Large Filing Separator Sheet

Case Number: 11-351-EL-AIR
11-352-EL-AIR
11-353-EL-ATA
11-354-EL-ATA
11-356-EL-AAM
11-358-EL-AAM

File Date: 3/14/11

Section: 2 of 2

Number of Pages: 135

Description of Document: Volume 1
Pre-filed Direct Testimonies
of
Andrea E. Moore and David A. Davis

COMPANY EX. NO._____

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively, AEP Ohio) for an Increase in Electric Distribution Rates	)	Case No. 11-351-EL-AIR Case No. 11-352-EL-AIR
In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively AEP Ohio) for Tariff Approval	)	Case No. 11-353-EL-ATA Case No. 11-354-EL-ATA
In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively AEP Ohio) for Approval to Change Accounting Methods	)	Case No. 11-356-EL-AAM Case No. 11-358-EL-AAM

PREFILED DIRECT TESTIMONY OF
ANDREA E. MOORE
ON BEHALF OF
COLUMBUS SOUTHERN POWER COMPANY
AND
OHIO POWER COMPANY

Management Policies, Practices & Organizations

Operating Income

Rate Base

Allocations

Rate of Return

X Rates and Tariffs

Other

Filed March 14th, 2011

INDEX TO DIRECT TESTIMONY OF
ANDREA E. MOORE

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO
DIRECT TESTIMONY OF
ANDREA E. MOORE
ON BEHALF OF
COLUMBUS SOUTHERN POWER
AND
OHIO POWER COMPANY

I. PERSONAL DATA

Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

A. My name is Andrea E. Moore and my business address is 850 Tech Center Drive, Gahanna, Ohio 43230.

Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?

A. I am employed by American Electric Power Service Corporation as Manager, Regulated Pricing and Analysis for Columbus Southern Power Company (CSP) and Ohio Power Company (OPCo), collectively known as AEP Ohio or the Company. AEPSC is a subsidiary of the American Electric Power Company Inc. (AEP) and provides technical and other services to AEP Ohio and other operating units within the AEP System. In 2009, I began focusing solely on AEP Ohio's regulated pricing matters.

Q. WHAT ARE YOUR RESPONSIBILITIES AS MANAGER – REGULATED PRICING AND ANALYSIS?

A. I am responsible for directing the preparation and presentation of regulatory matters to management as well as regulatory bodies. I plan, organize and direct team activities to develop and support pricing structures, rider and true-up filings, maintenance of tariffs, pilot programs, special contracts and other pricing initiatives depending on assigned function.

Q. WHAT IS YOUR EDUCATIONAL AND PROFESSIONAL BACKGROUND?

A. I received my Bachelor of Science in Accounting degree from the University of Rio Grande. I completed the Basic Concepts of Rate Making class through New Mexico State University. I earned a Master of Business Administration degree from Franklin University. I joined AEPSC in 2001 as an Accountant and joined the Regulatory Tariffs department as a Regulatory Analyst III in 2004. I progressed through various positions before being promoted to my current position of Manager – Regulated Pricing and Analysis. My duties within the regulatory department have included preparing cost-of-service studies for regulatory filings, preparing cost based formula rates for wholesale customers, preparing rider filings and rate designs, maintaining tariff books as well as other projects related to regulatory issues and proceedings, individual customer requests and general rate matters.

Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN A REGULATORY PROCEEDING?

A. Yes. I submitted testimony on behalf of AEP Ohio in the Company's currently pending Electric Security Plan (ESP). I have also submitted testimony before the Virginia State Corporation Commission on behalf of Appalachian Power Company.

II. PURPOSE OF TESTIMONY

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to support the Company's proposed changes to the Terms and Conditions of service, including the updated prices for miscellaneous distribution charges. I will also support updated pole attachment charges, updates of certain current rider rates, administration of the Deferred Asset Recovery Rider (DARR) and the administration of the Distribution Investment Rider (DIR).

Q. ARE YOU SPONSORING ANY SCHEDULE?

A. Yes. I am sponsoring the following Schedules:

Schedule E-1 - Proposed Clean Tariffs

Schedule E-2a - Redlined current tariffs

Schedule E-2b - Current clean tariffs

Schedule E-3 - Rationale for tariff changes

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes, I am sponsoring the following exhibits:

Exhibit AEM-1 – Errata Corrections to Prefiling Notice

Exhibit AEM-2 – Calculation of Miscellaneous Charges in Terms and Conditions

Exhibit AEM-3 – Calculation of Pole Attachment Charges

Exhibit AEM-4 - Example of combined current rider rates in anticipation of a merged Company

Exhibit AEM-5 - Calculation of DARR

Exhibit AEM-6 - Initial filing example of the DIR

Exhibit AEM-7 – Subsequent quarterly true-up filing example of the DIR

Exhibit AEM-8 – Clean DARR Tariff Sheet Errata to Schedule E-1

Exhibit AEM-9 – Redline DARR Tariff Sheet Errata to Schedule E-2a

III. PROPOSED CHANGES TO TERMS AND CONDITIONS OF SERVICE

Q. PLEASE EXPLAIN THE MODIFICATIONS OF THE TERMS AND CONDITIONS PROPOSED BY THE COMPANY.

A. The modifications to the Terms and Conditions were mostly to align the language of both OPCo and CSP, in anticipation of merging the two Companies. In addition to rearranging paragraphs, some language changes were created in order to more clearly explain or clarify Company Policies and Procedures.

Q. PLEASE EXPLAIN THE ADDITION OF A SERVICE FEE FOR MULTIPLE TRIPS FOR NEW SERVICE INSTALLATIONS.

A. The last paragraph in section 9, Service Connections, includes the addition of a service fee for multiple trips for new service installations. When a customer is ready for service, a single trip is required to install the service. This fee is only assessed when customers have not fulfilled their requirement and the Company must make multiple trips to install service due to Company or jurisdictional inspection requirements not being met. In the absence of this fee, this cost is absorbed by other customers.

Q. PLEASE DESCRIBE THE CHANGES TO SECTION 14, METER REGISTRATION AND TESTING.

A. The first two paragraphs in this section were adopted from CSP's Terms and Conditions. This language requires customers to be responsible for installing and

maintaining the mounting or meter enclosures, or sockets. Customer responsibility is currently OPCo's practice. CSP however has yet to implement this practice and will begin implementation effective with the decision of this case. Also addressed here is the customer's responsibility to install a dedicated analog phone line, as well as changes in the meter location requirements to a maximum of five feet and minimum of three feet from the ground. This meter location requirement change will not affect current customers, only service going forward. These requirements are given to customers at the time they apply for service. All of the above changes, with the exception of the analog phone line, are currently the processes of OPCo with the exception of the ownership and responsibility of the meter enclosures and sockets.

Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 15 INTERVAL METERING INSTALLATIONS.

A. The Company is proposing that customers requesting interval metering for their benefit should bear all of the associated costs, including the necessary telecommunication costs. The Company has been seeing an increase in cases where remote interrogation is not possible due to the absence of analog phone lines. This causes multiple trips by meter electricians to manually read the interval meters.

Q. PLEASE DESCRIBE THE CHANGES MADE TO SECTION 21, DEPOSITS.

A. The interest applied to customer deposits held by the Company for at least six months was changed to no less than 3%. Company witness Dias discusses this change.

Q. IN PREPARING THE FILING DID THE COMPANY IDENTIFY ANY UPDATES TO THE TARIFFS INCLUDED IN THE PREFILING NOTICE?

A. Yes. There were a few updates needed to the tariffs. These updates are reflected in Exhibit AEM-1. There was an additional update needed to Schedules E-1 and E-2a for the DARR. These updated tariff sheets are shown as Exhibit AEM-8 and AEM-9.

IV. MISCELLANEOUS CHARGES

Q. PLEASE EXPLAIN THE CHANGES TO MISCELLANEOUS CHARGES WITHIN THE TERMS AND CONDITIONS.

A. The miscellaneous charges in the Terms and Conditions were modified to reflect the Company's current costs of labor and vehicle expenses. These costs have not been updated in the Terms and Conditions since the 1990s base rate cases for CSP and OPCo. Exhibit AEM-2 shows the current costs and rate calculations for miscellaneous charges.

V. POLE ATTACHMENT CHARGES

Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED CHANGES TO POLE ATTACHMENT CHARGES.

A. The Company's pole attachment charges have remained unchanged for decades. A rate change is necessary in order to allow the Company to recover its costs to

inspect, maintain and inventory pole attachments. In order to capture the correct amount to charge for pole attachments, the Company has used the formula created by the Federal Communications Commission (FCC) pursuant to Section 224 of the Communications Act. Although this formula is tied to the amounts from the Utility's FERC Form 1, the rates calculated have used the fully adjusted jurisdictional distribution-only values.

Q. WHAT IS THE RESULT OF THE UPDATED POLE ATTACHMENT CHARGE?

A. The current pole attachment rates are $3.72 and $2.83 per pole per year for OPCo and CSP respectively. The proposed rate is $8.12, based on the FCC formula discussed above, resulting in a 118% and 187% increase for each Company respectively. The Company is proposing an initial contact rate of $3.78. If the Commission determines that the rate increase needs to be capped in this proceeding, the shortfall will be recovered from all other customers. These updated rates are shown in Exhibit AEM-3.

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE POLE ATTACHMENTS TARIFF AS IT RELATES TO UNAUTHORIZED POLE ATTACHMENTS?

A. Yes. The Company is proposing to implement charges for unauthorized pole attachments if those attachments are not in compliance with the National Electric Safety Code.

Q. PLEASE EXPLAIN WHY THE COMPANY FEELS THAT THESE CHARGESARE APPROPRIATE.

A. Currently the Company performs inventories of pole attachments approximately every 5 years. At that time, attachments in the field are compared to the record of attachments that are charged for yearly. Any attachments found in the field and not in record are considered unauthorized. The attaching company must then pay AEP Ohio the owed back rental for these unauthorized attachments for a maximum of five years. The attachers benefit from free access until found in inventory and there is no penalty. The Company is penalized in the current year for the attachers not paying the appropriate charges for pole attachments. When the Company receives a proposal for an attachment, an engineering analysis is performed to determine if the existing pole will adequately support the new attachment. Unauthorized attachments bypass this engineering review. The additional charge will allow the Company to perform the engineering analysis, to make any corrections necessary to meet NESC compliance, and will deter the attachers from attaching without permission to do so.

VI. CURRENT RIDER COMBINED RATES

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE CURRENT RIDER RATES?

A. Yes. Exhibit AEM-4 shows an example of how the calculation of the gridSMART®, Enhanced Service Reliability, Economic Development, Universal Service Fund and Energy Efficiency/Peak Demand Reduction Cost Recovery Riders would be combined if the Companies' request to merge, presently being considered in Case No. 10-2376-EL-UNC, is approved.

VII. ADDITIONAL COMPANY PROPOSED RIDERS

Q. IS THE COMPANY REQUESTING ANY ADDITIONAL RIDERS?

A. Yes. The Company is requesting the approval of a DARR Rider and a DIR.

Q. PLEASE EXPLAIN THE DARR.

A. The Company has several existing regulatory assets as referenced by Company witnesses Mitchell and Dias. Please see Exhibit AEM-5 for a worksheet that shows the proposed revenue requirement and collection method. The Company proposes that the rider continue until all costs are recovered. To reduce customer impact, the Company is proposing a rider to collect these charges over a 7 year period, beginning in January 2013.

Q. IS THE COMPANY PROPOSING A CARRYING COST ON THESE REGULATORY ASSETS?

A. Yes. The Company is asking for a single carrying cost on the uncollected balance of these assets based on the pre-tax WACC as supported by Company witness Hawkins. These assets are shown on Exhibit AEM-5. Not included in the balance in Exhibit AEM-5 are $4,052,126 of Monongahela Power's regulatory assets, as described by Company witness Dias. The first $4,052,126 collected from the DARR will recover these assets with all remaining collections recovering the additional balance shown in Exhibit AEM-5.

Q. PLEASE EXPLAIN THE RECOVERY MECHANISM OF THE DARR.

A. The Company is proposing that the DARR be collected as a percentage of base distribution revenue. The assets deferred for recovery are storm expenses, line extensions, customer choice implementation, green pricing, Monongahela Power

integration costs and the 2006-2008 Rate Stabilization Plan (RSP) rate case expenses. These regulatory assets relate almost entirely to the distribution responsibilities of the Company. Therefore, the Company is recommending the collection of the DARR through a percentage of base distribution revenue charge of 11.8088%. This percentage is based on current distribution revenues and will need to be updated to reflect distribution rate relief. This rider will be subject to over/under recovery.

Q. PLEASE EXPLAIN THE DIR.

A. The Company is requesting the approval of a rider that will allow carrying costs on incremental distribution plant to be recovered each year using a pre-tax WACC as well as an O&M component as sponsored by Company witness Kirkpatrick. The Company is proposing an increase in rates to account for the net plant increase each year. Company witness Kirkpatrick testifies to the need for investment in distribution assets for the future. The Company is proposing to update this rider quarterly in 2012 based on the incremental increase in the net plant balance as shown on Form 3Q, which is filed quarterly with the Federal Energy Regulatory Commission (FERC). Any assets recovered through other riders will be excluded from the DIR. This rider will be subject to over/under recovery. Because the costs are directly related to the Company infrastructure, the rider will be collected as a percentage of base distribution revenue. Exhibit AEM-6[1] shows an example of the initial rider filing after approval of distribution rates. Exhibit AEM-7 shows an example of subsequent quarterly filings which

[1] In the event that Distribution rates are approved after the Electric Security Plan rates as requested in Case Nos. 11-346-EL-SSO and 11-348-EL-SSO an additional true-up may be required on Exhibit AEM-6.

will reflect the rate change for the change in the net plant, plus a true-up of the previous quarterly filing's revenue requirement versus rider collections.

Q. DOES THIS CONCLUDE YOUR PREFILED DIRECT TESTIMONY?

A. Yes.

Errata Changes to Pre-Filing Notice

Columbus Southern Power Standard Tariff
(PFN Exhibit 3 I)

Original Sheet	Description
Page 1	Removed Reference to Monongahela Power Rider. This Rider will expire.
Page 11	Remove "non-residential" from #4.
Page 11	8(a) Remove Last sentence " It is the responsibility of the customer who paid the CIAC cost to notify the Company when a new customer is connected and utilizes the line extension associated with the CIAC cost incurred."
Page 31	Rate Table for Storage Water Heating was left off
Page 45	Term of Contract - GS-2 Contract changed from 500 KW to 1,000 KW. Also the notification period changed from 6 months to 90 days
Page 51	Firm Service Designation- Refers to GS-4. This should be GS-2. Schedule GS-4 will be eliminated
Page 58	In Option 2 & 3, first sentence states that "The customer sells to the Company the total energy and produced+ need to remove the word and
Page 60	Remove "and Capacity" from heading " Monthly Credits or Payments for Energy and Capacity Deliveries"
Page 90	Last sentence reads "attachment of wire or cable. This should read "attachment" is the attachment...

Errata Changes to Pre-Filing Notice

Ohio Power Standard Tariff
(PFN Exhibit 3 I)

Original Sheet	Description
Page 1	Removed Reference to Monongahela Power Rider. This Rider will expire.
Page 16	Remove "non-residential" from #4.
Page 16	8(a) Remove Last sentence " It is the responsibility of the customer who paid the CIAC cost to notify the Company when a new customer is connected and utilizes the line extension associated with the CIAC cost incurred."
Page 36	Rate Table for Storage Water Heating was left off
Page 50	Term of Contract - GS-2 Contract changed from 500 KW to 1,000 KW. Also the notification period changed from 6 months to 90 days
Page 56	Firm Service Designation- Refers to GS-4. This should be GS-2. Schedule GS-4 will be eliminated
Page 63-65	P.U.C.O. Number should be 20, not 19
Page 97	Last sentence reads "attachment of wire or cable. This should read "attachment" is the attachment...

Errata Rate Changes to PFN

Schedule	Description	PFN Rate	Corrected Rate	CSP Sheet No.	OP Sheet No.	Combined Sheet No.
RS	Experimental RS-TOD Customer Charge	$9.25	$8.40	10-4	10-4	10-4
GS-1	Experimental GS-TOD Customer Charge	$8.70	$7.85	20-3	20-3	203
GS-2	Secondary Off Peak Demand Charge	$0.00	$4.90	21-1	21-1	21-1
	Primary Off Peak Demand Charge	$0.00	$3.81	21-1	21-1	21-1
SL	New 2012 - 22,000 Lumen (200 Watt) Cutoff	$20.02	$25.53	41-3	41-5	41-6
	New 2012 - 50,000 Lumen (400 Watt) Cutoff	$22.95	$28.46	41-3	41-5	41-6
	OP Existing on Wood Pole 7,000 L. (175 W) Mercury	$ 4.19	$ 4.20		41-1	41-1
	OP New Metal Pole 50,000 L. (400 W) HPS	$ 24.09	$ 26.00		41-3	41-3
	OP New Multiple on Metal - 16,000 L. (150 W) HPS	$ 13.28	$ 13.39		41-3	41-3
	OP New Multiple on Metal - 22,000 L. (200 W) HPS	$ 13.79	$ 14.41		41-3	41-3
	OP New Multiple on Metal - 50,000 L. (400 W) HPS	$ 14.48	$ 16.56		41-3	41-3
	CSP HPS 100 Watt Standard	$ 6.97	$ 7.72	41-1		41-4
	CSP HPS 150 Watt Standard	$ 7.46	$ 8.76	41-1		41-4
	CSP HPS 200 Watt Standard	$ 9.59	$ 10.00	41-1		41-4
	CSP HPS 400 Watt Standard	$ 11.92	$ 12.80	41-1		41-4
EE/PDR Rider	GS-3 Rate	0.3845	0.26773	81-1		81-1
DARR	Distribution Asset Recovery Rider	12.2562%	11.8088%	87-1	87-1	87-1

Ohio Power Company
Miscellaneous Service Revenue Increases

	Tariff Sheet	09/09-08/10 Test Year Charges	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue
Reconnect Charges						
Single phase - regular business hours	3 - 15	22,317	$36	$803,412	$0	$0
All other - regular business hours	3 - 15	104	$90	$9,360	$0	$0
Single phase - overtime	3 - 15	4,241	$92	$390,172	$0	$0
All other - overtime	3 - 15	14	$145	$2,030	$0	$0
At meter - regular business hours	Revised	21,760	$0	$0	$53	$1,153,279
At meter - overtime	Revised	4,360	$0	$0	$98	$427,251
At meter - Sunday or holiday	Revised	25	$0	$0	$119	$2,956
At pole - regular business hours	Revised	442	$0	$0	$154	$68,119
At pole - overtime	Revised	89	$0	$0	$192	$17,016
At pole - Sunday or holiday	Revised	1	$0	$0	$221	$112
*Remove & reset meter	Revised	44	$0	$0	$73	$3,190
Install locking device	Revised	157	$0	$0	$73	$11,486
At customer's request for non-credit reasons	Revised	131	$0	$0	$77	$10,096
Collection Trip Charge	3 - 14	77,000	$18	$1,386,000	$16	$1,232,000
Meter Test Charges						
Single phase meters	3 - 12	0	$59	$0	$64	$0
All other meters	3 - 12	0	$73	$0	$85	$0
Minimum Fraudulent or Tampering Charge	Revised	300	$38.13	$11,439	$49	$14,700
Returned Check Charge	3 - 4	5,321	$10	$53,210	$9	$47,889
Temporary Service						
Read-in/Read-out existing meter	3 - 10	942	$23.50	$22,137	$57	$53,694
Overhead - 120/240 V, 1 ph, 200A	3 - 10	612	$204	$124,848	$237	$145,044
Underground - 120/240 V, 1 ph, 200A	Revised	200	$0	$0	$134	$26,800
Connect Phone Line			$54		$57	
Perform Manual Meter Read			$39		$43	
Check Phone Line & Perform Manual Read			$44		$47	
Repair/Replace Surge Protector			$65		$119	
Repair/Replace Interval Board			$146		$121	
Repair/Replace Modem Board			$236		$210	
Repair/Replace Interval and Modem Boards			$304		$260	
Total Miscellaneous Service Revenue				$2,802,608		$3,213,632

$411,024 Schedule E3.2 Line 1347

Ohio Power Company

Miscellaneous Service Revenue Increases

For the Reconnect Charges - Revised, Ohio Power Company does not have all needed data to reallocate in the new categories from the Single Phase and All Other categories. For estimating purposes we have redistributed the number of charges using weighted averages from Columbus Southern Power Company for the same Test Year as follows:

Columbus Southern Power Company			
At meter - regular business hours	24,817		
At meter - overtime	5,065		
At meter - Sunday or holiday	28		
At pole - regular business hours	583		
At pole - overtime	24		
At pole - Sunday or holiday	1		
*Remove & reset meter	50	percent of total	0.16%
Install locking device	180	percent of total	0.59%
At customer's request for non-credit reasons	150	percent of total	0.49%
Total non-pay reconnects	30,518		
Total non-pay reconnects - reg bus hrs	25,400	percent of total	83.23%
Total non-pay reconnects - overtime	5,089	percent of total	16.68%
Total non-pay reconnects - Sun/hol	29	percent of total	0.10%
Total at meter	29,910	percent of total	98.01%
Total at pole	608	percent of total	1.99%
Ohio Power Company total (22,317 + 104 + 4241 + 14)	26,676		
Number at meter (26,676 * 98.01%)	26,145		
Number at pole (26,676 * 1.99%)	531		
Number at meter - reg hrs (26,145 * 80.83%)	21,760		
Number at meter - ot (26,145 * 19.02%)	4,360		
Number at meter - Sun/hol (26,145 * 0.15%)	25		
Number at pole - reg hrs (531 * 80.83%)	442		
Number at pole - ot (531 * 19.02%)	89		
Number at pole (531 * 0.15%)	1		
No. of *Remove & reset mtr (26,676 * 0.08%)	44		
No. of Install lock device (26,676 * 0.63%)	157		
No. of Cust request non-credit (26,676 * 0.66%)	131		

*Remove and Reset Meter will no longer be a practice. Such situations going forward will fall under Install Locking Device.

For the Minimum Fraudulent or Tampering Charge - Revised, Ohio Power Company holds customers liable for such actions as indicated on sheet 3 - 8. In turn, the Company applies all costs associated with such an investigation and resolution. The majority of the charges applied (352 of 531) resulted in charges to cover labor to investigate and installation of a locking device on the meter enclosure at a minimum. The resulting revenue will be used as a base benchmark.

For the Underground Temporary Service - Revised, Ohio Power Company does not typically provide (nor is requested to provide), but when it does it is provided at actual costs. It is estimated that making such a fixed fee available, may result in 200 - 300 requests annually.

Columbus Southern Power Company
Miscellaneous Service Revenue Increases

	Tariff Sheet	09/09-08/10 Test Year Charges	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue
Reconnect Charges						
At meter - regular business hours	5 - 1	24,817	$11.30	$280,432	$53	$1,315,301
At meter - overtime	5 - 1	5,065	$80	$405,200	$98	$496,370
At meter - Sunday or holiday	5 - 1	28	$105	$2,940	$119	$3,332
At pole - regular business hours	5 - 1	583	$60	$34,980	$154	$89,782
At pole - overtime	5 - 1	24	$180	$4,320	$192	$4,608
At pole - Sunday or holiday	5 - 1	1	$230	$230	$221	$221
*Remove & reset meter	5 - 1	50	$28	$1,400	$73	$3,650
Install locking device	5 - 1	180	$38	$6,840	$73	$13,140
At customer's request for non-credit reasons	5 - 1	150	$30	$4,500	$77	$11,550
Collection Trip Charge	5 - 1	122,851	$8	$982,808	$16	$1,965,616
Meter Test Charges						
All meters	5 - 2	0	$28	$0	$0	$0
Single phase meters	Revised	0	$0	$0	$64	$0
All other meters	Revised	0	$0	$0	$85	$0
Minimum Fraudulent or Tampering Charge	5 - 2	362	$25	$9,050	$49	$17,738
Returned Check Charge	5 - 1	6,734	$6	$40,404	$9	$60,606
Temporary Service						
Read-in/Read-out existing meter	Revised	1	$30	$30	$57	$57
Overhead - 120/240 V, 1 ph, 200A	Revised	272	$230	$62,560	$237	$64,464
Underground - 120/240 V, 1 ph, 200A	Revised	1,240	$160	$198,400	$134	$166,160
Connect Phone Line			$54		$57	
Perform Manual Meter Read		298	$39	$11,622	$43	$12,814
Check Phone Line & Perform Manual Read		1	$44	$44	$47	$47
Repair/Replace Surge Protector			$65		$119	
Repair/Replace Interval Board			$146		$121	
Repair/Replace Modem Board			$236		$210	
Repair/Replace Interval and Modem Boards			$304		$260	
Total Miscellaneous Service Revenue				$2,045,760		$4,225,456
				Total Revenue Differential		**$2,179,696** Schedule E3.2 Line 1350

*Remove and Reset Meter will no longer be a practice. Such situations going forward will fall under Install Locking Device.

For the Meter Test Charges - Revised, Columbus Southern Power Company did not have any cases for this test period, nor did Ohio Power Company. It is recognized that a single charge for All Meter is not accurate and recommended that Columbus Southern Power adapt to charges for single phase and all other meters.

For the Temporary Service - Revised, Columbus Southern Power Company applies costs as indicated on sheet 3 - 6. They have adopted fixed amounts for 120/240 V, 1 ph, 200A overhead and underground services from an existing source at the request of customers and in recognizing minimal differentiation of estimated costs for such services. The resulting revenue will be used as a base benchmark.

AEP OHIO
Miscellaneous Service Revenue Increases

	Tariff Sheet	09/09-08/10 Test Year Charges	Current Rate	Current Revenue	Proposed Rate	Proposed Revenue
Reconnect Charges						
Current OPCo Charges				$1,204,974		$0
At meter - regular business hours	5 - 1	46,577		280,432	$53	$2,468,580
At meter - overtime	5 - 1	9,425		405,200	$98	$923,621
At meter - Sunday or holiday	5 - 1	53		2,940	$119	$6,288
At pole - regular business hours	5 - 1	1,025		34,980	$154	$157,901
At pole - overtime	5 - 1	113		4,320	$192	$21,624
At pole - Sunday or holiday	5 - 1	2		230	$221	$333
*Remove & reset meter	5 - 1	94		1,400	$73	$6,840
Install locking device	5 - 1	337		6,840	$73	$24,626
At customer's request for non-credit reasons	5 - 1	281		4,500	$77	$21,646
Collection Trip Charge	5 - 1	199,851		2,368,808	$16	$3,197,616
Meter Test Charges						
All meters	5 - 2	0		$0	$0	$0
Single phase meters	Revised	0		$0	$64	$0
All other meters	Revised	0		$0	$85	$0
Minimum Fraudulent or Tampering Charge	5 - 2	662		20,489	$49	$32,438
Returned Check Charge	5 - 1	12,055		93,614	$9	$108,495
Temporary Service						
Read-in/Read-out existing meter	Revised	943		22,167	$57	$53,751
Overhead - 120/240 V, 1 ph, 200A	Revised	884		187,408	$237	$209,508
Underground - 120/240 V, 1 ph, 200A	Revised	1,440		198,400	$134	$192,960
Connect Phone Line		0		0	$57	$0
Perform Manual Meter Read		298		11,622	$43	$12,814
Check Phone Line & Perform Manual Read		1		44	$47	$47
Repair/Replace Surge Protector		0		0	$119	$0
Repair/Replace Interval Board		0		0	$121	$0
Repair/Replace Modem Board		0		0	$210	$0
Repair/Replace Interval and Modem Boards		0		0	$260	$0
Total Miscellaneous Service Revenue				$4,848,368		$7,439,088

Total Revenue Differential **$2,590,720** Schedule E

Ohio Power Miscellaneous Distribution Charges	Cost

1. Reconnect at meter for non-pay during regular business hours (8:00 a.m. to 4:00 p.m.) when disconnect is made at meter.

