrea E Moore to: Dawn Clark

08/02/2013 10:58 AM

----- Forwarded by Andrea E Moore/OR3/AEPIN on 08/02/2013 10:57 AM -----

Andrea E Moore/OR3/AEPIN

06/11/2013 02:03 PM

To "McCarter, Doris" <Doris.McCarter@puc.state.oh.us>

cc "'Donna Mullinax'" <dmullinax@blueridgecs.com>, "Dan Salter" <dsalter@blueridgecs.com>, Joseph Freedman <jfreedman@blueridgecs.com>, Michael McGarry <mmcgarry@blueridgecs.com>, Tracy Klaes <tklaes@blueridgecs.com>

Subject RE: AEP-Ohio Draft 2012 Rider DIR Report 

I will be out of the office next week but will have others from AEP Ohio here to take the follow up call. Due to the short time frame I wanted to put together some points around factual misstatements in the report based on my review.



Factual Errors in the Draft Audit Report.doc

"McCarter, Doris"

"McCarter, Doris" <Doris.McCarter@puc.state.o...

06/07/2013 03:49:25 PM



"McCarter, Doris"
<Doris.McCarter@puc.state.o
h.us>

06/07/2013 03:45 PM

To "'Donna Mullinax'" <dmullinax@blueridgecs.com>

cc Andrea Moore <aemoore@aep.com>, Michael McGarry <mmcgarry@blueridgecs.com>, Joseph Freedman <jfreedman@blueridgecs.com>, "Dan Salter" <dsalter@blueridgecs.com>, Tracy Klaes <tklaes@blueridgecs.com>

Subject RE: AEP-Ohio Draft 2012 Rider DIR Report

This is an EXTERNAL email. STOP. THINK before you CLICK links or OPEN attachments.

I would like to have the follow-up draft call on the 17th. My schedule is wide open.

From: Donna Mullinax [mailto:dmullinax@blueridgecs.com]

Sent: Friday, June 07, 2013 3:31 PM

To: McCarter, Doris

Cc: Andrea Moore; Michael McGarry; Joseph Freedman; Dan Salter; Tracy Klaes

Subject: AEP-Ohio Draft 2012 Rider DIR Report

Doris,

Please find a copy of Blue Ridge's draft report of our AEP-Ohio 2012 Rider DIR audit. I have copied AEP-Ohio to give them the opportunity to review and correct any factual misstatements.

There are several data requests outstanding that could slightly alter the final report that we will evaluate when received from the Company.

The Company also needs to review the report to ensure that nothing is confidential. Our goal is to avoid any confidential information within the report to avoid issuing a redacted version. There are several confidential data responses that were used in Blue Ridge's workpapers, but are not specifically used in the report. All data responses and workpapers will be provided to Staff.

If possible, we would like to have Staff and the Company's comments by Monday (6/17/13) so that we can incorporate them into the final draft for delivery on 6/20/13. Should we need to discuss the draft report, we are available on June 17 or 18, 2013. I will not be available June 9-15, 2013.

We look forward to receiving your comments.

Donna

Donna Mullinax, CPA, CIA
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Factual Errors in the Draft Audit Report

Page 9 – The gridSMART plant recommended for exclusion from the DIR and the dollars reported to the DOE for Reimbursement are not comparable values (comparing apples and oranges). The amounts reported to DOE are based on dollars spent and plant excluded from the DIR is the plant in service from the gridSMART rider.

Page 34 – Blue Ridge requested the Company provide the *total* amount spent on AEP Ohio gridSMART Phase 1. Answer was \$58,944,380. Page 35 states however the Company also provided a list of DOE invoices labeled DOE invoices (August 2010 through December 2012) showing \$48,305,088. Blue Ridge recommends the Company reconcile the difference. Blue Ridge was comparing a life to date amount to an audit period amount. The difference is DOE Reimbursements received in June 2010 that were included in the data requested for Life to Date, but was not included in the data requested from August 2010 through December 2012. If needed, the Company can supplement the data request so you are comparing the data based on the same timeframe.

