



Office of the Ohio Consumers' Counsel

Janine L. Migden-Ostrander
Consumers' Counsel

Your Residential Utility Consumer Advocate

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October 28, 2010

Ms. Renee Jenkins
Public Utilities Commission of Ohio
Docketing Division
180 East Broad Street, 11th Floor
Columbus, Ohio 43215-3793

RE: In the Matter of the 2009 Annual Filing of Columbus Southern Power Company and Ohio Power Company Required by Rule 4901:1-35-10, Ohio Administrative Code, PUCO Case No.10-1261-EL-UNC

Dear Ms. Jenkins:

It has come to our attention that the copies of exhibits LK-2 through LK-6 related to the direct testimony of Lane Kollen, filed October 12, 2010, were difficult to read due to poor copy quality. In order to facilitate the record in this proceeding, OCC hereby files a cleaner copy of Mr. Kollen's exhibits LK-2 through LK-6 for easier reading and review. Consistent with the Attorney Examiner's ruling at the evidentiary hearing, LK-4 contains only the cover page and page 14. Otherwise, these copies contain no revisions to the originally filed LK-2, LK-3, LK-5 and LK-6 exhibits.

If you have any questions, please do not hesitate to contact me.

Thank you.

Sincerely,

Maureen R. Grady
Assistant Consumers' Counsel

Encls.

cc: All parties of record (via electronic transmission)
Greta See
Jeff Jones

This is to certify that the images appearing are an accurate and complete reproduction of a case file document delivered in the regular course of business.
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EXHIBIT ____ (LK-2)

AEP Utility Companies
Revenue Requirement/Refund for Each 1% Change in Return on Common Equity
Twelve Months Ending December 31, 2009
(\$000's)

Source: 2009 10-K and Kentucky Power Annual Report Financial Statements

	Columbus Southern Power Company	Ohio Power Company	Appalachian Power Company	Kentucky Power Company	Indiana Michigan Power Company
Total Common Equity - December 31, 2008	1,245,265	2,421,945	2,376,591	398,008	1,434,818
Total Common Equity - December 31, 2009	1,359,835	3,234,695	2,771,577	431,784	1,672,783
Average Common Equity - December 31, 2009	1,302,550	2,828,320	2,574,084	414,896	1,553,801
Net Income - Total Company	(1) 271,661	308,615	155,814	23,936	216,310
% ROE	20.86%	10.91%	6.05%	5.77%	13.92%
Each 1% ROE Gross-Up Factor	(2) 13,026 1,5385	28,283 1,5385	25,741 1,5385	4,149 1,5385	15,538 1,5385
Rev Req/Refund for Each 1% ROE	20,039	43,513	39,601	6,383	23,905

(1) Net Income for the twelve months ended December 31, 2009 excludes reductions in published financial statements for preferred dividends, capital stock expense and net income attributable to noncontrolling interests. The effects of these exclusions are minimal.

(2) Federal income tax rate of 35% used in gross-up factor for all companies.

EXHIBIT ____ (LK-3)

U.S. Domestic Electric Utilities Earned Return on Average Common Equity
Source: SNL Financial Database

