PUCO EXHIBIT FILING

Case No. 11-349-EL-ARM 11-350-EL-	RANC
PUCO Case Caption:	
Columbus Southern Power Ci Ohio Power Company	<u> </u>
over company	
	•
List of exhibits being filed:	
- Written testimony subm	itted
at public hearing on 6/13/11	·
15 11 11 11 11	
- Sign-in sheets	
,	
Reporter's Signature: Maria Li Parlo Jones	

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BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO
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     In the Matter of the
     Application of Columbus
     Southern Power Company
 4
     and Ohio Power Company : Case Nos. 11-346-EL-SSO
 5
     for Authority to Establish:
                                          11-348-EL-SSO
     a Standard Service Offer :
     Pursuant to §4928.143,
 6
     Ohio Revised Code, in the :
 7
     Form of an Electric
     Security Plan.
 8
     In the Matter of the
 9
     Application of Columbus
     Southern Power Company
     and Ohio Power Company : Case Nos. 11-349-EL-AAM
10
     for Approval of Certain :
                                          11-350-EL-AAM
     Accounting Authority.
11
12
13
                          PROCEEDINGS
14
    before Steven D. Lesser, Commissioner, and Ms. Greta
    See, Hearing Examiner, at Washington State Community
15
16
    College, 710 Colgate Drive, Marietta, Ohio, called at
17
     6:00 p.m. on Monday, June 13, 2011.
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2.1
22
                     ARMSTRONG & OKEY, INC.
                222 East Town Street, 2nd Floor
23
                     Columbus, Ohio 43215
                (614) 224-9481 - (800) 223-9481
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                      Fax - (614) 224-5724
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hio Public Utilities Commission

Public Hearing Witness
Sign-in Sheet

COMPANY: AEP	CASE NO.:	11 346	115
DATE:	LOCATION:	Miriette	HO

If you would like to provide testimony, please **PRINT** your name and address below.

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Pass	Garyh. Rossiter	809 MARY ST. Beltre Oh:0 45714 MM. 45384 Wilm AVE Caldwell Oh.
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COMPANY:	CASE NO.:
DATE:	LOCATION:

If you would like to provide testimony, please **PRINT** your name and address below.

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No.	NAME	ADDRESS
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POOD	JOSEPH Augenston	1103RS ST. DYARIEMY ROLZOI FAIRWAY OR BEVERLY
	BILL BERN BAD	R ZOI FAIRWAY OR BEVERLY
Don	Richard A. Vore	132 Riverview Drive MH
1	JERRY KASICIZ	107 BRENTWOOD ST. MARIETTA
2008	Freshed MICLURIS	36379 SKINNER R. POMERCY
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Ohio | Public Utilities Commission

Public Hearing Witness
Sign-in Sheet

COMPANY: AEP	CASE NO .: 11-346 et al.
DATE: 6-13-11	LOCATION: Marieta

If you would like to provide testimony, please **PRINT** your name and address below.

No.	NAME	ADDRESS
V	Mikes Womenen	79 N. 8th S. McChibonsville, OH
V	Charlacevini Evans	79 N. 8th Si McChilosophie CH45631
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Public Utilities Commission of Ohio 180 East Broad Street Columbus, Ohio 43215

RE: Testimony for AEP Ohio ESP - Case Nos. 11-346-EL-SSO and 11-348-EL-SSO

On behalf of the Board of Gallia County Commissioners, President Lois Snyder, Vice-President Joe Foster and myself, Commissioner Harold Montgomery, I would like to offer testimony regarding Case #'s 11-346-EL-SSO & 11-348-EL-SSO.

Gallia County and AEP have a long and important relationship and therefore I would like to express my support of AEP's Electric Security Plan (ESP) that was filed with the PUCO earlier this year. The ESP is a comprehensive strategy describing how the company will provide electricity to its customers during the period 2012 through May 2014.

The ESP also introduces the Ohio Growth Fund, a \$25 million shareholder contribution designed to work in partnership with state and local agencies and private sector leaders to attract new investment and job growth throughout AEP Ohio's service territory. AEP Ohio has a long history of support for economic development in its service territory and the proposed ESP includes a continuation of that support as well as significant new investment in programs and customer offerings. The Growth Fund would provide resources for attracting new businesses and helping existing business customers expand.

Economic Development Mini Grants were established to assist local economic development organizations with funding to address local needs. Gallia County was a recipient of such a grant that was utilized for website creation for our Economic Development Office and can be found at www.growgallia.com. This website is utilized to promote new and existing industries for expansion projects that create new jobs, retain existing jobs and generate new investment in our County.

Through the Turning Point Solar project, the ESP requests regulatory recovery of significant new investment that will lead to the creation of hundreds of new manufacturing jobs in Ohio.

The plan adds renewable energy sources to the company's generation mix, continues AEP's energy efficiency efforts and gives consumers an option to directly purchase a portion of their electricity from renewable sources. The ESP also proposes a tariff to support customers who choose plug-in electric vehicles.

AEP Ohio serves more than 1.5 million customers and more than 1,000 communities in 61 of Ohio's 88 counties. Taken together the supply and delivery business segments form the foundation of AEP Ohio's substantial economic impact in the state, which is estimated to exceed \$2 billion annually. AEP employs more than 6,000 people in the state with over \$699 million in wages and in 2010 AEP paid \$348 million in Ohio taxes and made capital investments of \$513 million.

It is for all the reasons stated above that I and the Gallia County Commissioners are in full support of AEP Ohio's ESP Plan. Thank you for the opportunity to give testimony on this most important issue that has a direct impact on the economic recovery, not only for Gallia County, but the entire service area of AEP. I would be glad to answer any questions you may have of me.

Harold G. Montgomery

Gallia County Commissioner



AEP OHIO

AEP HAS BEEN A HUGH PART OF THE BEVERLY-WATERFORD COMMUNITY FOR OVER 50 YEARS. THEY HAVE CONTRIBUTED TO THE WASHINGTON & MORGAN COUNTY COMMUNITIES IN MANY WAYS. THEY ARE A MAJOR EMPLOYER AS WELL AS THE JOBS THAT ARE CREATED BY OTHER BUSINESSES THAT ARE USED TO SUPPORT THE PLANT OPERATIONS. THE EPA HAS GOOD INTENTIONS: HOWEVER THEY HAVE NOT GIVEN PROPER THOUGHT TO THE EFFECTS OF CLOSING THE MUSKINGUM RIVER PLANT. THIS WILL CAUSE MAJOR JOB LOSSES AS WELL AS HUGH INCREASES IN THE UTILITY COSTS FOR AN AREA THAT IS ALREADY STRUGGLING DUE TO THE POOR ECONOMIC CONDITIONS OF THE LAST 2 1/2 YEARS. IT WOULD MAKE MORE SENSE TO EXTEND THE TIMELINE TO ALLOW AEP TO COMPLY WITH THE REGULATIONS AND ALLOW FOR OTHER SOURCES TO HELP GENERATE THE ELIMINATED ELECTRICITY. IT IS TIME THAT WE USE COMMON SENSE IN MAKING THESE DECISIONS THAT AFFECT THE LIVELYHOOD OF FAMILYS, BUSINESSES, TOWNS, SCHOOL DISTRICTS & COUNTIES. IT DOSEN'T APPEAR THAT SOCIETY IS READY TO REDUCE THE CONSUMPTION OF ELECTRIC POWER REGARDLESS OF HOW IT IS GENERATED.

Who is AEP? AEP is a major employer and good neighbor in our Northwest Washington County community. AEP is owned by shareholders, many whom are our neighbors and friends and many more through their retirement program investments.

As a neighbor of American Electric Power Co. I am concerned that in 2008, Barack Obama said: "So if somebody wants to build a coal-powered plant, they can; it's just that it will bankrupt them because they're going to be charged a huge sum for all that greenhouse gas that's being emitted." (Sen. Barack Obama, Interview With San Francisco Chronicle, 1/17/08) and I am concerned about the Hazardous Air Pollutants Rule. I want to make you aware that the amount of time provided by the Clean Air Act to comply with this regulation is not sufficient. AEP has installed nine scrubbers in the last several years. A typical installation takes more than four years, assuming there are no problems and that an adequate supply of materials and labor is available. That may not be the case as utilities throughout the country compete for workers and the limited capacity available to construct control equipment. Given the number of installations that will be required nationwide along with the high potential for a shortage of labor and materials, the stated time frame is not realistic. These projects required by the government are beyond reason. The alternative fuels proposed by government will increase our electric cost by double in the next few years.

I feel that the process for the EPA's compliance has not been thoroughly thought through. The consequences to the economy would devastate small communities such as Lowell, Beverly, and Waterford. For example, the Muskingum River Plant in Beverly, Ohio — Units 1-4 (840 MW) will have to be retired by Dec. 31, 2014; and Muskingum River Unit 5 (600 MW) may be refueled with natural gas with a capacity of 510 MW by Dec. 31, 2014, depending on regulatory treatment in Ohio. The loss of megawatts and jobs would directly impact the economies of these small Southeastern Ohio towns and we are already suffering from the economic downtown.

Compliance with the HAPs Rule, in conjunction with other pending regulations, will be expensive and disruptive. Please take the steps needed to allow AEP to comply at the least cost to the communities that they serve.

Coal is the major energy source for electricity and is the least cost supplier for electricity in our region.

AEP has always been a friend, as are the other small businesses that serve our community. Small businesses and major industry sites will be closed because of higher rates brought on by the policies of an out of control government. These policies not only bankrupt the coal-fired energy producer, but will bankrupt each and every business and household.

Muskingum Valley Chamber of Commerce Glen Miller, Chair earlier, state , I cear #

Roger Spring Pg/2/2 738 Braun Rd Belpre, OH 457/4

I worked for a public electric utility co. for 28 years

I see this rate increase as a way to play mind games with consumers and He PUCO.

With the creation of these numerous riders and the other break-down of rates already on our bills, AEP is creating a host of ways in which they will be able to keep coming back to you for rate increases.

They will come back to you saying that "...they haven't had an increase in a certain rider for so many years and perhaps ask for a 10 or 20% increase. And they will keep doing that non-stop in what appears to be in small increments, which will in reality, make large increases in our bill by the time all of them are added up.

Are not all these riders expenses in the cost of producing and delivering electricity?