Page 36 – Book cost excluded from DIR in 4th quarter \$19.2M significantly less than \$46M reported to DOE. See note above clarifying dollars spent versus in service. In addition, the gridSMART plant in 303 and 397 are excluded from the gridSMART DIR adjustment as they are not included in the plant accounts to be recovered through the DIR (360-374), yet DOE reimburses for those dollars spent.

Page 37 – FERC account 370- meters is used for routine meter purchases and FERC account 37016 is designated for gridSMART meter purchases. Not all FERC Account 37016 meters are properly referred to as gridSMART. The gridSMART rider was a very specific project involving particular technologies in a defined geographic area for a specified time period. FERC account 370 is for electromechanical or AMR meters. FERC account 37016 is for AMI meters. The draft Report also states that Blue Ridge reviewed invoices and compared meters purchased with the listing of meter series for gridSMART. The Company did not provided any meter series for gridSMART. All gridSMART meters were purchased and capitalized in 2009. The draft Report says that the meters referenced in 6-001 are the same as the gridSMART meters, but DR 6-001 are not the same as the gridSMART meters (6-001 are AMR meters) and there were no gridSMART meters included in the data requested by Blue Ridge. As referenced above, though Blue Ridge said it could not confirm the meters referenced in the data request were not gridSMART, gridSMART meters were capitalized in 2009 and as such not included in any data provided to Blue Ridge.

EXHIBIT F

OHIO POWER COMPANY'S RESPONSE TO
PUCO-STAFF AUDITOR'S DATA REQUEST
PUCO Case No. 13-419-EL-RDR
SIXTEENTH SET

DATA RESPONSE

DR-16-006 Reference Company response to Data Request 9-004. In this request, we asked for the descriptive information that supports the meters purchased. As follow up to information received on June 10, 2013, providing the PUR descriptions, please provide the following information related to the invoice detail for the following work orders.

- a. Work Order 0023969: The detail supplied by the Company that describes the type of meter purchased (PRU 7301 and 7302 is AMI) indicates that approximately \$631,514 (net book value) of Non AMI meters were purchased and recorded to this AMI workorder (FERC 37016). Please explain if this is an error? If so, then how will it be corrected, and if not, why not?
- b. Work Order 10621999 tab b: This is a non-AMI workorder and charged to FERC 370. The type of meter purchased (PRU 7301 and 7302) indicates that approximately \$2,221,884 (net book value) was AMI. Please explain if this is an error? If so, then how will it be corrected, and if not, why not?
- c. Work Order 10621999 tab 2: This is a non-AMI workorder and charged to FERC 370. The type of meter purchased (PRU 7301 and 7302) indicates that approximately \$369,114 (net book value) was AMI. Please explain if this is an error? If so, then how will it be corrected, and if not, why not?
- d. Work Order 10621999 tab 2b: This is a non-AMI workorder and charged to FERC 370. The type of meter purchased (PRU 7301 and 7302) indicates that approximately \$250,818 (net book value) was AMI. Please explain if this is an error? If so, then how will it be corrected, and if not, why not?
- e. Work Order 10621999 tab 2c: This is a non-AMI workorder and charged to FERC 370. The type of meter purchased (PRU 7301 and 7302) indicates that approximately \$119,252 (net book value) was AMI. Please explain if this is an error? If so, then how will it be corrected, and if not, why not?
- f. Work Order 10621999 tab 2f: This is a non-AMI workorder and charged to FERC 370. The type of meter purchased (PRU 7301 and 7302) indicates that approximately \$486 (net book value) was AMI. Please explain if this is an error? If so, then how will it be corrected, and if not, why not?