Current charge:
Single Phase $36.00
All Other $90.00

Proposed charge: $65.00

Average travel time per trip: 30 Minutes

Labor: MRO Specialist @ $23.08 per hour plus fringes at 66% x .5 hour =	$19.16
Average time to disconnect and reconnect: 12 minutes	
Labor: $23.08 per hour plus fringes at 66% x .2 hour =	7.66
Vehicle cost for class 24: $7.79 per hour x .7 hour =	5.45
Total cost justified reconnect charge	$32.27
Cost justified disconnect charge	32.27
Total rounded cost justified charge	$65.00

2. Reconnect at meter for non-pay during overtime hours after 4:00 p.m. and Saturday.

Current charge:
Single Phase $92.00
All Other $145.00

Proposed charge: $109.00

Average travel time per trip: 1 hour

Labor: MRO Specialist @ $23.08 per hour x 1.5 (time and a half) x 2 hr. (min) =	$69.24
(Two hour union contractual call out minimum)	
Vehicle cost for class 24: $7.79 per hour x 1 hour =	7.79
Total cost justified reconnect charge	$77.03
Cost justified disconnect charge (during regular hours)	32.27
Total rounded cost justified charge	$109.00

Ohio Power Miscellaneous Distribution Charges	Cost

3. Reconnect at meter on Sunday or holiday when double time is required.

Current charge: Proposed charge: $132.00

Single Phase $92.00
All Other $145.00

Average travel time: 1 hour

Labor: $23.08 per hour x 2 (double time) x 2 hr. (min.) =	$92.32
(Two hour union contractual call out minimum)	
Vehicle cost for class 24: $7.79 per hour x 1 hour =	7.79
Total cost justified reconnect charge	$100.11
Cost justified disconnect charge (during regular hours)	32.27
Total rounded cost justified charge	$132.00

4. Reconnect for non-pay during regular business hours (8:00 a.m. to 4:00 p.m.) when disconnect is made at pole.

Current charge: Proposed charge: $154.00

Single Phase $92.00
All Other $145.00

Average travel and time to disconnect or reconnect: 1 hour

Labor: Line Mechanic A @ $28.76 per hour plus fringes at 66% x 1 hour =	$47.74
Vehicle cost for class 77: $29.32 per hour x 1 hour =	29.32
Cost justified reconnect charge	$77.06
Cost justified disconnect charge	77.06
Total rounded cost justified charge	$154.00

Ohio Power Miscellaneous Distribution Charges	Cost

5. Reconnect for non-pay during overtime hours when disconnect is made at pole.
(Disconnect during regular hours/reconnect during overtime hours)

Current charge:
Single Phase $92.00
All Other $145.00

Proposed charge: $193.00

Average travel and time to disconnect or reconnect: 1 hour

Reconnect: Line Mechanic A @ $28.76/hr. x 1.5 (overtime) x 2 hr. (min) =	$86.28
(Two hour union contractual call out minimum)	
Vehicle cost for class 77: $29.32 per hour x 1 hour =	29.32
Cost justified reconnect charge	$115.60
Disconnect: Line Mechanic A @ $28.76/hr. plus fringes at 66% (reg. time)	$47.74
Vehicle cost for class 77: $29.32 per hour x 1 hour =	29.32
Total rounded cost justified charge	$193.00

6. Reconnect at pole on Sunday or holidays when double time is required.
(Disconnect during regular hours/reconnect during overtime hours)

Current charge:
Single Phase $92.00
All Other $145.00

Proposed charge: $221.00

Average travel time: 1 hour

Labor: $28.76 per hour x 2 (double time) x 2 hr. (min.) =	$115.04
(Two hour union contractual call out minimum)	
Vehicle cost for class 77: $29.32 per hour x 1 hour =	29.32
Total cost justified reconnect charge	$144.36
Disconnect: Line Mechanic A @ $28.76/hr.x 1 hour plus fringes at 66% (reg. time)	$47.74
Vehicle cost for class 77: $29.32 per hour x 1 hour =	29.32
Total rounded cost justified charge	$221.00

Ohio Power Miscellaneous Distribution Charges	Cost

7. Install locking device and reconnect service.

Current charge: $0.00 Proposed charge: $78.00

Average travel time per trip: 30 Minutes	
Labor: MRO Specialist @ $23.08 per hour plus fringes at 66% x .50 hour =	$19.16
Average time to install lock and reconnect meter 15 minutes	
Labor: $23.08 per hour plus fringes at 66% x .25 hour =	9.58
Locking device (Jiffy Lock)	10.55
Vehicle cost for class 24: $7.79 per hour x .75 hour =	6.54
Cost justified disconnect charge	32.27
Total cost justified reconnect charge	$78.00

8. Disconnect and Reconnect at customer's request for non-credit related reasons.

Current charge: $30.00 Proposed charge: $77.00

Disconnect/Reconnect is made at pole, weatherhead, secondary bushings of transformer or other similar manner. Customer will be assessed charge for each trip.

Cost justified reconnect charge from item #4.	$77.00
Cost justified disconnect charge from item #4.	$77.00

Ohio Power Miscellaneous Distribution Charges	Cost

9. Collection trip charge accessed the customer for each time an employees is dispatched to the customer's premise for the purpose of performing collection activities.

Current charge: $18.00 Proposed charge: $23.00

Average travel time per trip: 25 Minutes	
Labor: MRO Specialist @ $23.08 per hour plus fringes at 66% x .417 hour =	$15.98
Average time to complete collection task at customer site: 5 minutes	
Labor: MRO Specialist @ $23.08 per hour plus fringes at 66% x .083 hour =	$3.18
Vehicle cost for class 24: $7.79 per hour x .5 hour =	3.90
Total cost justified reconnect charge	$23.00

10. Meter test charge for single phase meters for each subsequent test conducted within thirty-six (36) months of the last previous test.

Current charge: $59.00 Proposed charge: $71.00

Average travel time per trip: 45 minutes	
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 66% x .75 hour	$35.81
Vehicle cost for class 40: $9.24 per hour x 1.25 hours =	11.55
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 66% x .5 hour =	23.87
Total rounded cost justified charge for single phase meters	$71.00

Ohio Power Miscellaneous Distribution Charges	Cost

11. Meter test charge for other than single phase meters for each subsequent test conducted within thirty-six (36) months of the last previous test.

Current charge: $73.00 Proposed charge: $100.00

Average travel time per trip: 45 minutes	
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 66% x .75 hour =	$35.81
Vehicle cost for class 40: $9.24 per hour x 1.75 hours =	16.17
Average time at meter other than single phase: one hour	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 66% x 1 hour =	47.74
Total rounded cost justified charge for other than single phase	$100.00

12. Minimum charge to investigate tampering or fraudulent practice.

Current charge: $0.00 Proposed charge: $49.00

Average travel time per trip: 30 Minutes	
Labor: MRO Specialist @ $23.08 per hour plus fringes at 66% x .5 hour =	$19.16
Average time to investigate and inspect equipment 20 minutes	
Labor: $23.08 per hour plus fringes at 66% x .333 hour =	12.76
Locking device (Jiffy Lock)	10.55
Vehicle cost for class 24: $7.79 per hour x .833 hour =	6.49
Total cost justified tampering of fraud charge	$49.00

Ohio Power Miscellaneous Distribution Charges	Cost

13. Returned check charge.

Current charge: $10.00 Proposed charge: $9.00

Bank fee per returned check	$4.20
Labor: Direct Collection Associate @ $16.80 per hour plus fringes at 56% x 1/12 hours (average p	2.18
Labor: Payment Option Coordinator @ $38.60 per hour plus fringes at 56% x 1/20 hours (average	3.01
Total rounded cost justified charge processing and review	$9.00

14. Temporary service requiring only reading-in and reading-out an existing meter.

Current charge: $30.00 Proposed charge: $65.00

Same as disconnect and reconnect at meter during normal business hours.

Total cost justified charge from item #1.	$65.00

15. Connect Phone Line

Current charge: $54.00 Proposed charge: $57.00

Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 66% x .5 hour =	$23.87
Vehicle cost for class 40: $9.24 per hour x 1 hour =	$9.24
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 66% x .5 hour =	$23.87
Total rounded cost justified charge for single phase meters	$57.00

Ohio Power Miscellaneous Distribution Charges	Cost

16. Perform Manual Meter Read

Current charge: $39.00 Proposed charge: $45.00

Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 66% x .5 hour =	$23.87
Vehicle cost for class 40: $9.24 per hour x 1 hour =	$9.24
Average time at meter single phase: 15 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 66% x .25 hour =	$11.94
Total rounded cost justified charge for single phase meters	$45.00

17. Check Phone Line and Perform Manual Meter Read Due to Loss of Communication

Current charge: $44.00 Proposed charge: $49.00

Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 66% x .5 hour =	$23.87
Vehicle cost for class 40: $9.24 per hour x 1 hour =	$9.24
Average time at meter single phase: 20 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 66% x .333 hour =	$15.90
Total rounded cost justified charge for single phase meters	$49.00

18. Repair/Replace Surge Protector

Current charge: $65.00 Proposed charge: $121.00

Total Cost justified charge from Item #17.	$49.00
Average time at meter single phase: 10 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 66% x .167 hour =	$7.97
Cost of Surge Protector	$64.00
Total rounded cost justified charge for single phase meters	$121.00

Ohio Power Miscellaneous Distribution Charges	Cost
19. Repair/Replace Interval Board	
Current charge: $146.00 Proposed charge: $123.00	
Total Cost justified charge from Item #17.	$49.00
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 66% x .5 hour =	$23.87
Cost of Interval board	$50.00
Total rounded cost justified charge for single phase meters	$123.00
20. Repair/Replace Modem Board	
Current charge: $236.00 Proposed charge: $212.00	
Total Cost justified charge from Item #17.	$49.00
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 66% x .5 hour =	$23.87
Cost of Modem board	$139.00
Total rounded cost justified charge for single phase meters	$212.00
21. Repair/Replace Interval and Modem Boards	
Current charge: $304.00 Proposed charge: $262.00	
Total Cost justified charge from Item #17.	$49.00
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 66% x .5 hour =	$23.87
Cost of Modem and Interval Board	$189.00
Total rounded cost justified charge for single phase meters	$262.00

Ohio Power Miscellaneous Distribution Charges		Cost

22. Temporary service - 120/240V, 1 ph, 200A with 100 foot service lateral from permanent overhead source. Install and remove service.

Current charge: $204.00	Proposed charge: $238.00	$ 238.00

23. Temporary service - 120/240 V, 1 ph, 200 A with 100 foot service lateral from permanent underground source. Install and remove service.

Current charge: Actual Cost	Proposed charge: $138.00	$ 138.00

Columbus Southern Power Company Miscellaneous Distribution Charges	Cost
1. Reconnect at meter for non-pay during regular business hours (8:00 a.m. to 4:00 p.m.) when disconnect is made at meter.	
Current charge $11.30 Proposed charge: $48.00	
Average travel time per trip: 20 Minutes	
Labor: MRO Specialist @ $23.08 per hour plus fringes at 63% x .333 hour =	$12.53
Average time to disconnect and reconnect: 12 minutes	
Labor: $23.08 per hour plus fringes at 63% x .2 hour =	$7.52
Vehicle cost for class 24: $7.79 per hour x .533 hour =	$4.15
Total cost justified reconnect charge	$24.20
Cost justified disconnect charge	$24.20
Total rounded cost justified charge	$48.00
2. Reconnect at meter for non-pay during overtime hours after 4:00 p.m. and Saturdays.	
Current charge: $80.00 Proposed charge: $101.00	
Average travel time per trip: 1 hour	
Labor: MRO Specialist @ $23.08 per hour x 1.5 (time and a half) x 2 hr. (min) = (Two hour union contractual call out minimum)	$69.24
Vehicle cost for class 24: $7.79 per hour x 1 hour =	$7.79
Total cost justified reconnect charge	$77.03
Cost justified disconnect charge (during regular hours)	$24.20
Total rounded cost justified charge	$101.00

Columbus Southern Power Company Miscellaneous Distribution Charges	Cost

3. Reconnect at meter on Sunday or holidays when double time is required.

Current charge 105.00 Proposed charge: $124.00

Average travel time: 1 hour	
Labor: MRO Specialist @ $23.08 per hour x 2 (double time) x 2 hr. (min.) =	$92.32
(Two hour union contractual call out minimum)	
Vehicle cost for class 24: $7.79 per hour x 1 hour =	$7.79
Total cost justified reconnect charge	$100.11
Cost justified disconnect charge (during regular hours)	$24.20
Total rounded cost justified charge	$124.00

4. Reconnect for non-pay during regular business hours (8:00 a.m. to 4:00 p.m.) when disconnect is made at pole.

Current charge: $60.00 Proposed charge: $152.00

Average travel and time to disconnect or reconnect: 1 hour	
Labor: Line Mechanic A @ $28.76 per hour plus fringes at 63% x 1 hour =	$46.88
Vehicle cost for class 77: $29.32 per hour x 1 hour =	$29.32
Cost justified reconnect charge	$76.20
Cost justified disconnect charge	$76.20
Total rounded cost justified charge	$152.00

Columbus Southern Power Company Miscellaneous Distribution Charges	Cost
5. Reconnect for non-pay during overtime hours when disconnect is made at pole. (Disconnect during regular hours/reconnect during overtime hours)	
Current charge: $180.00 Proposed charge: $192.00	
Average travel and time to disconnect or reconnect: 1 hour	
Reconnect: Line Mechanic A @ $28.76/hr. x 1.5 (overtime) x 2 hr. (min) =	$86.28
(Two hour union contractual call out minimum)	
Vehicle cost for class 77: $29.32 per hour x 1 hours =	$29.32
Cost justified reconnect charge	$115.60
Disconnect: Line Mechanic A @ $28.76/hr. plus fringes at 63% (reg. time)	$46.88
Vehicle cost for class 77: $29.32 per hour x 1 hours =	$29.32
Total rounded cost justified charge	$192.00
6. Reconnect at pole on Sunday or holiday when double time is required. (Disconnect during regular hours/reconnect during Sunday or holiday)	
Current charge: $230.00 Proposed charge: $221.00	
Average travel and time to disconnect or reconnect: 1 hour	
Labor: $28.76 per hour x 2 (double time) x 2 hr. (min.) =	$115.04
(Two hour union contractual call out minimum)	
Vehicle cost for class 77: $29.32 per hour x 1 hours =	$29.32
Total cost justified reconnect charge	$144.36
Disconnect: Line Mechanic A @ $28.76/hr. plus fringes at 63% (reg. time)	$46.88
Vehicle cost for class 77: $29.32 per hour x 1 hours =	$29.32
Total rounded cost justified charge	$221.00

Columbus Southern Power Company Miscellaneous Distribution Charges	Cost

7. Install locking device and reconnect service.

Current charge: $38.00 Proposed charge: $69.00

Average travel time per trip: 30 Minutes	
Labor: MRO Specialist @ $23.08 per hour plus fringes at 63% x .50 hour =	$18.81
Average time to install lock and reconnect meter 15 minutes	
Labor: $23.08 per hour plus fringes at 63% x .25 hour =	$9.41
Locking device (Jiffy Lock)	$10.55
Vehicle cost for class 24: $7.79 per hour x .75 hour =	$5.84
Cost justified disconnect charge	$24.20
Total cost justified reconnect charge	$69.00

8. Disconnect and Reconnect at customer's request for non-credit related reasons.

Current charge: $30.00 Proposed charge: $76.00

Disconnect/Reconnect is made at pole, weatherhead, secondary bushings of transformer or other similar manner. Customer will be assessed charge for each trip.

Cost justified reconnect charge from item #4.	$76.00
Cost justified disconnect charge from item #4.	$76.00

Columbus Southern Power Company Miscellaneous Distribution Charges	Cost

9. Collection trip charge is accessed the customer for each time an employees is dispatched to the customer's premise for the purpose of performing collection activities.

Current charge: $8.00 Proposed charge: $15.00

Average travel time per trip: 15 minutes	
Labor: MRO Specialist @ $23.08 per hour plus fringes at 63% x .25 hour =	$9.41
Average time to complete collection task at customer site: 5 minutes	
Labor: MRO Specialist @ $23.08 per hour plus fringes at 63% x .083 hour =	$3.12
Vehicle cost for class 24: $7.79 per hour x .333 hour =	$2.59
Total cost justified reconnect charge	$15.00

10. Meter test charge for single phase meters for each subsequent test conducted within thirty-six (36) months of the last previous test.

Current charge: $28.00 Proposed charge: $56.00

Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 63% x .5 hour =	$23.44
Vehicle cost for class 40: $9.24 per hour x 1 hour =	$9.24
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 63% x .5 hour =	$23.44
Total rounded cost justified charge for single phase meters	$56.00

Columbus Southern Power Company Miscellaneous Distribution Charges	Cost

11. Meter test charge for other than single phase meters for each subsequent test conducted within thirty-six (36) months of the last previous test.

Current charge: $28.00 Proposed charge: $70.00

Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 63% x .5 hour	$23.44
Vehicle cost for class 40: $9.24 per hour x 1.25 hour =	$11.55
Average time at meter other than single phase: 45 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 63% x .75 hour =	$35.16
Total rounded cost justified charge for other than single phase	$70.00

12 Minimum charge to investigate tampering or fraudulent practice.

Current charge: $25.00 Proposed charge: $48.00

Average travel time per trip: 30 Minutes	
Labor: MRO Specialist @ $23.08 per hour plus fringes at 63% x .5 hour =	$18.81
Average time to investigate and inspect equipment 20 minutes	
Labor: $23.08 per hour plus fringes at 63% x .333 hour =	$12.53
Locking device (Jiffy Lock)	$10.55
Vehicle cost for class 24: $7.79 per hour x .833 hour =	$6.49
Total cost justified tampering or fraud charge	$48.00

13. Returned check charge.

Current charge: $6.00 Proposed charge: $9.00

Bank fee per returned check	$4.20
Labor: Direct Collection Associate @ $16.80 per hour plus fringes at 56% x 1/12 hours (average process	$2.18
Labor: Payment Option Coordinator @ $38.60 per hour plus fringes at 56% x 1/20 hours (average proces	$3.01
Total rounded cost justified charge	$9.00

Columbus Southern Power Company Miscellaneous Distribution Charges	Cost

14. Temporary service requiring only reading-in and reading-out an existing meter.

Current charge: $30.00 Proposed charge: $48.00

Same as disconnect and reconnect at meter during normal business hours.

Total cost justified charge from item #1. $48.00

15. Connect Phone Line

Current charge: $54.00 Proposed charge: $56.00

Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 63% x .5 hour =	$23.44
Vehicle cost for class 40: $9.24 per hour x 1 hour =	$9.24
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 63% x .5 hour =	$23.44
Total rounded cost justified charge for single phase meters	$56.00

16. Perform Manual Meter Read

Current charge: $39.00 Proposed charge: $42.00

Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 63% x .5 hour =	$23.44
Vehicle cost for class 40: $9.24 per hour x 3/4 hour =	$6.93
Average time at meter single phase: 15 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 63% x .25 hour =	$11.72
Total rounded cost justified charge for single phase meters	$42.00

Columbus Southern Power Company Miscellaneous Distribution Charges	Cost
17. Check Phone Line and Perform Manual Meter Read Due to Loss of Communication	
Current charge: $44.00 Proposed charge: $47.00	
Average travel time per trip: 30 minutes	
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 63% x .5 hour =	$23.44
Vehicle cost for class 40: $9.24 per hour x .833 hour =	$7.70
Average time at meter single phase: 20 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 63% x .333 hour =	$15.61
Total rounded cost justified charge for single phase meters	$47.00
18. Repair/Replace Surge Protector	
Current charge: $65.00 Proposed charge: $119.00	
Total Cost justified charge from Item #17.	$47.00
Average time at meter single phase: 10 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 63% x .167 hour =	$7.83
Cost of Surge Protector	$64.00
Total rounded cost justified charge for single phase meters	$119.00
19. Repair/Replace Interval Board	
Current charge: $146.00 Proposed charge: $120.00	
Total Cost justified charge from Item #17.	$47.00
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 63% x .5 hour =	$23.44
Cost of Interval board	$50.00
Total rounded cost justified charge for single phase meters	$120.00

Columbus Southern Power Company Miscellaneous Distribution Charges	Cost
20. Repair/Replace Modem Board	
Current charge: $236.00 Proposed charge: $209.00	
Total Cost justified charge from Item #17.	$47.00
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 63% x .5 hour =	$23.44
Cost of Modem board	$139.00
Total rounded cost justified charge for single phase meters	$209.00
21. Repair/Replace Interval and Modem Boards	
Current charge: $304.00 Proposed charge: $259.00	
Total Cost justified charge from Item #17.	$47.00
Average time at meter single phase: 30 minutes	
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 63% x .5 hour =	$23.44
Cost of Modem and Interval Board	$189.00
Total rounded cost justified charge for single phase meters	$259.00
22. Temporary service - 120/240V, 1 ph, 200A with 100 foot service lateral from permanent overhead source. Install and remove service.	
Current charge: Actual Cost Proposed charge: $236.00	$236.00
23. Temporary service - 120/240 V, 1 ph, 200 A with 100 foot service lateral from permanent underground source. Install and remove service.	
Current charge: Actual Cost Proposed charge: $129.00	$129.00

Post Merger Ohio Power Company Miscellaneous Distribution Charges	Cost	Schedule Reference

1. Reconnect at meter for non-pay during regular business hours (8:00 a.m. to 4:00 p.m.) when disconnect is made at meter.

Current charge: Proposed charge: $53.00

Weighted Average travel time per trip: 25 Minutes		
Labor: MRO Specialist @ $23.08 per hour plus fringes at 65% x .42 hour =	$15.99	
Average time to disconnect and reconnect: 12 minutes		
Labor: $23.08 per hour plus fringes at 65% x .2 hour =	7.62	
Vehicle cost for class 24: $7.79 per hour x .611 hour =	4.76	
Total cost justified reconnect charge	$28.37	
Cost justified disconnect charge	28	Schedule E-1 Part 2A & C Page 14
Total rounded cost justified charge	$57.00	
AMI Meter Adjustment Rounded 7% Credit	-$4.00	
Total AMI Adjusted cost justified Rounded Charge	$53.00	Schedule E-1 Part 2A & C Page 30

2. Reconnect at meter for non-pay during overtime hours after 4:00 p.m. and Saturday.

Current charge: Proposed charge: $98.00

Average travel time per trip: 1 hour		
Labor: MRO Specialist @ $23.08 per hour x 1.5 (time and a half) x 2 hr. (min) = (Two hour union contractual call out minimum)	$69.24	
Vehicle cost for class 24: $7.79 per hour x 1 hour =	7.79	
Total cost justified reconnect charge	$77.00	Schedule E-1 Part 2A & C Page 14
Cost justified disconnect charge (during regular hours)	28.37	
Total rounded cost justified charge	$105.00	
AMI Meter Adjustment Rounded 7% Credit	-$7.00	
Total AMI Adjusted cost justified Rounded Charge	$98.00	Schedule E-1 Part 2A & C Page 30

Post Merger Ohio Power Company Miscellaneous Distribution Charges	Cost	Schedule Reference

3. Reconnect at meter on Sunday or holiday when double time is required.

Current charge: Proposed charge: $119.00

Average travel time: 1 hour		
Labor: $23.08 per hour x 2 (double time) x 2 hr. (min.) =	$92.32	
(Two hour union contractual call out minimum)		
Vehicle cost for class 24: $7.79 per hour x 1 hour =	7.79	
Total cost justified reconnect charge	$100.00	Schedule E-1 Part 2A & C Page 14
Cost justified disconnect charge (during regular hours)	28.37	
Total rounded cost justified charge	$128.00	
AMI Meter Adjustment Rounded 7% Credit	-$9.00	
Total AMI Adjusted cost justified Rounded Charge	$119.00	Schedule E-1 Part 2A & C Page 30

4. Reconnect for non-pay during regular business hours (8:00 a.m. to 4:00 p.m.) when disconnect is made at pole.

Current charge: Proposed charge: $154.00

Average travel and time to disconnect or reconnect: 1 hour		
Labor: Line Mechanic A @ $28.76 per hour plus fringes at 65% x 1 hour =	$47.45	
Vehicle cost for class 77: $29.32 per hour x 1 hour =	29.32	
Cost justified reconnect charge	$76.77	
Cost justified disconnect charge	77.00	
Total rounded cost justified charge	$154.00	Schedule E-1 Part 2A & C Page 30

Post Merger Ohio Power Company Miscellaneous Distribution Charges	Cost	Schedule Reference
5. Reconnect for non-pay during overtime hours when disconnect is made at pole. (Disconnect during regular hours/reconnect during overtime hours)		
Current charge: Proposed charge: $192.00		
Average travel and time to disconnect or reconnect: 1 hour		
Reconnect: Line Mechanic A @ $28.76/hr. x 1.5 (overtime) x 2 hr. (min) = (Two hour union contractual call out minimum)	$86.28	
Vehicle cost for class 77: $29.32 per hour x 1 hour =	29.32	
Cost justified reconnect charge	$115.60	
Disconnect: Line Mechanic A @ $28.76/hr. plus fringes at 65% (reg. time)	$47.45	
Vehicle cost for class 77: $29.32 per hour x 1 hour =	29.32	
Total rounded cost justified charge	$192.00	Schedule E-1 Part 2A & C Page 30
6. Reconnect at pole on Sunday or holidays when double time is required. (Disconnect during regular hours/reconnect during overtime hours)		
Current charge: Proposed charge: $221.00		
Average travel time: 1 hour		
Labor: $28.76 per hour x 2 (double time) x 2 hr. (min.) = (Two hour union contractual call out minimum)	$115.04	
Vehicle cost for class 77: $29.32 per hour x 1 hour =	29.32	
Total cost justified reconnect charge	$144.36	
Disconnect: Line Mechanic A @ $28.76/hr.x 1 hour plus fringes at 65% (reg. time)	$47.45	
Vehicle cost for class 77: $29.32 per hour x 1 hour =	29.32	
Total rounded cost justified charge	$221.00	Schedule E-1 Part 2A & C Page 30

Post Merger Ohio Power Company Miscellaneous Distribution Charges	Cost	Schedule Reference

7. Install locking device and reconnect service.

Current charge: $0.00 Proposed charge: $73.00

Average travel time per trip: 30 Minutes		
Labor: MRO Specialist @ $23.08 per hour plus fringes at 65% x .50 hour =	$19.04	
Average time to install lock and reconnect meter 15 minutes		
Labor: $23.08 per hour plus fringes at 65% x .25 hour =	9.52	
Locking device (Jiffy Lock)	10.55	
Vehicle cost for class 24: $7.79 per hour x .75 hour =	5.84	
Cost justified disconnect charge	28.37	
Total cost justified reconnect charge	$73.00	Schedule E-1 Part 2A & C Page 30

8. Disconnect and Reconnect at customer's request for non-credit related reasons.

Current charge: $00.00 Proposed charge: $77.00

Disconnect/Reconnect is made at pole, weatherhead, secondary bushings of transformer or other similar manner. Customer will be assessed charge for each trip.