If so, let AEP present to the PUCO the total cost for producing electricity. Let it be reflected in a total % so you and the consumer can see what the <u>real</u> rate of increase is <u>truly</u> going to be.

I realize the EPA is making it extremely difficult for electric utilities right now.

And the economic environment is making it difficult on AEP's customers to survive as well.

An AEP representative recently spoke to the local Chamber of Commerce in Meigs County and said, "... we are not about to allow the current economic environment affect our "Margin of Profit."

Why shouldn't it affect theirs, it's affecting ours! And then on top of everything, AEP keeps coming back and asking for increases far exceeding inflation.

We are living on less, maybe they can sacrifice a little on behalf of their loyal customers!?

there was

San Francisco has established, "Citi**ya** of Refuge" so illegal aliens can hide from the laws of the Federal government and there by deportation.

Perhaps AEP should lobby as hard in Columbus to make Ohio a "State of Refuge" from the burdensome rules and regulations of the EPA. If they lobbed for nate increases the latery for nate increases the latery for nate increases. The latery for nate increases the latery for nate increases. The latery for nate increases the latery for nate increases the latery for nate increases the latery for nate in the eyes of their customers by making this state business friendly again. And

if they did this, again, they could gain favor in the eyes of their customers by not having to ask for these anti-business / anti-jobs electric rate increases!

Good Evening, My name is Michael Lorentz the current Mayor of Belpre, Ohio

My purpose for being here tonight is to voice my concerns over the AEP's Electric Security Plan which would significantly increase the generation rates for our residents and small business.

With this plan in place it also restricts our ability to shop for lower rates. What option does this now give the near 40% of our citizens that are over 62 years of age?

Belpre has seen their electric bills rise from around \$68 dollars a month with Monongahela Power in 2005 to now \$118 under the Columbus Southern Power Rates. This is about 73% in less than 6 years.

Based on AEP"s summary of their ESP filing we are now looking at another 15% in 2012 and another 5% in 2013.

Again I will ask you what options does this leave almost 40% of the residents of my city that are over the age of 62 and existing on fixed incomes?

It is hard for me to understand the justification for an increase in base generation given that Columbus Southern Power was recently found to have excessive earnings in 2009 which required them to return \$42.6 million to their customers.

Additionally you will find that the average Columbus Southern Power residential customer already pays higher rates than customers in West Virginia and Kentucky territories that are served by other AEP subsidiaries, this allows Columbus Southern Power to earn a higher return than these other AEP subsidiaries.

AEP's request for Non-bypassable riders will hurt consumer's ability to shop for competitive electrical providers. However this cannot be fully evaluated since there is no cost information available for the newly proposed riders. (One can assume that they will not be at zero cost)

AEP's strategy appears to be to provide barriers to competition so that they can maintain high electric rates and collect additional revenue through riders from all customers (whether the customer chooses to take generation service from AEP or a third party supplier)

In reality, the non-bypassable riders would lock local consumers into the worst of all worlds; high electrical rates with non-bypassable riders, preventing consumers from shopping to lower their bills. This does not seem consistent with the intent of developing competitive markets that Ohio's Electrical Deregulation legislation was supposed to promote.

Belpre is fortunate to have the river, a working rail system, and the four lane highway running through our city. Even with these important resources it is still impossible to compete with our neighbor state due to utility costs.

In Closing; I request that the Public Utility Commission of Ohio support the residents and small businesses in our area by:

- 1. Requiring AEP-Ohio to fully identify the cost impacts of all its ESP proposals (Including the riders)
- 2. Reject non-bypassable riders and charges that block opportunities for consumers to reduce their electric bills by shopping, and discourage competitive suppliers from entering our region.
- 3. Make sure that our local economy is not disadvantaged by uncompetitive electric prices

Table DP-1. Profile of General Demographic Characteristics: 2000

Geographic Area: Belpre city, Ohio

[For information on confidentiality protection, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
Total population	6,660	100.0	HISPANIC OR LATINO AND RACE		
			Total population	6,660	100.0
SEX AND AGE			Hispanic or Latino (of any race)	32	0.5
Male	3,042	45.7	Mexican	9	0.1
Female	3,618	54.3	Puerto Rican	11	0.2
Under 5 years	417	6.3	Cuban	-	-
5 to 9 years	354	5.3	Other Hispanic or Latino	12	0.2
10 to 14 years	373	5.6	Not Hispanic or Latino ,	6,628	99.5
	390	5.9	White alone	6,372	95.7
15 to 19 years					
20 to 24 years	408	6.1	RELATIONSHIP		
25 to 34 years	824	12.4	Total population	6,660	100.0
35 to 44 years	936	14.1	In households	6,659	100.0
45 to 54 years	956	14.4	Householder	3,058	45.9
55 to 59 years	408	6.1	Spouse ,	1,466	22.0
60 to 64 years	367	5.5	Child	1,642	24.7
65 to 74 years	637	9.6	Own child under 18 years	1,263	19.0
75 to 84 years	466	7.0	Other relatives	227	3.4
85 years and over	124	1.9	Under 18 years	93	1.4
Median age (years)	41.2	(X)	Nonrelatives	266	4.0
Wedian age (years)	71.2	(^)	Unmarried partner	136	2.0
18 years and over	5,271	79.1	In group quarters	1	
Male	2,345	35.2	Institutionalized population.	_	_
Female	2,926	43.9	Noninstitutionalized population	1	_
21 years and over	5,054	75.9	Transitionizationization population	-	
62 years and over	1,448	21.7	HOUSEHOLD BY TYPE		
65 years and over	1,227	18.4	Total households	3,058	100.0
Male	457	6.9	Family households (families)	1,923	62.9
Female	770	11.6	With own children under 18 years	772	25.2
	.,*		Married-couple family	1,466	47.9
RACE			With own children under 18 years	501	16.4
One race	6,577	98.8		349	11.4
White	6,394	96.0	Female householder, no husband present	- 1	
Black or African American	140	2.1	With own children under 18 years	212	6.9
American Indian and Alaska Native	7	0.1	Nonfamily households	1,135	37.1
Asian	28	0.4	Householder living alone	999	32.7
Asian Indian	6	0.4	Householder 65 years and over	429	14.0
Chinese	4	0.1	Households with individuals under 18 years	848	27.7
Filipino	5	0.1	Households with individuals 65 years and over	926	30.3
	4		Thousandids with individuals do years and over	320	50.5
Japanese	3	0.1	Average household size	2.18	(X)
Korean	-	-	Average family size	2.73	(X)
Vietnamese	1	-			٠,
Other Asian 1	5	0.1	HOUSING OCCUPANCY		
Native Hawaiian and Other Pacific Islander	-	-	Total housing units	3,283	100.0
Native Hawaiian	-	-	Occupied housing units	3,058	93.1
Guamanian or Chamorro	-]	-	Vacant housing units	225	6.9
Samoan	-	-	For seasonal, recreational, or		0.0
Other Pacific Islander 2	-	-	occasional use	16	0.5
Some other race	8	0.1		,*	0.0
Two or more races	83	1.2	Homeowner vacancy rate (percent)	1.5	(X)
Race alone or in combination with one	Ì		Rental vacancy rate (percent)	8.4	(X)
or more other races; 3	İ			i	•
White	6 460	07.4	HOUSING TENURE	ļ	
Black or African American	6,469	97.1	Occupied housing units	3,058	100.0
=	189	2.8	Owner-occupied housing units	2,017	66.0
American Indian and Alaska Native	37	0.6	Renter-occupied housing units	1,041	34.0
Asian	52	8.0	·	,	
Native Hawaiian and Other Pacific Islander	2	-	Average household size of owner-occupied units.	2.24	(X)
Some other race	10	0.2	Average household size of renter-occupied units.	2.06	(X)

Source: U.S. Census Bureau, Census 2000.

Represents zero or rounds to zero. (X) Not applicable.
 Other Asian alone, or two or more Asian categories.
 Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

³ In combination with one or more of the other races listed. The six numbers may add to more than the total population and the six percentages may add to more than 100 percent because individuals may report more than one race.

Table DP-2. Profile of Selected Social Characteristics: 2000

Geographic area: Belpre city, Ohio

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
SCHOOL ENROLLMENT			NATIVITY AND PLACE OF BIRTH		
Population 3 years and over			Total population	6,755	100.0
enrolled in school	1,440	100.0	Native	6,713	99.4
Nursery school, preschool	126	8.8	Born in United States	6,699	99.2
Kindergarten	86	6.0	State of residence	1,927	28.5
Elementary school (grades 1-8)	617	42.8	Different state	4,772	70.6
High school (grades 9-12)	307	21.3	Born outside United States	14	0.2
College or graduate school	304		Foreign born	42	0.6
Compact of graduate construction	• • • • • • • • • • • • • • • • • • • •		Entered 1990 to March 2000	,	, ,,,
EDUCATIONAL ATTAINMENT			Naturalized citizen	35	0.5
Population 25 years and over	4,747	100.0	Not a citizen	7	0.1
	292	6.2	Not a citizen	′	0.1
Less than 9th grade			REGION OF BIRTH OF FOREIGN BORN		
9th to 12th grade, no diploma	534	11.2	1 4 (/)	42	100.0
High school graduate (includes equivalency)	1,751	36.9	le ' ' ' ' '	28	66.7
Some college, no degree	1,201	25.3	Asia	14	33.3
Associate degree	326	6.9		1-4	33.3
Bachelor's degree	448	9.4	Africa	- 1	_
Graduate or professional degree	195	4.1	Oceania	~	-
			Latin America	-	-
Percent high school graduate or higher	82.6	(X)	Northern America	-	-
Percent bachelor's degree or higher	13.5	(X)	A NOVE OF SPONTIL AT HOME		
		ļ	LANGUAGE SPOKEN AT HOME		
MARITAL STATUS			Population 5 years and over	6,284	100.0
Population 15 years and over	5,568	100.0	English only	6,125	97.5
Never married	1,131	20.3	Language other than English	159	2.5
Now married, except separated	2,956	53.1	Speak English less than "very well"	33	0.5
Separated	128	2.3	Spanish	77	1.2
Widowed	552	9.9	Speak English less than "very well"	26	0.4
Female.	495	8.9	1 60 1 6 100 100 100 100 100 100 100 100	82	1.3
Divorced	801	14.4	Description to the Property of	7	0.1
			A . T		
Female	485	8.7	Speak English less than "very well"	_	ĺ _
			Speak English less than Yory Wall		-
GRANDPARENTS AS CAREGIVERS			ANCESTRY (single or multiple)		
Grandparent living in household with		\	Total population	6,755	100.0
one or more own grandchildren under		f	Total apposition reported	5,601	82.9
18 years	86	100.0	Arab	18	0.3
Grandparent responsible for grandchildren	40	46.5	Czech ¹		0.3
				4	ľ
VETERAN STATUS			Danish	6	0.1
Civilian population 18 years and over	5,339	100.0	Dutch	199	2.9
Civilian veterans	909	17.0	English	684	10.1
			French (except Basque) ¹	147	2.2
DISABILITY STATUS OF THE CIVILIAN			French Canadian ¹	-	-
NONINSTITUTIONALIZED POPULATION			German	1,233	18.3
Population 5 to 20 years	1,171	100.0	Greek	19	0.3
		9.8	Hungarian	27	0.4
With a disability	115	9.0	Irish ¹	791	11.7
Population 21 to 64 years	3,902	100.0	Italian	97	1.4
With a disability	786	20.1	Lithuanian	0.	
Percent employed	53.3	(X)	Norwegian	60	0.9
No disability	3,116	79.9			
Percent employed	76.5	(X)	Polish	52	0.8
			Portuguese	6	0.1
Population 65 years and over	1,211	100.0	Russian	6	0.1
With a disability	509	42.0	Scotch-Irish	132	2.0
			Scottish	53	0.8
RESIDENCE IN 1995			Slovak	12	0.2
Population 5 years and over	6,284	100.0	Subsaharan African	-	-
Same house in 1995	3,737	59.5	Swedish	13	0.2
Different house in the U.S. in 1995	2,539	40.4	Swiss	15	0.2
Same county	1,400	22.3	Ukrainian	24	0.4
Different county	1,139	18.1	United States or American	1,172	17.4
Same state	190	3.0	Welsh	83	1,2
Different state	949	15.1	West Indian (excluding Hispanic groups)	03	1,2
I				740	44.4
Elsewhere in 1995	8	0.1	Other ancestries	748	11.1

