

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Ohio Power Company to Update Its)	Case No. 14-1578-EL-RDR
Enhanced Service Reliability Rider)	

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 2013 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 2013. Schedule 1 also sets forth the ESRR collections for 2013, and reports an under-recovery of \$7,592,468 during 2013. Schedule 1 also projects vegetation management expenditures for 2014 and sets forth a revenue requirement for that portion of the 2014 ESRR. Finally, Schedule 1 proposes a new ESRR rate based on the prior over/under-recovery balances and the projected final spend for 2014.
7. Schedules 2 and 3 contain the proposed tariffs.

WHEREFORE, based on the information and exhibits submitted with this filing, AEP Ohio requests that the Commission approve the Company's application.

Respectfully submitted,

/s/ Steven T. Nourse

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2013 Ohio Power Company ESR Rider True-Up

Distribution Vegetation
2013 Over/(Under) Recovery

	Base Vegetation Spend	2013 Actual Spending	2013 Actual Incremental	2013 Vegetation Revenue Requirement
O&M	\$ 20,570,412	\$ 58,024,776	\$ 37,454,364	\$ 37,454,364
January	\$ 202,465	\$ 573,788	\$ 371,322	311,990
February	\$ 183,062	\$ 596,846	\$ 413,784	315,389
March	\$ 303,941	\$ 199,160	\$ (104,781)	320,285
April	\$ 394,869	\$ 482,421	\$ 87,551	319,046
May	\$ 519,409	\$ 889,058	\$ 369,649	320,082
June	\$ 303,813	\$ 912,561	\$ 608,748	324,456
July	\$ 316,508	\$ 326,459	\$ 9,951	331,659
August	\$ 323,400	\$ 663,590	\$ 340,191	331,777
September	\$ 242,534	\$ 803,188	\$ 560,654	335,803
October	\$ 244,925	\$ 1,064,104	\$ 819,179	342,437
November	\$ 235,510	\$ 1,104,464	\$ 868,954	352,131
December	\$ 359,151	\$ 529,801	\$ 170,650	362,413
Capital - 40 Year Life	\$ 3,629,588	\$ 8,145,439	\$ 4,515,851	\$ 3,967,467
Total	\$ 24,200,000		2013 Actual Revenue Requirement 2013 ESR Rider Collections 2013 Over/(Under) Recovery	\$ 41,421,831 \$ 33,829,363 \$ (7,592,468)

Distribution Vegetation
2014 Incremental Investment

	Base Vegetation Spend	Updated 2014 Vegetation Spend	Carrying Charge Rate	2014 Vegetation Revenue Requirement
O&M	\$ 20,570,412	\$ 34,000,000		\$ 34,000,000
Capital - 40 Year Life	\$ 3,629,588	\$ 5,000,000	14.19%	\$ 354,750 (a)
Total	\$ 24,200,000	\$ 39,000,000		\$ 34,354,750
		2009 Investment Carrying Costs		\$ 756,086
		2010 Investment Carrying Costs		\$ 1,072,084
		2011 Investment Carrying Costs		\$ 1,156,249
		2012 Investment Carrying Costs		\$ 744,893
		2013 Investment Carrying Costs		\$ 640,799 (b)
		Over/(Under) Recovery to Date		\$ (286,028) (c)
		Over/(Under) Recovery (From Above)		\$ (7,592,468)
		Total Revenue Requirement		\$ 46,603,358
		Base Distribution Revenues		\$ 634,739,822
		2014 ESR Rider		7.34212%
		Current ESR Rider		6.55776%
		Change in ESR Rider		0.78436%

(a) Annual carrying charge rate times updated 2014 capital spending times one-half year

(b) Annual carrying charge rate times 2013 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) plus 2012 Over Recovery \$2,657,136)

OHIO POWER COMPANY

P.U.C.O. NO. 20

Schedule 2
Cancels ~~2nd - 3rd~~ Revised Sheet No. 483-1
~~4st - 2nd~~ Revised Sheet No. 483-1

ENHANCED SERVICE RELIABILITY RIDER

Effective ~~Cycle 1 March 2014~~, 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 ~~6.55776%~~ 7.34212% 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 ~~February 26, 2014~~ in Case No. ~~13-1063-EL-RDR~~

Issued: ~~February 27, 2014~~

Effective: ~~Cycle 1 March 2014~~

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 March 2014~~, 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 ~~6.55776%~~ 7.34212% 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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Case No(s). 14-1578-EL-RDR

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