Cost justified reconnect charge from item #4.	$77.00	Schedule E-1 Part 2A & C Page 30
Cost justified disconnect charge from item #4.	$77.00	

Post Merger Ohio Power Company Miscellaneous Distribution Charges	Cost	Schedule Reference

9. Collection trip charge accessed the customer for each time an employees is dispatched to the customer's premise for the purpose of performing collection activities.

Current charge: $00.00 Proposed charge: $16.00

Average travel time per trip: 19 Minutes		
Labor: MRO Specialist @ $23.08 per hour plus fringes at 65% x .317 hour =	$12.07	
Average time to complete collection task at customer site: 2 minutes		
Labor: MRO Specialist @ $23.08 per hour plus fringes at 65% x .033 hour =	$1.26	
Vehicle cost for class 24: $7.79 per hour x .4 hour =	3.12	
Total cost justified reconnect charge	$16.00	Schedule E-1 Part 2A & C Page 29

10. Meter test charge for single phase meters for each subsequent test conducted within thirty-six (36) months of the last previous test.

Current charge: $00.00 Proposed charge: $64.00

Average travel time per trip: 38 minutes		
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 65% x .633 hour	$30.04	
Vehicle cost for class 40: $9.24 per hour x 1.13 hours =	10.44	
Average time at meter single phase: 30 minutes		
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 65% x .5 hour =	23.73	
Total rounded cost justified charge for single phase meters	$64.00	Schedule E-1 Part 2A & C Page 20

Post Merger Ohio Power Company Miscellaneous Distribution Charges	Cost	Schedule Reference
11. Meter test charge for other than single phase meters for each subsequent test conducted within thirty-six (36) months of the last previous test.		
Current charge: $00.00 Proposed charge: $85.00		
Average travel time per trip: 38 minutes		
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 65% x .633 hour =	$30.04	
Vehicle cost for class 40: $9.24 per hour x 1.5 hours =	13.86	
Average time at meter other than single phase: 52.5 mins		
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 65% x 52.5 mins =	41.52	
Total rounded cost justified charge for other than single phase	$85.00	Schedule E-1 Part 2A & C Page 20
12. Minimum charge to investigate tampering or fraudulent practice.		
Current charge: $0.00 Proposed charge: $49.00		
Average travel time per trip: 30 Minutes		
Labor: MRO Specialist @ $23.08 per hour plus fringes at 65% x .5 hour =	$19.04	
Average time to investigate and inspect equipment 20 minutes		
Labor: $23.08 per hour plus fringes at 65% x .333 hour =	12.68	
Locking device (Jiffy Lock)	10.55	
Vehicle cost for class 24: $7.79 per hour x .833 hour =	6.49	
Total cost justified tampering of fraud charge	$49.00	Schedule E-1 Part 2A & C Page 20
13. Returned check charge.		
Current charge: $00.00 Proposed charge: $9.00		
Bank fee per returned check	$4.20	
Labor: Direct Collection Associate @ $16.80 per hour plus fringes at 56% x 1/12 hours (a	2.18	
Labor: Payment Option Coordinator @ $38.60 per hour plus fringes at 56% x 1/20 hours (	3.01	
Total rounded cost justified charge processing and review	$9.00	Schedule E-1 Part 2A & C Page 28

Post Merger Ohio Power Company Miscellaneous Distribution Charges	Cost	Schedule Reference

14. Temporary service requiring only reading-in and reading-out an existing meter.

Current charge: $00.00 Proposed charge: $57.00

Same as disconnect and reconnect at meter during normal business hours.

Total cost justified charge from item #1.	$57.00	Schedule E-1 Part 2A & C Page 21

15. Connect Phone Line

Current charge: $54.00 Proposed charge: $57.00

Average travel time per trip: 30 minutes		
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 65% x .5 hour =	$23.73	
Vehicle cost for class 40: $9.24 per hour x 1 hour =	$9.24	
Average time at meter single phase: 30 minutes		
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 65% x .5 hour =	$23.73	
Total rounded cost justified charge for single phase meters	$57.00	Schedule E-1 Part 2A & C Page 21

16. Perform Manual Meter Read

Current charge: $39.00 Proposed charge: $43.00

Average travel time per trip: 30 minutes		
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 65% x .5 hour =	$23.73	
Vehicle cost for class 40: $9.24 per hour x 3/4 hour =	$6.93	
Average time at meter single phase: 15 minutes		
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 65% x .25 hour =	$11.86	
Total rounded cost justified charge for single phase meters	$43.00	Schedule E-1 Part 2A & C Page 21

Post Merger Ohio Power Company Miscellaneous Distribution Charges	Cost	Schedule Reference
17. Check Phone Line and Perform Manual Meter Read Due to Loss of Communication		
Current charge: $44.00 Proposed charge: $47.00		
Average travel time per trip: 30 minutes		
Labor: MRO Electrician A @ $28.76 per hour plus fringes at 65% x .5 hour =	$23.73	
Vehicle cost for class 40: $9.24 per hour x 50 min =	$7.70	
Average time at meter single phase: 20 minutes		
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 65% x .333 hour =	$15.80	
Total rounded cost justified charge for single phase meters	$47.00	Schedule E-1 Part 2A & C Page 21
18. Repair/Replace Surge Protector		
Current charge: $65.00 Proposed charge: $119.00		
Total Cost justified charge from Item #17.	$47.00	
Average time at meter single phase: 10 minutes		
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 65% x .167 hour =	$7.92	
Cost of Surge Protector	$64.00	
Total rounded cost justified charge for single phase meters	$119.00	Schedule E-1 Part 2A & C Page 21
19. Repair/Replace Interval Board		
Current charge: $146.00 Proposed charge: $121.00		
Total Cost justified charge from Item #17.	$47.00	
Average time at meter single phase: 30 minutes		
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 65% x .5 hour =	$23.73	
Cost of Interval board	$50.00	
Total rounded cost justified charge for single phase meters	$121.00	Schedule E-1 Part 2A & C Page 21

Post Merger Ohio Power Company Miscellaneous Distribution Charges	Cost	Schedule Reference
20. Repair/Replace Modem Board		
Current charge: $236.00 Proposed charge: $210.00		
Total Cost justified charge from Item #17.	$47.00	
Average time at meter single phase: 30 minutes		
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 65% x .5 hour =	$23.73	
Cost of Modem board	$139.00	
Total rounded cost justified charge for single phase meters	$210.00	Schedule E-1 Part 2A & C Page 21
21. Repair/Replace Interval and Modem Boards		
Current charge: $304.00 Proposed charge: $260.00		
Total Cost justified charge from Item #17.	$47.00	
Average time at meter single phase: 30 minutes		
Labor : MRO Electrician A @ $28.76 per hour plus fringes at 65% x .5 hour =	$23.73	
Cost of Modem and Interval Board	$189.00	
Total rounded cost justified charge for single phase meters	$260.00	Schedule E-1 Part 2A & C Page 21
22. Temporary service - 120/240V, 1 ph, 200A with 100 foot service lateral from permanent overhead source. Install and remove service.		
Current charge: $00.00 Proposed charge: $237.00	$237.00	Schedule E-1 Part 2A & C Page 18
23. Temporary service - 120/240 V, 1 ph, 200 A with 100 foot service lateral from permanent underground source. Install and remove service.		
Current charge: Actual Cost Proposed charge: $134.00	$134.00	Schedule E-1 Part 2A & C Page 18

AEP-OH CATV and General Revenues

	2010 Attachment Count	Current Tariff	Revenue	Combined Tariff	Revenue	Pole Attachment Revenue Adjustment	
Ohio Power	285,602	3.72	$ 1,062,439	8.12	$ 2,319,088	$ 1,256,649	Schedule E3.2 Line 1347
Columbus Southern Power	228,528	2.83	$ 646,734	8.12	$ 1,855,647	$ 1,208,913	Schedule E3.2 Line 1358
Total	514,130		$ 1,709,174		$ 4,174,736	$ 2,465,562	

***Revenues are for yearly rental only. This does not include initial attachment fees.

	2010 Initial Contact Count	Current Tariff	Revenue	Combined Tariff	Revenue	Initial Contact Revenue Adjustment	
Ohio Power	1,817	1.19	$ 2,162	3.78	$ 6,868	$ 4,706	Schedule E3.2 Line 1347
Columbus Southern Power	3,740	1.19	$ 4,451	3.78	$ 14,137	$ 9,687	Schedule E3.2 Line 1358
Total	5,557		$ 6,613		$ 21,005	$ 14,393	

Total PA Revenue Adjustment $ 2,479,955

OHIO POWER
CALCULATION OF ANNUAL POLE COST - JOINT USE
Distribution Case Data from Workpaper OPCo Jurisdictional Cost of Service

Line	Description	Acct. Ref.	Report Reference or Formula	$
1	Gross Investment			
2	Poles	364	COS Page 3 Ln 6 Col 8	325,702,514
3	Conductor	365	COS Page 3 Ln 7 Col 8	281,574,210
4	Services	369	COS Page 3 Ln 8 Col 8	135,157,954
5	Total Overhead Accts		Sum Accts 364,365,369	742,434,677
6	Total Dist. Plant		COS Page 3 Ln 16 Col 8	1,599,363,171
7				
8	Deprec. Reserve			
9	Poles		(L2/L6)*L11	106,626,795
10	Overhead Accts		(L5/L6)*L11	243,054,403
11	Total Dist. Plant		COS Page 4 Ln 10 Col 8	523,591,196
12				
13	Deferred Taxes			
14	Poles		(L2-L9)/(L6-L11)*L21	35,232,012
15	Overhead Accts		(L5-L10)/(L6-L11)*L21	80,310,918
16	Distribution Utility Plant			
17	For Accel. Amort. Ppty	281	COS Page 5 Ln1 5 Col 8	0
18	For Other Ppty	282	COS Page 5 Ln 16 Col 8	151,532,561
19	Deferred FIT-Other	283	COS Page 5 Ln 17 & 18 Col 8	65,631,268
20	Deferred Taxes	190	COS Page 5 Ln 14 Col 8	44,156,926
21	Deferred Taxes Tot. Plt.		Sum Accts 281,282,283 Less 190	173,006,903
22				
23	Net Pole Investment		L2-L9-L14	183,843,706
24	Net Overhead Accts		L5-L10-L15	419,069,357
25	Net Plant Investment		L6-L11-L21	902,765,072
26				
27	Appurt. Elimination Rate		Rate for Electric Company	15.00%
28	Number of Poles		Company Records	652,347
29	Net Cost of a Bare Pole		(L23*(1-L27))/L28	239.55
30				
31	Deprec. Rate - Poles		Depreciation Study	5.54%
32	Administrative Exp.		COS Page 9 Line 54 Col 8	35,389,025
33	Pole Maintenance Exp		L23/L24*L34	16,244,869
34	Mainten. of Overhead Lines	593	COS Page 8 Line 17,18 &19 Col 8	37,029,970
35	Operating Taxes			
36	Taxes Other Than Income	408	COS Page 11 Line 11 Col 8	64,487,954
37	Income Taxes - Federal	409.1a	COS Page 11 Line 24 Col 8	-4,081,145
38	Income Taxes - Other	409.1b	COS Page 11 Line 21 Col 8	-181,269
39	Provision for Def. Inc. Tax	410.1	COS Page 11 Line 22 Col 8	122,230
40	Provision for Def. Inc. Tax (cr.)	411.1	COS Page 11 Line 25 Col 8	15,979,477
41	Investment Tax Cr. Adj. - Net	411.4	COS Page 11 Line 26 Col 8	0
42	Operating Taxes - Total			76,327,247
43				
44	Depreciation Expense Factor		(L31*L2)/L23	9.81%
45	Admin. Factor		L32/L25	3.92%
46	Pole Mainten. Factor		L33/L23	8.84%
47	Tax Expense Factor		L42/L25	8.45%
48	Rate of Return		Commission Order	11.25%
49	Annual Cost Factor		L44+L45+L46+L47+L48	42.27%
50	Annual Net Pole Cost		L49*L29	$101.28
51	CATV Co. Space %		1FT/13.5FT	7.41%
52	CATV Co. Attachment Fee		L51*L50	$7.50

COLUMBUS SOUTHERN POWER
CALCULATION OF ANNUAL POLE COST - JOINT USE
Distrbution Case Data from Workpaper CSP Jurisdictional Cost of Service

Line	Description	Acct. Ref.	Report Reference or Formula	$
1	Gross Investment			
2	Poles	364	COS Page 3 Ln 6 Col 8	230,957,605
3	Conductor	365	COS Page 3 Ln 7 Col 8	230,847,465
4	Services	369	COS Page 3 Ln 8 Col 8	136,107,963
5	Total Overhead Accts		Sum Accts 364,365,369	597,913,033
6	Total Dist. Plant		COS Page 3 Ln 16 Col 8	1,749,713,592
7				
8	Deprec. Reserve			
9	Poles		(L2/L6)*L11	96,156,027
10	Overhead Accts		(L5/L6)*L11	248,932,880
11	Total Dist. Plant		COS Page 4 Ln 10 Col 8	728,469,226
12				
13	Deferred Taxes			
14	Poles		(L2-L9)/(L6-L11)*L21	28,539,429
15	Overhead Accts		(L5-L10)/(L6-L11)*L21	73,884,107
16	Distribution Utility Plant			
17	For Accel. Amort. Ppty	281	COS Page 5 Ln 15 Col 8	0
18	For Other Ppty	282	COS Page 5 Ln 16 Col 8	176,794,800
19	Deferred FIT-Other	283	COS Page 5 Ln 17 & 18 Col 8	78,863,924
20	Deferred Taxes	190	COS Page 5 Ln 14 Col 8	39,446,633
21	Deferred Taxes Tot. Plt.		Sum Accts 281,282,283 Less 190	216,212,091
22				
23	Net Pole Investment		L2-L9-L14	106,262,149
24	Net Overhead Accts		L5-L10-L15	275,096,045
25	Net Plant Investment		L6-L11-L21	805,032,275
26				
27	Appurt. Elimination Rate		Rate for Electric Company	15.00%
28	Number of Poles		Company Records	334,613
29	Net Cost of a Bare Pole		(L23*(1-L27))/L28	269.93
30				
31	Deprec. Rate - Poles		Depreciation Study	4.14%
32	Administrative Exp.		COS Page 10 Line 43 Col 8	38,922,727
33	Pole Maintenance Exp		L23/L24*L34	9,885,511
34	Mainten. of Overhead Lines	593	COS Page 9 Line 18 & 19 Col 8	25,592,038
35	Operating Taxes			
36	Taxes Other Than Income	408	COS Page 12 Line 11 Col 8	80,713,806
37	Income Taxes - Federal	409.1a	COS Page 12 Line 18 Col 8	8,204,507
38	Income Taxes - Other	409.1b	COS Page 12 Line 15 Col 8	257,792
39	Provision for Def. Inc. Tax	410.1	COS Page 12 Line 16 Col 8	154,040
40	Provision for Def. Inc. Tax (cr.)	411.1	COS Page 12 Line 19 Col 8	11,642,743
41	Investment Tax Cr. Adj. - Net	411.4	COS Page 12 Line 20 Col 8	-216,160
42	Operating Taxes - Total			100,756,728
43				
44	Depreciation Expense Factor		(L31*L2)/L23	9.00%
45	Admin. Factor		L32/L25	4.83%
46	Pole Mainten. Factor		L33/L23	9.30%
47	Tax Expense Factor		L42/L25	12.52%
48	Rate of Return		Commission Order	11.25%
49	Annual Cost Factor		L44+L45+L46+L47+L48	46.90%
50	Annual Net Pole Cost		L49*L29	$126.60
51	CATV Co. Space %		1FT/13.5FT	7.41%
52	CATV Co. Attachment Fee		L51*L50	$9.38

Combined CSP&OP
CALCULATION OF ANNUAL POLE COST - JOINT USE
Distrbution Case Data

Line	Description	$
1	Gross Investment	
2	Poles	556,660,119
3	Conductor	512,421,675
4	Services	271,265,916
5	Total Overhead Accts	1,340,347,710
6	Total Dist. Plant	3,349,076,763
7		
8	Deprec. Reserve	
9	Poles	208,108,727
10	Overhead Accts	501,092,223
11	Total Dist. Plant	1,252,060,422
12		
13	Deferred Taxes	
14	Poles	64,693,259
15	Overhead Accts	155,770,926
16	Distribution Utility Plant	
17	For Accel. Amort. Ppty	0
18	For Other Ppty	328,327,361
19	Deferred FIT-Other	144,495,192
20	Deferred Taxes	83,603,559
21	Deferred Taxes Tot. Plt.	389,218,994
22		
23	Net Pole Investment	283,858,132
24	Net Overhead Accts	683,484,561
25	Net Plant Investment	1,707,797,347
26		
27	Appurt. Elimination Rate	15.00%
28	Number of Poles	986,960
29	Net Cost of a Bare Pole	244.47
30		
31	Deprec. Rate - Poles	4.96%
32	Administrative Exp.	74,311,752
33	Pole Maintenance Exp	26,007,561
34	Mainten. of Overhead Lines	62,622,008
35	Operating Taxes	
36	Taxes Other Than Income	145,201,760
37	Income Taxes - Federal	4,123,362
38	Income Taxes - Other	76,523
39	Provision for Def. Inc. Tax	276,270
40	Provision for Def. Inc. Tax (cr.)	27,622,220
41	Investment Tax Cr. Adj. - Net	-216,160
42	Operating Taxes - Total	177,083,975
43		
44	Depreciation Expense Factor	9.73%
45	Admin. Factor	4.35%
46	Pole Mainten. Factor	9.16%
47	Tax Expense Factor	10.37%
48	Rate of Return	11.25%
49	Annual Cost Factor	44.86%
50	Annual Net Pole Cost	$109.67
51	CATV Co. Space %	7.41%
52	CATV Co. Attachment Fee	$8.12

AEP Ohio gridSMART Rider Rate*

Residential Revenue Requirement		$	4,160,503
Non-Res Revenue Requirement		$	2,233,585
Residential Customers	1,270,439	$	3.27
Non-Residential Customers	185,431	$	12.05
Residential Customers	Monthly Rate	$	0.27
Non-Residential Customers	Monthly Rate	$	1.00

* Revenue Requirement from gridSMART Rider filing as revised in Case No. 10-0164. Ohio Power number of customers added

AEP Ohio Enhanced Service Reliability Rider Rate*

Total Revenue Requirement	$	29,362,141
Base Distribution Revenues	$	641,008,112
AEP Ohio ESRR		4.58062%

* Data from CSP and OPCo Schedules as revised in Case No. 10-0163

AEP Ohio Economic Development Rider Rate*

Total Revenue Requirement	$	61,761,133
Base Distribution Revenues	$	641,008,112
AEP Ohio ESRR		9.63500%

* Data from CSP and OPCo Schedule 1 in Case No. 10-154 & 10-1072 and Schedule 2 in Case No. 09-1095

Calculation of Energy Efficiency and Peak Demand Reduction Rider *

Tariffs	Program Costs ($)	Net Lost Distribution Revenue ($)	Shared Savings ($)	Total ($)	Allocation on Distribution Revenue ($)	Allocated Total ($)	Forecasted Metered Energy (kWh)	EE&PDR ($/kWh)
RS	67,555,061	1,577,570	734,241	69,866,872		69,866,872	24,173,461,862	0.0028902
All Other C&I					208,952,732	87,925,480	32,840,756,551	0.0026773
GS4/IRP					21,866,022	9,201,031	23,932,355,885	0.0003845
Total C&I	94,389,422	865,296	1,871,793	97,126,511	230,818,754	97,126,511	56,773,112,437	
Total	161,944,484	2,442,866	2,606,034	166,993,383		166,993,383	80,946,574,299	

* Amounts calculated based on Case Nos. 09-1089 and 09-1090

Adjustment to Universal Service Fund Rider to reflect one AEP Ohio Rate

		CSP	OPCo	AEP Ohio*
	10-99 USF Rider	0.0001830	0.0001681	0.0001731
	Exhibit DAS REV29 Filed In Case No. 10-725-EL-USF on 11/23/10 as supplemental testimony			
1	10/99 USF Rider	0.0001830	0.0001681	0.0001731
2	USF Rider Revenue Requirement	$ 38,312,674.02	$ 45,159,420.54	$ 83,472,094.56
3	Total kWh Used in Calculation	20,990,164,712	26,017,840,799	47,008,005,511
4	Uniform per Kwh Rate	0.0018253	0.0017357	0.0017757
5	Accounts with Annual kWh Greater than 10,000,000 kWh	118	180	298
6	Total kWh of Accounts Over 10,000,000 kWh Annually	5,753,329,672	10,872,541,304	16,625,870,976
7	First Block Annual kWh (833,334 Monthly)	10,000,000	10,000,000	10,000,000
8	Total kWh in First Block (5) x (7)	1,180,000,000	1,800,000,000	2,980,000,000
9	Revenue First Block Rate x (8)	$ 2,693,661.14	$ 4,635,019.14	$ 7,244,973.57
10	Total Second Block kWh (6) - (8)	4,573,329,672	9,072,541,304	13,645,870,976
11	Lower of 10/99 Rate (1) or Uniform per kWh rate	0.0001830	0.0001681	0.0001731
12	Second Block Revenue (11) x (10)	$ 836,919.33	$ 1,525,094.19	$ 2,362,100.27
13	Total First and Second Block Revenue (9) + (12)	$ 3,530,580.47	$ 6,160,113.33	$ 9,607,073.84
14	Revenue @ ODOD Proposed Rate (6) x (4)	$ 10,501,552.65	$ 18,871,469.94	$ 29,522,559.09
15	Revenue shortfall (13) - (14)	$ (6,970,972.18)	$ (12,711,356.61)	$ (19,915,485.25)
16	Adjusted Cost	$ 34,782,094	$ 38,999,307	$ 73,865,021
17	Adjusted kWh	15,236,835,040	15,145,299,495	30,382,134,535
18	Adjusted First Block Rate	0.0022828	0.0025750	0.0024312

* Weighted CSP and OPCo 1999 Rates based on line 10

Regulatory Asset Rider - Analysis
Calculation of Recovery AEP Ohio
Projected January 2013 through December 2019