⁻Represents zero or rounds to zero. (X) Not applicable.

1The data represent a combination of two ancestries shown separately in Summary File 3. Czech includes Czechoslovakian. French includes Alsatian. French Canadian includes Acadian/Cajun, Irish includes Celtic.

Source: U.S. Bureau of the Census, Census 2000.

Table DP-3. Profile of Selected Economic Characteristics: 2000

Geographic area: Belpre city, Ohio

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
EMPLOYMENT STATUS			INCOME IN 1999		
Population 16 years and over	5,469	100.0	Households	3,092	100.0
in labor force	3,223	58.9	Less than \$10,000	369	11.9
Civilian labor force	3,223	58.9	\$10,000 to \$14,999	356	11.5
Employed	3,042	-	\$15,000 to \$24,999	565	18.3
Unemployed	181		\$25,000 to \$34,999	534	17.3
Percent of civilian labor force	5.6		\$35,000 to \$49,999	483	15.6
Armed Forces.	0.0	(//)	\$50,000 to \$74,999	450	14.6
Not in labor force	2,246	41.1	\$75,000 to \$99,999.	180	5.8
1	2,240		\$100,000 to \$140,000	139	4.5
Females 16 years and over	3,050	100.0	\$150,000 to \$149,999.	9	0.3
In labor force	1,599	52.4		7	0.3
Civilian labor force	1,599	52.4	\$200,000 or more	29,603	
Employed	1,555	51.0	Median household income (dollars)	29,003	(X)
Own shildren under 6 years	497	100.0	With earnings	2,160	69.9
Own children under 6 years		66.8	Mean earnings (dollars) ¹	41,588	(X)
All parents in family in labor force	332	0.00	With Social Security income	951	30.8
COMMUTING TO WORK			Mean Social Security income (dollars)1	11,806	(X)
Workers 16 years and over	2,982	100.0	With Supplemental Security Income	122	3.9
Car, truck, or van drove alone	2,629	88.2		122	3.3
Car, truck, or van carpooled.	175	5.9	(dollars) ¹	6.899	l ~~
Public transportation (including taxicab)	173	0.4	With public assistance income		(X)
	72			96	3.1
Walked		2.4	Mean public assistance income (dollars) ¹	1,337	(X)
Other means.	37	1.2	With retirement income	748	24.2
Worked at home	57	1.9	Mean retirement income (dollars) ¹	14,506	(X)
Mean travel time to work (minutes) ¹	17.5	(X)	Families	1,935	100.0
Employed civilian population			Less than \$10,000.	164	8.5
16 years and over	3,042	400.0	\$10,000 to \$14,999	163	8.4
, i	3,042	100.0			
OCCUPATION			\$15,000 to \$24,999	280	14.5
Management, professional, and related	005	07.4	\$25,000 to \$34,999	328	17.0
occupations	825		\$35,000 to \$49,999	311	16.1
Service occupations	467		\$50,000 to \$74,999	388	20.1
Sales and office occupations	985	32.4	\$75,000 to \$99,999	171	8.8
Farming, fishing, and forestry occupations	- ,	-	\$100,000 to \$149,999	130	6.7
Construction, extraction, and maintenance	_		\$150,000 to \$199,999	-	-
occupations	246	8.1	\$200,000 or more	-	-
Production, transportation, and material moving			Median family income (dollars)	36,401	(X)
occupations	519	17.1	1	45.455	00
			Per capita income (dollars)	18,195	(X)
INDUSTRY			Median earnings (dollars):		
Agriculture, forestry, fishing and hunting,			Male full-time, year-round workers	31,743	(X)
and mining	16	0.5	Female full-time, year-round workers	21,789	(X)
Construction	178	5.9		N)	D1
Manufacturing	500	16.4	1	Number	Percent
Wholesale trade	129	4.2		below	below
Retail trade	534	17.6		poverty	poverty
Transportation and warehousing, and utilities	150	4.9	Subject	level	level
Information	44	1.4			
Finance, insurance, real estate, and rental and			POVERTY STATUS IN 1999		
leasing	134	4.4		224	45.4
Professional, scientific, management, adminis-		•••	Families	234	12.1
trative, and waste management services	202	6.6	With related children under 18 years	189	22.5
Educational, health and social services	600	19.7	With related children under 5 years	103	28.0
Arts, entertainment, recreation, accommodation	000	10.7	Families with female householder, no		
and food services	207	6.8	husband present	151	36.7
Other services (except public administration)	148		With related children under 18 years	140	49.0
Public administration	200	6.6		74	79.6
I ONIO GOTTINIO GOTTI	200	0.0	THE TELECO CHICLET GILLET G YEARS.,,,,	′~	19.0
CLASS OF WORKER	\		Individuals	1,025	15.2
	0.404	DA 4		*	
Private wage and salary workers	2,434		18 years and over	654	12.2
Government workers	415	13.6		92	7.6
Self-employed workers in own not incorporated	100	^ ~	Related children under 18 years	370	26.7
business	193	6.3		220	23.9
Unpaid family workers	-	-	Unrelated individuals 15 years and over	311	22.4

⁻Represents zero or rounds to zero. (X) Not applicable.

1If the denominator of a mean value or per capita value is less than 30, then that value is calculated using a rounded aggregate in the numerator. See text.

Source: U.S. Bureau of the Census, Census 2000.

Table DP-4. Profile of Selected Housing Characteristics: 2000

Geographic area: Belpre city, Ohio

[Data based on a sample. For information on confidentiality protection, sampling error, nonsampling error, and definitions, see text]

Subject	Number	Percent	Subject	Number	Percent
Total housing units	3,291	100.0	OCCUPANTS PER ROOM		
UNITS IN STRUCTURE			Occupied housing units	3,074	100.0
1-unit, detached	2,202	66.9	1.00 or less	3,030	98.6
1-unit, attached	42	1.3	1.01 to 1.50	29	0.9
2 units	126	3.8	1.51 or more	15	0.5
3 or 4 units	362	11.0			
5 to 9 units	180	5.5	Specified owner-occupied units	1,700	100.0
	34	1.0	VALUE	.,. 00	
10 to 19 units				007	42.0
20 or more units	83		Less than \$50,000	237	13.9
Mobile home	262	0.8	\$50,000 to \$99,999	1,101	64.8
Boat, RV, van, etc	-	-	\$100,000 to \$149,999	249	14.6
			\$150,000 to \$199,999	89	5.2
YEAR STRUCTURE BUILT			\$200,000 to \$299,999	24	1.4
1999 to March 2000	23	0.7	\$300,000 to \$499,999	- 1	_
1995 to 1998	84		\$500,000 to \$999,999	_ \	l _
1990 to 1994	179		\$1,000,000 or more	_	_
				70 500	///
1980 to 1989	530	16.1	Median (dollars)	78,500	(X)
1970 to 1979	556	16.9			
1960 to 1969	660		MORTGAGE STATUS AND SELECTED		1
1940 to 1959	807	24.5	MONTHLY OWNER COSTS		
1939 or earlier	452	13.7	With a mortgage	887	52.2
			Less than \$300	11 أ	0.6
ROOMS			\$300 to \$499	186	10.9
1 room	34	1.0	\$500 to \$699	273	16.1
2 rooms	80	2.4		258	15.2
3 rooms	199	6.0		143	8.4
4 rooms	634	19.3	* - *	16	0.9
5 rooms	902	27.4	\$2,000 or more	- 1	-
6 rooms	544	16.5	Median (dollars)	678	(X)
7 rooms	406	12.3	Not mortgaged	813	47.8
B rooms	328	10.0		219	(X)
1	164	5.0	modian (donard)		(*,)
9 or more rooms			SELECTED MONTHLY OWNED COOLS	į	
Median (rooms)	5.3	(^)	SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD		
A 1.11 Inc. 19	0.074	400.0	· ·		
Occupied housing units	3,074	100.0		004	
YEAR HOUSEHOLDER MOVED INTO UNIT			Less than 15.0 percent	931	54.8
1999 to March 2000	591		15.0 to 19.9 percent	213	12.5
1995 to 1998	659	21.4	20.0 to 24.9 percent	159	9.4
1990 to 1994	512	16.7	25.0 to 29.9 percent	178	10.5
1980 to 1989	533	17.3	30.0 to 34.9 percent	90	5.3
1970 to 1979	359	11.7	35.0 percent or more	113	6.6
1969 or earlier	420		Not computed.	16	0.9
1909 Of Califol	440	13.7	Not compated		0.5
VEHIOLES AVAILABLE			Charified wanter accoming units	4 079	100.0
VEHICLES AVAILABLE			Specified renter-occupied units	1,078	100.0
None	284		GROSS RENT		
1	1,259		Less than \$200	88	8.2
2	1,076		\$200 to \$299	75	7.0
3 or more	455	14.8	\$300 to \$499	599	55.6
			\$500 to \$749	207	19.2
HOUSE HEATING FUEL			\$750 to \$999	61	5.7
Utility gas	2,446	706	\$1,000 to \$1,499	š.	0.6
Datted test or 10	, ,		\$1,500 or more	٦	Q. O
Bottled, tank, or LP gas	16			أم	-
Electricity	584	19.0	No cash rent	42	3.9
Fuel oil, kerosene, etc	11	0.4	Median (dollars)	425	(X)
Coal or coke	~	-	[Į į	
Wood	5	0.2	GROSS RENT AS A PERCENTAGE OF	l	
Solar energy	_	_	HOUSEHOLD INCOME IN 1999	l	
Other fuel	61	0.2	Less than 15.0 percent	223	20.7
No fuel used	6		15.0 to 19.9 percent	159	14.7
The rate diddent transfer to the same and th	9	0.2	20.0 to 24.9 percent	151	14.0
CELECTED CHARACTERISTICS	Ì				
SELECTED CHARACTERISTICS		~ .	25.0 to 29.9 percent	70	6.5
	12	ı 0.4	30.0 to 34.9 percent	129	12.0
Lacking complete plumbing facilities	!		1		
Lacking complete plumbing facilities	17		35.0 percent or more	298 48	27.6 4.5

