

the Commission-ordered change as well as the additional language proposed by AEP Ohio and OCC is attached to this letter.

Time is of the essence and AEP Ohio would like to gain quick approval of this supplemental language to be included in the notice to be published. AEP Ohio informed the Parties of this proposal and no party registered an objection to including the additional language in the notice. Accordingly, AEP Ohio requests that the Attorney Examiner issue an entry approving inclusion of the above-quoted additional language as part of the notice to be published in connection with the application.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be "Steve Van" or similar, written in a cursive style.

cc: Parties of Record

COLUMBUS SOUTHERN POWER COMPANY

OHIO POWER COMPANY

11-351-EL-AIR

11-352-EL-AIR

REVISED SCHEDULE S-3

PROPOSED LEGAL NOTICE

Columbus Southern Power Company (CSP) and Ohio Power Company (OPCo) are subsidiary electric utility operating companies of American Electric Power Company, Inc. They conduct their combined business in Ohio as "AEP Ohio," and they are proposing to merge into one company. AEP Ohio has filed with the Public Utilities Commission of Ohio (PUCO) Case No. 11-351-EL-AIR and 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 an Increase in Electric Distribution Rates*. AEP Ohio has also sought to amend its tariffs and obtain accounting approval in connection with the proposed rate increases, through its filing in Case No. 11-353-EL-ATA and 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 Tariff Approval*, and Case No. 11-356-EL-AAM and 11-358-EL-AAM, *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*.

In these cases the Commission will consider the request for approval of increases in the Companies' electric distribution rates, effective with the first billing cycle of January 2012. It has been nearly two decades since CSP or OPCo filed base distribution rate cases for their respective service areas. This filing seeks to bring base distribution rates in line with the current investment required to provide safe, reliable distribution service to customers and to determine an appropriate return on equity. Costs reviewed in this case are based on a test year, considered to be the period from June 1, 2010, to May 31, 2011. In addition, proposals in the filing, if approved by the PUCO, will provide significant benefits in reliability to customers and expansion of new technology. The company proposes an investment component in this case that will provide capital funding for distribution assets, including but not limited to: support for the distribution asset management programs; distribution capacity and infrastructure additions driven by customer demand; and, the continued implementation of advanced technology and the gridSMART® program.

AEP Ohio proposes changes to the Terms and Conditions of service, including the updated prices for miscellaneous distribution charges and pole attachments. In addition, the company proposes a storm deferral reserve and a Deferred Asset Recovery Rider (DARR). Riders being proposed or modified in this case and in conjunction with the pending Electric Security Plan

cases (Case Nos. 11-346-EL-SSO and 11-348-EL-SSO) include the Enhanced Service Reliability Rider (ESRR) and the Distribution Investment Rider (DIR).

The proposed distribution rates are presented in two formats: one, as emanating from a combined company (pending the successful merger application of CSP and OPCo currently under consideration at the PUCO); second, as the individual companies CSP and OPCo.

The average increase in total distribution revenue that each rate schedule would bear over the present rates if the proposed increase is granted in full would be:

	CSP	OPCo	Merged Companies
Residential	4.4%	20.7%	11.8%
Commercial and Industrial	22.2%	7.6%	14.3%
Lighting	26.5%	38.7%	32.6%
Total	10.6%	16.0%	13.3%

The average increase in total revenue to AEP Ohio if the proposed increase is granted in full would be:

	CSP	OPCo	Merged Companies
	1.9%	2.6%	2.3%

AEP Ohio proposes to recover other costs through riders; however, those costs and the subsequent rate impacts are not known at this time.

AEP Ohio collects residential distribution revenues from customers through a fixed rate monthly customer charge and an energy charge that varies according to how much electricity a customer uses. A key point about AEP Ohio's proposal is to recover more of its costs via a fixed rate (applicable to all customers regardless of the amount of electricity used), with a corresponding decrease in the costs recovered via an energy rate (based on how much electricity is used). Specifically, for Ohio Power customers the residential customer charge would increase from \$3.82 to \$8.40, and the energy charge would be 2.14 cents per kWh for all usage; for Columbus Southern Power customers the residential customer charge would increase from \$4.52 to \$8.40 and the energy charge would also be reduced to 2.14 cents per kWh for all usage.

Recommendations that differ from this application may be made by the PUCO staff or by intervening parties and may be adopted by the Commission. Any person, firm, corporation or association may file, pursuant to section 4909.19 of the Ohio Revised Code, an objection to the proposed electric distribution rate increases by alleging that such proposals are unjust and discriminatory or unreasonable.

A copy of the application is available for inspection at the main office of AEP Ohio, 850 Tech Center Drive, Gahanna, Ohio 43230, and at the Public Utilities Commission of Ohio, 180 East Broad Street, Docketing Division, 11th floor, Columbus, Ohio 43215-3793. The application and supporting documents may also be viewed at the Commission's web page at <http://www.puco.ohio.gov>, by selecting DIS, inputting 11-351 in the case lookup box, and selecting the date the application was filed.