Line No.	Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
	AEP Ohio													
1	Base Distribution Revenue:	58,654,859	56,003,793	52,250,084	48,299,071	46,300,306	55,987,364	63,698,531	66,180,446	62,189,686	48,142,654	47,712,474	52,702,732	658,121,999
2	Revenue Requirement	**371,360,996**												
3	Estimated Annual Collection	77,716,361												
4	Reg Asset Rider Rate	11.8088%												
5	Monthly Collection	6,926,439	6,613,380	6,170,112	5,703,544	5,467,514	6,611,440	7,522,037	7,815,122	7,343,860	5,685,073	5,634,274	6,223,564	77,716,361
	Carrying Charge Calculation	January	February	March	April	May	June	July	August	September	October	November	December	Total
6	Year 1 Balance	$ 371,360,996	$ 367,957,424	$ 364,837,035	$ 362,134,037	$ 359,875,988	$ 357,834,423	$ 354,618,139	$ 350,451,364	$ 345,948,392	$ 341,677,709	$ 339,442,498	$ 337,035,036	$ 4,253,373,042
7	Recovery	$ 6,926,439	$ 6,613,380	$ 6,170,112	$ 5,703,544	$ 5,467,514	$ 6,611,440	$ 7,522,037	$ 7,815,122	$ 7,343,860	$ 5,685,073	$ 5,634,274	$ 6,223,564	$ 77,716,361
8	Net	$ 364,434,557	$ 361,344,043	$ 358,666,923	$ 356,430,493	$ 354,408,474	$ 351,222,983	$ 347,096,102	$ 342,636,242	$ 338,604,532	$ 336,192,636	$ 333,808,223	$ 330,811,472	$ 4,175,656,681
9	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
10	Carrying Cost	$ 3,522,867	$ 3,492,992	$ 3,467,114	$ 3,445,495	$ 3,425,949	$ 3,395,156	$ 3,355,262	$ 3,312,150	$ 3,273,177	$ 3,249,862	$ 3,226,813	$ 3,197,844	$ 40,364,681
11	Year 2 Balance	$ 334,009,316	$ 330,244,678	$ 326,759,734	$ 323,688,655	$ 321,058,966	$ 318,642,169	$ 315,047,026	$ 310,497,731	$ 305,608,542	$ 301,147,906	$ 298,318,974	$ 295,513,985	$ 3,780,537,681
12	Recovery	$ 6,926,439	$ 6,613,380	$ 6,170,112	$ 5,703,544	$ 5,467,514	$ 6,611,440	$ 7,522,037	$ 7,815,122	$ 7,343,860	$ 5,685,073	$ 5,634,274	$ 6,223,564	$ 77,716,361
13	Net	$ 327,082,877	$ 323,631,298	$ 320,589,622	$ 317,985,110	$ 315,591,452	$ 312,030,729	$ 307,524,989	$ 302,682,610	$ 298,264,681	$ 295,462,833	$ 292,684,700	$ 289,290,420	$ 3,702,821,320
14	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
15	Carrying Cost	$ 3,161,801	$ 3,128,436	$ 3,099,033	$ 3,073,856	$ 3,050,717	$ 3,016,297	$ 2,972,742	$ 2,925,932	$ 2,883,225	$ 2,856,141	$ 2,829,285	$ 2,796,474	$ 35,793,939
16	Year 3 Balance	$ 292,086,894	$ 287,917,006	$ 284,022,894	$ 280,538,692	$ 277,491,887	$ 274,653,942	$ 270,633,580	$ 265,654,955	$ 260,332,286	$ 255,433,980	$ 252,163,146	$ 248,911,984	$ 3,249,841,247
17	Recovery	$ 6,926,439	$ 6,613,380	$ 6,170,112	$ 5,703,544	$ 5,467,514	$ 6,611,440	$ 7,522,037	$ 7,815,122	$ 7,343,860	$ 5,685,073	$ 5,634,274	$ 6,223,564	$ 77,716,361
18	Net	$ 285,160,455	$ 281,303,626	$ 277,852,782	$ 274,835,147	$ 272,024,373	$ 268,042,502	$ 263,111,543	$ 257,839,834	$ 252,988,425	$ 249,748,907	$ 246,528,872	$ 242,688,420	$ 3,172,124,886
19	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
20	Carrying Cost	$ 2,756,551	$ 2,719,268	$ 2,685,910	$ 2,656,740	$ 2,629,569	$ 2,591,078	$ 2,543,412	$ 2,492,452	$ 2,445,555	$ 2,414,239	$ 2,383,112	$ 2,345,988	$ 30,663,874
21	Year 4 Balance	$ 245,034,408	$ 240,409,678	$ 236,056,329	$ 232,108,450	$ 228,593,487	$ 225,282,857	$ 220,785,240	$ 215,324,748	$ 209,515,552	$ 204,126,018	$ 200,359,206	$ 196,607,273	$ 2,654,203,244
22	Recovery	$ 6,926,439	$ 6,613,380	$ 6,170,112	$ 5,703,544	$ 5,467,514	$ 6,611,440	$ 7,522,037	$ 7,815,122	$ 7,343,860	$ 5,685,073	$ 5,634,274	$ 6,223,564	$ 77,716,361
23	Net	$ 238,107,968	$ 233,796,298	$ 229,886,217	$ 226,404,906	$ 223,125,973	$ 218,671,416	$ 213,263,204	$ 207,509,626	$ 202,171,692	$ 198,440,944	$ 194,724,932	$ 190,383,709	$ 2,576,486,883
24	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
25	Carrying Cost	$ 2,301,710	$ 2,260,031	$ 2,222,233	$ 2,188,581	$ 2,156,884	$ 2,113,824	$ 2,061,544	$ 2,005,926	$ 1,954,326	$ 1,918,262	$ 1,882,341	$ 1,840,376	$ 24,906,038
26	Year 5 Balance	$ 192,224,085	$ 187,088,856	$ 182,220,072	$ 177,751,776	$ 173,711,365	$ 169,870,208	$ 164,836,936	$ 158,835,610	$ 152,480,353	$ 146,539,479	$ 142,215,998	$ 137,902,014	$ 1,985,676,751
27	Recovery	$ 6,926,439	$ 6,613,380	$ 6,170,112	$ 5,703,544	$ 5,467,514	$ 6,611,440	$ 7,522,037	$ 7,815,122	$ 7,343,860	$ 5,685,073	$ 5,634,274	$ 6,223,564	$ 77,716,361
28	Net	$ 185,297,645	$ 180,475,476	$ 176,049,960	$ 172,048,232	$ 168,243,851	$ 163,258,768	$ 157,314,899	$ 151,020,488	$ 145,136,493	$ 140,854,405	$ 136,581,724	$ 131,678,450	$ 1,907,960,390
29	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
30	Carrying Cost	$ 1,791,211	$ 1,744,596	$ 1,701,816	$ 1,663,133	$ 1,626,357	$ 1,578,168	$ 1,520,711	$ 1,459,865	$ 1,402,986	$ 1,361,593	$ 1,320,290	$ 1,272,892	$ 18,443,618
31	Year 6 Balance	$ 132,951,342	$ 127,243,143	$ 121,795,851	$ 116,743,454	$ 112,113,298	$ 107,676,691	$ 102,042,215	$ 95,433,873	$ 88,465,732	$ 81,906,050	$ 76,957,779	$ 72,012,966	$ 1,235,342,393
32	Recovery	$ 6,926,439	$ 6,613,380	$ 6,170,112	$ 5,703,544	$ 5,467,514	$ 6,611,440	$ 7,522,037	$ 7,815,122	$ 7,343,860	$ 5,685,073	$ 5,634,274	$ 6,223,564	$ 77,716,361
33	Net	$ 126,024,902	$ 120,629,763	$ 115,625,739	$ 111,039,910	$ 106,645,782	$ 101,065,251	$ 94,520,178	$ 87,618,751	$ 81,121,872	$ 76,220,976	$ 71,323,505	$ 65,789,402	$ 1,157,626,032
34	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
35	Carrying Cost	$ 1,218,241	$ 1,166,088	$ 1,117,715	$ 1,073,386	$ 1,030,909	$ 976,964	$ 913,695	$ 846,981	$ 784,178	$ 736,803	$ 689,461	$ 635,964	$ 11,190,385
36	Year 7 Balance	$ 86,425,365	$ 80,074,083	$ 73,977,489	$ 68,269,515	$ 62,977,442	$ 57,872,524	$ 51,563,274	$ 44,273,636	$ 36,617,613	$ 29,363,399	$ 23,713,883	$ (1,938,956)	$ 393,189,269
37	Recovery	$ 6,926,439	$ 6,613,380	$ 6,170,112	$ 5,703,544	$ 5,467,514	$ 6,611,440	$ 7,522,037	$ 7,815,122	$ 7,343,860	$ 5,685,073	$ 5,634,274	$ 6,223,564	$ 77,716,361
38	Net	$ 59,498,927	$ 53,460,702	$ 47,807,377	$ 42,565,971	$ 37,509,928	$ 31,261,084	$ 24,041,237	$ 16,458,514	$ 9,273,753	$ 3,678,326	$ (1,920,392)	$ (8,162,520)	$ 315,472,908
39	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
40	Carrying Cost	$ 575,156	$ 516,787	$ 462,138	$ 411,471	$ 362,596	$ 302,190	$ 232,399	$ 159,099	$ 89,646	$ 35,557	$ (18,564)	$ (78,904)	$ 3,049,571

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Line 33 - Line 31 Minus Line 32
Line 34 - Monthly Carrying Cost rate (11.60% / by 12)
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Line 36 - Previous Month Line 33 Plus Line 35
Line 37 - Line 5
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Line 40 - Line 38 Times Line 39

Regulatory Asset Rider - Analysis
Calculation of Recovery Columbus Southern Power Company
Projected January 2013 through December 2019

Line No.	Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
	AEP Ohio													
1	Base Distribution Revenue:	27,656,736	26,579,661	25,462,978	24,098,615	23,227,857	30,799,528	35,617,409	36,984,500	34,416,792	24,608,350	23,686,401	25,417,884	338,556,711
2	Revenue Requirement	**212,595,756**												
3	Estimated Annual Collection	44,490,856												
4	Reg Asset Rider Rate	13.1413%												
5	Monthly Collection	3,634,463	3,492,921	3,346,174	3,166,879	3,052,449	4,047,468	4,680,601	4,860,255	4,522,824	3,233,865	3,112,708	3,340,248	44,490,856
	Carrying Charge Calculation	January	February	March	April	May	June	July	August	September	October	November	December	Total
6	Year 1 Balance	$ 212,595,756	$ 210,961,252	$ 209,494,052	$ 208,140,640	$ 206,955,175	$ 205,873,785	$ 203,777,305	$ 201,021,305	$ 196,057,273	$ 195,405,282	$ 194,029,075	$ 192,761,891	$ 2,439,092,791
7	Recovery	$ 3,634,463	$ 3,492,921	$ 3,346,174	$ 3,166,879	$ 3,052,449	$ 4,047,468	$ 4,680,601	$ 4,860,255	$ 4,522,824	$ 3,233,865	$ 3,112,708	$ 3,340,248	$ 44,490,856
8	Net	$ 208,961,293	$ 207,468,331	$ 206,147,877	$ 204,973,762	$ 203,902,725	$ 201,826,317	$ 199,096,704	$ 196,161,050	$ 193,534,449	$ 192,171,418	$ 190,916,366	$ 189,421,643	$ 2,394,601,935
9	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
10	Carrying Cost	$ 2,019,959	$ 2,005,721	$ 1,992,763	$ 1,981,413	$ 1,971,060	$ 1,950,988	$ 1,924,601	$ 1,896,223	$ 1,870,833	$ 1,857,857	$ 1,845,525	$ 1,831,076	$ 23,147,819
11	Year 2 Balance	$ 191,252,719	$ 189,431,899	$ 187,738,388	$ 186,172,653	$ 184,774,830	$ 183,479,030	$ 181,166,068	$ 178,191,493	$ 175,006,773	$ 172,131,960	$ 170,530,777	$ 169,036,443	$ 2,168,911,032
12	Recovery	$ 3,634,463	$ 3,492,921	$ 3,346,174	$ 3,166,879	$ 3,052,449	$ 4,047,468	$ 4,680,601	$ 4,860,255	$ 4,522,824	$ 3,233,865	$ 3,112,708	$ 3,340,248	$ 44,490,856
13	Net	$ 187,618,256	$ 185,938,978	$ 184,390,214	$ 183,005,774	$ 181,722,381	$ 179,431,563	$ 176,485,466	$ 173,331,237	$ 170,483,948	$ 168,898,095	$ 167,418,069	$ 165,696,195	$ 2,124,420,176
14	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
15	Carrying Cost	$ 1,813,643	$ 1,797,410	$ 1,782,439	$ 1,769,056	$ 1,756,650	$ 1,734,505	$ 1,706,026	$ 1,675,535	$ 1,648,011	$ 1,632,682	$ 1,618,375	$ 1,601,730	$ 20,536,062
16	Year 3 Balance	$ 167,297,925	$ 165,245,542	$ 163,316,230	$ 161,516,433	$ 159,880,267	$ 158,343,819	$ 155,787,683	$ 152,567,985	$ 149,135,572	$ 146,010,671	$ 144,155,982	$ 142,407,702	$ 1,865,667,010
17	Recovery	$ 3,634,463	$ 3,492,921	$ 3,346,174	$ 3,166,879	$ 3,052,449	$ 4,047,468	$ 4,680,601	$ 4,860,255	$ 4,522,824	$ 3,233,865	$ 3,112,708	$ 3,340,248	$ 44,490,856
18	Net	$ 163,663,462	$ 161,752,621	$ 159,970,056	$ 158,349,554	$ 156,827,817	$ 154,296,352	$ 151,107,282	$ 147,707,730	$ 144,612,747	$ 142,776,806	$ 141,044,274	$ 139,067,453	$ 1,821,176,154
19	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
20	Carrying Cost	$ 1,582,080	$ 1,563,809	$ 1,546,377	$ 1,530,712	$ 1,516,002	$ 1,491,531	$ 1,460,704	$ 1,427,841	$ 1,397,923	$ 1,380,176	$ 1,363,428	$ 1,344,319	$ 17,604,703
21	Year 4 Balance	$ 140,411,772	$ 138,099,490	$ 135,907,765	$ 133,843,020	$ 131,939,344	$ 130,132,802	$ 127,304,159	$ 123,808,918	$ 120,098,500	$ 116,692,907	$ 114,555,814	$ 112,520,389	$ 1,525,314,881
22	Recovery	$ 3,634,463	$ 3,492,921	$ 3,346,174	$ 3,166,879	$ 3,052,449	$ 4,047,468	$ 4,680,601	$ 4,860,255	$ 4,522,824	$ 3,233,865	$ 3,112,708	$ 3,340,248	$ 44,490,856
23	Net	$ 136,777,309	$ 134,606,569	$ 132,561,591	$ 130,676,142	$ 128,886,895	$ 126,085,334	$ 122,623,557	$ 118,948,663	$ 115,575,676	$ 113,459,043	$ 111,443,105	$ 109,180,141	$ 1,480,824,025
24	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
25	Carrying Cost	$ 1,322,181	$ 1,301,197	$ 1,281,429	$ 1,263,203	$ 1,245,907	$ 1,218,825	$ 1,185,361	$ 1,149,837	$ 1,117,232	$ 1,096,771	$ 1,077,283	$ 1,055,408	$ 14,314,632
26	Year 5 Balance	$ 110,235,549	$ 107,831,563	$ 105,145,315	$ 102,783,200	$ 100,579,279	$ 98,469,589	$ 95,334,868	$ 91,530,591	$ 87,508,149	$ 83,787,517	$ 81,332,337	$ 78,975,752	$ 1,143,313,709
27	Recovery	$ 3,634,463	$ 3,492,921	$ 3,346,174	$ 3,166,879	$ 3,052,449	$ 4,047,468	$ 4,680,601	$ 4,860,255	$ 4,522,824	$ 3,233,865	$ 3,112,708	$ 3,340,248	$ 44,490,856
28	Net	$ 106,601,086	$ 104,338,642	$ 101,799,141	$ 99,616,321	$ 97,526,829	$ 94,422,121	$ 90,654,267	$ 86,670,336	$ 82,985,325	$ 80,553,652	$ 78,219,629	$ 75,635,504	$ 1,098,822,853
29	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
30	Carrying Cost	$ 1,030,477	$ 1,006,674	$ 984,058	$ 962,958	$ 942,759	$ 912,747	$ 876,325	$ 837,813	$ 802,191	$ 778,685	$ 756,123	$ 731,143	$ 10,621,954
31	Year 6 Balance	$ 76,366,647	$ 73,435,262	$ 70,618,450	$ 67,922,575	$ 65,381,668	$ 62,931,734	$ 59,453,481	$ 55,302,351	$ 50,929,703	$ 46,855,478	$ 44,043,289	$ 41,326,243	$ 714,566,883
32	Recovery	$ 3,634,463	$ 3,492,921	$ 3,346,174	$ 3,166,879	$ 3,052,449	$ 4,047,468	$ 4,680,601	$ 4,860,255	$ 4,522,824	$ 3,233,865	$ 3,112,708	$ 3,340,248	$ 44,490,856
33	Net	$ 72,732,184	$ 69,942,341	$ 67,272,276	$ 64,755,696	$ 62,329,219	$ 58,884,267	$ 54,772,880	$ 50,442,096	$ 46,406,878	$ 43,621,614	$ 40,930,581	$ 37,985,995	$ 670,076,027
34	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
35	Carrying Cost	$ 703,078	$ 676,109	$ 650,299	$ 625,972	$ 602,516	$ 569,215	$ 529,471	$ 487,607	$ 448,600	$ 421,676	$ 395,862	$ 367,198	$ 6,477,402
36	Year 7 Balance	$ 38,353,193	$ 35,054,345	$ 31,866,517	$ 28,796,040	$ 25,876,910	$ 23,045,097	$ 19,181,273	$ 14,640,845	$ 9,875,135	$ 5,404,050	$ 2,191,164	$ (930,453)	$ 233,354,115
37	Recovery	$ 3,634,463	$ 3,492,921	$ 3,346,174	$ 3,166,879	$ 3,052,449	$ 4,047,468	$ 4,680,601	$ 4,860,255	$ 4,522,824	$ 3,233,865	$ 3,112,708	$ 3,340,248	$ 44,490,856
38	Net	$ 34,718,730	$ 31,561,423	$ 28,520,343	$ 25,629,161	$ 22,824,460	$ 18,997,629	$ 14,500,671	$ 9,780,589	$ 5,352,311	$ 2,170,185	$ (921,544)	$ (4,270,701)	$ 188,863,259
39	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
40	Carrying Cost	$ 335,614	$ 305,094	$ 275,897	$ 247,749	$ 220,636	$ 183,644	$ 140,173	$ 94,546	$ 51,739	$ 20,978	$ (8,908)	$ (41,283)	$ 1,825,678

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Regulatory Asset Rider - Analysis
Calculation of Recovery Ohio Power Company
Projected January 2013 through December 2019

Line No.	Month	January	February	March	April	May	June	July	August	September	October	November	December	Total
	AEP Ohio													
1	Base Distribution Revenue:	30,998,122	29,424,132	26,787,106	24,200,456	23,072,449	25,187,836	28,081,121	29,195,946	27,772,895	23,534,304	24,026,073	27,284,848	319,565,288
2	Revenue Requirement	**158,765,240**												
3	Estimated Annual Collection	33,225,505												
4	Reg Asset Rider Rate	10.3971%												
5	Monthly Collection	3,222,904	3,059,255	2,785,081	2,516,144	2,398,864	2,618,803	2,919,621	3,035,530	2,887,574	2,446,884	2,498,014	2,836,831	33,225,505
	Carrying Charge Calculation	January	February	March	April	May	June	July	August	September	October	November	December	Total
6	Year 1 Balance	$ 158,765,240	$ 157,045,912	$ 155,475,195	$ 154,166,118	$ 153,115,924	$ 152,173,991	$ 151,000,888	$ 149,512,720	$ 147,893,136	$ 146,407,262	$ 145,352,015	$ 144,234,924	$ 1,815,143,345
7	Recovery	$ 3,222,904	$ 3,059,255	$ 2,785,081	$ 2,516,144	$ 2,398,864	$ 2,618,803	$ 2,919,621	$ 3,035,530	$ 2,887,574	$ 2,446,884	$ 2,498,014	$ 2,836,831	$ 33,225,505
8	Net	$ 155,542,336	$ 153,986,657	$ 152,690,114	$ 151,649,974	$ 150,717,060	$ 149,555,188	$ 148,081,267	$ 146,477,190	$ 145,005,562	$ 143,960,398	$ 142,854,002	$ 141,398,092	$ 1,781,917,839
9	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
10	Carrying Cost	$ 1,503,576	$ 1,488,538	$ 1,476,004	$ 1,465,950	$ 1,456,932	$ 1,445,700	$ 1,431,452	$ 1,415,946	$ 1,401,720	$ 1,391,617	$ 1,380,922	$ 1,368,848	$ 17,225,206
11	Year 2 Balance	$ 142,764,941	$ 140,890,943	$ 139,164,061	$ 137,697,310	$ 136,487,917	$ 135,385,247	$ 134,049,853	$ 132,397,825	$ 130,612,797	$ 128,959,900	$ 127,735,975	$ 126,448,595	$ 1,612,595,365
12	Recovery	$ 3,222,904	$ 3,059,255	$ 2,785,081	$ 2,516,144	$ 2,398,864	$ 2,618,803	$ 2,919,621	$ 3,035,530	$ 2,887,574	$ 2,446,884	$ 2,498,014	$ 2,836,831	$ 33,225,505
13	Net	$ 139,542,037	$ 137,831,688	$ 136,378,980	$ 135,181,166	$ 134,089,053	$ 132,766,444	$ 131,130,232	$ 129,362,295	$ 127,725,223	$ 126,513,016	$ 125,237,962	$ 123,611,764	$ 1,579,369,860
14	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
15	Carrying Cost	$ 1,348,906	$ 1,332,373	$ 1,318,330	$ 1,306,751	$ 1,296,194	$ 1,283,409	$ 1,267,592	$ 1,250,502	$ 1,234,677	$ 1,222,959	$ 1,210,634	$ 1,194,914	$ 15,267,242
16	Year 3 Balance	$ 124,806,677	$ 122,759,083	$ 120,856,927	$ 119,213,207	$ 117,825,134	$ 116,542,057	$ 115,024,512	$ 113,188,572	$ 111,217,855	$ 109,377,474	$ 107,964,252	$ 106,485,746	$ 1,385,261,498
17	Recovery	$ 3,222,904	$ 3,059,255	$ 2,785,081	$ 2,516,144	$ 2,398,864	$ 2,618,803	$ 2,919,621	$ 3,035,530	$ 2,887,574	$ 2,446,884	$ 2,498,014	$ 2,836,831	$ 33,225,505
18	Net	$ 121,583,773	$ 119,699,828	$ 118,071,846	$ 116,697,063	$ 115,426,270	$ 113,923,254	$ 112,104,892	$ 110,153,042	$ 108,330,281	$ 106,930,590	$ 105,466,239	$ 103,648,914	$ 1,352,035,992
19	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
20	Carrying Cost	$ 1,175,310	$ 1,157,098	$ 1,141,361	$ 1,128,072	$ 1,115,787	$ 1,101,258	$ 1,083,681	$ 1,064,813	$ 1,047,193	$ 1,033,662	$ 1,019,507	$ 1,001,940	$ 13,069,681
21	Year 4 Balance	$ 104,650,854	$ 102,408,420	$ 100,309,540	$ 98,467,196	$ 96,878,578	$ 95,393,018	$ 93,671,032	$ 91,628,675	$ 89,449,545	$ 87,398,737	$ 85,773,054	$ 84,080,033	$ 1,130,108,683
22	Recovery	$ 3,222,904	$ 3,059,255	$ 2,785,081	$ 2,516,144	$ 2,398,864	$ 2,618,803	$ 2,919,621	$ 3,035,530	$ 2,887,574	$ 2,446,884	$ 2,498,014	$ 2,836,831	$ 33,225,505
23	Net	$ 101,427,950	$ 99,349,165	$ 97,524,459	$ 95,951,052	$ 94,479,714	$ 92,774,215	$ 90,751,412	$ 88,593,145	$ 86,561,971	$ 84,951,853	$ 83,275,041	$ 81,243,202	$ 1,096,883,178
24	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
25	Carrying Cost	$ 980,470	$ 960,375	$ 942,736	$ 927,527	$ 913,304	$ 896,817	$ 877,264	$ 856,400	$ 836,766	$ 821,201	$ 804,992	$ 785,351	$ 10,603,204
26	Year 5 Balance	$ 82,928,553	$ 79,567,436	$ 77,247,761	$ 75,182,486	$ 73,368,783	$ 71,655,961	$ 69,704,517	$ 67,430,484	$ 65,017,438	$ 62,730,453	$ 60,866,310	$ 58,932,523	$ 843,732,705
27	Recovery	$ 3,222,904	$ 3,059,255	$ 2,785,081	$ 2,516,144	$ 2,398,864	$ 2,618,803	$ 2,919,621	$ 3,035,530	$ 2,887,574	$ 2,446,884	$ 2,498,014	$ 2,836,831	$ 33,225,505
28	Net	$ 78,805,648	$ 76,508,182	$ 74,462,680	$ 72,666,342	$ 70,969,919	$ 69,037,158	$ 66,784,896	$ 64,394,954	$ 62,129,864	$ 60,283,569	$ 58,368,297	$ 56,095,692	$ 810,507,200
29	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
30	Carrying Cost	$ 761,788	$ 739,579	$ 719,806	$ 702,441	$ 686,043	$ 667,359	$ 645,587	$ 622,485	$ 600,589	$ 582,741	$ 564,227	$ 542,256	$ 7,834,903
31	Year 6 Balance	$ 56,837,950	$ 53,931,392	$ 51,363,901	$ 49,048,415	$ 46,982,083	$ 45,014,190	$ 42,805,209	$ 40,271,149	$ 37,595,563	$ 35,043,499	$ 32,911,716	$ 30,707,702	$ 522,312,769
32	Recovery	$ 3,222,904	$ 3,059,255	$ 2,785,081	$ 2,516,144	$ 2,398,864	$ 2,618,803	$ 2,919,621	$ 3,035,530	$ 2,887,574	$ 2,446,884	$ 2,498,014	$ 2,836,831	$ 33,225,505
33	Net	$ 53,615,046	$ 50,872,137	$ 48,578,820	$ 46,532,271	$ 44,583,219	$ 42,395,387	$ 39,885,588	$ 37,235,619	$ 34,707,989	$ 32,596,616	$ 30,413,703	$ 27,870,870	$ 489,087,264
34	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
35	Carrying Cost	$ 516,345	$ 491,764	$ 469,595	$ 449,812	$ 430,971	$ 409,822	$ 385,561	$ 359,944	$ 335,511	$ 315,101	$ 293,999	$ 269,418	$ 4,727,844
36	Year 7 Balance	$ 28,140,289	$ 25,158,253	$ 22,312,622	$ 19,716,307	$ 17,366,431	$ 15,112,253	$ 12,614,220	$ 9,788,314	$ 6,818,061	$ 3,968,481	$ 1,536,306	$ (971,004)	$ 161,560,532
37	Recovery	$ 3,222,904	$ 3,059,255	$ 2,785,081	$ 2,516,144	$ 2,398,864	$ 2,618,803	$ 2,919,621	$ 3,035,530	$ 2,887,574	$ 2,446,884	$ 2,498,014	$ 2,836,831	$ 33,225,505
38	Net	$ 24,917,385	$ 22,098,998	$ 19,527,541	$ 17,200,163	$ 14,967,567	$ 12,493,450	$ 9,694,599	$ 6,752,784	$ 3,930,486	$ 1,521,597	$ (961,707)	$ (3,807,835)	$ 128,335,027
39	Rate	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	0.9667%	11.60%
40	Carrying Cost	$ 240,868	$ 213,624	$ 188,766	$ 166,268	$ 144,686	$ 120,770	$ 93,714	$ 65,277	$ 37,995	$ 14,709	$ (9,297)	$ (36,809)	$ 1,240,572

Line 1 - Ohio Power Base Distribution Rates November 2009 through October 2010
Line 2 - Regulatory Asset Projected Balance December 31, 2012 TEM Exhibit 1
Line 3 - Estimated Annual Revenue Collection
Line 4 - Line 3 divided by total on Line 1
Line 5 - Line 4 times Line 1
Line 6 - Previous Month Line 9 Plus Line 11
Line 7 - Line 5
Line 8 - Line 6 Minus Line 7
Line 9 - Monthly Carrying Cost rate (11.60% / by 12)
Line 10 - Line 8 Times Line 9

Line 11 - Previous Month Line 13 Plus Line 15
Line 12 - Line 5
Line 13 - Line 11 Minus Line 12
Line 14 - Monthly Carrying Cost rate (11.60% / by 12)
Line 15 - Line 13 Times Line 14
Line 16 - Previous Month Line 18 Plus Line 20
Line 17 - Line 5
Line 18 - Line 16 Minus Line 17
Line 19 - Monthly Carrying Cost rate (11.60% / by 12)
Line 20 - Line 18 Times Line 19

Line 21 - Previous Month Line 23 Plus Line 25
Line 22 - Line 5
Line 23 - Line 21 Minus Line 22
Line 24 - Monthly Carrying Cost rate (11.60% / by 12)
Line 25 - Line 23 Times Line 24
Line 26 - Previous Month Line 28 Plus Line 30
Line 27 - Line 5
Line 28 - Line 26 Minus Line 27
Line 29 - Monthly Carrying Cost rate (11.60% / by 12)
Line 30 - Line 28 Times Line 29
Line 31 - Previous Month Line 28 Plus Line 30

Line 32 - Line 5
Line 33 - Line 31 Minus Line 32
Line 34 - Monthly Carrying Cost rate (11.60% / by 12)
Line 35 - Line 33 Times Line 34
Line 36 - Previous Month Line 33 Plus Line 35
Line 37 - Line 5
Line 38 - Line 36 Minus Line 37
Line 39 - Monthly Carrying Cost rate (11.60% / by 12)
Line 40 - Line 38 Times Line 39

AEP Ohio Proposed Distribution Investment Rider 1st Quarter 2012

Line		CSP	OPCo	AEP Ohio
1	Distribution Plant Date Certain D Rate Case			
2	Distribution Plant - As of Date Certain 8/2010	XX	XX	XX
3	Accumulated Depreciation - As of Date Certain 8/2010	XX	XX	XX
4=2-3	Net Distribution Plant	XX	XX	XX
5				
6	4th Quarter Distribution Plant			
7	Distribution Plant - Form 3Q Page 208 Line 8	XX	XX	XX
8	Accumulated Depreciation - Form 3Q Page 208 Line 8	XX	XX	XX
9=7-8	Net Distribution Plant			XX
10				
11=9-4	Change in Distribution Net Plant			XX
12				
13	Solar Panel Net Plant Adjustment (Recovered through FAC)	XX	XX	XX
14				
15	gridSMART Net Plant Adjustment (Recovered through GS Rider)	XX		XX
16				
17	Incremental Veg Mgmt Net Plant Adjustment (Recovered through Rider)	XX	XX	XX
18				
19=11-13-15-17	Adjusted Distribution Net Plant			XX
20				
21	Carrying Charge Rate (Grossed up WACC Plus 3.5% O&M Adder)			15.27%
22				
23=19*21	Rider Revenue			XX
24				
25	Annual Base Distribution Revenue (12 Months Ending Sept 2010)	XX	XX	XX
26				
27=23/25	AEP Ohio Percentage of Base Distribution Rate			%

AEP Ohio Proposed Distribution Investment Rider 2nd Quarter 2012

Line		CSP	OPCo	AEP Ohio
1	4th Quarter Distribution Plant			
2	Distribution Plant - Form 3Q Page 208 Line 8	XX	XX	XX
3	Accumulated Depreciation - Form 3Q Page 208 Line 8	XX	XX	XX
4=2-3	Net Distribution Plant	XX	XX	XX
5				
6	1st Quarter Distribution Plant			
7	Distribution Plant - Form 3Q Page 208 Line 8	XX	XX	XX
8	Accumulated Depreciation - Form 3Q Page 208 Line 8	XX	XX	XX
9=7-8	Net Distribution Plant			XX
10				
11=9-4	Change in Distribution Net Plant			XX
12				
13	Solar Panel Net Plant Adjustment (Recovered through FAC)	XX	XX	XX
14				
15	gridSMART Net Plant Adjustment (Recovered through GS Rider)	XX		XX
16				
17	Incremental Veg Mgmt Net Plant Adjustment (Recovered through Rider)	XX	XX	XX
18				
19=11-13-15-17	Adjusted Distribution Net Plant			XX
20				
21	Carrying Charge Rate (Grossed up WACC Plus 3.5% O&M Adder)			15.27%
22				
23=19*21	Rider Revenue			XX
24				
25	Annual Base Distribution Revenue	XX	XX	XX
26				
27=23/25	AEP Ohio Percentage of Base Distribution Rate			%
28	Revenue Requirement from Previous Filing			XX
29	Rider Revenue Collected			XX
30=28-29	Additional over/(under) recovery			XX
31=30/25	Additional Increas/(Decrease) in Rate			XX
32=27+31	Total DIR Rate			XX

P.U.C.O. NO. 20

Deferred Asset Recovery Rider

Effective Cycle 1, 2013, all customer bills subject to the provision of this Rider, including any bills rendered under special contract, shall be adjusted by the Deferred Asset Recovery Rider charge of 11.8088% 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.