⁻Represents zero or rounds to zero. (X) Not applicable.

Source: U.S. Bureau of the Census, Census 2000.

Columbus Soulthern's Electric Rafe Increase Proposalist

Marietta, Oho June 2, 2017

AGENDA

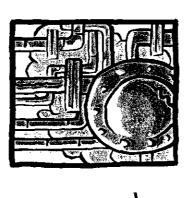
- Ohio electric restructuring history.
- Columbus Southern's (or AEP-Ohio's*) current electric security plan ("ESP").
- Columbus Southern's proposed ESP.
- Customers' opportunities to be heard.
- *Columbus Southern and Ohio Power comprise **AEP-Ohio**

A LITTLE HISTORY

- Prior to 2001, investor-owned electric utilities in Ohio (like Columbus Southern) were "the only game in town".
- In 1999, Ohio passed a new law ("SB 3") that gave electric customers the right to select their supplier of "generation service" after January 1, 2001.
- Customers that do not select a generation service supplier (Columbus Southern in this case) and the service is called "default supply service" or the "Standard Service Offer" receive generation service from the incumbent utility ("SSO").
- SB 3 required electric utilities to "unbundle" their generation, transmission and distribution service offerings and establish separate prices for each service offering.
- FYI: Ohio consumers also have access to unbundled natural gas services.

Unbundling

Customers have the ability to select their generation or production (commodity) supplier, with enhanced opportunities for "self-help".





Delivery functions continue under mostly-traditional price and service regulation with new features and functions to enable effective competition in the commodity market.



Electric

Natural Gas

OHIO RATE PLANS

- service from a competitive retail electric service ("CRES") provider. Electric distribution utilities ("EDU") in Ohio are required to provide The price of this default service or SSO must be approved by the generation supply to customers that do not obtain generation Public Utilities Commission of Ohio ("PUCO").
- options. The PUCO can approve a market rate offer ("MRO") or an The PUCO can establish prices for the SSO using one of two

We are here because Columbus Southern has proposed a new ESP approve increases in the prices you currently pay for electricity. to be effective January 1, 2012 and it is asking the PUCO to We think you should know more about these proposals.

THE CURRENT ESPs

scheduled to end December 31, 2011 (but they may continue by Columbus Southern's and Ohio Power's current ESPs are operation of law in certain circumstances).

The current ESP provides for annual increases subject to bill increase limitations (expressed as a percentage) as follows:

이	%8	%/	%8
CSP	7%	%9	%9
	5003	2010	2011

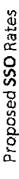
have \$642 million in deferred revenue (subject to future collection) subject to future collection. For example, Ohio Power expects to Increases authorized by the PUCO but above these limits are as of December 31, 2011.

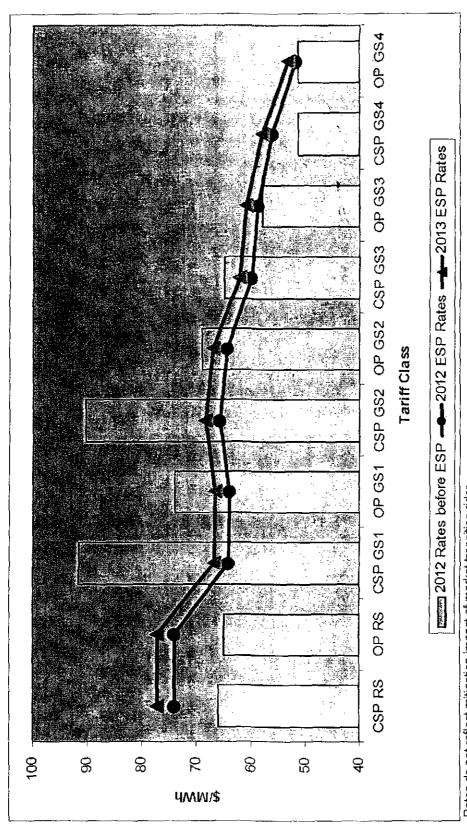
2009. Market prices have gone down. Customers are starting to Columbus Southern's SSO electric prices have gone up since shop to reduce their electric bills both individually and through community aggregation programs.

AEP-OHIO'S PROPOSED ESP

- Presumes a single merged company in Ohio called "AEP-Ohio".
- Proposed 29-month ESP period January 2012 to May 2014.
- Full fuel costs (impacts Ohio Power customers).
- Spreads part of Ohio Power deferred revenue recovery (total estimated at \$642 million) to Columbus Southern customers.
- Generation rate design moving to kWh-based generation rates.
- "Market transition rider" proposed to moderate effects of proposed increases but contingent upon merger approval.
- FYI: Separate distribution rate increase cases initiated

Price to Compare





Rates do not reflect mitigation impact of market transition rider 2012 Rates before ESP reflect current 2011 rates for generation & transmission service, adjusted to reflect full cost 2011 fuel and environmental costs.

we have proposed a competitive.of since

THE PLACEHOLDER RIDERS

- if approved, will allow electric bills to increase by amounts The proposed ESP has several "placeholder riders" that, that AEP-Ohio has not identified.
- AEP-Ohio has asked the PUCO to make many of these placeholder riders non-bypassable, which means that shopping customers pay the riders even if they obtain electricity from another supplier.
- AEP-Ohio's public statements about the amount of the proposed rate increases only touch on the base rate increases (not the full story).

AEP-Ohio's Current and Proposed Riders

Riders		Current	Proposed	Current	Proposed
Universal Services Fund Rider	USF	>	>	Nonbypassable	Nonbypassable
Mon Power Litigation Termination Rider		>		Nonbypassable	(expires)
KW h Tax Rider -		`	`	Nonbypassable	Nonbypassable
Transmission Cost Recovery Rider	TCRR	`	`	Bypassable	Bypassable
Provider of Last Resort	POLR	`	`	Avoidable by Election	Nonbypassable
Fuel Adjustment Clause	FAC	>	>	Bypassable	Bypassable
Energy Efficiency/Peak Demand Reduction	EE/PDR	`	`	Nonbypassable	Nonbypassable
Economic Development	EDR	`	`	Nonbypassable	Nonhypassable
Enhanced Service Reliability Rider	ESSR	*>	`	Nonbypassable	Nonbypassable
Environmental Investment Carrying Cost Rider	EICCR	>	>	Bypassable	Nonbypassable
gridSMART Rider (CSP only)	попе	`	`	Nonbypassable	Nonbypassable
SEET (CSP only)		`		Nonbypassable	(expires)
PIPP			>		Nonbypassable
Plant Closure Cost Recovery Rider (Sporn rider)			>		Nonbypassable
SSO Generation Service Rider	GSR		`>		Bypassable
Generation Resource-Rider (capital/solar investment)	GRR		`>		Nonbypassable
Alternative Energy Rider (split from FAC for RECs)	AER		`		Bypassable
Phase-In Recovery Rider or Securitization	PIR		`		Nonbypassable
Distribution Investment Rider	DIR		`		Nonbypassable
Deferred Asset Recovery Rider	DARR	-	>		Nonbypassable
Market Transition Rider	MTR		u' >		Nonbypassable
NERC Compliance Rider	NERCR		>	•	. Nonbypassable
Facility Closure Cost Recovery Rider	FCCR		\	•	Nonbypassable
Carbon Capture and Sequestration Rider	CCSR		`		Nonbypassable
Rate Security Rider	RSR		>		Voluntary
Green Power Portfolio Rider	GPP		>		Voluntary
Additional Requests					
Storm Reserve deferral			`		
Plug-In Electric Vehicle Costs deferral			`		
Pool Modification Reopener			`		

ESP SUMMARY

- have not been identified, customers cannot predict their Because of the many placeholder riders for which rates prices under the proposed ESP.
- produce varying impacts on customers depending on The change to the generation rate/price structure will how much electricity they use and when they use it.
- Rate class average increase percentages will not be relevant to most customers.
- customers could experience a base rate decrease due to generation rate design. But these observations do not reflect the unknown rate increase impacts of the The proposed ESP will result in higher generation base rates for most customers although some proposed riders.

12

MONTHLY BILL BEFORE AND AFTER COLUMBUS SOUTHERN **AVERAGE RESIDENTIAL**

Monongahela Power

May 2011 - Columbus Southern

\$118

Increase of approximately 73% in bills since 2006.

Increases to future bills beginning in 2012 not known at this time due to AEP-Ohio's proposed riders with unknown amounts.

Note: Monthly bill amounts are for a residential customer consuming 1,000 kWh of electricity.