SNLTable

	Net Inc. Before Extraordinary			ROE Before Extraordinary			Avg. Stk. Equity		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
AEP Texas Central Company	81,873	85,838	68,951	14.61	17.43	13.46	560,357	492,540	438,077
AEP Texas North Company	18,353	39,916	39,349	5.75	10.28	12.24	319,042	330,034	321,474
Alabama Power Company	708,999	655,422	615,727	12.37	12.18	12.48	5,730,452	5,379,259	4,931,879
Alaska Electric Light and Power Co.	4,294	4,085	5,826	6.36	6.40	9.79	67,518	63,783	59,524
ALLETE (Minnesota Power)	60,991	82,460	87,629	6.93	10.47	12.40	880,317	787,311	706,673
Appalachian Power Company	155,814	122,863	133,500	6.01	5.45	6.38	2,591,836	2,254,715	2,093,208
Arizona Public Service Company	251,225	262,344	283,940	7.41	7.84	8.66	3,392,254	3,345,296	3,279,457
Atlantic City Electric Company	41,404	64,772	60,109	6.94	12.61	12.60	596,361	513,488	477,206
Avista Corporation	87,071	73,620	38,475	8.50	7.71	4.20	1,024,085	955,425	915,408
Baltimore Gas and Electric Company	97,935	51,500	139,893	5.08	2.87	7.56	1,928,566	1,794,967	1,851,643
Bangor Hydro-Electric Company	25,168	22,084	26,625	8.86	8.11	10.32	284,003	272,212	258,019
Black Hills Colorado Electric Utility Company, LP	-7,390	194	NA	-2.20	NA	NA	335,900	NA	NA
Black Hills Power, Inc.	23,139	22,759	24,896	8.68	9.34	11.31	266,561	243,672	220,145
Carolina Power & Light Company	516,005	534,434	501,252	11.32	12.94	13.88	4,558,576	4,130,012	3,812,221
CenterPoint Energy Houston Electric, LLC	209,027	221,635	272,595	11.99	11.99	13.84	1,743,758	1,848,891	1,970,172
Central Hudson Gas & Electric Corp	32,776	27,238	33,436	7.75	7.15	9.38	422,704	381,167	358,050
Central Illinois Light Company	135,102	69,638	75,984	17.53	10.50	12.77	770,631	662,919	594,985
Central Illinois Public Service Company	28,897	14,739	16,535	5.24	2.82	3.12	551,370	522,564	529,585
Central Maine Power Company	43,976	55,464	57,794	5.29	7.05	7.67	831,819	786,845	753,285
Central Vermont Public Service Corporation	20,749	16,385	15,804	8.83	7.63	8.08	235,005	214,697	195,834
Cheyenne Light, Fuel and Power Company	16,950	16,721	6,737	10.37	11.24	6.61	163,451	148,725	101,845
Cleco Power LLC	111,166	113,831	84,673	11.47	13.04	11.58	989,514	872,644	731,257
Cleveland Electric Illuminating Company	-12,706	284,526	276,412	-0.86	18.39	18.68	1,473,935	1,546,869	1,479,369
Columbus Southern Power Company	271,661	237,130	258,088	20.82	19.63	23.19	1,304,838	1,208,069	1,112,723
Commonwealth Edison Company	373,651	201,040	165,284	5.49	3.03	2.58	6,807,908	6,631,627	6,413,511
Connecticut Light and Power Company	216,367	191,208	133,705	9.14	9.10	8.04	2,366,911	2,101,446	1,862,841
Consolidated Edison Company of New York, Inc.	792,427	794,206	854,860	8.45	9.08	10.93	9,381,933	8,751,203	7,821,440
Consolidated Water Power Company	779	74	-46	1.63	0.16	-0.11	47,883	45,337	43,390
Consumers Energy Company	293,117	364,588	311,785	7.71	9.80	9.32	3,803,259	3,720,026	3,346,458
Dayton Power and Light Company	258,827	285,788	271,580	17.84	19.93	20.53	1,450,920	1,434,295	1,323,151
Delmarva Power & Light Company	49,198	68,646	43,966	6.46	9.88	6.63	761,029	695,062	662,841
Detroit Edison Company	370,269	318,839	297,097	9.98	9.27	9.18	3,716,915	3,440,898	3,235,802
Duke Energy Carolinas, LLC	701,893	689,935	670,350	9.01	9.89	10.63	7,793,334	6,974,271	6,306,451
Duke Energy Indiana, Inc.	201,178	258,497	232,413	7.28	10.47	10.48	2,763,025	2,488,797	2,217,712
Duke Energy Kentucky, Inc.	28,068	37,481	33,469	6.88	9.62	9.11	408,059	389,785	367,447
Duke Energy Ohio, Inc.	-426,353	286,873	263,644	-6.78	4.35	4.08	6,284,062	6,602,257	6,456,843
Duquesne Light Company	81,180	83,369	83,947	6.92	7.05	8.33	1,173,649	1,182,726	1,007,714
Edison Sault Electric Company	4,699	5,959	5,320	9.06	12.36	12.01	51,858	48,208	44,313
El Paso Electric Company	87,858	80,283	78,831	9.52	11.77	12.42	712,881	682,012	618,808
Empire District Electric Company	41,296	39,722	33,244	6.71	6.80	6.00	615,460	584,024	564,021
Entergy Arkansas, Inc.	66,876	47,162	139,111	4.39	3.13	9.12	1,522,060	1,508,581	1,525,594
Entergy Gulf States Louisiana, L.L.C.	153,047	144,767	192,572	11.04	11.01	10.81	1,386,107	1,315,101	1,781,141
Entergy Louisiana, LLC	232,844	157,544	143,337	12.87	9.66	9.65	1,809,824	1,630,688	1,485,924
Entergy Mississippi, Inc.	77,636	59,710	72,106	10.67	8.39	10.49	727,392	711,347	687,537
Entergy New Orleans, Inc.	31,025	34,946	24,582	13.50	16.31	13.25	229,786	214,215	185,496
Entergy Texas, Inc.	63,840	57,895	NA	7.32	NA	NA	872,320	NA	NA
Fitchburg Gas and Electric Light Company	-1,201	4,398	3,718	-2.18	7.99	7.35	55,111	55,053	50,582
Florida Power & Light Company	831,188	789,346	838,005	10.08	10.27	11.29	8,262,748	7,882,481	7,407,306
Florida Power Corporation	462,183	385,019	317,331	11.62	11.91	11.03	3,978,528	3,234,017	2,877,991
Georgia Power Company	831,426	920,308	842,143	10.86	13.29	13.26	7,667,041	6,923,288	6,351,310
Golden State Water Company	25,373	27,686	26,900	7.74	9.19	9.86	327,899	301,421	272,703
Granite State Electric Company	119	712	4,405	0.16	0.97	6.02	72,261	73,391	73,120
Green Mountain Power Corporation	15,575	15,778	10,142	9.21	10.02	7.38	169,093	157,526	137,835
Gulf Power Company	117,436	104,547	87,999	11.61	11.95	11.60	1,011,190	874,672	758,581
Hawaii Electric Light Company, Inc.	18,295	20,175	8,786	6.85	9.23	4.50	237,991	218,613	186,481
Hawaiian Electric Company, Inc.	80,525	93,055	53,235	8.34	7.94	5.04	1,269,919	1,171,946	1,056,626
Idaho Power Co.	122,559	94,115	78,579	9.96	8.18	7.16	1,230,922	1,150,780	1,069,279
Illinois Power Company	79,520	4,970	25,780	5.89	0.39	1.94	1,350,193	1,278,704	1,326,603
Indiana Michigan Power Company	216,311	131,875	138,695	13.64	9.29	10.16	1,562,609	1,419,932	1,347,632
Indianapolis Power & Light Company	113,103	122,868	164,183	13.94	15.34	21.34	811,124	801,167	769,409
Interstate Power and Light Company	152,956	141,613	290,320	10.75	11.59	23.63	1,422,924	1,221,708	1,228,706
Jersey Central Power & Light Company	170,499	186,988	186,109	6.40	6.51	6.03	2,664,703	2,873,437	3,088,731
Kansas City Power & Light Company	128,891	125,174	151,294	7.28	8.10	10.59	1,771,372	1,545,270	1,428,607
Kansas Gas and Electric Company	55,879	52,947	55,079	4.15	3.91	3.94	1,346,765	1,355,099	1,366,662
KCP&L Greater Missouri Operations Company	45,531	300,634	-5,389	3.84	24.81	-0.40	1,184,827	1,211,624	1,330,834
Kentucky Power Company	23,936	24,531	32,470	5.77	6.25	8.58	414,897	392,490	378,311
Kentucky Utilities Company	133,327	157,266	166,963	7.22	9.89	12.70	1,847,730	1,589,505	1,314,357
Kingsport Power Company	-1,701	1,830	3,406	-7.34	7.24	13.74	23,183	25,260	24,786
Lockhart Power Company	2,409	2,483	2,161	9.43	10.75	10.41	25,534	23,088	20,766
Louisville Gas and Electric Company	95,117	90,200	120,383	7.65	7.53	10.35	1,243,601	1,197,813	1,162,861
Madison Gas and Electric Company	35,868	37,572	37,071	6.41	7.40	8.51	569,149	507,773	436,449
Maine Public Service Company	1,705	4,866	3,732	3.82	11.29	8.82	44,649	42,990	42,324
Massachusetts Electric Company	12,911	70,628	77,934	0.70	3.54	3.92	1,831,592	1,996,346	1,987,706
Maul Electric Company, Limited	10,805	18,173	12,166	4.75	8.38	5.82	223,350	216,951	205,376
MDU Resources Group, Inc.	-123,274	293,673	432,120	-4.62	11.10	18.40	2,666,362	2,646,198	2,348,116
Metropolitan Edison Company	55,523	86,033	95,463	5.39	8.58	9.25	1,030,991	1,028,348	1,031,788
MidAmerican Energy Company	350,176	342,975	328,407	12.60	13.95	15.18	2,779,596	2,458,903	2,149,878
Mississippi Power Company	86,700	87,692	85,764	12.75	13.33	13.51	680,267	657,921	634,605
Monongahela Power Company	18,998	34,360	41,262	3.12	5.87	7.75	608,646	585,640	532,200

(This Report includes proprietary information. Please do not use this report, or information contained herein, outside the context of this proceeding.)