P.U.C.O. NO. 20

Deferred Asset Recovery Rider

Effective Cycle 1, 2013, all customer bills subject to the provision of this Rider, including any bills rendered under special contract, shall be adjusted by the Deferred Asset Recovery Rider charge of 11.8088% 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.

OHIO POWER COMPANY

Original Sheet No. 87-1

P.U.C.O. NO. 20

Deferred Asset Recovery Rider

Effective Cycle 1, 2013, all customer bills subject to the provision of this Rider, including any bills rendered under special contract, shall be adjusted by the Deferred Asset Recovery Rider charge of 11.8088% 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 _____ in Case No. _____
Issued:_____

Effective:_____

Issued By
Joseph Hamrock, President
AEP Ohio

COLUMBUS SOUTHERN POWER COMPANY

Original Sheet No. 87-1

P.U.C.O. NO. 8

Deferred Asset Recovery Rider

Effective Cycle 1 January 2013, all customer bills subject to the provision of this Rider, including any bills rendered under special contract, shall be adjusted by the Deferred Asset Recovery Rider charge of 11.8088% 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 _____ in Case No. _____
Issued:_____

Effective:_____

Issued By
Joseph Hamrock, President
AEP Ohio

P.U.C.O. NO. 20

Deferred Asset Recovery Rider

Effective Cycle 1, 2013, all customer bills subject to the provision of this Rider, including any bills rendered under special contract, shall be adjusted by the Deferred Asset Recovery Rider charge of ~~12.256~~11.8088% 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.

P.U.C.O. NO. 20

Deferred Asset Recovery Rider

Effective Cycle 1, 2013, all customer bills subject to the provision of this Rider, including any bills rendered under special contract, shall be adjusted by the Deferred Asset Recovery Rider charge of ~~12.2562~~11.8088% 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.

OHIO POWER COMPANY

Original Sheet No. 87-1

P.U.C.O. NO. 20

Deferred Asset Recovery Rider

Effective Cycle 1, 2013, all customer bills subject to the provision of this Rider, including any bills rendered under special contract, shall be adjusted by the Deferred Asset Recovery Rider charge of ~~12.256~~11.8088% 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 _____ in Case No. _____
Issued:_____

Effective:_____

Issued By
Joseph Hamrock, President
AEP Ohio

COLUMBUS SOUTHERN POWER COMPANY

Original Sheet No. 87-1

P.U.C.O. NO. 8

Deferred Asset Recovery Rider

Effective Cycle 1 January 2013, all customer bills subject to the provision of this Rider, including any bills rendered under special contract, shall be adjusted by the Deferred Asset Recovery Rider charge of ~~12.256~~11.8088% 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 _____ in Case No. _____
Issued:_____

Effective:_____

Issued By
Joseph Hamrock, President
AEP Ohio

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Pre-Filed Direct Testimony of Andrea E. Moore has been served upon the below-named counsel via First Class mail, postage prepaid, this 14th day of March, 2011.

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COMPANY EX. NO.___

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO

In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively, AEP Ohio) for an Increase in Electric Distribution Rates	)	Case No. 11-351-EL-AIR Case No. 11-352-EL-AIR
In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively, AEP Ohio) for Tariff Approval	)	Case No. 11-353-EL-ATA Case No. 11-354-EL-ATA
In the Matter of the Application of Columbus Southern Power Company and Ohio Power Company, Individually and, if Their Proposed Merger is Approved, as a Merged Company (collectively, AEP Ohio) for Approval to Change Accounting Methods	)	Case No. 11-356-EL-AAM Case No. 11-358-EL-AAM

PREFILED DIRECT TESTIMONY OF
DAVID A. DAVIS
ON BEHALF OF
COLUMBUS SOUTHERN POWER COMPANY
AND
OHIO POWER COMPANY

Management Policies, Practices & Organizations

Operating Income

Ratebase

Allocations

Rate of Return

Rates and Tariffs

X Other

Filed March 14th, 2011

INDEX TO DIRECT TESTIMONY OF
DAVID A. DAVIS

BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO
DIRECT TESTIMONY OF
DAVID A. DAVIS
ON BEHALF OF
COLUMBUS SOUTHERN POWER
AND
OHIO POWER COMPANY

I. PERSONAL DATA

Q. WILL YOU PLEASE STATE YOUR NAME, BUSINESS ADDRESS AND POSITION?

A. My name is David A. Davis. My business address is 1 Riverside Plaza, Columbus, Ohio 43215. My position is Manager – Property Accounting Policy and Research for American Electric Power Service Corporation (AEPSC), a wholly owned subsidiary of American Electric Power Company, Inc. (AEP).

Q. WHAT ARE YOUR PRINCIPAL AREAS OF RESPONSIBILITY?

A. My responsibilities include providing the AEP electric operating subsidiaries with accounting support for regulatory filings, including the preparation of depreciation studies and testimony. I also monitor regulatory proceedings and legislation for accounting implications and assist in determining the appropriate regulatory accounting treatment.

Q. PLEASE SUMMARIZE YOUR EDUCATIONAL BACKGROUND AND WORK EXPERIENCE.

A. I received a Masters Degree in Business Administration from the University of Dayton in 1988. I also have a Bachelors degree in Business Administration with a major in accounting from Ohio University that I received in 1976. I am a Certified Public

Accountant (Inactive) in the state of Ohio. In 1980, I was employed by Columbus Southern Power Company (CSP), one of the AEP operating companies, as an accountant. I have held various positions in the Accounting Department including Special Studies, Reports and Lease Accounting. From 1984 to 1985, I was employed by Columbia Gas System Service Corporation as a staff auditor, where my responsibilities included financial and procedural audits of the Columbia Gas Distribution Companies and other subsidiary companies. From 1986 to present, I have been employed by AEP at the Service Corporation, CSP or Ohio Power. At AEP, I have held several positions including Supervisor of Consolidation Accounting, Manager/Supervisor of Property Accounting (for 16 years) and my current position of Manager – Property Accounting Policy and Research.

Q. HAVE YOU PRESENTED EXPERT TESTIMONY IN RATE AND DEPRECIATION PROCEEDINGS BEFORE REGULATORY AGENCIES OR COMMISSIONS?

A. Yes. In 2007, I testified before the Oklahoma Corporation Commission (OCC or Commission) on behalf of Public Service of Oklahoma (PSO or Company) concerning depreciation in Cause No. PUD 200600285. Also, in 2007 I prepared a generation depreciation study for the Louisiana Public Service Commission in Docket No. U23327, Subdocket A on behalf of Southwestern Electric Power Company (SWEPCO). In 2008, I prepared an updated depreciation study and testimony for PSO and testified before the OCC in Cause No. PUD 200800144. In 2009, I prepared a depreciation study for SWEPCO that was filed with the Arkansas Public Service Commission (APSC) in Docket No. 09-008-U. Also, in 2009, I prepared a depreciation study for SWEPCO that

was filed with the Public Utility Commission of Texas in Docket No. 37364. In 2010, I prepared a depreciation study for PSO that was filed with the OCC in Oklahoma in Cause No. PUD 201000050. In addition, I have assisted with depreciation studies for AEP operating companies in Ohio, Kentucky, Virginia, West Virginia, Indiana and Michigan.

Q. HAVE YOU HAD ANY FORMAL TRAINING RELATING TO DEPRECIATION AND UTILITY ACCOUNTING?

A. Yes. I am currently an at-large director of the Society of Depreciation Professionals (SDP) and have completed training offered by the SDP that included Depreciation Basics, Life Analysis for Valuations, Life and Net Salvage Analysis, and Preparing and Defending a Depreciation Study. These training classes included an introduction to Plant and Depreciation Accounting, Data Requirements and Collection, Depreciation Models, Life Cycle Analysis, Current Regulatory Issues, Actuarial Life Analysis, Net Salvage Analysis and Simulation Life Analysis. In addition, I am a past member and have attended and participated in numerous Edison Electric Institute Property Accounting and Valuation meetings.

II. PURPOSE OF TESTIMONY

Q. ARE YOU SPONSORING ANY EXHIBITS IN THIS PROCEEDING?

A. Yes. I am sponsoring the following exhibits:

Exhibit DAD-1 – Depreciation Study Report for Columbus Southern Power Company

Exhibit DAD-2 – Depreciation Study Report for Ohio Power Company

Exhibit DAD-3 – Combined Company Depreciation Rate Calculation

Q. WHAT SCHEDULES ARE YOU SPONSORING OR CO-SPONSORING?

A. I am co-sponsoring the following schedule:

- Schedule B-3.2 – Depreciation Accrual Rates and Jurisdictional Reserve Balances by Accounts

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. My testimony recommends revised Distribution and General Plant depreciation accrual rates for Columbus Southern Power Company (CSP) and Ohio Power Company (OPCo) or collectively, AEP Ohio. The recommended depreciation accrual rates are based on my depreciation studies for AEP Ohio's electric utility plant in service at December 31, 2009. Schedules I and II in my Depreciation Study Report for CSP (Exhibit DAD-1) and Schedules I and II in my Depreciation Study Report for OPCo (Exhibit DAD-2) detail the results of my studies. The depreciation rates determined by my studies are intended to provide recovery of invested capital, cost of removal, and credit for salvage over the expected life of the property.

The revised depreciation rates are primarily required to update Distribution and General Plant rates set by the Public Utilities Commission of Ohio (the Commission) in Case No. 91-418-EL-AIR for CSP and in Case No. 94-996-EL-AIR for OPCo.

Q. WHY SHOULD THE RESULTS OF THESE DEPRECIATION STUDIES BE USED TO CHANGE CURRENT DISTRIBUTION AND GENERAL DEPRECIATION RATES?

A. My depreciation studies are updated through December 31, 2009 and use an estimate of depreciable lives and net salvage values through that date. Current Distribution and General depreciation rates are based on investment at December 31, 1989 for CSP and at December 31, 1993 for OPCo. The approved depreciation rates are the rates recommended by the Commission staff in Case No. 91-418-EL-AIR for CSP and in Case No. 94-996-EL-AIR for OPCo.

Distribution and General net salvage percentages recommended were based on an analysis of Company retirement, salvage and removal cost data for a 40-year period. The procedure used to calculate AEP Ohio's net salvage percentages is typical and is used throughout the utility industry and for all of CSP and OPCo's affiliated companies. As noted by Robert L. Hahne, Gregory E. Aliff and Deloitte & Touche, LLP in "Accounting for Public Utilities" (Release No. 15, October 1998, page 6-31):

> Salvage and cost of removal are built into depreciation rates by a net salvage factor usually determined through an evaluation of historical experience. Since actual experience is expressed by dividing actual salvage value and actual cost of removal by the original cost of the retired property that generated the experience, the effect of inflation is inherent in the determination. (Emphasis added.)

Q. SHOULD THE COMMISSION ACCEPT THE RESULTS OF YOUR DEPRECIATION STUDIES?

A. Yes. My depreciation studies use standard industry methodology, are accurate, complete and calculate reasonable net salvage percentages for Distribution and General property using the AEP Ohio companies' historical retirement, salvage and cost of removal data on an account by account basis. The results of my studies are based on a significant amount of history and documentation and should be accepted.

Q. WHY IS IT IMPORTANT TO USE THE RESULTS OF YOUR DEPRECIATION STUDIES TO SET DEPRECIATION RATES IN A RATIONAL AND SYSTEMATIC FASHION?

A. If current depreciation rates are set too low, higher rates will be required later to allow the utility to recover its costs. The distribution of depreciation expense to ratepayers should be in a systematic fashion that requires each generation of ratepayers to pay their fair portion of the cost of electric utility plant used to serve their needs. Appropriate depreciation cost allocation should match the consumption of the related assets to ensure that the Company's results of operations are properly reflected and avoid intergenerational inequities in rate setting for customers.

Q. WHAT ARE THE REQUIREMENTS OF A DEPRECIATION STUDY?

A. A depreciation study involves data collection, life analysis, salvage and cost of removal analysis, evaluation and calculations. Data collection requires an understanding of property records for construction, retirement and the property record system. As Property Accounting Manager/Supervisor for 16 years, I have acquired an extensive knowledge of the Company's property records. Life analysis establishes the life and

retirement dispersion for property and the techniques used will depend on the type of property studied and data available. A salvage and removal analysis consists of the determination of salvage and removal as a percentage of the cost of retired property. Evaluation is only an important element of a depreciation study if history is misleading about the future. Calculations in a depreciation study are typically used to determine net salvage percentages, depreciation rates and other items.

III. DEFINITION OF DEPRECIATION

Q. WOULD YOU PLEASE EXPLAIN THE DEFINITION OF DEPRECIATION USED IN PREPARING YOUR STUDY?

A. The definition of depreciation that I used in preparing the study is the same that is used by the Federal Energy Regulatory Commission and the National Association of Regulatory Utility Commissioners. That definition is:

> Depreciation, as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities.

Service value means the difference between original cost and the net salvage value (net salvage value means the salvage value of the property retired less the cost of removal) of the electric plant.

IV. DEPRECIATION STUDY OVERVIEW

Q. WOULD YOU PLEASE DESCRIBE THE PURPOSE OF A BOOK DEPRECIATION STUDY?

A. Yes. A book depreciation study establishes mortality characteristics applicable to property and uses these characteristics to calculate depreciation rates or depreciation provisions. Mortality characteristics include average service life or life span, retirement dispersion and net salvage. Once mortality characteristics are established, the calculation of depreciation rates is a mechanical exercise.

Q. ARE YOU SATISFIED WITH THE QUALITY OF THE DATA YOU USED FOR THE DEPRECIATION STUDY?

A. Yes.

Q. DID YOU MAKE ANY ADJUSTMENTS AS A RESULT OF YOUR DEPRECIATION STUDY?

A. Yes. AEP Ohio companies maintained an accumulated depreciation balance by 3XX account since our 1999 conversion to our currently used software, PowerPlant. The functional accumulated depreciation balances by 3XX account were allocated in 1999 using original cost balances since an up-to-date depreciation study was not available at that time to provide theoretical reserve balances to perform the allocation.

My depreciation study allocates functional distribution and general plant total accumulated depreciation balances to individual 3XX accounts using the study's theoretical reserve calculations.

In addition, the results of the depreciation study's accumulated depreciation allocation were used to book transfers of accumulated depreciation balances between

functional 3XX reserve accounts in 2010 to more correctly detail the book amount of accumulated depreciation by 3XX account. The total functional balance in accumulated depreciation did not change as a result of the transfers.

Q. WERE THERE ANY CHANGES IN THE METHODS OR PROCEDURES USED IN YOUR CURRENT DEPRECIATION STUDY?

A. Yes. My depreciation study recommends the use of the remaining life method to calculate depreciation rates versus the whole life method that was used to determine rates for both of the AEP Ohio companies in their prior rate cases. The reasons for my recommended usage of the remaining life method are explained in Section V of my testimony.

In addition, my depreciation study recommends that we combine CSP sub-categories of accounts 366, 367 and 369 (our last depreciation study recommended three separate depreciation rates each for accounts 366 and 367 and four separate rates for account 369) to use one rate for each of these accounts in a manner similar to OPCo's rate calculations for these accounts.

Also, the AEP Ohio companies began using a vintage retirement procedure for general plant accounts 391 to 398 in 1998 in accordance with FERC Accounting Release Number 15. Under this procedure, interim retirements are not recognized and final retirements are posted when the property is fully depreciated. My study recommends that we standardize AEP Ohio's general equipment average service lives in these accounts by using the longest life by account that was approved by the Commission in the last rate case.

Q. HOW DO THE CSP DISTRIBUTION AND GENERAL PLANT DEPRECIATION RATES AND ANNUAL ACCRUALS AS A RESULT OF YOUR STUDY COMPARE WITH CSP'S CURRENT RATES AND ACCRUALS?

A. A comparison of CSP's current rates and the study rates are shown below based on December 31, 2009 depreciable plant balances:

CSP Composite Rates and Accruals

Functional Plant Group	Approved Rates	Annual Expense	Study Rates	Annual Expense	% Change Expense
Distribution	3.52%	$59,456,241	3.01%	$50,760,201	-14.6%
General	3.32%	$ 2,763,973	1.63%	$ 1,355,348	-50.9%
TOTAL	3.51%	$62,220,214	2.94%	$52,115,549	-16.2%

Based on the results of the CSP study using December 31, 2009 plant balances, I am recommending a decrease in annual depreciation expense of $10,104,665 or -16.2% in the annual accrual amount. The depreciation rate changes are primarily due to increases in the estimated average service life and decreases in the estimated net salvage ratio (1 - net salvage percentage) used to calculate CSP's current study Distribution and General Plant depreciation rates when compared to the average service lives and net salvage amounts approved in Case No. 91-418-EL-AIR.

Q. HOW DO THE OPCO DISTRIBUTION AND GENERAL PLANT DEPRECIATION RATES AND ANNUAL ACCRUALS AS A RESULT OF YOUR STUDY COMPARE WITH OPCO'S CURRENT RATES AND ACCRUALS?

A. A comparison of OPCo's current rates and the study rates are shown below based on December 31, 2009 depreciable plant balances:

OPCo Composite Rates and Accruals

Functional Plant Group	Approved Rates	Annual Expense	Study Rates	Annual Expense	% Change Expense
Distribution	3.97%	$61,282,369	3.77%	$58,201,704	-5.0%
General	2.83%	$ 2,914,415	2.26%	$ 2,326,681	-20.2%
TOTAL	3.90%	$64,196,784	3.68%	$60,528,385	-5.7%

Based on the results of the OPCo study using December 31, 2009 plant balances, I am recommending a decrease in annual depreciation expense of $3,668,399 or -5.7% in the annual accrual amount. The depreciation rate changes are primarily due to increases in the estimated average service life and decreases in the net salvage ratio (1 - net salvage %) used to calculate OPCo's current study Distribution and General Plant depreciation rates when compared to the average service lives and removal cost amounts approved in Case No. 94-996-EL-AIR.

V. STUDY METHODS AND PROCEDURES

Q. WHAT WERE THE METHODS AND PROCEDURES USED IN YOUR DEPRECIATION STUDY?

A. The methods and procedures are fully described in my Depreciation Study Reports. In summary, all of the property included in these reports was considered on a group plan. Under the group plan, depreciation is accrued upon the basis of the original cost of all property included in each depreciable plant group instead of individual items of property. Upon retirement of any depreciable property, its full cost, less any net salvage realized, is charged to the accumulated provision for depreciation regardless of the age of the particular item retired. Also under this plan, the dollars in each primary plant account are considered as a separate group for depreciation accounting purposes and an annual depreciation rate for each account is determined. In this study, the plant groups consisted of the individual primary plant accounts for Distribution and General Plant property.

The average service lives for AEP Ohio companies' Distribution and General Plant were determined using statistical procedures similar to those used in the insurance industry in studies of human mortality. The historical retirement experience of the property groups was studied and retirement characteristics of the property were described using the Iowa-type retirement dispersion curves.

Net salvage for each property group was determined based on actual historical experience for Distribution and General Plant accounts.

Depreciation rates were calculated by using the Average Remaining Life Method.

Q. WOULD YOU PLEASE EXPLAIN THE AVERAGE REMAINING LIFE METHOD OF CALCULATING DEPRECIATION RATES?

A. Yes. The Average Remaining Life method recovers the un-depreciated original cost less future net salvage over the remaining life of the property. This technique uses the gross plant value times a net salvage ratio less book accumulated depreciation as a numerator and the remaining life or future life expectancy as a denominator to calculate an annual depreciation accrual that is converted to a depreciation rate.

Q. ARE THE CURRENTLY APPROVED DEPRECIATION RATES FOR AEP OHIO COMPANIES CALCULATED USING THE AVERAGE REMAINING LIFE METHOD?

A. No. The currently approved depreciation rates for the AEP Ohio companies use the whole life method to calculate depreciation rates.

Q. WHY ARE YOU RECOMMENDING THE AVERAGE REMAINING LIFE METHOD INSTEAD OF THE WHOLE LIFE METHOD IN YOUR CURRENT DEPRECIATION STUDY?

A. The Whole Life depreciation method ignores accumulated depreciation or the depreciation reserve and bases the depreciation rate on the average service life of each plant account. This method results in the allocation of a gross plant base over the total life of the investment. However, the estimated service life of each plant account cannot be expected to be precise and for this reason an over or under accrual of depreciation expense will occur over time.

The average remaining life method seeks to recover the un-depreciated remaining (original cost less accumulated depreciation) cost of the property over its remaining life. By deducting the actual depreciation reserve from the property's original cost to calculate depreciation rates, the average remaining method effectively amortizes any reserve over or under accruals over the remaining life of the property.

Q. DOES AEP USE THE REMAINING LIFE METHOD TO CALCULATE DEPRECIATION RATES FOR ITS ELECTRIC UTILITY OPERATIONS IN OTHER JURISDICTIONS?

A. Yes. AEP uses the remaining life method to calculate depreciation rates in Arkansas, Indiana, Michigan, Oklahoma, Texas, Virginia, West Virginia and Louisiana.

Q. HAVE COMMISSIONS IN THESE STATES ACCEPTED DEPRECIATION RATES CALCULATED USING THE REMAINING LIFE METHOD?

A. Yes.

Q. HAVE YOU CALCULATED AN ANNUAL DEPRECIATION AMOUNT FOR THE AEP OHIO COMPANIES USING THE WHOLE LIFE METHOD?

A. Yes. My calculations are illustrated in Appendix A of Exhibit DAD – 1 for CSP and Appendix A of Exhibit DAD – 2 for OPCo. The calculations indicate that the annual depreciation accrual for CSP would be $59.2 million using whole life versus $52.1 million using remaining life (an increase of $7.1 million by using whole life). OPCo's annual depreciation accrual would be $65.8 million using whole life versus $60.5 million using remaining life (an increase of $5.3 million by using whole life).

Q. WHY DOES YOUR DEPRECIATION STUDY INCLUDE NET SALVAGE IN THE DEVELOPMENT OF DEPRECIATION RATES?

A. The obligation to include net salvage in the development of depreciation rates is widely recognized and accepted by a substantial majority of state regulatory commissions as a standard ratemaking principle. Including removal and salvage in the depreciation reserve (accumulated depreciation) requires that depreciation rates include a removal and salvage component to properly depreciate property over its useful life and recover net salvage amounts. FERC's "Accounting and Reporting Requirements for Public Utilities and Licensees", Electric Plant Instructions, paragraph 10, item B, (2) indicates this account treatment:

> ". . . . If the retirement unit is of a depreciable class, the book cost of the unit retired and credited to electric plant shall be charged to the accumulated provision for depreciation applicable to such property. The removal and the salvage shall be charged or credited, as appropriate, to such depreciable account."

The economic principle underlying both the accounting and ratemaking treatment of net salvage is that in addition to return of and return on invested capital, a revenue requirement for removal expense less salvage is created when an asset is placed in service.

Q. HOW ARE NET SALVAGE RATES ESTIMATED IN A DEPRECIATION STUDY?

A. Average and future net salvage rates are ideally calculated from a historical analysis of the cost to install and the net cost to retire major retirement units.

Q. WAS A HISTORICAL ANALYSIS USED TO DETERMINE THE AEP OHIO COMPANIES' NET SALVAGE RATES FOR YOUR DEPRECIATION STUDIES?

A. Yes. A historical analysis was used in my current depreciation studies to determine net salvage amounts for Distribution and General Plant. My depreciation study calculation of net salvage amounts employs a standard industry methodology to estimate net salvage that properly reflects the AEP Ohio companies' cost to remove and salvage received from retirements of assets.

VI. STUDY RESULTS

Q. WHAT WERE THE RESULTS OF YOUR STUDY FOR CSP DISTRIBUTION PLANT?

A. For CSP's Distribution Plant, the composite depreciation rate decreased from 3.52% to 3.01%. The decrease was mainly caused by increases in the estimated average service life for eight accounts and increases in the net salvage ratio (1 minus the net salvage rate) for four accounts. The decrease was slightly moderated by a decrease in the net salvage ratio for six accounts.