COMPARISON OF COLUMBUS SOUTHERN RATES TO AEP-OWNED UTILITIES IN **NEIGHBORING STATES**

Residential customer monthly bills:

_	Kentucky Power	\$ 77
_	Appalachian Power (WV)	\$ 80
_	Columbus Southern	\$106
_	Columbus Southern (May 2011)	\$118

Note: Figures are as of January 2010 for a residential customer consuming 1,000 kWh of electricity for Kentucky Power and Appalachian Power, and January 2010 and May 2011 for Columbus Southern.

RESIDENTIAL GENERATION SUPPLY SHOPPING OPPORTUNITIES

- annual residential "price to compare" is 6.65 cents For a residential customer using 1,000 kWh per month, Columbus Southern's current average per kWh (7.22 cents with POLR).
- programs are providing 5% 6% off the "price to FirstEnergy Solutions' community aggregation compare" plus providing funds for use by the community.
- AEP Retail Energy is offering 5.89 cents per kWh through December 2011 to Duke Energy Ohio customers.

DISTRIBUTION RATE INCREASE

- In addition to the proposed ESP rate increases (known and unknown), Columbus Southern requesting approval for an increase in has filed an application at the PUCO distribution rates.
- increase in annual base distribution revenues Columbus Southern has requested an of \$30,544,958 or 8.99%.



ACTIONS CUSTOMERS CAN TAKE

UPCOMING LOCAL PUBLIC HEARING

- The PUCO will conduct a local public hearing to give customers an opportunity to provide input on the proposed ESP:
- When and where:
- State Community College, Arts & Science Building, Monday June 13, 2011 at 6:00 p.m. at Washington Harvey Graham Auditorium, 710 Colegate Drive, Marietta, Ohio 45750.

CONTACT OFFICIALS (handout)

QUESTIONS?





AEP Ohio Electric Security Plan (ESP) Filing Summary

January 27, 2011

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

constrain operation and maintenance costs, our ability to develop and execute a strategy based on a view regarding prices of electricity, natural gas and other energy-related commodities, changes in the creditworthiness of the counterparties with whom we have contractual arrangements, including participants in the nuclear fuel and other energy-related commodities, changes in utility regulation, including the implementation of ESPs and related regulation in Ohio and the technology, particularly with respect to new, developing or alternative sources of generation, other risks and unforeseen events, including wars, the effects of terrorism (including increased security costs), embargoes and other catastrophic events and our ability to recover through rates the remaining unrecovered Registrant Subsidiaries believe that their expectations are based on reasonable assumptions, any such statements may be influenced by factors that could cause actual outcomes and results to be materially different from those projected. Among the factors that could cause actual results to differ materially from those in the forward-looking statements are: the economic climate and growth in, or contraction within, our service territory and changes in market demand and demographic patterns, inflationary or deflationary interest rate trends, volatility in the financial markets, particularly developments affecting the availability of capital on reasonable terms and developments impairing our ability to finance new capital projects and refinance existing debt at attractive rates, the availability and cost of funds to electric load, customer growth and the impact of retail competition, weather conditions, including storms, and our ability to recover significant storm restoration costs through applicable rate mechanisms, available sources and costs of, and transportation for, fuels and the creditworthiness and performance of fuel suppliers and transporters, availability of necessary generating capacity and the performance of our generating plants, our ability to recover I&M's Donald C. Cook Nuclear Plant Unit 1 restoration costs through warranty, insurance and the regulatory process, our ability to recover regulatory assets and stranded costs in connection with deregulation, our ability to recover increases in fuel and other energy costs through regulated or competitive electric rates, our ability to build or acquire generating capacity, including the Turk Plant, and transmission line facilities (including our ability to obtain any necessary regulatory approvals and permits) when needed at acceptable prices and terms and to recover those costs (including the costs of projects that are cancelled) through applicable rate cases or competitive rates, new egislation, litigation and government regulation including requirements for reduced emissions of sulfur, nitrogen, mercury, carbon, soot or particulate matter and other substances or additional regulation of fly ash and similar combustion products that could impact the continued operation and cost recovery of our plants, timing and resolution of pending and future rate cases, negotiations and other regulatory decisions (including rate or other recovery of new investments in generation, distribution and transmission service and environmental compliance), resolution of litigation (including the dispute with Bank of America), our ability to energy trading market, actions of rating agencies, including changes in the ratings of debt, volatility and changes in markets for electricity, natural gas, coal, allocation of costs within regional transmission organizations, including PJM and SPP, accounting pronouncements periodically issued by accounting standardsetting bodies, the impact of volatility in the capital markets on the value of the investments held by our pension, other postretirement benefit plans and nuclear changes in This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934. Although AEP and each of its finance working capital and capital needs, particularly during periods when the time lag between incurring costs and recovery is long and the costs are material, decommissioning trust and the impact on future funding requirements, prices and demand for power that we generate and sell at wholesale, investment, if any, in generating units that may be retired before the end of their previously projected useful lives.

Investor Relations Contacts

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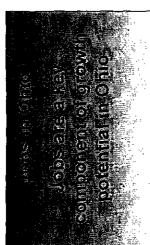
Director

Sara Macioch Analyst Investor Relations 614-716-2835 semacioch@aep.com

AEP Ohio ESP filing – Core Policy Issues



Fundamental barriers must be addressed to attract investment for Environmental Compliance and New Generation



Without regulatory assurances over time we could see loss of direct & indirect jobs related to power generation and business relocations to surrounding states



Volatility in power prices can lead to major loss of economic activity over time

Primary objective of ESP: Stabilize rates and support economic development in the state of

treatment for long-term generation investment is a critical finding required by the PUCO to sustain such Central issues relating to new generation investment, environmental compliance, facility closure, and unaddressed or addressed in an adverse manner, the ability of an Ohio utility to operate sustainably under an ESP framework will be significantly limited. Commission approval of non-bypassable recovery of capacity costs are in need of PUCO address in order to support an ESP. If left necessary investment.

Summary of ESP Filing

Merged AEP Onio Single merged
AEP Ohio
company
presumed with
supporting
information on an
individual OP/CSP
basis



Generation rates redesigned to resemble market pričing structures



ESP period Jan 1, 2012 through May 31,2014 (May 31 date aligns with PJM annual planning cycle)



Alternative longerterm price certainty
option offered for
qualifying
commercial &
industrial
customers



Creation of significant private sector economic development to attract investment and job growth in AEP Ohio service territory

Distribution Components Included

Inclusion of certain distribution components while pursuing a parallel distribution base rate case

The proposed 2012-2014 AEP Ohio ESP contains a balanced set of customer programs, investment proposals, supply options and associated rate mechanisms. The terms of the proposed ESP offer AEP Ohio customers stable and affordable electricity rates while offering investors reasonable financial stability and returns.

Summary of ESP Filing - Continued

Pre-tax earnings impact from proposed ESP (excluding potential earnings impact from trackers) Ţ

Net base \$54MM or 1.4% year 1 (2012)

Net base \$106MM or 2.7% in year 2 (2013)

	•	2012			2013			2014	
Proposed ESP Changes									
Base Generation	\$65MM	\$1.50	1.7%	\$106MM	\$2.43	2.7%	N/C*	N/C*	N/C*
POLR	(\$11MM)	(\$0.23)	(0.3%)	N/C*	N/C*	* N	N/C*	N/C*	N/C*
FAC Actual Recovery 2012-2014	Actual			Actual			Actual		

N/C* = No change from prior year

While the ESP incli

Key Provisions Included in ESP

Generation Rate Realignment Alternative Longer-Term Price Fuel Adjustment Clause Mech POLR Provision Recovery of Generation Relate Interruptible Power Tariff

islons in and general framework of the proposed ESP are intended to have the efficient of the last of the last indicental regarding retail electric service while concurrently mitigating inherent otherwise faced by AEP Ohio.

Action/Mechanism	Item Addressed
Merge AEP Ohio Companies Price Certainty Option	Realization of efficiencies One-time offer of longer term, reduced pricing option to energy-intensive customers
Provider of Last Resort (POLR) Fuel Adjustment Clause Generation Resource Rider Phase-In Recovery or Securitization Environmental Investment Carrying Charge Market Transition Rider Pool Modification Provision Facilities Closure	Risk mitigation for providing customers the option for standard service offer Recovery of fuel expense Recovery of generating facility investment costs Recovery of deferred fuel balance; securitization mechanism can ease customer burden Recovery of incremental environmental capital carrying costs plus O&M Limits first year changes for customer classes as rate subsidies are eliminated Recovery of potential cost increases >\$35MM associated with the modification of the pool Recovery of generation-related facility closure costs

Note: List does not include all proposed or existing riders. See appendix for complete summary.

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Generation Rate Realignment

- Existing rates based on costs from the early 1990s do not reflect appropriate costs by customer class
- The 2001-2005 unbundling, 2006-2008 RSP and 2009-2011 ESP did not address these rate relationship issues The current rate structure also reflects higher demand charges and lower energy charges for C&I customers
 - Today's market price environment reflects a lower demand charge and higher energy charge

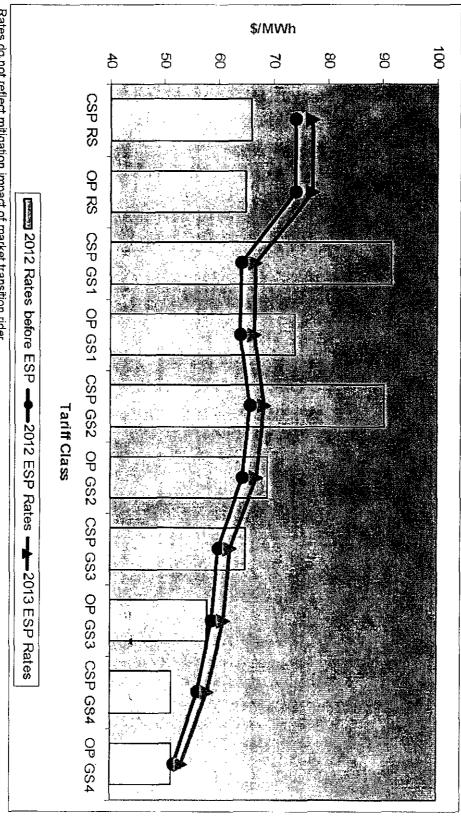
- The complete redesign of base generation rates is intended to reflect today's price structures The introduction of seasonal rates for all customers is included
 - Realignment also simplifies tariff classes;
- Residential
- Non-demand metered C&I
- Demand Metered C&I
- Lighting
- Time-of-use offerings continued
- Introduce Market Transition Rider to mitigate impacts

design realignment that will allo Today's generation rates reflection a Cross-subsidization. In order to add

ie competitive rate

EP Ono to better reflectifs tosts in base generation rates.