U.S. Domestic Electric Utilities Earned Return on Average Common Equity

Source: SNL Financial Database

	Net Inc. Before Extraordinary			ROE Before Extraordinary			Avg. SNL Equity		
	2009	2008	2007	2009	2008	2007	2009	2008	2007
Mt. Carmel Public Utility Company	691	728	642	11.62	11.94	8.19	5,945	6,098	6,617
Nantucket Electric Co.	1,008	1,286	1,309	3.42	4.49	4.73	29,490	28,643	27,700
Narragansett Electric Company	18,144	40,656	42,663	1.11	2.49	2.62	1,639,672	1,629,911	1,626,486
Nevada Power Company	134,286	151,431	166,694	5.09	6.05	7.28	2,638,803	2,502,154	2,274,469
New York State Electric & Gas Corp	55,314	5,845	114,339	5.41	0.57	10.76	1,021,624	1,031,389	1,063,124
Niagara Mohawk Power Corporation	122,237	212,901	182,796	2.87	4.91	4.40	4,258,771	4,340,471	4,154,289
North Central Power Co Inc	340	348	338	9.37	10.29	10.92	3,628	3,364	3,096
Northern Indiana Public Service Co.	39,713	118,705	139,906	2.66	8.14	10.31	1,493,134	1,458,940	1,357,350
Northern States Power Company - MN	293,770	285,141	267,303	9.32	9.70	9.83	3,153,557	2,940,767	2,719,851
Northern States Power Company - WI	47,363	45,521	37,866	9.96	9.86	8.17	475,555	461,712	463,335
NorthWestern Energy Division	73,420	67,601	53,191	9.47	8.52	6.79	775,279	793,279	782,899
Northwestern Wisconsin Electric Co.	1,174	1,132	1,037	8.20	8.33	8.03	14,317	13,587	12,918
NSTAR Electric Company	240,691	223,897	216,501	11.54	11.45	13.63	2,096,378	1,954,794	1,588,203
Ohio Edison Company	121,887	211,746	197,166	10.53	14.75	11.11	1,157,583	1,436,115	1,774,281
Ohio Power Company	306,573	231,123	268,584	10.78	9.74	12.40	2,844,947	2,373,108	2,166,309
Oklahoma Gas and Electric Company	200,440	143,007	161,709	10.42	8.81	11.78	1,924,376	1,623,656	1,372,710
Oncor Electric Delivery Company LLC	266,834	-513,048	321,257	4.38	-7.14	6.07	6,778,842	7,189,413	5,293,790
Orange and Rockland Utilities, Inc.	43,102	43,959	46,392	8.97	10.09	11.95	480,391	435,462	388,379
Otter Tail Corporation	34,079	35,125	53,961	6.67	5.71	10.33	510,778	614,833	522,209
Pacific Gas and Electric Company	1,250,004	1,197,997	1,024,666	11.92	12.36	11.21	10,486,179	9,693,998	9,138,640
PacificCorp	541,846	459,283	439,899	8.58	8.28	9.23	6,317,650	5,534,004	4,753,968
PECO Energy Company	352,501	325,050	506,524	14.33	14.84	25.84	2,460,484	2,189,670	1,960,061
Pennsylvania Electric Company	65,388	88,170	92,937	6.95	8.72	7.59	940,248	1,010,583	1,225,058
Pennsylvania Power Company	20,115	23,194	22,404	7.46	7.09	7.03	269,488	327,099	318,804
Pike County Light & Power Company	-123	-37	335	-2.86	-0.84	7.85	4,305	4,384	4,265
Pioneer Power & Light Company	19	0	-19	1.23	0.00	-1.19	1,544	1,675	1,589
Portland General Electric Company	95,366	87,175	145,817	6.58	6.53	11.48	1,448,851	1,335,190	1,269,858
Potomac Edison Company	49,339	-18,765	12,394	12.01	-4.60	2.97	410,726	407,751	417,547
Potomac Electric Power Company	105,880	116,437	125,059	7.83	9.84	11.26	1,335,672	1,183,014	1,110,745
PPL Electric Utilities Corporation	141,656	176,506	162,759	8.00	10.93	10.36	1,769,881	1,615,119	1,571,696
Public Service Company of Colorado	323,320	339,796	296,894	8.83	9.76	9.29	3,661,808	3,481,821	3,197,439
Public Service Company of New Hampshire	65,570	58,067	54,434	9.83	9.91	10.83	680,580	585,791	502,715
Public Service Company of New Mexico	120,041	24,575	38,907	9.60	1.79	2.99	1,250,090	1,372,364	1,303,210
Public Service Company of Oklahoma	75,602	78,484	-24,124	9.63	11.21	-3.90	785,254	699,834	618,430
Public Service Electric and Gas Company	323,930	363,576	379,034	8.07	10.24	11.55	4,015,559	3,549,491	3,281,617
Puget Sound Energy, Inc.	159,262	162,736	191,127	5.97	6.86	8.32	2,666,129	2,376,639	2,288,187
Rochester Gas and Electric Corp	24,609	4,026	74,260	4.36	0.70	12.02	564,188	579,067	617,612
Rockland Electric Company	7,960	10,747	13,483	4.91	7.04	9.60	161,972	152,619	140,504
San Diego Gas & Electric Co.	348,902	343,894	287,725	12.83	14.03	13.47	2,719,905	2,450,392	2,136,755
Sierra Pacific Power Company	73,086	90,584	65,665	7.75	9.64	6.96	943,610	939,901	943,289
South Carolina Electric & Gas Co.	280,602	273,046	245,069	9.38	9.83	9.23	2,989,947	2,777,027	2,654,284
Southern California Edison Co.	1,276,920	734,353	759,222	16.18	10.09	11.24	7,892,949	7,281,092	6,752,001
Southern Indiana Gas and Electric Company, Inc.	52,304	56,398	58,112	8.29	9.48	10.00	630,764	594,704	581,027
Southwestern Electric Power Company	119,397	92,754	66,264	8.58	8.32	7.35	1,391,086	1,115,500	901,775
Southwestern Public Service Company	67,750	31,792	32,886	7.21	3.70	4.16	939,908	858,230	790,784
Superior Water, Light and Power Company	3,384	2,315	2,902	10.83	7.84	10.42	31,242	29,540	27,852
Tampa Electric Company	180,200	135,635	150,276	8.77	8.08	10.09	1,827,197	1,677,685	1,498,664
Toledo Edison Company	23,957	74,915	91,239	4.94	15.52	18.88	484,964	482,621	483,303
Tucson Electric Power Company	89,248	4,363	53,456	14.55	0.75	9.44	613,375	580,478	566,032
UGI Utilities, Inc.	82,751	70,031	82,953	12.30	11.27	14.49	672,806	621,637	572,323
Union Electric Company	265,020	250,998	341,966	6.96	7.01	10.13	3,609,710	3,581,628	3,377,236
United Illuminating Company	56,873	51,090	47,902	10.16	10.57	11.09	560,832	483,277	431,767
Unitil Energy Systems, Inc.	3,303	3,328	4,739	5.81	6.32	10.10	55,866	52,700	46,943
UNS Electric, Inc.	5,931	3,764	4,754	6.84	4.60	6.57	86,687	81,772	72,363
Upper Peninsula Power Company	961	2,751	7,646	1.30	4.09	11.75	73,854	67,248	65,049
Virginia Electric and Power Company	354,764	862,680	572,445	5.08	13.99	9.98	6,981,788	6,166,098	5,735,261
West Penn Power Company	61,409	45,053	63,664	11.17	8.52	12.93	549,669	528,812	492,232
Westar Energy (KPL)	175,075	178,140	188,354	7.81	8.77	9.84	2,240,618	2,032,277	1,710,508
Western Massachusetts Electric Company	26,196	18,330	23,604	10.80	7.62	10.21	242,479	240,700	231,109
Wheeling Power Co	25,239	22,130	19,575	61.67	62.19	54.55	40,926	35,587	35,883
Wisconsin Electric Power Company	288,597	281,307	288,887	10.59	10.62	11.01	2,723,967	2,649,960	2,622,874
Wisconsin Power and Light Company	91,583	120,617	115,844	7.17	10.35	10.17	1,276,758	1,165,675	1,138,999
Wisconsin Public Service Corp	120,392	132,276	113,345	10.01	10.91	9.65	1,202,662	1,211,991	1,174,540
Industry Average/Aggregates	20,577,841	20,748,260	21,370,897	8.31	8.94	9.92	247,662,064	232,097,848	215,536,029