OHIO POWER COMPANY'S RESPONSE TO
PUCO-STAFF AUDITOR'S DATA REQUEST
PUCO Case No. 13-419-EL-RDR
SIXTEENTH SET

DR-16-006 CONTINUED

RESPONSE

- a. As discussed with Blue Ridge during the audit, this transaction was inadvertently booked to a gridSMART workorder. See Blue Ridge 16-006 Attachment 1 for the correcting journal entry recorded on January 30, 2013, which was prior to the audit.
- b. Agree with finding. Charges were reclassified to the AMI Purchase work order prior to the audit.
- c. The \$369,114 represents PRU 7301 & 7301 sold to other companies. None of the meter equipment was for BU 220-Columbus Southern. No correction will be made for tab 2 because the AMI meter equipment related to a transaction of another company and was not recovered in AEP Ohio rates.
- d. The \$250,818 represents PRU 7301 & 7301 sold to other companies. None of the meter equipment was for BU 220-Columbus Southern. No correction will be made for tab 2b because the AMI meter equipment related to a transaction of another company and was not recovered in AEP Ohio rates.
- e. The total AMI purchases for BU 220-Columbus Southern were \$116,418.51. The remaining \$2,833.97 was the sale of AMI meters to other companies and was not meter equipment of Columbus Southern. \$116,418.51 was reclassified to the AMI Purchase work order on January 30, 2013, which was prior to the audit.
- f. The \$486 represents PRU 7301 & 7301 sold to other companies. None of the meter equipment was for BU 220-Columbus Southern. No correction will be made for tab 2f because the AMI meter equipment related to a transaction of another company and was not recovered in AEP Ohio rates.



Report ID: GLC7501

AEP Financials
JOURNAL ENTRY DETAIL REPORTBlue Ridge 16-006 Attachment 1
Case No. 13-419-EL-RDRPage No. 1
Run Date 1/29/2013
Run Time 12:42:34PM

Unit: 250 ✓
Journal ID: OAAMETERS ✓
Date: 1/30/2013 ✓
Journal status: V ✓
Description: Reclass Aug, Sept, Oct and Nov 2012 charges from work order W0023969 to 07900299 ✓

Ledger Group: ACTUALS ✓
Source: UPL ✓
Reversal: N ✓
Reversal Date: ✓
INITIALS DATE
PREPARED AH 1/29/13
CHECKED GAK 1-30-13
REVIEWED JES 2-7-13

Foreign Currency: USD ✓
Rate Type: CRRNT ✓
Effective Date: 1/30/2013 ✓
Exchange Rate: 1.00 ✓
Trans Ref Num: REC ✓

Line #	Unit	Account	Department	State/Jurisdiction	Product	ASB/Rate	Project Bu	Stat	Statistics Amt	Rate Type	Rate	Foreign Amount	Base Amount
									Project	Work Order	Cost Camp	ASB Activity	Sub-Cat

250						Total Lines:	12 ✓		Total Base Debits:	1,915,597.20 ✓		Total Base Credits:	1,915,597.20 ✓
1	250 ✓	1070001 ✓	99920 ✓						DISTR ✓				
	Description:	METER SALES - AEPTC				Reference:			EDN011331 ✓	W002396901 ✓	1.00000000	-1,623.51 ✓ USD	-1,623.51 USD ✓
										Open Item Key	034 ✓	974 ✓	
2	250 ✓	1070001 ✓	99920 ✓						DISTR ✓				
	Description:	METER SALES - AEPTC				Reference:			EDN011331 ✓	0790029901 ✓	1.00000000	1,623.51 ✓ USD	1,623.51 USD ✓
										Open Item Key	034 ✓	974 ✓	
3	250 ✓	1070001 ✓	99920 ✓						DISTR ✓				
	Description:	METER SALES - AEPTC				Reference:			EDN011331 ✓	W002396901 ✓	1.00000000	-1,286,930.56 ✓ USD	-1,286,930.56 USD ✓
										Open Item Key	034 ✓	974 ✓	
4	250 ✓	1070001 ✓	99920 ✓						DISTR ✓				
	Description:	METER SALES - AEPTC				Reference:			EDN011331 ✓	0790029901 ✓	1.00000000	1,286,930.56 ✓ USD	1,286,930.56 USD ✓
										Open Item Key	034 ✓	974 ✓	
5	250 ✓	1080005 ✓	99910 ✓						DISTR ✓				
	Description:	METER SALES - OPCO				Reference:			EDN011331 ✓	W002396902 ✓	1.00000000	24,251.55 ✓ USD	24,251.55 USD ✓
										Open Item Key	034 ✓	974 ✓	
6	250 ✓	1080005 ✓	99910 ✓						DISTR ✓				
	Description:	METER SALES - OPCO				Reference:			EDN011331 ✓	0790029902 ✓	1.00000000	-24,251.55 ✓ USD	-24,251.55 USD ✓
										Open Item Key	034 ✓	974 ✓	
7	250 ✓	1070001 ✓	99920 ✓						DISTR ✓				
	Description:	METER SALES - AEPTC				Reference:			EDN011331 ✓	W002396901 ✓	1.00000000	-395,549.92 ✓ USD	-395,549.92 USD ✓
										Open Item Key	034 ✓	974 ✓	