Proposed SSO Rates



Rates do not reflect mitigation impact of market transition rider 2012 Rates before ESP reflect current 2011 rates for generation & transmission service, adjusted to reflect full cost 2011 fuel and environmental costs.

more easily able to evaluate lignment we have proposed a

Market Transition Rider - Mitigates the Initial Impact of Rate Realignment

Three-Year Market Transition Plan Summary of AEP Ohio ESP Generation Rate Changes

Illustration of Market Transition
Rider on ESP Generation Rate
Increases

CSP Current					
Customer Class	्रभ्रम् सम्बद्धाः	and Alexandrie			
Residential	Residentia	%0.5	3.9%	1.0%	10.2%
GS1	GS Non-Demand	(6.4%)	(5.2%)	(7.8%)	(18.1%)
GS2		(5.3%)	(5.5%)	(8.2%)	(17.8%)
653	GS Demand	(0.3%)	1.0%	(1.8%)	(1.2%)
GS4/IRP		2.3%	7.7%	4.7%	15.3%
Total CSP		2.2%	2.7%	%0.0	2.0%
The state of the s	THE THE PERSON				
OPCo Current	and orge				
Customer Class					
Residential	Residential	6.0%	3.1%	0.3%	9.7%
651	GS Non-Demand	1.5%	(3.3%)	(6,1%)	(7.8%)
GS2		0.1%	(0.7%)	(3.5%)	(4.1%)
653	GS Demand	(0.7%)	2.8%	(0.0%)	2.0%
GS4/IRP		(8.6%)	5.8%	3.0%	1.7%
Total OPCo		0.4%	2.7%	%0.0	3.1%
AEP Ohio		1.4%	2.7%	0.0%	4,2%

and secon The Market rates to me

Alternative Long-Term Price Option

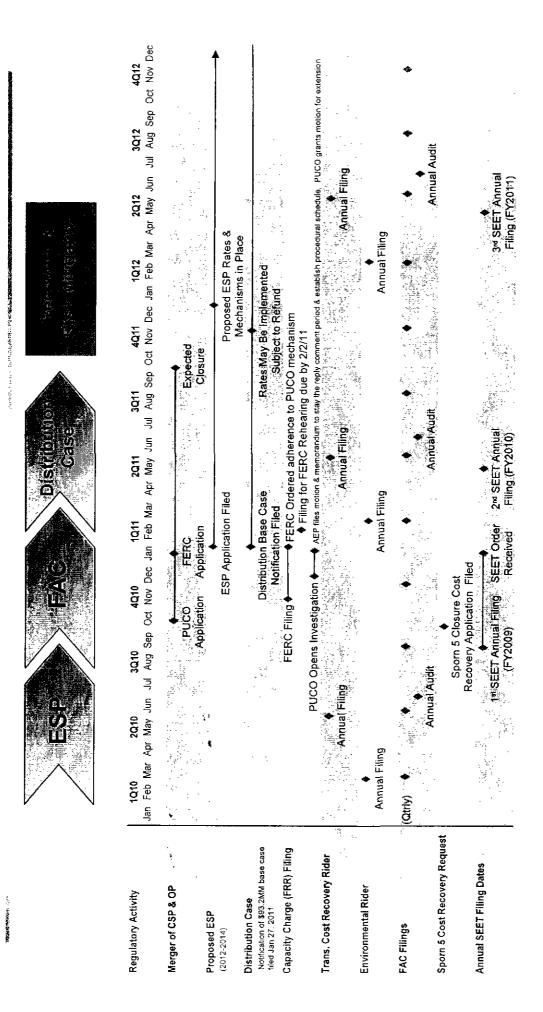
- Economic Development Incentive for commercial or industrial customers requiring longer-term rate certainty to support sustained investment and job growth
- Customer has one time option to elect generation service from AEP Ohio for the term of this ESP plus additional 3 years (approximately 5 % years)
- ☐ Must commit between November 2011 and March 2012
- Customer receives 15% discount off base generation rate for approximately 51/2 years
- Dricing after the current ESP period:
- Base generation rates will continue under the proposed structure and increase by 5% each June 1st starting in 2014
- Customer continues to pay actual FAC rates
- Customer will pay all other applicable riders

Subscription Limitations:

- Commercial and Industrial accounts
- Peak Demand greater than 200kW
- Initially available to 2,500 GWh of sales

Ohios offering a rate security extension o In recognition of the unid provides a substantial

AEP Ohio Long-Term Strategy: Positioning & Flexible Mechanisms to Accommodate Recovery & Risk Mitigation



items. The filings and

List of ESP Riders – Existing and Proposed

				1	
Line	Rate Mechanism	Abbreviation	Bypassable	Distribution	Notes
-	Current Riders				
2	Universal Service Fund Rider	USF	1	Yes	
ო	Advanced Energy Fund Rider	AEF	1	Yes	Expired 12/31/2010
4	kWh Tax Rider	kWh Tax	1		May be self-assessed under specific terms
သ	Provider of Last Resort Charge	POLR	N _O		Option to avoid under specific terms
9	Monongahela Power Litigation Termination Rider	Mon Power	1	Yes	Expires once amount collected
7	Transmission Cost Recovery Rider	TCRR	Yes		
ω	Fuel Adjustment Clause Rider	FAC	Yes		
on .	Energy Efficiency and Peak Demand Reduction Cost Recovery Rider	EE/PDR	: 	Yes	
10	Economic Development Cost Recovery Rider	EDR		Yes	
11	Enhanced Service Reliability Rider	ESRR	-	Yes	
12	gridSMART® Rider	gridSMART®	ı	Yes	
13	Environmental Investment Carrying Cost Rider	EICCR	Š		the current bypassable rider is proposed to be
14					nonbypassable in the new ESP
15	Proposed Riders				
16	Standard Offer Generation Service Rider	GSR	Yes		Relocation of base generation rates
17	Generation Resource Rider	GRR	No		Capital/solar investment
<u>−</u>	Alternative Energy Rider	AER	Yes		Relocation of RECs from FAC
13	Phase-In Recovery Rider	PIRR	-	Yes	Previous ESP deferrals, possibility of securitization
20	Distribution Investment Rider	BIR		Yes	
21	Market Transition Rider	MTR	:	Yes	
22	Generation NERC Compliance Cost Recovery Rider	NERCR	2		
23	Facility Closure Cost Recovery Rider	FCCR	2		
24	Carbon Capture and Sequestration Rider	CCSR	No		
25					
26	Other Provisions				
27	Green Power Portfolio Rider	GPPR			Voluntary
28	Rate Security Rider	RSR			Voluntary
29	Plug-In Electric Vehicle Tariff / Costs	PEV		Yes	Voluntary, Deferral of Costs
30	Emergency Curtailable Service Rider	ECS			Voluntary, pending
34	Storm Damage Recovery Mechanism			Yes	Reconciliation of storm experience to funding level
32	Pool Termination or Modification Provision		Yes		
33	PIPP Uncollectibles	ddld	*	Yes	

Description of Select Current & Proposed Recovery Mechanisms

Fuel Adjustment Clause (FAC) Mechanism

- .i Eliminate current 2009-2011 ESP FAC Phase-In at end of 2011
- Retain Fuel Recovery Mechanism with Limited Modifications:
- Moving renewable energy certificates (RECs) into an alternative energy rider (bypassable)
- New self-build Generation (including renewables), demonstrated in IRP, recovered through Generation Resource Rider

POLR Provision

- Customer has right to switch generation service provider anytime shopping rules apply
- POLR Obligation has asymmetric risk to AEP Ohio
- POLR calculation methodology similar to previous model, incorporates specific shopping rules
- Proposed rate is ~\$0.20MWh below current level
- POLR is non-bypassable; customers can avoid POLR if shopping and agree to return at market \Box

Recovery of Generation Related Facility Closure Costs

- AEP Ohio generating fleet dedicated to Ohio customers
- Proposed mechanism to recover costs due to a closure of an Ohio-owned generation-related facility
- Non-bypassable
- Incurred costs and future costs associated with closure such as:
- Unamortized balance
- Materials and supplies unique to the facility
- Asset Retirement Obligation (AROs)
- Transmission Investment
- Legacy costs (HR)

Description of Select Current & Proposed Recovery Mechanisms - continued

Plug-In Electric Vehicles Tariff

- J Propose new tariff
- For residential customers only (pilot program limited to ~200 customers)
- Proof of purchase required for reimbursement of infrastructure cost incentives up to \$2,500
- Seeking deferral authority to recover in future
- Second time-of-use meter installation will encourage off-peak usage for vehicle charging (AMI may be used if communication technology available

Pool Modification or Termination Provision

- ESP designed to accommodate the potential impact of the pool modification or termination
- The company agrees to not seek recovery of the first \$35MM of net impact of any pool modification or termination. This value is to be based upon the estimated impact of the "as filed" pool modification or termination.
- Any additional costs would be recoverable through a bypassable rider

 \Box

Ensures that the PUCO and other Ohio parties have a vested interest in a fair resolution of the pool modification or termination \Box

Partnership with Ohio (PWO)

- Targets low income customers
- \$15MM over 29 months
- Neighbor to Neighbor Fund
- Food banks
- United Way funded programs
- Programs to support education and job retraining

Description of Select Current & Proposed Recovery Mechanisms - continued

AEP Ohio Growth Fund

- New ED Fund projected at \$25M over term of ESP
- Attracts new business to Ohio
- Assists existing businesses to expand operations
- Use of funds includes:
- . Short term rate incentives (i.e., start-ups and expansions)
- Infrastructure investment
- Support public-private partnerships for economic development

Distribution Investment Rider Mechanism

- Includes all distribution capital and vegetation O&M
- Supports four general program spend areas
- Distribution asset management programs
- Distribution capacity additions
- Vegetation management program
- Subsequent gridSMART ® program
- Formula-driven recovery of invested capital
- Includes nominal O&M in support of capital
- Intended to be replaced by a similar rider requested in the Distribution Rate Case

Description of Select Current & Proposed Recovery Mechanisms - continued

Storm Damage Recovery Mechanism

- Recognition of volatility of major storms (as defined by IEEE 1366)
- Base request is \$8.9MM based on five year average O&M expense (adjusted for abnormal "Ike" storm)
- True-up annual with creation of a regulatory asset or regulatory liability depending on the actual expense in a given

Generation NERC Compliance Cost Recovery Rider

Recovery of generation-related costs to meet compliance requirements imposed by NERC

Good evening, I am Steven Crum, Business Manager of I.B.E.W. Local Union 972 in Marietta Ohio and also President of Parkersburg-Marietta Building Trades. My district covers several counties of Southeast Ohio, including Noble and Washington Counties.