EXHIBIT ____ (LK-4)



4Q09 Earnings Release Presentation

January 28, 2010



YTD Performance Comparison

American Electric Power
Financial Results for YTD December 2009 Actual vs YTD December 2008 Actual

		2008 Actual (\$ millions)	Performance Driver	2009 Actual (\$ millions)	Performance Driver	2008 Actual EPS	2009 Actual EPS
UTILITY OPERATIONS:							
1	Gross Margin:						
2	East Regulated Integrated Utilities	2,278	72,725 GWh @ \$ 31.3 /MWhr =	2,461	66,975 GWh @ \$ 36.7 /MWhr =		
3	Ohio Companies	2,431	52,181 GWh @ \$ 46.8 /MWhr =	2,733	47,468 GWh @ \$ 57.6 /MWhr =		
4	West Regulated Integrated Utilities	1,057	41,907 GWh @ \$ 25.2 /MWhr =	1,160	40,321 GWh @ \$ 28.8 /MWhr =		
5	Texas Wires	537	27,075 GWh @ \$ 19.8 /MWhr =	571	27,573 GWh @ \$ 20.7 /MWhr =		
6	Off-System Sales	646	29,385 GWh @ \$ 28.8 /MWhr =	337	14,795 GWh @ \$ 22.7 /MWhr =		
7	Transmission Revenue - 3rd Party	329		354			
8	Other Operating Revenue	569		757			
9	Utility Gross Margin	8,046		8,383			
10	Operations & Maintenance	(3,368)		(3,410)			
11	Depreciation & Amortization	(1,450)		(1,561)			
12	Taxes Other than Income Taxes	(748)		(751)			
13	Interest Exp & Preferred Dividend	(871)		(919)			
14	Other Income & Deductions	167		128			
15	Income Taxes	(557)		(553)			
	Utility Operations On-Going Earnings	1,210		1,317		2.87	
16	Transmission Operations On-Going Earnings	2		4		0.01	
NON-UTILITY OPERATIONS:							
17	AEP River Operations	55		47		0.10	
18	Generation & Marketing	66		41		0.09	
21	Parent's Other On-Going Earnings	(81)		(47)		(0.10)	
22	ON-GOING EARNINGS	1,301		1,362		2.97	

Note: For analysis purposes, certain financial statement amounts have been reclassified for this effect on earnings presentation.

EXHIBIT ____ (LK-5)



Regulatory Research Associates

REGULATORY FOCUS

January 8, 2010

MAJOR RATE CASE DECISIONS--JANUARY 2009-DECEMBER 2009

The average return on equity (ROE) authorized electric utilities in 2009 approximated 10.5%, and was unchanged from the prior year. There were 39 electric ROE determinations in 2009, and 37 in 2008. The average ROE authorized gas utilities approximated 10.2% in 2009, compared to 10.4% in 2008. There were 29 gas cases that included an ROE determination in 2009, and 30 in 2008. Not included in these averages is a Sept. 17, 2008 steam rate case decision for Consolidated Edison of New York, in which the New York Public Service Commission adopted a settlement that incorporated a 9.3% return on common equity (48% of capital) and a 7.5% return on rate base. We note that our ROE averages are non-weighted.

After reaching a low in the early-2000's, the number of rate case decisions for energy companies has generally increased over the last several years. There were 95 electric and gas rate decisions in 2009, versus 83 in 2008, and only 32 in 2001. Increased costs, including environmental compliance expenditures, the need for generation and delivery infrastructure upgrades and expansion, and renewable generation requirements argue for a continuation of the increased level of rate case activity over the next several years. However, the use of multi-year settlements and a reduced number of companies due to mergers may prevent the number of rate cases from increasing significantly further.

We note that electric industry restructuring in certain states has led to the unbundling of rates and retail competition for generation. The state commissions in those states are now authorizing revenue requirement and return parameters for delivery operations only (which we footnote in our chronology), thus complicating historical data comparability. We also note that the higher cost of capital resulting from the economic downturn resulted in increased corporate debt yields and the authorization of higher ROEs by some commissions. However, on average, increased authorized ROEs did not materialize in 2009, as some commissions cited the hardship on customers as a reason to hold the line on equity returns.

The table on page 2 shows the average ROE authorized in major electric and gas rate decisions annually since 1990, and by quarter since 2003, followed by the number of observations in each period. The tables on page 3 show the composite electric and gas industry data for all major cases summarized annually since 1996 and by quarter for the past eight quarters. The individual electric and gas cases decided in 2009 are listed on pages 5-9, with the decision date (generally the date on which the final order was issued) shown first, followed by the company name, the abbreviation for the state issuing the decision, the authorized rate of return (ROR), return on equity (ROE), and percentage of common equity in the adopted capital structure. Next we show the month and year in which the adopted test year ended, whether the commission utilized an average or a year-end rate base, and the amount of the permanent rate change authorized. The dollar amounts represent the permanent rate change ordered at the time decisions were rendered. Fuel adjustment clause rate changes are not reflected in this study. We note that the cases and averages included in this study may be slightly different from those in our online rate case history database. Any differences are likely the result of this study's inclusion of ROE determinations that are rendered in cost-of-capital-only proceedings in California or that apply only to specific generation plants. Both of these types of determinations are not included in the database, which encompasses major base rate cases only.

(Text continued on page 4.)