Q. WHAT WERE THE RESULTS OF YOUR STUDY FOR CSP GENERAL PLANT?

A. CSP's General Plant composite depreciation rate decreased from the current 3.32% to 1.63%. The decrease is largely attributable to an increase in the estimated average service life for four accounts and an increase in the net salvage ratio expected from three

accounts. The decrease was slightly moderated by a decrease in the net salvage ratio for one account.

Q. WHAT WERE THE RESULTS OF YOUR STUDY FOR OPCO DISTRIBUTION PLANT?

A. For OPCo's Distribution Plant, the composite depreciation rate decreased from 3.97% to 3.77%. The decrease was mainly caused by increases in the estimated average service life for five accounts and increases in the net salvage ratio (1 minus the net salvage rate) for four accounts. The decrease was slightly moderated by a decrease in the net salvage ratio for four accounts.

Q. WHAT WERE THE RESULTS OF YOUR STUDY FOR OPCO GENERAL PLANT?

A. OPCo's General Plant composite depreciation rate decreased from the current 2.83% to 2.26%. The decrease is largely attributable to an increase in the estimated average service life for three accounts and an increase in the net salvage ratio expected from five accounts. The decrease was slightly moderated by a decrease in the net salvage ratio for one account.

Q. SINCE THE AEP OHIO COMPANIES HAVE REQUESTED PERMISSION TO COMBINE, HAVE YOU CALCULATED A COMBINED ANNUAL DEPRECIATION ACCRUAL AND COMBINED DEPRECIATION RATES USING THE AVERAGE REMAINING LIFE METHOD OF ANALYSIS?

A. Yes. The Combined Company weighted average annual depreciation accrual and depreciation rates based on plant in service at December 31, 2009 are shown on Schedule I of Exhibit DAD – 3 in my depreciation study report.

Q. DOES THIS CONCLUDE YOUR PREFILED DIRECT TESTIMONY?

A. Yes.

COLUMBUS SOUTHERN POWER COMPANY

DEPRECIATION STUDY REPORT

OF

ELECTRIC PLANT IN SERVICE

AT DECEMBER 31, 2009

Depreciation Study Report

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INTRODUCTION

This report presents the results of a depreciation study of Columbus Southern Power Company's (CSP or the Company) depreciable Distribution and General electric utility plant in service at December 31, 2009. The study was prepared by David A. Davis, Manager – Property Accounting Policy and Research at American Electric Power Service Corporation (AEPSC). The purpose of this depreciation study was to develop appropriate annual depreciation accrual rates for each of the primary Distribution and General Plant accounts, which comprise the groups for which CSP computes its annual depreciation expense.

The recommended depreciation rates are based on the Average Remaining Life Method of computing depreciation. Further explanation of this method is contained in the "Discussion of Methods and Procedures Used in the Study" section of this report.

The definition of depreciation used in this Study is the same as that used by the Federal Energy Regulatory Commission (FERC):

> "Depreciation, as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, actions of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities."

> "Service value means the difference between original cost and the net

salvage value (net salvage value means the salvage value of the property retired less the cost of removal) of the electric plant." (FERC Accounting and Reporting Requirements for Public Utilities and Licensees, ¶15.001.)

Schedule I on this report shows the recommended depreciation accrual rates by primary plant accounts and composite rates to functional plant classifications (note that the total Company General Plant balance was used to develop General depreciation rates). Schedule II shows a comparison of CSP's current depreciation rates and accruals to the recommended rates and accruals using the Company's General Plant balances in accounts 390 to 398 assigned to the Distribution function. Schedule III provides a comparison of the current Depreciation Study mortality characteristics that were used to compute the recommended depreciation rates and the mortality characteristics used to determine the existing depreciation rates and accruals (from the Company's Case No. 91-418-EL-AIR). A comparison of CSP's current functional group composite depreciation rates and accruals to the recommended functional group rates and accruals follows:

Composite Rates and Accruals (Using General Plant assigned to the Distribution function)

	Existing		Study		Increase	Change In
Functional Plant Group	Rates	Accruals	Rates	Accruals	(Decrease)	Rates
Distribution Plant	3.52%	59,456,241	3.01%	50,760,201	-8,696,040	-0.51%
General Plant	3.32%	2,763,973	1.63%	1,355,348	-1,409,079	-1.69%
Total Plant	3.51%	62,220,214	2.94%	52,115,549	-10,104,665	-0.57%

Based on Distribution and General Depreciable Plant in Service as of December 31, 2009, I am recommending a decrease in annual depreciation expense of -$10,104,665 or -16.2%

in the annual accrual amount resulting from a -0.57% decrease in the annual composite depreciation rate. The depreciation rate changes are primarily due to increases in the estimated average service life for eight Distribution accounts and four General accounts. Also adding to the decrease in depreciation rates was a decrease in the net salvage ratio (1 minus the net salvage percentage) for six Distribution accounts and for one General account. These changes use CSP's current study depreciation rates and compare to the depreciation rates approved in Case No 91-418-EL-AIR (See Schedule II).

DISCUSSION OF METHODS AND PROCEDURES USED IN THE STUDY

1. Group Method

All of the depreciable property included in this report was considered on a group plan. Under the group plan, depreciation expense is accrued upon the basis of the original cost of all property included in each depreciable plant account. Upon retirement of any depreciable property, its full cost, less any net salvage realized, is charged to the accrued depreciation reserve regardless of the age of the particular item retired. Also, under this plan, the dollars in each primary plant account are considered a separate group for depreciation accounting purposes and an annual depreciation rate for each account is determined. The annual accruals by primary account were then summed, to arrive at the total accrual for each functional group. The total accrual divided by the original cost yields the functional group accrual rate.

2 Determination of Annual Depreciation Rates By the Average Remaining Life Method

CSP's current depreciation rates are based on the Whole Life Method for Distribution and General Plant.

The current Depreciation Study recommends the Average Remaining Life

Method which recovers the original cost of the plant, adjusted for net salvage, less accumulated depreciation, over the average remaining life of the plant. By this method, the annual depreciation rate for each account is determined on the following basis:

$$\text{Annual Depreciation Expense} = \frac{(\text{Orig. Cost})\ (\text{Net Salvage Ratio}) - \text{Accumulated Depreciation}}{\text{Average Remaining Life}}$$

$$\text{Annual Depreciation Rate} = \frac{\text{Annual Depreciation Expense}}{\text{Original Cost}}$$

Because the Average Remaining Life Method provides a way to adjust the accumulated depreciation when changes occur in the estimates of service life or net salvage for depreciable property groups, I am recommending the Average Remaining Life Method be used to calculate depreciation rates for CSP's depreciable Distribution and General property.

3. Methods of Life Analysis

Actuarial Analysis

This method of analyzing past experience represents the application to industrial property of statistical procedures developed in the life insurance field for investigating human mortality. It is distinguished from other methods of life estimation by the requirement that it is necessary to know the age of the property at the time of its retirement and the age of survivors, or plant remaining in service; that is, the installation date must be known for each particular retirement and for each particular survivor.

The application of this method involves the statistical procedure known as the "annual rate method" of analysis. This procedure relates the retirements during each age interval to the exposures at the beginning of that interval, the ratio of these being the annual retirement ratio Subtracting each retirement ratio from unity yields a sequence of annual survival ratios from which a survivor curve can be determined. This is accomplished by the consecutive multiplication of the survivor ratios. The length of this curve depends primarily upon the age of the oldest property. Normally, if the period of years from the inception of the account to the time of the study is short in relation to the expected maximum life of the property, an incomplete or stub survivor curve results

While there are a number of acceptable methods of smoothing and extending this stub survivor curve in order to compute the area under it from which the average life is determined, the well-known Iowa Type Curve Method was used in this study.

By this procedure, instead of mathematically smoothing and projecting the stub survivor curve to determine the average life of the group, it was assumed that the stub curve would have the same mortality characteristics as the type curve selected. The selection of the appropriate type curve and average life is accomplished by plotting the stub curve, superimposing on it Iowa curves of the various types and average lives drawn to the same scale, and then determining which Iowa type curve and average life best matches the stub. This method was used for CSP's Distribution accounts and General Plant account 390.

For CSP's General Plant investment (with the exception of Account 390,

Structures), an SQ type Iowa curve was recommended because, beginning in 1998, CSP adopted the practice of recording retirements when property reaches an age equal to the average service life in accordance with FERC Accounting Release number 15.

To standardize the lives used for AEP's Ohio Companies in General Plant accounts 391 to 398; I selected the longest life approved by account for either CSP (Case No 91-418-EL-AIR) or Ohio Power Company (Case No 94-996-EL-AIR). These were the last depreciation filings with this Commission and (other than adopting standard rates for AEP's Ohio Companies) there is no basis for changing lives in the current study. Changes were made to net salvage recommendations to reflect the account salvage and removal historical experience. Since vintage year retirements are being used for accounts 391 to 398, no actuarial analysis was conducted for those investments.

4 Final Selection of Average Life and Curve Type

The final selection of average life and curve type for each depreciable plant account analyzed by the Actuarial Method was primarily based on the results of the mortality analyses of past retirement history.

5. Net Salvage

The net salvage percentages used in this report are expressed as percent of original cost and are based primarily on the Company's experience combined with the judgment of the analyst. To aid in the selection of net salvage percentages, a review was made of the Company's experience for each primary account within each functional plant group for years 1969 - 2009.

The salvage program analyzes historical experience on an annual basis, on the cumulative history basis and for 5-year moving averages to get the historical net salvage, as well as indicated trends

The net salvage percents selected were converted to net salvage ratios and appear in Column V on Schedule I and were used to determine the total amount to be recovered through depreciation The same net salvage was also reflected in the determination of the calculated depreciation requirement.

The net salvage ratios shown in Column V on Schedule I of this report may be explained as follows:

a. Where the ratio is shown as unity (1 00), it was assumed that the net salvage in that particular account would be zero

b. Where the ratio is less than unity, it was assumed that the salvage exceeded the removal costs. For example, if the net salvage were 20%, the net salvage ratio would be expressed as .80.

c. Where the ratio is greater than unity, it was assumed that the salvage was less than the cost of removal. For example, if the net salvage were minus 5%, the net salvage ratio would be expressed as 1.05.

6. Calculation of Depreciation Requirement at December 31, 2009

The accumulated depreciation by individual plant accounts was taken from the

Company's books at December 31, 2009. The calculation of a theoretical reserve for each plant account is provided on Schedule I for information purposes. CSP's current depreciation rates for Distribution and General Plant are Whole Life rates that do not take into account over or under accruals that result from changes in estimates of service lives and net salvage.

7. Study Results

For Distribution and General Property, the average service life, retirement dispersion pattern and net salvage pattern used to calculate each primary plant account rate are shown on Schedule III. The mortality characteristics and net salvage values for the current rates are also shown. The changes to the mortality characteristics follow the trends shown by the historical retirement experience. The gross salvage and gross cost of removal percentages were largely based on the history of the account for the period 1969-2009.

Distribution Plant

The composite rate for Distribution Plant decreased from 3.52% to 3.01%. The decrease was mainly caused by increases in the estimated average service life for eight Distribution accounts and a decrease in the net salvage ratio (1 minus the net salvage percentage) for six Distribution accounts. The Distribution Plant composite rate decrease was partly offset by an increase in the net salvage ratio for four accounts.

General Plant

The composite rate for General Plant decreased from 3.32% to 1.63%. The decrease is largely attributable to an increase in the estimated average service life for four accounts and a decrease in the net salvage ratio for one account. The General Plant composite rate decrease was partly offset by an increase in the net salvage ratio for three accounts.

SCHEDULES

SCHEDULE I – Explanation of Columns

Schedule I shows the determination of the recommended annual depreciation accrual rate by primary plant accounts by the straight line remaining life method. An explanation of the schedule follows:

Column I	-	Account number
Column II	-	Account title
Column III	-	Original Cost at December 31, 2009
Column IV	-	Average Life and (Iowa) Curve Type.
Column V	-	Net Salvage Ratio.
Column VI	-	Total to be Recovered (Column III) * (Column V)
Column VII	-	Calculated Depreciation Requirement.
Column VIII	-	Accumulated Depreciation – CSP's accumulated depreciation by plant account
Column IX	-	Remaining to be Recovered (Column VI - Column VIII)
Column X	-	Average Remaining Life
Column XI	-	Recommended Annual Accrual Amount.
Column XII	-	Recommend Annual Accrual Percent or Depreciation Rate (Column XI/Column III).

COLUMBUS SOUTHERN POWER COMPANY
CALCULATION OF DISTRIBUTION AND GENERAL PLANT DEPRECIATION RATES BY THE REMAINNG LIFE METHOD
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2009
SCHEDULE I.- AVERAGE LIFE GROUP (ALG) METHOD ACCRUAL RATES

NO. (I)	TITLE (II)	ORIGINAL COST AT 12/31/09 (III)	AVERAGE LIFE & CURVE TYPE (IV)	NET SALVAGE RATIO (V)	TOTAL TO BE RECOVERED (VI)	THEORETICAL DEPRECIATION RESERVE (VII)	ALLOCATED ACCUMULATED DEPRECIATION (VIII)	REMAINING TO BE RECOVERED (IX)	AVERAGE REMAINING LIFE (X)	RECOMMENDED ANNUAL ACCRUAL AMOUNT (XI)	RECOMMENDED ANNUAL ACCRUAL PERCENT (XII)
DISTRIBUTION PLANT											
361.0	Structures & Improvements	9,781,492	55 L1.0	1.14	11,150,901	3,758,286	4,948,248	6,202,652	36.41	170,356	1.74%
362.0	Station Equipment	221,705,860	40 L1.0	1.16	257,178,796	57,045,192	74,907,733	182,271,055	31.13	5,855,158	2.64%
364.0	Poles, Towers, & Fixtures	226,773,173	40 L1.0	1.85	419,530,370	105,658,935	138,743,880	280,786,490	29.93	9,381,440	4.14%
365.0	Overhead Conductor & Devices (Note 1)	227,520,697	42 L0.5	1.10	250,272,767	47,724,404	62,668,330	187,604,437	34.10	5,501,598	2.42%
366.0	Underground Conduit	86,288,645	60 R2.5	1.00	86,288,645	20,888,906	27,400,952	60,887,693	46.82	1,328,845	1.51%
367.0	Underground Conductor	362,865,773	36 L1.5	1.24	449,953,559	121,389,798	159,400,543	290,553,016	26.29	11,051,845	3.05%
368.0	Line Transformers	300,368,843	34 R1.5	1.12	336,413,104	99,868,689	131,140,536	205,272,568	23.91	8,585,218	2.86%
369.0	Services	134,106,771	40 L0.0	1.36	185,067,344	37,769,736	49,598,659	135,470,785	31.84	4,254,736	3.17%
370.0	Meters (Excludes smartGRID meters)	80,303,855	36 S1.0	1.29	103,591,973	30,540,817	40,104,052	63,487,921	25.39	2,500,509	3.11%
371.0	Installations on Custs. Prem.	24,872,218	13 L1.5	1.20	29,606,662	13,727,751	18,026,317	11,580,345	6.97	1,661,456	6.73%
372.0	Leased Property on Custs. Prem.	102,689	30 L0.0	1.00	102,689	47,159	61,926	40,763	16.22	2,513	2.45%
373.0	Street Lighting & Signal Sys.	12,354,702	25 L0.5	1.14	14,084,360	4,995,122	6,559,243	7,525,117	16.13	466,528	3.78%
	Total Distribution Plant	1,686,844,718			2,145,241,172	543,402,798	713,558,318	1,431,682,853		50,760,201	3.01%
GENERAL PLANT (Total Company Note 2)											
390.0	Structures & Improvements (Note 3)	53,645,022	45 L1.0	0.98	52,572,122	11,795,097	23,332,121	29,240,001	35.00	835,429	1.56%
390.0	Structures & Improvements (Note 4)	4,826,229	0.42 Yrs	1.00	4,826,229	4,824,769	4,824,769	3,460	0.42	3,460	0.07%
391.0	Office Furniture & Equipment	5,067,274	30 SQ	1.00	5,067,274	1,822,165	3,011,026	2,056,248	20.99	97,963	1.93%
392.0	Transportation Equipment (Note 5)	40,258	50 SQ	1.00	40,258	3,173	6,277	33,981	46.06	738	1.83%
393.0	Stores Equipment	301,966	34 SQ	1.00	301,966	93,814	185,575	116,391	23.44	4,965	1.64%
394.0	Tools Shop & Garage Equipment	10,353,142	30 SQ	1.05	10,870,799	3,349,911	6,626,527	4,244,272	20.76	204,445	1.97%
395.0	Laboratory Equipment	631,927	28 SQ	1.00	631,927	117,271	231,976	399,951	22.80	17,542	2.78%
396.0	Power Operated Equipment	3,035	26 SQ	0.91	2,762	903	1,786	976	17.50	56	1.84%
397.0	Communication Equipment	15,606,819	35 SQ	1.00	15,606,819	3,300,939	6,529,655	9,077,164	27.50	329,883	2.11%
398.0	Miscellaneous Equipment	1,621,537	25 SQ	1.00	1,621,537	314,296	621,716	999,822	20.15	49,619	3.06%
	Total General Plant	92,099,209			91,543,893	25,322,336	45,371,427	46,172,266		1,543,099	1.68%
	Total Depreciable Plant	1,780,943,927			2,236,784,865	568,725,131	758,929,745	1,477,855,119		52,303,300	2.94%

N/A = not applicable

NOTES:

1. Excludes $3,027,777 provided for in CSP's Enhanced Vegetation Management Rider.
2. Used total company general plant balances at December 31, 2009 for purposes of establishing accrual rates in the Depreciation Study.
3. The balance excludes $501,398 for Solar Panels at the Athens Service Center that are provided for in the Company's fuel adjustment clause.
4. Owned improvements to leased structures that are amortized over the lease term in accordance with GAAP. Amount based on annualized Dec 2009 amortization expense, adjusted for the amount remaining to be recovered.
5. In CSP's last general rate case, transportation equipment was segregated into classes and separate depreciation rates were calculated by class of vehicle. Since the last case, CSP has retired most of its investment in transportation equipment and is leasing vehicles instead of owning them. The remaining amounts in the transportation equipment account mainly consists of trailers and other minor items.

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SCHEDULE I
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COLUMBUS SOUTHERN POWER COMPANY
ANNUAL DISTRIBUTION AND GENERAL PLANT DEPRECIATION RATES AND ACCRUALS BY THE REMAINING LIFE METHOD
SCHEDULE II - COMPARE DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2009

(USING DISTRIBUTION COMPANY GENERAL PLANT BALANCES)

NO (1)	TITLE (2)	ORIGINAL COST AT 12/31/09 (3)	CURRENT APPROVED RATE (4)	ANNUAL ACCRUAL (5)	STUDY RATE (6)	STUDY ACCRUAL (7)	DIFFERENCE (DECREASE) (8)
DISTRIBUTION PLANT							
361 0	Structures & Improvements	9 781 492	2 56%	250 406	1 74%	170 356	-80 050
362 0	Station Equipment	221 705 860	2 71%	6 008 229	2 64%	5 855 158	-153 071
364 0	Poles, Towers, & Fixtures	226 773 173	4 00%	9 070 927	4 14%	9 381 440	310 513
365 0	Overhead Conductor & Devices (Note 1)	227 520 697	2 86%	6 507 092	2 42%	5 501 596	-1 005 496
366 0	Underground Conduit - Downtown	16 370 102	2 00%	327 402		Combined to Use One 366 Account	
366 0	Underground Conduit - Residential	48 637 081	1 79%	868 814		Combined to Use One 366 Account	
366 0	Underground Conduit - Other	23 381 462	1 79%	418 528		Combined to Use One 366 Account	
	Total Account 366	**88,288,645**	**1.83%**	**1,614,744**	1 51%	1 328 845	-285 899
367 0	Underground Conductor - Downtown	27 155 517	2 50%	678 888		Combined to Use One 367 Account	
367 0	Underground Conductor - Residential	296 217 435	2 68%	7 938 627		Combined to Use One 367 Account	
367 0	Underground Conductor - Other	39 492 821	3 00%	1 184 785		Combined to Use One 367 Account	
	Total Account 367	**362,865,773**	**2.70%**	**9,802,300**	3 05%	11 051 845	1 249 545
368 0	Line Transformers	300 358 843	3 53%	10 603 020	2 86%	8 585 218	-2 017 802
369 0	Services - Overhead	96 671 612	6 73%	6 505 999		Combined to Use One 369 Account	
369 0	Services - Underground Downtown	7 838 422	3 94%	308 834		Combined to Use One 369 Account	
369 0	Services - Underground Residential	28 629 526	7 69%	2 201 811		Combined to Use One 369 Account	
369 0	Services - Underground Other	967 211	2 85%	27 662		Combined to Use One 369 Account	
	Total Account 369	**134,105,771**	**6.74%**	**9,044,106**	3 17%	4 254 736	-4 789 370
370 0	Meters (Excludes smartGRID meters)	80 303 855	4 00%	3 212 154	3 11%	2 500 509	-711 645
371 0	Installations on Custs. Prem.	24 672 218	10 63%	2 672 001	6 73%	1 661 456	-1 010 545
372 0	Leased Property on Custs Prem	102 689	4 00%	4 108	2 45%	2 513	-1 595
373 0	Street Lighting & Signal Sys	12 354 702	5 40%	667 154	3 78%	466 529	-200 625
	Total Distribution Plant	1 668 844 718	3 52%	59 458 241	3 01%	50 760 201	-8 696 040
GENERAL PLANT (Distribution Company Note 2)							
390 0	Structures & Improvements (Note 3)	53 209 299	2 44%	1 298 307	1 56%	828 643	-469 664
390 0	Structures & Improvements (Note 4)	4 741 426	3 33%	157 890	0 07%	3 398	-154 492
391 0	Office Furniture & Equipment	3 314 542	4 50%	149 154	1 93%	64 078	-85 076
392 0	Transportation Equipment (Note 5)	13 671	1 83%	250	1 83%	251	1
393 0	Stores Equipment	189 068	2 94%	5 558	1 64%	3 109	-2 450
394 0	Tools Shop & Garage Equipment	8 009 535	3 17%	253 902	1 97%	158 165	-95 737
395 0	Laboratory Equipment (Note 6)	82 656	2 78%	2 298	2 78%	2 295	-3
396 0	Power Operated Equipment	2 337	6 67%	156	1 84%	43	-113
397 0	Communication Equipment	12 755 220	6 67%	850 773	2 11%	268 790	-581 983
398 0	Miscellaneous Equipment	888 510	5 26%	45 884	3 06%	26 678	-19 106
	Total General Plant	83 186 288	3 32%	2 763 973	1 63%	1 355 348	-1 408 625
	Total Depreciable Plant	1,772,031,006	3 51%	62,220,214	2.94%	52,115,549	-10,104,665

NOTES:

1 Excludes $3 027 777 provided for in CSP s Enhanced Vegetation Management Rider

2 Used distribution company general plant balances at December 31 2009

3 The balance excludes $501 398 for Solar Panels at the Athens Service Center that are provided for in the Company's fuel adjustment clause

4. Owned improvements to leased structures that are amortized over the lease term in accordance with GAAP Amount based on annualized Dec 2009 amortization expense, adjusted for amount remaining to be recovered The balance also excludes $501 398 for Solar Panels at the Athens Service Center provided for in the Company's fuel adjustment clause

5. In CSP s last general rate case, transportation equipment was segregated into classes and separate depreciation rates were calculated by class of vehicle. Since the last case, CSP has retired most of its investment in transportation equipment and is leasing vehicles instead of owning them. The remaining amounts in the transportation equipment account mainly consists of trailers and other minor items. Since the old rates and classes are not compatible with the single rate needed for the current case the current recommended study rate was also shown as the current approved rate

6 CSP did not have an approved rate for account 395 in its last case so the recommended rate is also shown as the approved rate

COLUMBUS SOUTHERN POWER COMPANY
SCHEDULE III - COMPARISON OF MORTALITY CHARACTERISTICS
DEPRECIATION STUDY AS OF DECEMBER 31, 2009

(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Existing Rates (A)					Study Rates (B)				
		Average Service Life (Years)	Iowa Curve	Salvage Factor	Cost of Removal Factor	Net Salvage Factor	Average Service Life (Years)	Iowa Curve	Salvage Factor	Cost of Removal Factor	Net Salvage Factor
DISTRIBUTION PLANT											
361.0	Structures & Improvements	43	R2.5	NA	NA	-10%	55	L1.0	5%	19%	-14%
362.0	Station Equipment	35	R1.5	NA	NA	5%	40	L1.0	2%	18%	-16%
364.0	Poles, Towers, & Fixtures	40	R1.5	NA	NA	-60%	40	L1.0	10%	95%	-85%
365.0	Overhead Conductor & Devices	42	R2.0	NA	NA	-20%	42	L0.5	23%	33%	-10%
366.0	Underground Conduit - Downtown	50	R3.0	NA	NA	0%	60	R2.5	0%	0%	0%
366.0	Underground Conduit - Residential	56	R3.5	NA	NA	0%	Combine - Use one 366 account				
366.0	Underground Conduit - Other	56	R3.5	NA	NA	0%	Combine - Use one 366 account				
367.0	Underground Conductor - Downtown	34	S0.0	NA	NA	15%	36	L1.5	1%	25%	-24%
367.0	Underground Conductor - Residential	28	S3.0	NA	NA	25%	Combine - Use one 367 account				
367.0	Underground Conductor - Other	36	R1.0	NA	NA	25%	Combine - Use one 367 account				
368.0	Line Transformers	34	S0.5	NA	NA	-20%	34	R1.5	14%	26%	-12%
369.0	Services - Overhead	26	R4.5	NA	NA	-75%	40	L0.0	1%	39%	-38%
369.0	Services - UG Downtown	33	R2.0	NA	NA	-30%	Combine - Use one 369 account				
369.0	Services - UG Residential	26	L4.5	NA	NA	-100%	Combine - Use one 369 account				
369.0	Services - UG Other	35	R3.0	NA	NA	0%	Combine - Use one 369 account				
370.0	Meters	35	S1.0	NA	NA	-40%	36	S1.0	9%	38%	-29%
371.0	Installations on Custs Prem	12	L2.0	NA	NA	-30%	13	L1.5	0%	20%	-20%
372.0	Leased Property on Custs Prem.	25	L1.0	NA	NA	0%	30	L0.0	0%	0%	0%
373.0	Street Lighting & Signal Sys.	25	L1.0	NA	NA	-35%	25	L0.5	2%	16%	-14%
GENERAL PLANT											
390.0	Structures & Improvements	45	R2.5	NA	NA	-10%	45	L1.0	17%	15%	2%
391.0	Office Furniture & Equipment	20	L0.0	NA	NA	10%	30	SQ	0%	0%	0%
392.0	Transportation Equipment (C)	NA	NA	NA	NA	NA	50	SQ	0%	0%	0%
393.0	Stores Equipment	34	L1.5	NA	NA	0%	34	SQ	0%	0%	0%
394.0	Tools Shop & Garage Equipment	30	L0.5	NA	NA	5%	30	SQ	5%	10%	-5%
395.0	Laboratory Equipment	NA	NA	NA	NA	NA	28	SQ	0%	0%	0%
396.0	Power Operated Equipment	12	L0.0	NA	NA	20%	26	SQ	25%	16%	9%
397.0	Communication Equipment	15	S1.0	NA	NA	0%	35	SQ	0%	0%	0%
398.0	Miscellaneous Equipment	19	L1.0	NA	NA	0%	25	SQ	0%	0%	0%

NOTE: (A) Existing Rate mortality characteristics were recommended by the commission staff in Case No 91-418-EL-AIR.