I appear before you tonight to express our strong support for the Turning Point Solar Project that is to be built in Noble County, Ohio, as proposed by American Electric and Power Company in its Electric Security Plan. The I.B.E.W., both statewide and locally, have a long and meaningful relationship with AEP. We recognize and strongly support the participation of AEP in this project. Many local members of the I.B.E.W. are directly employed by AEP or work at any given time on AEP projects. This project will give us an opportunity to do even more.

Let me point out that I am here to support the Turning Point Solar Project and not address other issues set forth in AEP's Electric Security Plan. I have not studied the other issues in its Electric Security Plan nor its proposed rate increase. However, to the extent a small rate increase would bring jobs to the people of Southeast Ohio, I wholeheartedly support it.

The people of Southeast Ohio and Noble County need the jobs that will be created by this project. Many of my members are unemployed or under-employed. They often have to travel great distances to even seek work. We all know how important it is to the future of our local economy to bring jobs to this area. Efforts of this sort, that will bring jobs in the solar energy environment, are especially unique and important to our community. We have an opportunity to be leaders in the area of solar energy. The I.B.E.W. and I stand ready, willing and able to do so.

We support this project for many reasons. It will bring clean energy to citizens of Ohio and have a meaningful impact upon our communities. It will assist utilities to comply with their renewable portfolio standards.

The project is to my understanding, a joint venture with New Harvest Ventures and Agile Energy. New Harvest Ventures, an alternate energy development company focused on environmentally and economically distressed regions of the United States, with leaders who are from Southeast Ohio and focused on Southeast Ohio development. And its partner, Agile Energy, a leading developer of utility scale plants. Together, these two companies make up Turning Point Solar, the developer of the solar project.

This project will bring over 300 construction related jobs to Southeast Ohio. Many of these jobs will be within the electrical trades. Bringing these types of jobs to this area is a benefit to our members, to their families and to the local communities in which they reside.

While my office is based in Marietta, I live in Caldwell. I am a past President of the Noble Local Board of Education. I have seen firsthand the impact that the loss of jobs has had on our residents. Many of our youngest, brightest and best are leaving our communities to seek employment elsewhere. Any efforts to stem this tide and keep our people in our communities is to be applauded. This project will do so.

When I was President of the School Board, we often talked of ways to create opportunities to keep people in our region. It is obvious that it always comes down to jobs, jobs and more jobs. I am personally willing and I know many of our residents are also ready, to assume a small rate hike on our electric bill in order to advance our local economy. We must look at our future and recognize that only by bringing jobs to our region will we have a chance to obtain economic prosperity. Projects of this sort are a great start.

Another reason why I support this project is because it is an excellent use or re-use of the land. This land had previously been mined for coal and this proposed usage represents the highest and best use of this reclaimed land putting it to very productive use.

Most important, our I.B.E.W. members, are especially trained on solar projects of this sort. The I.B.E.W. received a grant through the Ohio Grows Program from the United States Department of Labor in 2010 for green energy training. We were one of 15 recipients nationwide to receive such a grant. This grant allowed us to train over 1,500 members statewide in the areas of wind, solar and energy management. This training has occurred in 20 training centers throughout Ohio including ours in Marietta, Ohio. Our training center in Marietta, Ohio, has had 70 I.B.E.W. members go through it and receive training on solar energy. In other words, right here in our community, we have workers specifically trained to do the work that will be brought to our region. The federal government grant has given us the opportunity to do this training and we have done so. This is a win-win situation for everyone.

People who go through our training programs are journeymen and apprentice workers specifically trained in the type of work to be performed on this project. I am extremely proud of our graduates of this program and the opportunities it creates. By bringing this project to Noble County, we will be able to find suitable jobs for our graduates. This is a great opportunity for Turning Point Solar to employ highly skilled and trained people on this exciting and unique project. As a result, the I.B.E.W. and I wholeheartedly support its swift approval.

I am available to take any questions that you may have and am more than willing to expand upon our training program and the benefits it provides to our community.

Jerry Kasick Testimony 6/13/2011 PUCO Case No. 11-346-EL-SSO; 11-348-EL-SSO; 11-349-EL-AAM and 11-350-EL-AAM Washington State Community College, Marietta, Ohio (Page 1 of 2)

I am here to present my personal experience with Columbus Southern Power Company (operated as AEP-Ohio's electric distribution utility for my account), and to express my opposition to the application of Columbus Southern Power Company and Ohio Power Company's (CSP/OP) Standard Service Offer (SSO), presented as an Electric Security Plan (ESP) (PUCO Case No. 11-346-EL-SSO; 11-348-EL-SSO; 11-348-

Over the last 9 years I have personally experienced a 69% rate increase on my home's monthly electric bill (from 2002 when Allegheny Power supplied my electric service and the total charges were 7.7 cents/KWH, to the present 13.01 cents/KWH total charges by Columbus Southern Power, which took over the service in my area from Allegheny Power).

This increase 69% rate increase is despite my family's efforts to reduce our average electric energy consumption by 18.6% over the last 9 years. By improving the energy efficiency of our home, and changing our energy utilization practices we now use far less electricity (typically less than 275 kWh/month), but the cost of our average bill has increased by 44% during the same period. Although inflation over the same period was nominally 24% (according to figures from the Federal Reserve Bank of Minneapolis), I appreciate the fact that U.S. inflation statistics do not reflect the details of recent spot price changes for Appalachian coal which has increased approximately 75% over the last three years (according to the U.S. Energy Information Administration June 6th Coal News and Markets Report).

Based on data from summaries of the CSP/OP of their SSO/ESP filing, it appears that residential consumers such as my family could see **Make** rates increase approximately by another 20% in 2012 and further increase up to 10% in 2013, and the potential for further undefined increases beyond that date. I am concerned that CSP/OP's proposal will increase costs for all of the residents of Marietta, and that conservation alone can never be enough to mitigate the impact of the proposed and potential increases.

I am a bit skeptical about the justification for such a substantial increase in the base generation rates given that Columbus Southern Power was recently found to have significantly excessive earnings in 2009; requiring them to return \$42.6MM to their customers. I am also concerned that there are indications that these applications include AEP-Ohio's proposal to burden Columbus Southern Power customers with a substantial share of two perturn \$640MM in deferred revenues previously incurred and owed by Ohio Power's customer base. I am alarmed by AEP-Ohio's apparent intention to charge CSP customers for power previously consumed by OP customers. How can the transfer of any portion of these deferred charges possibly be justified as beneficial to the CSP customer base which did not use any portion of the generated energy, yet is expected to help pay for that energy?

Jerry Kasick Testimony 6/13/2011 PUCO Case No. 11-346-EL-SSO; 11-348-EL-SSO; 11-349-EL-AAM and 11-350-EL-AAM Washington State Community College, Marietta, Ohio (Page 2 of 2)

JLL.

I am also particularly concerned about AEP-Ohio's request for 10 new incompletely or non-defined non-bypassable riders which could be expected to severely limit the economic benefit for current CSP customers to shop for a more competitive electric supplier, since the rider's charges will be applied to my account regardless of who generates the electricity that I will use in the future. To make this situation even more incomprehensible, it is not possible to fully evaluate the economic impact since there appears to be no cost information available for the newly proposed riders by CSP/OP.

Columbus and Southern Power and Ohio Power's applications appear to reflect AEP-Ohio's strategy of creating barriers to competition, so that the Companies can maintain their comparatively high, and ever increasing electric rates. It also appears the CSP/OP applications are proposing to establish new means to collect additional revenues through the use of non-bypassable riders from all customers (whether the customer chooses to take generation service from CSP/OP (AEP-Ohio) or another supplier), including charges on new facilities well before they are 75% complete, which is clearly contrary to ORC, unless a waiver is explicitly granted on a case-by-case basis.

It appears that the non-bypassable riders could further lock local consumers into the worst possible combination; high electric rates with the presence of non-bypassable riders which would negate any savings that might be achieved by switching suppliers. Approval of the application with the inclusion of these non-bypassable riders does not seem consistent with the intent of Ohio's Electrical Deregulation legislation was supposed to promote more competitive markets for the benefit of all consumers.

It is for these reasons that I request the Public Utilities Commission of Ohio (PUCO) to protect the CSP customers from potentially harmful and non-competitive impacts of the CSP/OP (AEP-Ohio) applications being considered, by either rejecting the application in its entirety, or by accepting the application contingent upon:

- 1. Requiring CSP/OP (AEP-Ohio) to fully identify the cost impacts of all of it's SSO/ESP proposals (including all of the riders).
- 2. Rejection of any non-bypassable riders, tariffs or charges that discourage 3rd party supplier competition, or that diminish dg the savings that consumers might achieve individually or through local legislative aggregation agreements by choosing an alternate supplier.
- 3. Fully account for future economic disadvantages that may be experienced by businesses, within the local service area, due to the proposed changes in the place electric rate structure.

Sincerely, Jerry Kasick 107 Brentwood Street Marietta, Ohio 45750

Verbal Testimony of Scott Miller before the PUCO On behalf of American Electric Power's Electricity Security Plan June 13, 2011 – Washington State Community College, Marietta, Ohio

M. Chairman, members of the Committee, I am Scott

man, members of the Committee, I am Scott Miller, director of energy and environmental programs at Ohio University's Voinovich School of Leadership and Public Affairs, and it is my pleasure to address you this evening on behalf of a portion of American Electric Power's Electric Security Plan, the Turning Point Solar Project which is set to break ground in Noble County beginning next year. This unique project has the ability to; quite literally, transform the landscape in Southern Ohio. The installation of the one-of a 50 megawatt solar array, one of the largest in North America, will turn hundreds of acres of former strip mine e LANDSCAPE lands into a regional attraction that will alter the mindset of the residents of this region. It will serve as an inspiration for the region's school-aged children who are clamoring for opportunities to participate in the high-skilled, high-tech jobs that are going to be the cornerstone of the 21st century. And finally, it will transform the region's economy by allowing local citizens to consider a more sustainable economic future, a future that is not dependent upon resource extraction here to build the economy elsewhere. One where capital and talent and knowledge are retained in this region to help build upon the unique beauty and culture that makes this region such a magnificent place to live and raise a family. To me this is not just about energy; it's about Ohio's economic prosperity. Economics and energy are inextricably linked. Access to safe, reliable, and affordable energy has been a cornerstone of our state's economic wellbeing for more than a century and will be even more important into the future.