Average Equity Returns Authorized January 1990 - December 2009

Year	Period	Electric Utilities		Gas Utilities	
		ROE % (# Cases)		ROE % (# Cases)	
1990	Full Year	12.70	(44)	12.67	(31)
1991	Full Year	12.55	(45)	12.46	(35)
1992	Full Year	12.09	(48)	12.01	(29)
1993	Full Year	11.41	(32)	11.35	(45)
1994	Full Year	11.34	(31)	11.35	(28)
1995	Full Year	11.55	(33)	11.43	(16)
1996	Full Year	11.39	(22)	11.19	(20)
1997	Full Year	11.40	(11)	11.29	(13)
1998	Full Year	11.66	(10)	11.51	(10)
1999	Full Year	10.77	(20)	10.66	(9)
2000	Full Year	11.43	(12)	11.39	(12)
2001	Full Year	11.09	(18)	10.95	(7)
2002	Full Year	11.16	(22)	11.03	(21)
2003	1st Quarter	11.47	(7)	11.38	(5)
	2nd Quarter	11.16	(4)	11.36	(4)
	3rd Quarter	9.95	(5)	10.61	(5)
	4th Quarter	11.09	(6)	10.84	(11)
	Full Year	10.97	(22)	10.99	(25)
2004	1st Quarter	11.00	(3)	11.10	(4)
	2nd Quarter	10.54	(6)	10.25	(2)
	3rd Quarter	10.33	(2)	10.37	(8)
	4th Quarter	10.91	(8)	10.66	(6)
	Full Year	10.75	(19)	10.59	(20)
2005	1st Quarter	10.51	(7)	10.65	(2)
	2nd Quarter	10.05	(7)	10.54	(5)
	3rd Quarter	10.84	(4)	10.47	(5)
	4th Quarter	10.75	(11)	10.40	(14)
	Full Year	10.54	(29)	10.46	(26)
2006	1st Quarter	10.38	(3)	10.63	(6)
	2nd Quarter	10.68	(6)	10.50	(2)
	3rd Quarter	10.06	(7)	10.45	(3)
	4th Quarter	10.39	(10)	10.14	(5)
	Full Year	10.36	(26)	10.43	(16)
2007	1st Quarter	10.27	(8)	10.44	(10)
	2nd Quarter	10.27	(11)	10.12	(4)
	3rd Quarter	10.02	(4)	10.03	(8)
	4th Quarter	10.56	(16)	10.27	(15)
	Full Year	10.36	(39)	10.24	(37)
2008	1st Quarter	10.45	(10)	10.38	(7)
	2nd Quarter	10.57	(8)	10.17	(3)
	3rd Quarter	10.47	(11)	10.49	(7)
	4th Quarter	10.33	(8)	10.34	(13)
	Full Year	10.46	(37)	10.37	(30)
2009	1st Quarter	10.29	(9)	10.24	(4)
	2nd Quarter	10.55	(10)	10.11	(8)
	3rd Quarter	10.46	(3)	9.88	(2)
	4th Quarter	10.54	(17)	10.27	(15)
	Full Year	10.48	(39)	10.19	(29)

Electric Utilities—Summary Table*

	Period	ROR % (# Cases)		ROR % (# Cases)		Eq. as % Cap. Struc. (# Cases)		Amt. \$ MIL. (# Cases)	
1996	Full Year	9.21	(20)	11.39	(22)	44.34	(20)	-5.6	(38)
1997	Full Year	9.16	(12)	11.40	(11)	48.79	(11)	-553.3	(33)
1998	Full Year	9.44	(9)	11.66	(10)	46.14	(8)	-429.3	(31)
1999	Full Year	8.81	(18)	10.77	(20)	45.08	(17)	-1,683.8	(30)
2000	Full Year	9.20	(12)	11.43	(12)	48.85	(12)	-291.4	(34)
2001	Full Year	8.93	(15)	11.09	(18)	47.20	(13)	14.2	(21)
2002	Full Year	8.72	(20)	11.16	(22)	46.27	(19)	-475.4	(24)
2003	Full Year	8.86	(20)	10.97	(22)	49.41	(19)	313.8	(12)
2004	Full Year	8.44	(18)	10.75	(19)	46.84	(17)	1,091.5	(30)
2005	Full Year	8.30	(26)	10.54	(29)	46.73	(27)	1,373.7	(36)
2006	Full Year	8.24	(24)	10.36	(26)	48.67	(23)	1,465.0	(42)
2007	Full Year	8.22	(38)	10.36	(39)	48.01	(37)	1,401.9	(46)
	1st Quarter	8.36	(9)	10.45	(10)	49.25	(8)	802.9	(9)
	2nd Quarter	8.21	(7)	10.57	(8)	47.64	(7)	510.5	(8)
	3rd Quarter	8.32	(10)	10.47	(11)	48.96	(10)	737.5	(13)
	4th Quarter	8.09	(9)	10.33	(8)	47.58	(8)	848.5	(12)
	Full Year	8.25	(35)	10.46	(37)	48.41	(33)	2,899.4	(42)
2008	1st Quarter	8.19	(8)	10.29	(9)	48.52	(8)	857.0	(14)
	2nd Quarter	8.05	(9)	10.55	(10)	47.66	(9)	1,425.0	(17)
	3rd Quarter	8.48	(3)	10.46	(3)	47.20	(3)	317.1	(7)
	4th Quarter	8.30	(18)	10.54	(17)	49.41	(17)	1,598.2	(20)
	Full Year	8.23	(38)	10.48	(39)	48.61	(37)	4,197.3	(58)

Gas Utilities—Summary Table*

	Period	ROR % (# Cases)		ROR % (# Cases)		Eq. as % Cap. Struc. (# Cases)		Amt. \$ MIL. (# Cases)	
1996	Full Year	9.25	(23)	11.19	(20)	47.69	(19)	193.4	(34)
1997	Full Year	9.13	(13)	11.29	(13)	47.78	(11)	-82.5	(21)
1998	Full Year	9.46	(10)	11.51	(10)	49.50	(10)	93.9	(20)
1999	Full Year	8.86	(9)	10.66	(9)	49.06	(9)	51.0	(14)
2000	Full Year	9.33	(13)	11.39	(12)	48.59	(12)	135.9	(20)
2001	Full Year	8.51	(6)	10.95	(7)	43.96	(5)	114.0	(11)
2002	Full Year	8.80	(20)	11.03	(21)	48.29	(18)	303.6	(26)
2003	Full Year	8.75	(22)	10.99	(25)	49.93	(22)	260.1	(30)
2004	Full Year	8.34	(21)	10.59	(20)	45.90	(20)	303.5	(31)
2005	Full Year	8.25	(29)	10.46	(26)	48.66	(24)	458.4	(34)
2006	Full Year	8.51	(16)	10.43	(16)	47.43	(16)	444.0	(25)
2007	Full Year	8.12	(32)	10.24	(37)	48.37	(30)	813.4	(48)
	1st Quarter	8.78	(7)	10.38	(7)	52.07	(7)	129.6	(7)
	2nd Quarter	8.28	(3)	10.17	(3)	51.80	(3)	52.0	(4)
	3rd Quarter	8.33	(7)	10.49	(7)	50.58	(7)	312.8	(10)
	4th Quarter	8.45	(13)	10.34	(13)	49.25	(13)	390.4	(20)
	Full Year	8.48	(30)	10.37	(30)	50.47	(30)	884.8	(41)
2008	1st Quarter	8.11	(5)	10.24	(4)	44.97	(4)	167.6	(7)
	2nd Quarter	8.05	(7)	10.11	(8)	48.84	(7)	92.5	(8)
	3rd Quarter	8.30	(2)	9.88	(2)	51.00	(2)	19.2	(4)
	4th Quarter	8.19	(14)	10.27	(15)	49.35	(15)	195.7	(18)
	Full Year	8.15	(38)	10.19	(38)	48.72	(38)	475.0	(37)

* Number of observations in each period indicated in parentheses.