(B) The Company recommends that the costs recorded in accounts 366, 367 and 369 be combined using a single depreciation rate for each plant account in a similar fashion to its affiliate, Ohio Power Company.

(C) Since most vehicles are leased, the Company no longer keeps its property record segregated by vehicle class. The primary owned investment in this account is trailers and other transportation type equipment

NA = Not Available

EXHIBIT DAD - 1

APPENDIX A

CSP WHOLE LIFE RATE CALCULATION

COLUMBUS SOUTHERN POWER COMPANY
CALCULATION OF DISTRIBUTION AND GENERAL PLANT DEPRECIATION RATES BY THE WHOLE LIFE METHOD
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2009
SCHEDULE I - WHOLE LIFE ACCRUAL RATES

NO. (I)	TITLE (II)	ORIGINAL COST AT 12/31/09 (III)	AVERAGE LIFE & CURVE TYPE (IV)	NET SALVAGE RATIO (V)	TOTAL TO BE RECOVERED (VI)	THEORETICAL DEPRECIATION RESERVE (VII)	ALLOCATED ACCUMULATED DEPRECIATION (VIII)	REMAINING TO BE RECOVERED (IX)	AVERAGE SERVICE LIFE (X)	RECOMMENDED ANNUAL ACCRUAL AMOUNT (XI)	RECOMMENDED ANNUAL ACCRUAL PERCENT (XII)
DISTRIBUTION PLANT											
361.0	Structures & Improvements	9,781,492	55 L1.0	1.14	11,150,901	3,768,286	4,948,248	6,202,653	55.00	202,744	2.07%
362.0	Station Equipment	221,705,860	40 L1.0	1.16	257,178,798	57,045,192	74,907,733	182,271,065	40.00	6,429,470	2.90%
364.0	Poles, Towers, & Fixtures	226,773,173	40 L1.0	1.85	419,530,370	105,658,935	138,743,880	280,786,490	40.00	10,488,259	4.62%
365.0	Overhead Conductor & Devices (Note 1)	227,520,697	42 L0.5	1.10	250,272,767	47,724,404	62,668,330	187,604,437	42.00	5,958,675	2.62%
366.0	Underground Conduit	88,288,845	60 R2.5	1.00	88,288,845	20,866,905	27,466,952	60,887,693	60.00	1,471,477	1.67%
367.0	Underground Conductor	362,965,773	36 L1.5	1.24	449,953,569	121,389,798	159,400,543	290,553,016	36.00	12,498,710	3.44%
368.0	Line Transformers	300,368,843	34 R1.5	1.12	336,413,104	99,868,688	131,140,536	205,272,568	34.00	9,894,503	3.29%
369.0	Services	134,108,771	40 L0.0	1.38	185,067,344	37,769,735	49,596,559	135,470,785	40.00	4,626,684	3.45%
370.0	Meters (Excludes smartGRID meters)	80,303,855	36 S1.0	1.29	103,591,973	30,540,817	40,104,052	63,487,921	36.00	2,877,555	3.58%
371.0	Installations on Custs. Prem.	24,672,219	13 L1.5	1.20	29,606,662	13,727,751	18,028,317	11,580,345	13.00	2,277,436	9.23%
372.0	Leased Property on Custs. Prem.	102,688	30 L0.0	1.00	102,688	47,159	61,926	40,763	30.00	3,423	3.33%
373.0	Street Lighting & Signal Sys.	12,354,702	25 L0.5	1.14	14,084,360	4,995,122	6,559,243	7,525,117	25.00	563,374	4.56%
	Total Distribution Plant	1,688,844,718			2,145,241,172	543,402,783	713,558,318	1,431,682,853		57,292,510	3.39%
GENERAL PLANT (Total Company Note 2)											
390.0	Structures & Improvements (Note 3)	53,845,022	45 L1.0	0.98	52,572,122	11,795,097	23,332,121	29,240,001	45.00	1,168,269	2.18%
390.0	Structures & Improvements (Note 4)	4,828,229	0.42 Yrs	1.00	4,828,229	4,824,769	4,824,769	3,460	0.42	3,460	0.07%
391.0	Office Furniture & Equipment	5,087,274	30 SQ	1.00	5,087,274	1,522,165	3,011,026	2,056,248	30.00	168,909	3.33%
392.0	Transportation Equipment (Note 5)	40,258	50 SQ	1.00	40,258	3,179	6,277	33,981	50.00	805	2.00%
393.0	Stores Equipment	301,966	34 SQ	1.00	301,966	93,614	185,575	116,391	34.00	8,881	2.94%
394.0	Tools Shop & Garage Equipment	10,353,142	30 SQ	1.05	10,870,799	3,349,911	6,626,527	4,244,272	30.00	362,390	3.50%
395.0	Laboratory Equipment	631,927	28 SQ	1.00	631,927	117,271	231,976	399,951	28.00	22,569	3.57%
396.0	Power Operated Equipment	3,035	26 SQ	0.91	2,762	903	1,786	976	26.00	106	3.49%
397.0	Communication Equipment	15,606,819	35 SQ	1.00	15,606,819	3,300,939	6,529,655	9,077,164	35.00	445,909	2.86%
398.0	Miscellaneous Equipment	1,621,537	25 SQ	1.00	1,621,537	314,296	621,715	999,822	25.00	64,861	4.00%
	Total General Plant	92,099,209			91,543,693	25,322,338	45,371,427	46,172,266		2,246,129	2.44%
	Total Depreciable Plant	1,780,943,927			2,236,784,865	568,725,131	758,929,745	1,477,855,119		59,538,639	3.34%

N/A = not applicable

NOTES:

1. Excludes $3,027,777 provided for in CSP's Enhanced Vegetation Management Rider.
2. Used total company general plant balances at December 31, 2009 for purposes of establishing accrual rates in the Depreciation Study.
3. The balance excludes $501,398 for Solar Panels at the Athens Service Center that are provided for in the Company's fuel adjustment clause.
4. Owned improvements to leased structures that are amortized over the lease term in accordance with GAAP. The rate was calculated based on annualized Dec 2009 amortization expense adjusted for the amount remaining to be recovered. Since owned improvements to leased structures were fully amortized in 2010, this rate be used for future additions.
5. In CSP's last general rate case, transportation equipment was segregated into classes and seperate depreciation rates were calculated by class of vehicle. Since the last case, CSP has retired most of its investment in transportation equipment and is leasing vehicles instead of owning them. The remaining amounts in the transportation equipment account mainly consists of trailers and other minor items.

EXHIBIT DAD-1
APPENDIX A
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COLUMBUS SOUTHERN POWER COMPANY
ANNUAL DISTRIBUTION AND GENERAL PLANT DEPRECIATION RATES AND ACCRUALS BY THE WHOLE LIFE METHOD
SCHEDULE II - COMPARE DEPRECIATION EXPENSE USING CURRENT AND WHOLE LIFE RATES
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2009

(USING DISTRIBUTION COMPANY GENERAL PLANT BALANCES)

NO (1)	TITLE (2)	ORIGINAL COST AT 12/31/09 (3)	CURRENT APPROVED RATE (4)	ANNUAL ACCRUAL (5)	WHOLE LIFE RATE (6)	WHOLE LIFE ACCRUAL (7)	DIFFERENCE (DECREASE) (8)
DISTRIBUTION PLANT							
361 0	Structures & Improvements	9 781 492	2 56%	250 406	2 07%	202 744	-47 662
362 0	Station Equipment	221 705 880	2 71%	6 008 229	2 90%	6 429 470	421 241
364 0	Poles, Towers, & Fixtures	226 773 173	4 00%	9 070 927	4 62%	10 488 259	1 417 332
365 0	Overhead Conductor & Devices (Note 1)	227 520 697	2 86%	6 507 092	2 62%	5 958 875	-548 217
366 0	Underground Conduit - Downtown	16 370 102	2 00%	327 402		Combined to Use One 366 Account	
366 0	Underground Conduit - Residential	48 537 081	1 79%	868 814		Combined to Use One 366 Account	
366 0	Underground Conduit - Other	23 381 462	1 79%	418 528		Combined to Use One 366 Account	
	Total Account 366	**88,288,645**	**1.83%**	**1,614,744**	1 67%	1 471 477	-143 267
367 0	Underground Conductor - Downtown	27 155 517	2 50%	678 888		Combined to Use One 367 Account	
367 0	Underground Conductor - Residential	296 217 435	2 68%	7 938 627		Combined to Use One 367 Account	
367 0	Underground Conductor - Other	39 492 821	3 00%	1 184 765		Combined to Use One 367 Account	
	Total Account 367	**362,865,773**	**2.70%**	**9,802,309**	3 44%	12 498 710	2 696 410
368 0	Line Transformers	300 368 843	3 53%	10 603 020	3 29%	9 894 503	-708 517
369 0	Services - Overhead	98 671 612	6 73%	6 505 999		Combined to Use One 369 Account	
369 0	Services - Underground Downtown	7 838 422	3 94%	308 834		Combined to Use One 369 Account	
369 0	Services - Underground Residential	28 629 526	7 69%	2 201 611		Combined to Use One 369 Account	
369 0	Services - Underground Other	967 211	2 86%	27 662		Combined to Use One 369 Account	
	Total Account 369	**134,106,771**	**6.74%**	**9,044,106**	3 45%	4 626 684	-4 417 422
370 0	Meters (Excludes smartGRID meters)	80 309 855	4 00%	3 212 154	3 56%	2 877 555	-334 599
371 0	Installations on Custs. Prem.	24 672 218	10 83%	2 672 001	9 23%	2 277 436	-394,565
372 0	Leased Property on Custs. Prem	102 699	4 00%	4 108	3 33%	3 423	-685
373 0	Street Lighting & Signal Sys	12 354 702	5 40%	667 154	4 56%	563 374	-103 780
	Total Distribution Plant	1 688 844 718	3 52%	59 456 241	3 39%	57 292 510	-2 163 731
GENERAL PLANT (Distribution Company Note 2)							
390 0	Structures & Improvements (Note 3)	53 209 299	2 44%	1 298 307	2 18%	1 158 780	-139 527
390 0	Structures & Improvements (Note 4)	4 741 428	3 33%	157 890	0 07%	3 398	-154 492
391 0	Office Furniture & Equipment	3 314 542	4 50%	149 154	3 33%	110 485	-38 669
392 0	Transportation Equipment (Note 5)	13 671	2 00%	273	2 00%	273	0
393 0	Stores Equipment	189 088	2 94%	5 559	2 94%	5 561	2
394 0	Tools Shop & Garage Equipment	8 009 535	3 17%	253 902	3 50%	280 334	26 432
395 0	Laboratory Equipment (Note 6)	82 658	3 57%	2 951	3 57%	2 952	1
396 0	Power Operated Equipment	2 337	6 67%	156	3 49%	82	-74
397 0	Communication Equipment	12 755 220	6 67%	850 773	2 86%	364 434	-486 339
398 0	Miscellaneous Equipment	868 510	5 26%	45 684	4 00%	34 740	-10 944
	Total General Plant	83 186 288	3 32%	2 764 649	2 36%	1 961 039	-803 610
	Total Depreciable Plant	1,772,031,006	3 51%	62,220,890	3.34%	59,253,549	-2,967,341

NOTES:

1 Excludes $3 027 777 provided for in CSP s Enhanced Vegetation Management Rider

2 Used distribution company general plant balances at December 31 2009

3 The balance excludes $501 398 for Solar Panels at the Athens Service Center that are provided for in the Company s fuel adjustment clause

4 Owned improvements to leased structures that are amortized over the lease term in accordance with GAAP. The rate was calculated based on annualized Dec 2009 amortization expense adjusted for the amount remaining to be recovered Since owned improvements to leased structures were fully amortized in 2010 this rate will provide a minimal amount in cost of service for future additions

5. In CSP's last general rate case, transportation equipment was segregated into classes and separate depreciation rates were calculated by class of vehicle. Since the last case, CSP has retired most of its investment in transportation equipment and is leasing vehicles instead of owning them. The remaining amounts in the transportation equipment account mainly consists of trailers and other minor items. Since the old rates and classes are not compatible with the single rate needed for the current case the current recommended study rate was also shown as the current approved rate

6. CSP did not have an approved rate for account 395 in its last case so the recommended rate is also shown as the approved rate

OHIO POWER COMPANY

DEPRECIATION STUDY REPORT

OF

ELECTRIC PLANT IN SERVICE

AT DECEMBER 31, 2009

Depreciation Study Report

Table of Contents

INTRODUCTION

This report presents the results of a depreciation study of Ohio Power Company's (OPCO or the Company) depreciable Distribution and General electric utility plant in service at December 31, 2009. The study was prepared by David A. Davis, Manager – Property Accounting Policy and Research at American Electric Power Service Corporation (AEPSC). The purpose of this depreciation study was to develop appropriate annual depreciation accrual rates for each of the primary Distribution and General Plant accounts, which comprise the groups for which OPCO computes its annual depreciation expense.

The recommended depreciation rates are based on the Average Remaining Life Method of computing depreciation. Further explanation of this method is contained in the "Discussion of Methods and Procedures Used in the Study" section of this report.

The definition of depreciation used in this Study is the same as that used by the Federal Energy Regulatory Commission (FERC):

> "Depreciation, as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities."

> "Service value means the difference between original cost and the net

salvage value (net salvage value means the salvage value of the property retired less the cost of removal) of the electric plant." (FERC Accounting and Reporting Requirements for Public Utilities and Licensees, ¶15.001.)

Schedule I on this report shows the recommended depreciation accrual rates by primary plant accounts and composite rates to functional plant classifications (note that the total Company General Plant balance was used to develop General depreciation rates). Schedule II shows a comparison of OPCO's current depreciation rates and accruals to the recommended rates and accruals using the Company's General Plant balances in accounts 390 to 398 assigned to the Distribution function. Schedule III provides a comparison of the current Depreciation Study mortality characteristics that were used to compute the recommended depreciation rates and the mortality characteristics used to determine the existing depreciation rates and accruals (from the Company's Case No. 94-996-EL-AIR). A comparison of OPCO's current functional group composite depreciation rates and accruals to the recommended functional group rates and accruals follows:

Composite Rates and Accruals (Using General Plant assigned to the Distribution function)

	Existing		Study		Increase	Change in
Functional Plant Group	Rates	Accruals	Rates	Accruals	(Decrease)	Rates
Distribution Plant	3.97%	61,282,369	3.77%	58,201,704	-3,080,665	-0.20%
General Plant	2.83%	2,914,415	2.26%	2,326,681	-587,734	-0.57%
Total Plant	3.90%	64,196,784	3.68%	60,528,385	-3,668,399	-0.22%

Based on Distribution and General Depreciable Plant in Service as of December 31, 2009, I am recommending a decrease in annual depreciation expense of -$3,668,399 or -5.7% in the annual accrual amount resulting from a -0.22% decrease in the annual composite depreciation

rate. The depreciation rate changes are primarily due to increases in the estimated average service life for five Distribution accounts and three General accounts. Also adding to the decrease in depreciation rates was a decrease in the net salvage ratio (1 minus the net salvage percentage) for four Distribution accounts and for one General account. These changes use OPCO's current study depreciation rates and compare to the depreciation rates approved in Case No. 94-996-EL-AIR (See Schedule II).

DISCUSSION OF METHODS AND PROCEDURES USED IN THE STUDY

1. Group Method

All of the depreciable property included in this report was considered on a group plan. Under the group plan, depreciation expense is accrued upon the basis of the original cost of all property included in each depreciable plant account. Upon retirement of any depreciable property, its full cost, less any net salvage realized, is charged to the accrued depreciation reserve regardless of the age of the particular item retired. Also, under this plan, the dollars in each primary plant account are considered a separate group for depreciation accounting purposes and an annual depreciation rate for each account is determined. The annual accruals by primary account were then summed, to arrive at the total accrual for each functional group. The total accrual divided by the original cost yields the functional group accrual rate.

2. Determination of Annual Depreciation Rates By the Average Remaining Life Method

OPCO's current depreciation rates are based on the Whole Life Method for Distribution and General Plant.

The current Depreciation Study recommends the Average Remaining Life Method which recovers the original cost of the plant, adjusted for net salvage, less the

accumulated depreciation, over the average remaining life of the plant. By using this method, the annual depreciation rate for each account is determined on the following basis:

$$\text{Annual Depreciation Expense} = \frac{(\text{Orig. Cost})\ (\text{Net Salvage Ratio}) - \text{Accumulated Depreciation}}{\text{Average Remaining Life}}$$

$$\text{Annual Depreciation Rate} = \frac{\text{Annual Depreciation Expense}}{\text{Original Cost}}$$

Because the Average Remaining Life Method provides a way to adjust accumulated depreciation when changes occur in estimates of service life or net salvage for depreciable property groups, I am recommending the Average Remaining Life Method be used to calculate depreciation rates for all of OPCO's depreciable Distribution and General property.

3 Methods of Life Analysis

Actuarial Analysis

This method of analyzing past experience represents the application to utility property of statistical procedures developed in the life insurance field for investigating human mortality. It is distinguished from other methods of life estimation by the requirement that it is necessary to know the age of the property at the time of its retirement and the age of survivors, or plant remaining in service; that is, the installation date must be known for each particular retirement and for each particular survivor.

The application of this method involves the statistical procedure known as the "annual rate method" of analysis. This procedure relates the retirements during each age interval to the exposures at the beginning of that interval, the ratio of these being the annual retirement ratio. Subtracting each retirement ratio from unity yields a sequence of annual survival ratios from which a survivor curve can be determined. This is accomplished by the consecutive multiplication of the survivor ratios. The length of this curve depends primarily upon the age of the oldest property. Normally, if the period of years from the inception of the account to the time of the study is short in relation to the expected maximum life of the property, an incomplete or stub survivor curve results.

While there are a number of acceptable methods of smoothing and extending this stub survivor curve in order to compute the area under it from which the average life is determined, the well-known Iowa Type Curve Method was used in this study.

By this procedure, instead of mathematically smoothing and projecting the stub survivor curve to determine the average life of the group, it was assumed that the stub curve would have the same mortality characteristics as the type curve selected. The selection of the appropriate type curve and average life is accomplished by plotting the stub curve, superimposing on it Iowa curves of the various types and average lives drawn to the same scale, and then determining which Iowa type curve and average life best matches the stub. This method was used for OPCO Distribution accounts 361 and 362 and for General Plant account 390.

For OPCO's General Plant investment (with the exception of Account 390, Structures), an SQ type Iowa curve was recommended because, beginning in 1998, OPCO adopted the practice of recording retirements when property reaches an age equal to the average service life in accordance with FERC Accounting Release number 15.

To standardize the lives used for AEP's Ohio Companies in General Plant accounts 391 to 398; I selected the longest life approved by account for either CSP (Case No 91-418-EL-AIR) or Ohio Power Company (Case No. 94-996-EL-AIR). These cases were the last depreciation filings with this Commission and (other than adopting standard rates for AEP's Ohio Companies) there is no basis for changing lives in the current study. Changes were made to net salvage recommendations to reflect the account salvage and removal historical experience. Since vintage year retirements are being used for accounts 391 to 398, no actuarial analysis was conducted for those investments.

Simulated Plant Record Analysis

The "Simulated Plant Record" (SPR) method designates a class of statistical techniques that provide an estimate of the age distribution, mortality dispersion and average service life of property accounts whose recorded history provides no indication of the age of the property units when retired from service. For each such account, the available property records usually reveal only the annual gross additions, annual retirements and balances with no indication of the age of either plant retirements or annual plant balances. For this study, the "Balances method" of analysis was used.

The SPR Balances Method is a trial and error procedure that attempts to

duplicate the annual balance of a plant account by distributing the actual annual gross additions over time according to an assumed mortality distribution. Specifically, the dollars remaining in service at any date are estimated by multiplying each year's additions by the successive proportion surviving at each age as given by the assumed survivor characteristics. For a given year, the balance indicated is the accumulation of survivors from all vintages and this is compared with the actual book balance. This process is repeated for a different survivor curves and average life combinations until a pattern is discovered which produces a series of "simulated balances" most nearly equaling the actual balances shown in a company's books.

This determination is based on the distribution producing the minimum sum of squared differences between the simulated balance and the actual balances over a test period of years

The iterative nature of the simulated methods makes them ideally suited for computerized analysis. For each analysis of a given property account, the computer program provides a single page summary containing the results of each analysis indicating the "best fit" based on criteria selected by the user.

The results of my analysis by the Balance Method are in the Depreciation Study work papers accompanying this filing. In the case of the Balances Method each curve type tested is shown along with the average service life that produced the minimum sum of squared differences from the actual balances. The analysis also shows the value of the Index of Variation of the difference that is calculated according to the following equation for the Balances Method:

$$\text{Index of Variation} = (1000)\ \frac{\text{Sum of Squared Differences}}{\text{Number of Test Years}}\ \frac{\text{Average Actual}}{\text{Balance}}$$

The lower the value of the Index the better the agreement with the actual data.

The SPR Method of Life Analysis was utilized for the following accounts:

364.0 Distribution Poles, Towers & Fixtures

365.0 Distribution OH Conductor & Devices

366.0 Underground Conduit

367.0 Underground Conductor & Devices

368.0 Distribution Line Transformers

369.0 Distribution Services

370.0 Distribution Meters

371.0 Installation on Customers Premises

373.0 Street Lighting & Signal Systems

4. Final Selection of Average Life and Curve Type

The final selection of average life and curve type for each depreciable plant account analyzed by the Actuarial and SPR Methods was primarily based on the results of the mortality analyses of past retirement history.

5. Net Salvage

The net salvage percentages used in this report are expressed as percent of original cost and are based primarily on the Company's experience combined with the

judgment of the analyst. To aid in the selection of net salvage percentages, a review was made of the Company's experience for each primary account within each functional plant group for years 1969 - 2009.

The salvage program analyzes historical experience on an annual basis, on the cumulative history basis and for 5-year moving averages to get the historical net salvage, as well as indicated trends.

The net salvage percents selected were converted to net salvage ratios and appear in Column V on Schedule I and were used to determine the total amount to be recovered through depreciation. The same net salvage was also reflected in the determination of the calculated depreciation requirement.

The net salvage ratios shown in Column V on Schedule I of this report may be explained as follows:

a Where the ratio is shown as unity (1.00), it was assumed that the net salvage in that particular account would be zero.

b Where the ratio is less than unity, it was assumed that the salvage exceeded the removal costs. For example, if the net salvage were 20%, the net salvage ratio would be expressed as .80.

c. Where the ratio is greater than unity, it was assumed that the salvage was less than the cost of removal. For example, if the net salvage were minus 5%, the net salvage ratio would be expressed as 1.05.

6. Calculation of Depreciation Requirement at December 31, 2009

The accumulated depreciation by individual plant accounts was taken from the Company's books at December 31, 2009. The calculation of a theoretical reserve for each plant account is provided on Schedule I for information purposes. OPCO's current depreciation rates for Distribution and General Plant are Whole Life rates that do not take into account over or under accruals that result from changes in estimates of service lives and net salvage

7. Study Results

For Distribution and General Property, the average service life, retirement dispersion pattern and net salvage pattern used to calculate each primary plant account rate are shown on Schedule III The mortality characteristics and net salvage values for the current rates are also shown. The changes to the mortality characteristics follow the trends shown by the historical retirement experience. The gross salvage and gross cost of removal percentages were largely based on the history of the account for the period 1969-2009.

Distribution Plant

The composite rate for Distribution Plant decreased from 3.97% to 3.77%. The decrease was mainly caused by increases in the estimated average service life for five Distribution accounts and a decrease in the net salvage ratio (1 minus the net salvage percentage) for four Distribution accounts. The Distribution Plant composite rate decrease was partially offset by an increase in the net salvage ratio for six accounts

General Plant

The composite rate for General Plant decreased from 2 83% to 2.26%. The decrease is largely attributable to an increase in the estimated average service life for

three accounts and a decrease in the net salvage ratio for one account The General Plant composite rate decrease was partly offset by an increase in the net salvage ratio for five accounts.

SCHEDULES

SCHEDULE I – Explanation of Columns

Schedule I shows the determination of the recommended annual depreciation accrual rate by primary plant accounts by the straight line remaining life method. An explanation of the schedule follows:

Column I	-	Account number.
Column II	-	Account title.
Column III	-	Original Cost at December 31, 2009.
Column IV	-	Average Life and (Iowa) Curve Type.
Column V	-	Net Salvage Ratio.
Column VI	-	Total to be Recovered (Column III) * (Column V).
Column VII	-	Calculated Depreciation Requirement.
Column VIII	-	Accumulated Depreciation – OPCO's accumulated depreciation by plant account
Column IX	-	Remaining to be Recovered (Column VI - Column VIII).
Column X	-	Average Remaining Life.
Column XI	-	Recommended Annual Accrual Amount.
Column XII	-	Recommend Annual Accrual Percent or Depreciation Rate (Column XI/Column III).