Report ID: GLC7501

AEP Financials
JOURNAL ENTRY DETAIL REPORTBlue Ridge 16-006 Attachment 1
Case No. 13-419-FL-RDRPage No. 2
Run Date 1/29/2013
Run Time 12:42:34PM

Unit: 250
Journal ID: OAAMETERS
Date: 1/30/2013
Journal status: V
Description: Reclass Aug, Sept, Oct and Nov 2012 charges from work order W0023989 to 07900299

Ledger Group: ACTUALS
Source: UPL
Reversal: N
Reversal Date:

Foreign Currency: USD
Rate Type: CRRNT
Effective Date: 1/30/2013
Exchange Rate: 1.00
Trans Ref Num: REC

Line #	Unit	Account	Department	State/Jurisdiction	Product	Affiliate	Project Bu	Stat	Statistics Amt	Rate Type	Rate	Foreign Amount	Base Amount
									Project	Work Order	Cost Comp	ABM Activity	Sub-Cat
8	250 ✓	1070001 ✓	99920 ✓						DISTR ✓		1.00000000	395,549.92 ✓ USD	395,549.92 USD ✓
		Description: METER SALES - AEPTC							Reference: EDN011331 ✓	0790029901 ✓	034 ✓	974 ✓	
										Open Item Key:			
9	250 ✓	1070001 ✓	99920 ✓						DISTR ✓		1.00000000	-169,427.68 ✓ USD	-169,427.68 USD ✓
		Description: METER SALES - AEPTC							Reference: EDN011331 ✓	W002398901 ✓	034 ✓	974 ✓	
										Open Item Key:			
10	250 ✓	1070001 ✓	99920 ✓						DISTR ✓		1.00000000	169,427.68 ✓ USD	169,427.68 USD ✓
		Description: METER SALES - AEPTC							Reference: EDN011331 ✓	0790029901 ✓	034 ✓	974 ✓	
										Open Item Key:			
11	250 ✓	1080005 ✓	99910 ✓						DISTR ✓		1.00000000	37,813.98 ✓ USD	37,813.98 USD ✓
		Description: METER SALES - OPCO							Reference: EDN011331 ✓	W002398902 ✓	034 ✓	974 ✓	
										Open Item Key:			
12	250 ✓	1080005 ✓	99910 ✓						DISTR ✓		1.00000000	-37,813.98 ✓ USD	-37,813.98 USD ✓
		Description: METER SALES - OPCO							Reference: EDN011331 ✓	0790029902 ✓	034 ✓	974 ✓	
										Open Item Key:			

End of Report

EXHIBIT G

**OHIO POWER COMPANY'S RESPONSE TO
PUCO-STAFF AUDITOR'S DATA REQUEST
PUCO Case No. 13-419-EL-RDR
NINTH SET**

DATA REQUEST

DR-9-005 Reference Company response to Data Request 1-1, meter workorders. Please provide the total gridSMART meters that are purchased but not installed, (i.e., remain in meter inventory) as of 12/31/12. Please total the meters by brand and type of meter.

RESPONSE

There are no gridSMART meters purchased but not installed. The gridSMART project covered a DOE and Commission approved plan that allowed for DOE reimbursement. Only the first install of the AMI meters within that gridSMART Phase I pilot project area were reimbursed by the DOE and tracked as part of the gridSMART project. To the extent that Company would replace an AMI meter it would not be tracked as gridSMART.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing AEP Ohio Comments was served upon the parties of record by electronic service this 2nd day of August 2013.

/s/ Steven T. Nourse

Steven T. Nourse

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in

Case No(s). 13-0419-EL-RDR

Summary: Comments electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company