The table below tracks the average equity return authorized for all electric and gas rate cases combined, by year, for the last 20 years. As the table reveals, since 1990 authorized ROEs have generally trended downward, reflecting the significant decline in interest rates that has occurred over this time frame. The combined average equity returns authorized for electric and gas utilities in each of the years 1990 through 2009, and the number of observations for each year are as follows:

1990	12.69%	(75)	2000	11.41%	(24)
1991	12.51	(80)	2001	11.05	(25)
1992	12.06	(77)	2002	11.10	(43)
1993	11.37	(77)	2003	10.98	(47)
1994	11.34	(59)	2004	10.67	(39)
1995	11.51	(49)	2005	10.50	(55)
1996	11.29	(42)	2006	10.39	(42)
1997	11.34	(24)	2007	10.30	(76)
1998	11.59	(20)	2008	10.42	(67)
1999	10.74	(29)	2009	10.36	(68)

Dennis Spurduto

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ELECTRIC UTILITY DECISIONS

Order Date	Company (State)	ROR %	ROE %	Common Eq. as % Cap. Str.	Test Year & Rate Base	Amt. \$ Mil.
1/14/09	Public Service Oklahoma (OK)	8.31	10.50	44.10	2/08-YE	59.3 (1)
1/21/09	Westar Energy (KS)	---	---	---	---	65.0 (B)
1/21/09	Kansas Gas & Electric (KS)	---	---	---	---	65.0 (B)
1/21/09	Cleveland Electric Illuminating (OH)	8.48	10.50 (E)	49.00	2/08-DC	29.2 (D)
1/21/09	Ohio Edison (OH)	8.48	10.50 (E)	49.00	2/08-DC	68.9 (D)
1/21/09	Toledo Edison (OH)	8.48	10.50 (E)	49.00	2/08-DC	38.5 (D)
1/30/09	Idaho Power (ID)	8.18	10.50	49.27	12/08-YE	27.0 (R)
2/4/09	United Illuminating (CT)	7.59	8.75	50.00	12/07-A	6.8 (D,R,2)
2/4/09	Interstate Power & Light (IA)	---	10.10 (3)	---	---	---
2/5/09	Kentucky Utilities (KY)	---	---	---	---	-8.9 (B)
2/5/09	Louisville Gas & Electric (KY)	---	---	---	---	-13.2 (B)
2/10/09	Union Electric (MO)	8.34	10.76	52.01	3/08-YE	161.7
3/4/09	Indiana Michigan Power (IN)	7.62	10.50	45.80 *	9/07-YE	19.1 (4)
3/11/09	Entergy Texas (TX)	---	---	---	3/07	30.5 (B,1,5)
3/17/09	Southern California Edison (CA)	---	---	---	12/09-A	308.1 (6)
2009	1ST QUARTER: AVERAGES/TOTAL	8.19	10.29	48.52		857.0
	MEDIAN	8.33	10.50	48.00		---
	OBSERVATIONS	8	9	8		14
4/2/09	Entergy New Orleans (LA)	---	11.10	---	12/08-YE	-24.7 (B,7)
4/16/09	PacifiCorp (ID)	---	---	---	---	4.4 (B)
4/21/09	PacifiCorp (UT)	8.36	10.61	51.00	12/09-A	45.0 (B)
4/24/09	Consolidated Edison of New York (NY)	7.79	10.00	48.00	3/10-A	523.4 (D)
4/30/09	Tampa Electric (FL)	8.29 (R)	11.25	47.49 *(R)	12/09-A	147.7 (Z,R)
5/4/09	Minnesota Power (MN)	8.45	10.74	54.79	6/09-A	20.4 (I,R)
5/20/09	Oklahoma Gas & Electric (AR)	6.43	10.25	36.04 *	12/07-YE	13.3 (B)
5/20/09	NorthWestern Corp. (MT)	8.38	10.25	50.00	---	---
5/20/09	PacifiCorp (WY)	---	---	---	---	18.0 (B)
5/28/09	Public Service New Mexico (NM)	8.77	10.50	50.47	3/08-YE	77.1 (B,Z)
5/29/09	Idaho Power (ID)	---	---	---	---	10.5 (9)
6/2/09	Southwestern Public Service (TX)	---	---	---	12/07	57.4 (B,I)
6/9/09	Public Service Co. of Colorado (CO)	---	---	---	---	112.2 (B)
6/10/09	Kansas City Power & Light (MO)	---	---	---	12/07-YE	95.0 (B)
6/10/09	KCP&L Greater Missouri Oper-L&P (MO)	---	---	---	12/07-YE	15.0 (B)
6/10/09	KCP&L Greater Missouri Oper-MPS (MO)	---	---	---	12/07-YE	48.0 (B)
6/22/09	Central Hudson Gas & Electric (NY)	7.28	10.00	47.00	6/10-A	39.8 (D)
6/24/09	Nevada Power (NV)	8.66 (10)	10.80 (10)	44.15	6/08-YE	222.7 (Z)
2009	2ND QUARTER: AVERAGES/TOTAL	8.05	10.55	47.66		1,425.0
	MEDIAN	8.36	10.58	48.00		---
	OBSERVATIONS	9	10	9		17

ELECTRIC UTILITY DECISIONS (continued)