OHIO POWER COMPANY
CALCULATION OF DISTRIBUTION AND GENERAL PLANT DEPRECIATION RATES BY THE REMAINING LIFE METHOD
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2009
SCHEDULE I - AVERAGE LIFE GROUP (ALG) METHOD ACCRUAL RATES
(USING TOTAL COMPANY GENERAL EQUIPMENT BALANCES)

NO. (I)	TITLE (II)	ORIGINAL COST AT 12/31/2009 (III)	AVERAGE LIFE & CURVE TYPE (IV)	NET SALVAGE RATIO (V)	TOTAL TO BE RECOVERED (VI)	CALCULATED DEPRECIATION REQUIREMENT (VII)	ALLOCATED ACCUMULATED DEPRECIATION (VIII)	REMAINING TO BE RECOVERED (IX)	AVERAGE REMAINING LIFE (X)	RECOMMENDED ANNUAL ACCRUAL AMOUNT (XI)	RECOMMENDED ANNUAL ACCRUAL PERCENT (XII)
DISTRIBUTION PLANT											
361.0	Structures & Improvements	8,070,885	60 R1.5	1.19	9,604,329	3,186,520	3,822,586	5,781,743	40.09	144,219	1.79%
362.0	Station Equipment	237,243,322	40 L0.0	1.18	275,202,254	43,828,635	52,577,333	222,624,921	33.63	6,619,831	2.79%
363.0	Storage Battery Equipment (Note 1)	5,062,199	15 Yrs	1.00	5,062,199	506,220	607,267	4,454,932	13.50	329,995	6.52%
364.0	Poles, Towers, & Fixtures	317,436,950	32 L0.0	1.87	593,607,097	121,899,405	146,231,924	447,375,173	25.43	17,592,417	5.54%
365.0	Overhead Conductor & Devices (Note 2)	274,567,259	30 L0.0	1.16	318,498,020	56,669,819	67,981,765	250,516,255	24.73	10,130,055	3.69%
366.0	Underground Conduit	51,027,785	50 R2.0	1.00	51,027,785	11,864,238	13,992,554	37,035,231	38.57	960,208	1.88%
367.0	Underground Conductor	90,066,271	36 R0.5	1.14	102,675,549	17,510,579	21,005,891	81,669,658	29.86	2,735,088	3.04%
368.0	Line Transformers	312,931,476	34 R1.5	1.15	359,871,197	96,302,145	115,525,157	244,346,040	24.90	9,813,094	3.14%
369.0	Services	132,711,557	33 R0.5	1.20	159,253,868	36,084,361	43,287,213	115,966,775	25.52	4,544,153	3.42%
370.0	Meters	69,839,324	36 S1.0	1.17	81,712,009	18,320,812	21,977,856	59,734,153	27.93	2,138,709	3.06%
371.0	Installations on Custs. Prem.	21,997,419	12 L0.0	1.21	26,616,877	7,134,359	8,558,459	18,058,418	8.78	2,056,767	9.35%
372.0	Leased Property on Custs. Prem.	1,104	30 R1.0	1.00	1,104	1,202	1,104	0	0.00	0	0.00%
373.0	Street Lighting & Signal Sys.	20,926,431	20 L0.0	1.18	24,693,189	7,019,179	8,420,288	16,272,901	14.31	1,137,170	5.43%
	Total Distribution Plant	1,541,882,062			2,007,826,597	420,127,474	503,989,397	1,503,835,200		59,201,704	3.77%
GENERAL PLANT (Total Company, Note 3)											
390.0	Structures & Improvements	58,032,287	50 S0.0	1.05	60,933,901	18,206,338	23,084,219	37,849,682	35.06	1,079,569	1.86%
390.0	Structures & Improvements (Note 4)	7,897,808	5.1 Yrs	1.00	7,897,808	7,014,232	7,014,232	883,576	5.10	173,250	2.19%
391.0	Office Furniture & Equipment	3,227,863	30 SQ	1.00	3,227,863	1,214,752	1,540,211	1,687,652	18.71	90,201	2.79%
392.0	Transportation Equipment	31,743	50 SQ	1.00	31,743	1,219	1,546	30,197	48.08	628	1.98%
393.0	Stores Equipment	269,697	34 SQ	1.00	269,697	64,848	81,969	187,728	25.85	7,262	2.69%
394.0	Tools Shop & Garage Equipment	15,392,542	30 SQ	1.09	16,777,871	3,663,168	4,644,612	12,133,259	23.45	517,410	3.36%
395.0	Laboratory Equipment	570,346	28 SQ	1.00	570,346	267,655	339,366	230,980	14.88	15,544	2.73%
396.0	Power Operated Equipment	630,645	26 SQ	0.94	592,806	50,845	64,468	528,338	23.77	22,227	3.52%
397.0	Communication Equipment	33,062,228	35 SQ	1.00	33,062,228	8,747,321	11,090,923	21,971,305	25.74	853,686	2.58%
398.0	Miscellaneous Equipment	2,059,714	25 SQ	1.00	2,059,714	313,077	396,957	1,662,757	21.20	78,432	3.81%
	Total General Plant	121,174,873			125,423,977	39,543,255	48,258,503	77,165,474		2,838,108	2.34%
	Total Depreciable Plant	1,663,056,935			2,133,249,574	459,670,729	552,247,900	1,581,001,674		61,039,812	3.67%

N/A = not applicable

NOTES: 1. Storage Battery Equipment, being depreciated over 15 years as per AEP's engineering estimates. AEP engineering estimates equal amounts of salvage and removal so net salvage equals zero. This equipment was acquired in 2008 and the rate has not yet been approved by the PUCO.

2. Excludes $3,753,847 provided for in OPCo's Enhanced Vegetation Management Rider.

3. Used total company general plant balances at December 31, 2009 for purposes of establishing accrual rates in the Depreciation Study.

4. Owned improvements to leased structures that are amortized over the lease term in accordance with GAAP. Life and amortization amount based on average remaining amortization period at Dec 2009 which was 5.10 years. The Company did not request approval for the leasehold improvements amortization rate in our last rate case so the rate is not yet approved by the PUCO. The balance excludes $531,088 for Solar Panels at the Newark Service Center that are provided for in the Company's fuel adjustment clause.

OHIO POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE REMAINING LIFE METHOD
SCHEDULE II - COMPARE DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2009

(USING DISTRIBUTION COMPANY GENERAL EQUIPMENT BALANCE)

NO (1)	TITLE (2)	ORIGINAL COST AT 12/31/09 (3)	CURRENT APPROVED RATE (4)	CURRENT ANNUAL ACCRUAL (5)	STUDY RATE (6)	STUDY ACCRUAL (7)	DIFFERENCE (DECREASE) (8)
DISTRIBUTION PLANT							
361 0	Structures & Improvements	8 070 865	1 91%	154 154	1 79%	144 219	-9 935
362 0	Station Equipment	237 243 322	2 86%	6 785 159	2 79%	6 619 831	-165 328
363 0	Storage Battery Equipment (Note 1)	5 062 199	6 52%	329 995	6 52%	329 995	0
364 0	Poles, Towers, & Fixtures	317 436 950	4 84%	15 363 948	5 54%	17 592 417	2 228 469
365 0	Overhead Conductor & Devices (Note 2)	274 567 259	4 00%	10 982 690	3 69%	10 130 055	-852 635
366 0	Underground Conduit	51 027 785	2 00%	1 020 556	1 88%	960 208	-60 348
367 0	Underground Conductor	90 068 271	3 33%	2 999 207	3 04%	2 735 086	-264 121
368 0	Line Transformers	312 931 476	3 64%	11 390 706	3 14%	9 813 094	-1 577 612
369 0	Services	132 711 657	4 55%	6 038 380	3 42%	4 544 153	-1 494 227
370 0	Meters	69 839 324	4 03%	2 814 525	3 06%	2,138 709	-675 816
371 0	Installations on Custs. Prem.	21 997 419	10 00%	2 199 742	9 35%	2,056 767	-142 975
372 0	Leased Property on Custs. Prem	1 104	3 33%	37	0 00%	0	-37
373 0	Street Lighting & Signal Sys	20 928 431	5 75%	1 203 270	5 43%	1,137 170	-66,100
	Total Distribution Plant	1 541,882,062	3 97%	61,282,369	3 77%	58,201,704	-3 080 665
GENERAL PLANT (Distribution Company, Note 3)							
390 0	Structures & Improvements	53 621 748	2 56%	1 372 717	1 86%	997 520	-375 197
390 0	Structures & Improvements (Note 4)	7 132 729	3 29%	234 727	2 19%	156 467	-78 260
391 0	Office Furniture & Equipment	1 395 101	3 17%	44 225	2 79%	38 985	-5 240
392 0	Transportation Equipment	416	1 90%	8	1 98%	8	0
393 0	Stores Equipment	101 583	3 13%	3 183	2 89%	2 738	-445
394 0	Tools Shop & Garage Equipment	9 097 927	3 80%	345 721	3 36%	305 821	-39 900
395 0	Laboratory Equipment	235 265	3 50%	8 235	2 73%	6 412	-1 823
396 0	Power Operated Equipment	11 418	3 46%	395	3 52%	402	7
397 0	Communication Equipment	30 805 390	2 86%	881 034	2 58%	795 319	-85 715
398 0	Miscellaneous Equipment	604 256	4 00%	24,170	3 81%	23,009	-1 161
	Total General Plant	103 005 951	2 83%	2 914 415	2 26%	2 326 881	-587,734
	Total Depreciable Plant	1,644,888 013	3 90%	64 196 784	3.68%	60,528 385	-3,668,399

NOTES:

1. Storage Battery Equipment, being depreciated over 15 years as per AEP's engineering estimates AEP engineering estimates equal amounts of salvage and removal so net salvage equals zero This equipment was acquired in 2006 and the rate has not yet been approved by the PUCO

2 Excludes $3 753 847 provided for in OPCo s Enhanced Vegetation Management Rider

3 Distribution company general plant balances at December 31 2009

4. Owned improvements to leased structures that are amortized over the lease term in accordance with GAAP. Life and amortization amount based on average remaining amortization period at Dec 2009 which was 5.10 years. The Company did not request approval for the leasehold improvements amortization rate in our last rate case so rate is not yet approved by the PUCO The balance excludes $531 068 for Solar Panels at the Newark Service Center that are provided for in the Company's fuel adjustment clause

OHIO POWER COMPANY
SCHEDULE III - COMPARISON OF MORTALITY CHARACTERISTICS
DEPRECIATION STUDY AS OF DECEMBER 31, 2009

(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
		Existing Rates					Study Rates				
		Average Service Life (Years)	Iowa Curve	Salvage Factor	Cost of Removal Factor	Net Salvage Factor	Average Service Life (Years)	Iowa Curve	Salvage Factor	Cost of Removal Factor	Net Salvage Factor
DISTRIBUTION PLANT											
361.0	Structures & Improvements	55	R2.0	NA	NA	-5%	60	R1.5	22%	41%	-19%
362.0	Station Equipment	35	L0.0	NA	NA	0%	40	L0.0	20%	36%	-16%
363.0	Storage battery equipment	NA	NA	NA	NA	NA	15	SQ	3%	3%	0%
364.0	Poles, Towers, & Fixtures	32	L0.0	NA	NA	-55%	32	L0.0	9%	96%	-87%
365.0	Overhead Conductor & Devices	30	S1.5	NA	NA	-20%	30	L0.0	22%	38%	-16%
366.0	Underground Conduit	50	R2.5	NA	NA	0%	50	R2.0	0%	0%	0%
367.0	Underground Conductor	30	L3.0	NA	NA	0%	36	R0.5	2%	16%	-14%
368.0	Line Transformers	33	L0.0	NA	NA	-20%	34	R1.5	25%	40%	-15%
369.0	Services	33	R0.5	NA	NA	-50%	33	R0.5	11%	31%	-20%
370.0	Meters	31	R0.5	NA	NA	-25%	36	S1.0	17%	34%	-17%
371.0	Installations on Custs Prem	12	L0.0	NA	NA	-20%	12	L0.0	2%	23%	-21%
372.0	Leased Property on Custs Prem	30	R1.0	NA	NA	0%	30	R1.0	0%	0%	0%
373.0	Street Lighting & Signal Sys.	20	L0.0	NA	NA	-15%	20	L0.0	1%	19%	-18%
GENERAL PLANT											
390.0	Structures & Improvements	45	R2.0	NA	NA	-15%	50	S0	15%	20%	-5%
391.0	Office Furniture & Equipment	30	L0.5	NA	NA	5%	30	SQ	0%	0%	0%
392.0	Transportation Equipment	50	R1.0	NA	NA	5%	50	SQ	0%	0%	0%
393.0	Stores Equipment	32	R5.0	NA	NA	0%	34	SQ	0%	0%	0%
394.0	Tools Shop & Garage Equipment	25	R2.5	NA	NA	5%	30	SQ	9%	18%	-9%
395.0	Laboratory Equipment	28	L4.0	NA	NA	2%	28	SQ	0%	0%	0%
396.0	Power Operated Equipment	26	L4.0	NA	NA	10%	26	SQ	8%	2%	6%
397.0	Communication Equipment	35	L0.0	NA	NA	0%	35	SQ	0%	0%	0%
398.0	Miscellaneous Equipment	25	R1.0	NA	NA	0%	25	SQ	0%	0%	0%

Note: Existing Rate mortality characteristics were recommended by the commission staff in Case No 94-996-EL-AIR

NA = Not Available

EXHIBIT DAD - 2

APPENDIX A

OPCO WHOLE LIFE RATE CALCULATION

OHIO POWER COMPANY
CALCULATION OF DISTRIBUTION AND GENERAL PLANT DEPRECIATION RATES BY THE WHOLE LIFE METHOD
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2009
SCHEDULE I - WHOLE LIFE ACCRUAL RATES
(USING TOTAL COMPANY GENERAL EQUIPMENT BALANCES)

NO. (I)	TITLE (II)	ORIGINAL COST AT 12/31/2009 (III)	AVERAGE LIFE & CURVE TYPE (IV)	NET SALVAGE RATIO (V)	TOTAL TO BE RECOVERED (VI)	CALCULATED DEPRECIATION REQUIREMENT (VII)	ALLOCATED ACCUMULATED DEPRECIATION (VIII)	REMAINING TO BE RECOVERED (IX)	AVERAGE REMAINING LIFE (X)	RECOMMENDED ANNUAL ACCRUAL AMOUNT (XI)	RECOMMENDED ANNUAL ACCRUAL PERCENT (XII)
DISTRIBUTION PLANT											
361.0	Structures & Improvements	8,070,865	60 R1.5	1.19	9,604,329	3,186,520	3,822,586	5,781,743	60.00	160,072	1.98%
362.0	Station Equipment	237,243,322	40 L0.0	1.16	275,202,254	43,828,636	52,577,333	222,624,921	40.00	6,880,056	2.90%
363.0	Storage Battery Equipment (Note 1)	5,062,199	15 Yrs	1.00	5,062,199	506,220	607,267	4,454,932	15.00	337,480	6.67%
364.0	Poles, Towers, & Fixtures	317,436,950	32 L0.0	1.87	593,607,097	121,899,405	146,231,924	447,375,173	32.00	18,550,222	5.84%
365.0	Overhead Conductor & Devices (Note 2)	274,567,259	30 L0.0	1.16	318,498,020	56,669,819	67,981,765	250,516,255	30.00	10,616,801	3.87%
366.0	Underground Conduit	51,027,785	50 R2.0	1.00	51,027,785	11,664,238	13,992,554	37,035,231	50.00	1,020,556	2.00%
367.0	Underground Conductor	90,066,271	36 R0.5	1.14	102,675,549	17,510,579	21,005,891	81,669,658	36.00	2,852,099	3.17%
368.0	Line Transformers	312,931,476	34 R1.5	1.15	359,871,197	98,302,145	115,525,157	244,346,040	34.00	10,584,447	3.38%
369.0	Services	132,711,857	33 R0.5	1.20	159,253,988	36,084,361	43,287,213	115,966,775	33.00	4,825,878	3.64%
370.0	Meters	69,839,324	36 S1.0	1.17	81,712,009	18,320,812	21,977,856	59,734,153	36.00	2,269,778	3.25%
371.0	Installations on Custs. Prem.	21,997,419	12 L0.0	1.21	26,616,877	7,134,359	8,558,459	18,058,418	12.00	2,218,073	10.08%
372.0	Leased Property on Custs. Prem.	1,104	30 R1.0	1.00	1,104	1,202	1,104	0	30.00	37	3.33%
373.0	Street Lighting & Signal Sys.	20,926,431	20 L0.0	1.18	24,693,189	7,019,179	8,420,288	16,272,901	20.00	1,234,659	5.90%
	Total Distribution Plant	1,541,882,062			2,007,825,597	420,127,474	503,989,397	1,503,836,200		61,548,958	3.99%
GENERAL PLANT (Total Company, Note 3)											
390.0	Structures & Improvements	58,032,287	50 S0.0	1.05	60,933,901	18,206,338	23,084,219	37,849,682	20.00	3,046,695	5.25%
390.0	Structures & Improvements (Note 4)	7,897,808	5.1 Yrs	1.00	7,897,808	7,014,232	7,014,232	883,576	5.10	173,250	2.19%
391.0	Office Furniture & Equipment	3,227,863	30 SQ	1.00	3,227,863	1,214,752	1,540,211	1,687,652	30.00	107,595	3.33%
392.0	Transportation Equipment	31,743	50 SQ	1.00	31,743	1,219	1,546	30,197	50.00	635	2.00%
393.0	Stores Equipment	269,897	34 SQ	1.00	269,897	84,648	81,969	187,728	34.00	7,932	2.94%
394.0	Tools Shop & Garage Equipment	15,392,542	30 SQ	1.09	16,777,871	3,663,168	4,644,612	12,133,259	30.00	559,262	3.63%
395.0	Laboratory Equipment	570,346	28 SQ	1.00	570,346	267,655	339,366	230,980	26.00	20,370	3.57%
396.0	Power Operated Equipment	630,845	28 SQ	0.94	592,806	50,845	64,468	528,338	26.00	22,800	3.62%
397.0	Communication Equipment	33,062,228	35 SQ	1.00	33,062,228	8,747,321	11,090,923	21,971,305	35.00	944,635	2.86%
398.0	Miscellaneous Equipment	2,059,714	25 SQ	1.00	2,059,714	313,077	396,957	1,662,757	25.00	82,389	4.00%
	Total General Plant	121,174,873			125,423,977	39,543,255	48,258,503	77,165,474		4,965,584	4.10%
	Total Depreciable Plant	1,663,056,935			2,133,249,574	459,670,729	552,247,900	1,581,001,674		66,515,521	4.00%

N/A = not applicable

NOTES:
1. Storage Battery Equipment, being depreciated over 15 years as per AEP's engineering estimates. AEP engineering estimates equal amounts of salvage and removal so net salvage equals zero. This equipment was acquired in 2008 and the rate has not yet been approved by the PUCO.
2. Excludes $3,753,847 provided for in OPCo's Enhanced Vegetation Management Rider.
3. Used total company general plant balances at December 31, 2009 for purposes of establishing accrual rates in the Depreciation Study.
4. Owned improvements to leased structures that are amortized over the lease term in accordance with GAAP. Life and amortization amount based on average remaining amortization period at Dec 2009 which was 5.10 years. The Company did not request approval for the leasehold improvements amortization rate in our last rate case so the rate is not yet approved by the PUCO. The balance excludes $531,068 for Solar Panels at the Newark Service Center that are provided for in the Company's fuel adjustment clause.

OHIO POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE WHOLE LIFE METHOD
SCHEDULE II - COMPARE DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2009

(USING DISTRIBUTION COMPANY GENERAL EQUIPMENT BALANCE)

NO (1)	TITLE (2)	ORIGINAL COST AT 12/31/09 (3)	CURRENT APPROVED RATE (4)	CURRENT ANNUAL ACCRUAL (5)	STUDY RATE (6)	STUDY ACCRUAL (7)	DIFFERENCE (DECREASE) (8)
DISTRIBUTION PLANT							
361 0	Structures & Improvements	8 070 865	1 91%	154 154	1 98%	160 072	5 918
362 0	Station Equipment	237 243 322	2 86%	6 785 159	2 90%	6 880 056	94 897
363 0	Storage Battery Equipment **(Note 1)**	5 062 199	6 67%	337 480	6 67%	337 480	0
364 0	Poles, Towers, & Fixtures	317 436 950	4 84%	15 363 948	5 84%	18 550 222	3 186 274
365 0	Overhead Conductor & Devices **(Note 2)**	274 567 259	4 00%	10 982 890	3 87%	10 616 801	-366 089
366 0	Underground Conduit	51 027 785	2 00%	1 020 556	2 00%	1 020 556	0
367 0	Underground Conductor	90 066 271	3 33%	2 999 207	3 17%	2 852 099	-147 108
368 0	Line Transformers	312 931 476	3 64%	11 390 706	3 38%	10 584 447	-806 259
369 0	Services	132 711 657	4 55%	6 038 380	3 64%	4 825 878	-1 212 502
370 0	Meters	69 839 324	4 03%	2 814 525	3 25%	2 269 778	-544 747
371 0	Installations on Custs. Prem.	21 997 419	10 00%	2 199 742	10 08%	2 218 073	18 331
372 0	Leased Property on Custs. Prem	1 104	3 33%	37	3 33%	37	0
373 0	Street Lighting & Signal Sys	20 926 431	5 75%	1 203 270	5 90%	1 234 659	31 389
	Total Distribution Plant	1 541 882 062	3 98%	61 289 854	3 99%	61 549 958	260 104
GENERAL PLANT (Distribution Company, Note 3)							
390 0	Structures & Improvements	53 621 748	2 58%	1 372 717	5 25%	2 815 142	1 442 425
390 0	Structures & Improvements **(Note 4)**	7 132 729	3 29%	234 727	2 19%	156 467	-78 260
391 0	Office Furniture & Equipment	1 395 101	3 17%	44 225	3 33%	46 503	2 278
392 0	Transportation Equipment	416	1 90%	8	2 00%	8	0
393 0	Stores Equipment	101 683	3 13%	3 183	2 94%	2 991	-192
394 0	Tools Shop & Garage Equipment	9 097 927	3 80%	345 721	3 63%	330 558	-15 163
395 0	Laboratory Equipment	235 285	3 50%	8 235	3 57%	8 403	168
396 0	Power Operated Equipment	11 418	3 46%	395	3 62%	413	18
397 0	Communication Equipment	30 805 390	2 86%	881 034	2 86%	880 153	-881
398 0	Miscellaneous Equipment	604 256	4 00%	24 170	4 00%	24 170	0
	Total General Plant	103 005 951	2 83%	2 914 415	4 14%	4 284 808	1 350 393
	Total Depreciable Plant	1,644,888,013	3 90%	64,204,269	4.00%	65,814,766	1,610,497

NOTES:

1. Storage Battery Equipment, being depreciated over 15 years as per AEP's engineering estimates. AEP engineering estimates equal amounts of salvage and removal so net salvage equals zero This equipment was acquired in 2008 and the rate has not yet been approved by the PUCO

2 Excludes $3 753 847 provided for in OPCo's Enhanced Vegetation Management Rider

3 Distribution company general plant balances at December 31 2009

4. Owned improvements to leased structures that are amortized over the lease term in accordance with GAAP. Life and amortization amount based on average remaining amortization period at Dec 2009 which was 5.10 years The Company did not request approval for the leasehold improvements amortization rate in our last rate case so rate is not yet approved by the PUCO The balance excludes $531 068 for Solar Panels at the Newark Service Center that are provided for in the Company's fuel adjustment clause

EXHIBIT DAD - 3

COMBINED COMPANY DEPRECIATION RATE CALCULATION

USING THE AVERAGE REMAINING LIFE METHOD

OHIO POWER COMPANY AND COLUMBUS SOUTHERN POWER COMPANY
CALCULATION OF WEIGHTED AVERAGE COMBINED COMPANY REMAINING LIFE DEPRECIATION RATES AND ACCRUALS
SCHEDULE XI - COMBINED COMPANY STUDY DEPRECIATION EXPENSE AND RATES
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2009

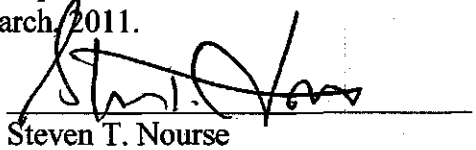
(USING DISTRIBUTION COMPANY GENERAL EQUIPMENT BALANCE)

NO. (1)	TITLE (2)	OPCo ORIGINAL COST AT 12/31/2009 (3)	CSP ORIGINAL COST AT 12/31/2009 (4)	COMBINED CO. ORIGINAL COST 12/31/2009 (5)	OPCo STUDY ACCRUAL (6)	CSP STUDY ACCRUAL (7)	COMBINED CO. STUDY ACCRUAL (8)	COMBINED CO ACCRUAL RATES (9)
DISTRIBUTION PLANT								
361.0	Structures & Improvements	8,070,865	9,781,492	17,852,357	144,219	170,356	314,575	1.76%
362.0	Station Equipment	237,243,322	221,705,860	458,949,182	6,619,831	5,855,158	12,474,989	2.72%
363.0	Storage Battery Equipment	5,062,199	0	5,062,199	329,995	0	329,995	6.52%
364.0	Poles, Towers, & Fixtures	317,436,950	226,773,173	544,210,123	17,592,417	9,381,440	26,973,857	4.96%
365.0	Overhead Conductor & Devices	274,567,259	227,520,697	502,087,956	10,130,055	5,501,596	15,631,651	3.11%
366.0	Underground Conduit	51,027,785	88,288,645	139,316,430	960,208	1,328,845	2,289,053	1.64%
367.0	Underground Conductor	90,066,271	362,865,773	452,932,044	2,735,086	11,051,845	13,786,931	3.04%
368.0	Line Transformers	312,931,476	300,368,843	613,300,319	8,813,094	8,585,218	18,398,312	3.00%
369.0	Services	132,711,657	134,106,771	266,818,428	4,544,153	4,254,736	8,798,889	3.30%
370.0	Meters	69,839,324	80,303,855	150,143,179	2,138,709	2,500,509	4,639,218	3.09%
371.0	Installations on Custs. Prem.	21,997,419	24,672,218	46,669,637	2,056,767	1,661,456	3,718,223	7.97%
372.0	Leased Property on Custs. Prem.	1,104	102,589	103,793	0	2,513	2,513	2.42%
373.0	Street Lighting & Signal Svs.	20,928,431	12,354,702	33,281,133	1,437,170	486,529	1,903,699	4.82%
	Total Distribution Plant	1,541,882,062	1,688,844,718	3,230,726,780	58,201,704	50,760,201	108,961,905	3.37%
GENERAL PLANT (Distribution Company)								
390.0	Structures & Improvements	53,621,746	53,209,299	106,831,045	997,520	828,643	1,826,163	1.71%
390.0	Structures & Improvements	7,132,729	4,741,428	11,874,157	156,467	3,398	159,865	1.35%
391.0	Office Furniture & Equipment	1,395,101	3,314,542	4,709,643	38,985	64,078	103,063	2.19%
392.0	Transportation Equipment	416	13,671	14,087	8	251	259	1.84%
393.0	Stores Equipment	101,683	189,088	290,771	2,738	3,109	5,847	2.01%
394.0	Tools Shop & Garage Equipment	9,097,927	8,009,536	17,107,462	305,821	158,165	463,986	2.71%
395.0	Laboratory Equipment	235,285	82,658	317,943	6,412	2,295	8,707	2.74%
396.0	Power Operated Equipment	11,418	2,337	13,755	402	43	445	3.24%
397.0	Communication Equipment	30,805,390	12,755,220	43,560,610	795,319	268,790	1,064,109	2.44%
398.0	Miscellaneous Equipment	604,266	868,510	1,472,766	23,009	26,576	49,586	3.37%
	Total General Plant	103,005,951	83,186,288	186,192,239	2,326,681	1,355,348	3,682,029	1.98%
	Total Depreciable Plant	1,644,888,013	1,772,031,006	3,416,918,019	60,528,385	52,115,549	112,643,934	3.30%

EXHIBIT DAD-3
SCHEDULE XI
PAGE 1

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the Pre-Filed Direct Testimony of David A. Davis has been served upon the below-named counsel via First Class mail, postage prepaid, this 14th day of March, 2011.



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