Southern and eastern Ohio are integrally linked to our state's economic wellbeing. Traditional sources of energy such as coal, oil and gas have sustained our region's economy for more than a century. We have abundant reserves of all of them, and they are all being developed to their maximum potential, given current market conditions. We have to use our indigenous sources of energy wisely, but these sources alone will not meet our growing demand for energy. We must begin to increase the proportion of energy generated from renewables. Given the enormous lead time it takes to conceive of, demonstrate, finance, permit, install, and gain wide-scale public acceptance of new energy technologies, the time to begin that transition is now. That is why coming here this evening was so important to me. The proposed Turning Point Solar project, a joint venture between New Harvest Ventures, a renewable energy development company whose major focus is on transforming economically distressed communities and Agile many years of proven experience installing and managing utility scale solar plants is seexciting. I have spoken with many of the leaders of this partnership. I have shared my views of how their plans can be improved and it is because of these conversations and the faith I have in their abilities that I can stand before you this evening and provide my support for this effort.

Meeting Our Increasing Energy Demand

We have a lot of work ahead of us. The U.S. Energy Information Administration estimates that U.S. primary energy consumption will increase by 14% by 2035. Southern and eastern Ohio stand ready to meet this need because of our diverse energy research, educational and resource assets and because this region has always and will continue to be *the* energy hub for Ohio into the future.

Ohio University

Ohio University is proud of our heritage as the first institution of higher learning in the Northwest Territories. Founded in 1804, we recently celebrated our bicentennial and four years ago, I was honored to be asked to address our institution at our annual founder's day celebration by presenting an essay on the history of the region's coal industry. Important as it has been and will continue to be to our region's economy our institution, just like AEP, is not looking solely at coal to power its future. We are actively engaged in research and economic development revolving around new advanced energy technologies, we are revising our curricula to meet the growing demand for adequately trained professionals in the energy industry, we are working with policymakers and state and federal agencies to change the way government, businesses and the education community collaborate, and we are helping prepare Ohio's citizens for a new energy economy.

That is why we were pleased be included in the Memorandum of Understanding signed on October 5th with the developers of this project and other institutions of higher education in this region, including Zane State, Hocking College and our host this evening, Washington State Community College.

Consortium for Energy, Ecohomics and the Environment (CE3)

At Ohio University, we have taken a novel approach to meeting these energy challenges. The Consortium for Energy, Economics and the Environment (CE3) which I manage links Ohio University's research and technology deployment assets to promote the full continuum to assist in idea creation, commercialization and job creation. CE3 partners with dur technology accelerator, TechGROWTH Ohio, a Third Frontier-funded program. IGO connects technology businesses and entrepreneurs with operational assistance, grants and pre-seed funding. TGO's signature area includes advanced energy companies in the solar, geo-thermal, biomass and other alternative energy arenas.

¹ U.S. Energy Information Administration. "Annual Energy Outlook 2010: Executive Summary." http://www.eia.doe.gov/oiaf/aeo/pdf/execsummary.pdf

The Path Forward

It is because we face such huge energy, environmental and economic challenges in the coming years that we must face these challenges head on. The developers of this project have brought together a strong leadership team, have secured the appropriate financing, and have set in place an achievable schedule that will help meet AEP's need to comply with the solar requirements under SB 221 in the near-term while also bringing high-tech, low carbon electric generation to this region on lands that are marginally productive today.

The project developers have added to this project by working with suppliers including Isofoton, a leading European manufacturer of solar panels, to locate its North American manufacturing and distribution operations in Ohio bringing with it over 300 high paying clean technology manufacturing jobs. While Isofoton continues to look for an adequate location for its operations, I have conveyed my belief that manufacturing near where you plan to install is the best solution. Southeast Ohio has the labor force and the desire to build these cells, and I hope they will locate their manufacturing operations in this region.

Without investments in our energy system through projects such as this we face the very real concern that we may not be able to meet our forecast demand growth in the coming decades. What we've seen in Ohio economically the last five years can be likened to a raging economic forest fire. Like a forest fire, there's a tendency to feel despondent after such an event. But now is not the time to withdraw from the challenges that lay ahead. Now is the time to sow the seeds of our future – the seeds of our new energy economy. Just like a forest fire, there are green shoots that soon appear. Those shoots of hope are projects such as Turning Point Solar as well as the educators and researchers that I have the pleasure of working with every day. These people and companies like Turning Point Solar are what one of my colleagues refers to as "Pockets of Incredible Smartness". These are what our new energy and economic systems will be built upon. I am pleased to have shared my thoughts with you this evening Mr. Chairman and Hook forward to answering any questions you may have.

Thank You for your to the property of the property of the property of the power
AEP & FAO Partnership

Nay 12, 2011

"Yeast that makes the dough rise" **AEP Commitment**

- First four year commitment
- \$150,000 for FAO's community leadership and philanthropy-building activities
- \$375,000 for educational grantmaking endowment
- AEP has completed pledge

	Results	Established fund	Initiated Child of Appalachia Poetry Contest based around poems that prompted appreciation of natural resources; reach X children	In addition to administering contest, underwrote costs (less than \$5,000) to deliver Ora Anderson's DVD and curriculum on the	development of the Wayne National Forest to every school district in Appalachian Ohio	Will be providing an environmental education program, providing mini-grants of \$500 to \$1,500 to 23 – 47 community groups					
38-2011	AEP Environment al Education Fund	0\$	\$125,000	\$125,000		\$125,000					Subtotal: \$375,000
AEP Investment Returns 2008-2011	Results	 Engaged corporate sector in philanthropy in region, leveraging over \$2 million in corporate support 	Engaged 8,000 young minds in writing contest geared at developing confidence and pride in region	 Secured \$500,000 from Wal-Mart, which lead to major investments in teachers 	 Secured JPMorgan Chase Foundation grant to provide data set for region 	 Began incubating Ohio Appalachian Business Council 	 Community leadership process to incubate a STEMM Learning Platform for region 	 Developed Entrepreneurship on Wheels Program; delivered to dozens of schools 	8. Reached well over 10,000 kids with COSI On Wheels	9. Grew giving overall in region (see insert chart)	
					4	<u></u>	Ψ.—			0)	
	FAO's Development & Community Leadership	\$15,000	\$35,000	\$50,000	· .	\$50,000				/	Subtotal: \$150,000
		Investment One (2008):	Investment Two (2009)	Investment Three (2010)	,	Investment Four (2011)					

AEP Environmental Education Endowment Anticipating the next five years of the

			Proje	Projected			Amount	nt		
	Star	Starting	Inve	Investment	Supp	Support fee to distributed in	distrib	uted in		
	Bala	Balance	Incol	Income (8%)	FAO	FAO (1.5%)	grants (5%)	(2%)	Endi	Ending balance
2012	\$	424,872	Ş	33,990	\$	6,883	٠	22,599	\$	429,380
2013	\$	429,380	\$	34,350	Ϋ́	6,956	ᡐ	22,839	ጭ	433,936
2014	\$	433,936	\$	34,715	\$	7,030	\$	23,081	\$	438,540
2015	τ٠.	438,540	❖	35,083	\$	7,104	\$	23,326	٠	443,193
2016	\$	443,193	φ.	35,455	\$	7,180	\$	23,573	\$	447,895
		i		j	S	35,153	Ş	115,418	747	
By 2016, AEP's Environmental Edi	/ironmer	ntal Education Fund i	is likely t	to have produced	\$35,000	in support to FAC	3 and \$115	ucation Fund is likely to have produced \$35,000 in support to FAO and \$115,418 in community mini-grants. Plus, the	/ mini-gr	ants. Plus, the

endowment will have grown to over \$70,000 more than the original gift

	FAO Growth in giving over last 4 years	ng over last 4 years
	2007 (year prior to AEP investment)	2011
Grants given	\$129,825	\$313,254 in 2010 Over \$400,000 projected in 2011
Scholarships given	\$15,250	\$70,583 in 2010Over \$78,000 projected in 2011
Writing contest reach	902	4,055
Community Leadership	I. I'm a Child of Appalachia Award	 I'm a Child of Appalachia Award Ohio Appalachian Business Council STEMM Hub and Virtual Platform Regional Scorecard/Cradle to Career Movement SBA Entrepreneurship Advancement Initiative
Assets	\$4,717,865	\$10,000,000
Separate funds	84	119
Other items	One of first to be in compliance with National Standards 1 Geographic fund 1 school system endowment fund	Renovation project Re-compliance for National Standards filed 4 geographic funds 3 school system endowment funds

Next Stage

Community Leadership Activities

1. Complete Incubation of OABC...

2. Leverage this success into regional P-20 council/cradle to career movement that is part of the national network; effectively the rural model

Community Leadership Capacity (sustainability)

supports roughly 40% of our budget. This means we would move from raising 92% of funds to raising 52% of funds, a much more sustainable Build asset and service base such as to secure 10% of budget through fees. Over 4 years, we will have developed a revenue stream that position that secures support to current funds and provides flexibility needed to help with opportunities that will arise in the future

Significantly increase corporate giving and effectiveness of corporate giving within region.

Corporate Giving Program.

5. Match Giving Challenge

Significantly increase individual giving and effectiveness of individual gifts within region.

ICAN! Menu

Support creation of unprecedented assets and partnerships in region's K-12 schools

Invest in 7 pilot school districts to develop our niche K-12 foundation services

Maximize writing contest

8. Invest to make it a major branding effort increasing pride in region

Measurement strategy

- Outside evaluation of community leadership effectiveness (Steve Mayer)
- Regional score card (Voinovich School)
- Internal measures (7 our executive committee has developed)