Order Date	Company (State)	ROR %	ROE %	Common Eq. as % Cap. Str.	Test Year & Rate Base	Amt. \$ MIL
7/8/09	Duke Energy Ohio (OH)	8.61	10.63 (E)	51.59 (E)	12/08-DC	55.3 (D,B)
7/14/09	Southwestern Public Service (NM)	---	---	---	---	14.2 (B)
7/17/09	Avista Corp. (ID)	8.55	10.50	50.00	9/08-A	12.5 (B)
7/24/09	Kansas City Power & Light (KS)	---	---	---	12/07-YE	59.0 (B)
7/24/09	Oklahoma Gas & Electric (OK)	---	---	---	9/08-YE	48.3 (B)
8/21/09	Texas-New Mexico Power (TX)	---	---	---	3/08	12.7 (B)
8/31/09	Oncor Electric Delivery (TX)	8.28	10.25	40.00	12/07-YE	115.1 (D)
2009	3RD QUARTER: AVERAGES/TOTAL	8.48	10.46	47.20		317.1
	MEDIAN	8.55	10.50	50.00		---
	OBSERVATIONS	3	3	3		7
10/14/09	Cleco Power (LA)	8.52	10.70	51.00	6/09-A	173.3 (B)
10/23/09	Northern States Power-Minnesota (MN)	8.83	10.88	52.47	12/09-A	91.4 (I)
11/2/09	Consumers Energy (MI)	6.98	10.70	40.51	12/09-A	139.4 (I)
11/03/09	Sierra Pacific Power (CA)	8.51	10.70	43.71	12/09-A	5.5 (B)
11/24/09	Southwestern Electric Power (AR)	6.01	10.25	33.99 *	12/08-YE	17.8 (B)
11/25/09	Otter Tail Power (ND)	8.62	10.75	53.30	12/07-A	3.1 (I,2,B)
11/30/09	Massachusetts El./Nantucket El. (MA)	7.85	10.35	43.15	12/08-YE	43.9 (D)
12/7/09	Duke Energy Carolinas (NC)	8.38	10.70	52.50	12/08-YE	315.2 (B)
12/10/09	El Paso Electric (NM)	---	---	---	12/08-YE	5.5 (B)
12/16/09	Arizona Public Service (AZ)	8.58	11.00	53.79	12/07-YE	344.7 (B)
12/16/09	Upper Peninsula Power (MI)	7.83	10.90	49.52 *	12/10	6.5 (B)
12/16/09	PacifiCorp (WA)	8.06	---	---	---	13.5 (B)
12/18/09	Wisconsin Electric Power (WI)	8.96	10.40	53.02	12/10-A	85.8
12/18/09	Wisconsin Power and Light (WI)	9.81	10.40	50.38	12/10-A	58.6
12/22/09	Avista Corp. (WA)	8.25	10.20	46.50	9/08-A	12.1 (Bp)
12/22/09	Madison Gas and Electric (WI)	8.67	10.40	55.34	12/10-A	11.9
12/22/09	Northern States Power-Wisconsin (WI)	8.93	10.40	52.30	12/10-A	6.4
12/22/09	Wisconsin Public Service (WI)	---	---	---	12/10	18.2
12/24/09	Public Service of Colorado (CO)	8.72	10.50	58.56	12/08-A	237.9 (B,2,11)
12/30/09	Delmarva Power & Light (MD)	7.96	10.00	49.87	12/08-A	7.5 (D)
2009	4TH QUARTER: AVERAGES/TOTAL	8.30	10.54	49.41		1,598.3
	MEDIAN	8.52	10.50	51.00		---
	OBSERVATIONS	18	17	17		20
2009	FULL YEAR AVERAGES/TOTAL	8.23	10.48	48.61		4,197.3
	MEDIAN	8.38	10.50	49.87		---
	OBSERVATIONS	38	39	37		58

GAS UTILITY DECISIONS

Order Date	Company (State)	ROR %	ROE %	Common Eq. as % Cap. Str.	Test Year & Rate Base	Amrt. \$ MIL.
1/7/09	Vectren Energy Delivery of Ohio (OH)	8.89	---	---	5/08-DC	14.8 (B)
1/13/09	Michigan Gas Utilities (MI)	7.60	10.45	46.49 *	12/09	6.0 (B)
2/2/09	New England Gas (MA)	7.74	10.05	34.19	12/07-YE	3.7
2/5/09	Louisville Gas & Electric (KY)	---	---	---	---	22.0 (B)
2/26/09	Equitable Gas (PA)	---	---	---	12/08	38.4 (B)
3/9/09	Atmos Energy (TN)	8.24	10.30	48.12	6/08-A	2.5 (B)
3/25/09	Northern Illinois Gas (IL)	8.09 (R)	10.17	51.07 (R)	12/09-A	80.2 (R)
2009	1ST QUARTER: AVERAGES/TOTAL	8.11	10.24	44.97		167.6
	MEDIAN	8.09	10.24	47.31		---
	OBSERVATIONS	5	4	4		7
4/2/09	Entergy New Orleans (LA)	---	10.75	---	12/08-YE	5.0 (B,7)
5/15/09	Niagara Mohawk Power (NY)	7.70	10.20 (12)	43.70	3/10-A	39.4 (B)
5/29/09	EnergyNorth Natural Gas (NH)	8.28	9.54	50.00	6/07-A	5.5 (B,I)
6/3/09	Black Hills/Iowa Gas Utility (IA)	8.71	10.10	51.38	12/07-A	10.4 (B,I)
6/9/09	Peoples Gas System (FL)	8.50	10.75	48.51 *	12/09-A	19.2 (I)
6/22/09	Central Hudson Gas & Electric (NY)	7.28	10.00	47.00	6/10-A	13.8
6/29/09	Minnesota Energy Resources (MN)	7.98	10.21	48.77	12/08-A	15.4 (I)
6/30/09	Connecticut Natural Gas (CT)	7.92	9.31 (13)	52.52	6/08-(14)	-16.2
2009	2ND QUARTER: AVERAGES/TOTAL	8.05	10.11	48.84		92.5
	MEDIAN	7.98	10.15	48.77		---
	OBSERVATIONS	7	8	7		8
7/17/09	Southern Connecticut Gas (CT)	8.05	9.26 (13)	52.00	6/08-(14)	-12.5
7/17/09	Avista Corp. (ID)	8.55	10.50	50.00	9/08-A	1.9 (B)
8/27/09	UGI Penn Natural Gas (PA)	---	---	---	9/09	19.8 (B)
8/27/09	UGI Central Penn Gas (PA)	---	---	---	9/09	10.0 (B)
2009	3RD QUARTER: AVERAGES/TOTAL	8.30	9.88	51.00		19.2
	MEDIAN	8.30	9.88	51.00		---
	OBSERVATIONS	2	2	2		4

GAS UTILITY DECISIONS (continued)

10/13/09	South Carolina Electric & Gas (SC)	---	---	---	3/09	13.0 (M)
10/16/09	Orange and Rockland Utilities (NY)	8.49	10.40	48.00	10/10-A	27.0 (B,Z)
10/26/09	Columbia Gas of Kentucky (KY)	---	---	---	---	6.1 (B)
10/26/09	Avista Corporation (OR)	8.19	10.10	50.00	12/10-A	8.8 (B)
10/28/09	Southwest Gas, Southern Div. (NV)	7.40	10.15 (15)	47.09	11/08-YE	17.6
10/28/09	Southwest Gas, Northern Div. (NV)	8.30	10.15 (15)	47.09	11/08-YE	-0.5
10/30/09	Bay State Gas (MA)	8.18	9.95	53.57	12/08-YE	19.1
11/20/09	Hope Gas (WV)	6.86	9.45	42.34	3/08-A	8.8
12/14/09	ONEOK (OK)	8.53 (B)	10.50	55.30	12/08-YE	54.5 (B)
12/16/09	Michigan Gas Utilities (MI)	7.16	10.75	47.27 *	12/10	3.5 (Bp)
12/17/09	Pivotal Utility Holdings (NJ)	7.64	10.30	47.89	9/09-YE	2.9 (B)
12/18/09	Wisconsin Electric Power (WI)	8.85	10.40	53.02	12/10-A	-2.0
12/18/09	Wisconsin Gas (WI)	9.09	10.50	46.62	12/10-A	5.7
12/18/09	Wisconsin Power and Light (WI)	8.84	10.40	50.38	12/10-A	5.6
12/22/09	Avista Corp. (WA)	8.25	10.20	46.50	9/08-A	0.6 (Bp)
12/22/09	Madison Gas and Electric (WI)	8.86	10.40	55.34	12/10-A	-1.5
12/22/09	Wisconsin Public Service (WI)	---	---	---	12/10	13.5
12/29/09	Duke Energy Kentucky (KY)	---	10.38	49.90	---	13.0 (B)
2009	4TH QUARTER: AVERAGES/TOTAL	8.19	10.27	48.35		195.7
	MEDIAN	8.28	10.38	48.00		---
	OBSERVATIONS	14	15	15		18
2009	FULL YEAR AVERAGES/TOTAL	8.15	10.19	48.72		475.0
	MEDIAN	8.22	10.21	48.64		---
	OBSERVATIONS	28	29	28		37

FOOTNOTES

- A- Average
- B- Order followed stipulation or settlement by the parties. Decision particulars not necessarily precedent-setting or specifically adopted by the regulatory body.
- Bp- Order followed partial stipulation or settlement by the parties. Decision particulars not necessarily precedent-setting or specifically adopted by the regulatory body.
- D- Applies to electric delivery only
- DC- Date certain
- E- Estimated
- I- Interim rates implemented prior to the issuance of final order, normally under bond and subject to refund.
- M- "Make-whole" increase based on return on equity or overall return of previous case
- R- Revised
- YE- Year-end
- Z- Rate change implemented in multiple steps.
- * Capital structure includes cost-free items or tax credit balances at the overall rate of return.

- (1) Recovery of an additional \$22.1 million authorized through adjustment mechanisms.
- (2) Second-year distribution rate increase of about \$19 million authorized based on a 7.76% ROR.
- (3) Adopted ROE applies only to the company's proposed 649-MW, coal-fired Sutherland Unit 4 plant. The company subsequently cancelled plans to construct the plant.
- (4) Commission decision modified a settlement. Recovery of an additional \$22.5 million authorized through tracking mechanisms.
- (5) Indicated rate increase includes a \$46.7 million base rate increase offset by a net \$16.2 million decrease in revenues collected under certain riders.
- (6) Indicated rate increase is retroactive to January 1, 2009 and reflects the one-time refund of a \$72.5 million overcollection of postretirement benefits other than pension costs. Additional rate increases of \$205.3 million and \$219 million authorized for 2010 and 2011, respectively. Rate of return was not an issue in this case.
- (7) Rate changes effective June 1, 2009.
- (8) Authorized return parameters apply only to the 120-150 MW, gas-fired Mill Creek generating plant.
- (9) Rate increase associated with implementation of advanced metering infrastructure. Return parameters are those adopted in the company's previous rate case.
- (10) Reflects incentive ROE (and ROR) for demand side management programs and the Chuck Lenzle generating plant. Without the incentives, a 10.5% ROE was authorized.
- (11) The authorized increase reflects the transfer to base rates of \$109.6 million of revenues previously recovered through other mechanisms. Therefore, the net ratepayer impact of the increase is \$128.3 million.
- (12) Indicated ROE includes a 20 basis-point premium associated with the multi-year term of the settlement.
- (13) Adopted ROE reflects a 10-basis point penalty for billing errors.
- (14) Rate base valued as of 12/31/09.
- (15) Authorized equity return reflects a 25-basis point reduction to account for the reduced risk associated with the adoption of a decoupling mechanism.

Dennis Spurduto

EXHIBIT ____ (LK-6)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

(Mark One)

- ☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2009
- ☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

<u>Commission File Number</u>	<u>Registrants; States of Incorporation; Address and Telephone Number</u>	<u>I.R.S. Employer Identification Nos.</u>
1-3525	AMERICAN ELECTRIC POWER COMPANY, INC. (A New York Corporation)	13-4922640
1-3457	APPALACHIAN POWER COMPANY (A Virginia Corporation)	54-0124790
1-2680	COLUMBUS SOUTHERN POWER COMPANY (An Ohio Corporation)	31-4154203
1-3570	INDIANA MICHIGAN POWER COMPANY (An Indiana Corporation)	35-0410455
1-6543	OHIO POWER COMPANY (An Ohio Corporation)	31-4271000
0-343	PUBLIC SERVICE COMPANY OF OKLAHOMA (An Oklahoma Corporation)	73-0410895
1-3146	SOUTHWESTERN ELECTRIC POWER COMPANY (A Delaware Corporation) 1 Riverside Plaza, Columbus, Ohio 43215 Telephone (614) 716-1000	72-0323455

Indicate by check mark if the registrants American Electric Power Company, Inc., Appalachian Power Company and Ohio Power Company, is each a well-known seasoned issuer, as defined in Rule 405 on the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrants Columbus Southern Power Company, Indiana Michigan Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company, are well-known seasoned issuers, as defined in Rule 405 on the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes ☐ No ☒

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether American Electric Power Company, Inc. has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether Appalachian Power Company, Columbus Southern Power Company, Indiana Michigan Power Company, Ohio Power Company, Public Service Company of Oklahoma and Southwestern Electric Power Company have submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrants were required to submit and post such files). Yes ☐ No ☐

Jurisdiction	Percentage of AEP System Retail Revenues (1)	Percentage of OSS Profits Shared with Ratepayers	AEP Utility Subsidiaries Operating in that Jurisdiction	Authorized Return on Equity (2)
Ohio	33%	No sharing included in ESPs	OPCo	(3)
			CSPCo	(3)
Texas	12%	Not Applicable in ERCOT	TCC (4)	9.96%
			TNC (4)	9.96%
		90% in SPP	SWEPCo	15.70%
Virginia	12%	75%	APCo	10.20%
West Virginia	10%	100%	APCo	10.50%
			WPCo	10.50%
Oklahoma	10%	75%	PSO	10.50%
Indiana	10%	50% after certain level (5)	I&M	10.50%
Kentucky	5%	60% to 70% after certain levels (6)	KPCo	10.50%
Louisiana	3%	50% to 100% after certain levels (7)	SWEPCo	10.57%
Arkansas	2%	50% to 100% after certain levels (8)	SWEPCo	10.25%
Michigan	2%	100% in one area, 0% in the other area	I&M	13.00%
Tennessee	1%	Not Applicable	Kingsport	12.00%

- (1) Represents the percentage of revenues from sales to retail customers from AEP utility companies operating in each state to the total AEP System revenues from sales to retail customers for the year ended December 31, 2009.
- (2) Identifies the predominant authorized return on equity and may not include other, less significant, permitted recovery. Actual return on equity varies from authorized return on equity.
- (3) CSPCo's and OPCo's generation revenues are governed by its Electric Security Plans (ESP) filed and approved by the PUCO. Starting in April 2009, the ESP became effective which authorized rate increases during the ESP period, subject to caps that limit the rate increases for CSPCo to 7% in 2009, 6% in 2010 and 6% in 2011 and for OPCo to 8% in 2009, 7% in 2010 and 8% in 2011. Some rate components and increases are exempt from the cap limitations. The ESP also provided for a fuel adjustment clause for the three-year period of the ESP. CSPCo and OPCo provide distribution services at cost based rates approved by the PUCO. Transmission services are provided at OATT rates based on rates established by the FERC.
- (4) Operating in the ERCOT region of Texas and consists of distribution and transmission functions. Generation operations were divested in compliance with the Texas electric restructuring.
- (5) There is an annual \$37.5 million credit established for off-system sales in base rates. If the off-system sales profits exceed the amount built into base rates, I&M reimburses ratepayers 50% of the excess.