



December 1, 2011

American Electric Power  
1 Riverside Plaza  
Columbus OH 43215  
AEP.com

Betty McCauley  
Docketing Division Chief  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus Ohio 43215-3793

*Re: In the Matter of the Fuel Adjustment Clauses for  
Columbus Southern Power Company and Ohio Power  
Company, Case No. 11-281-EL-FAC*

Dear Ms. McCauley:

The Companies submit their Fuel Adjustment Clause (FAC) quarterly filing for the 1<sup>st</sup> Quarter of 2012. The proposed FAC adjustments reflected in this filing anticipate approval of the September 7, 2011 Stipulation filed in Case Nos. 11-346-EL-SSO and 11-348-EL-SSO (Stipulation). The schedules attached to this letter provide information for the Commission's review.

The FAC rates being proposed by OPCo and CSP to be effective with the first billing cycle of January, 2012 reflect the expiration of the rate caps in Case Nos. 08-917-EL-SSO and 08-918-EL-SSO, as well as the removal of the reconciliation component in anticipation of the deferral balances being collected through the Phase-In Recovery Rider also effective on the first billing cycle of January, 2012.

Below is a more detailed description of the schedules that are attached to this application. The Companies are including in this submission, actual fuel data for July through September 2011 and forecast information for the 1st quarter (January, February and March) of 2012.

**Schedule 1:** This schedule shows the current FAC rate by delivery voltage in Column A. Column B shows the forecast component (FC) rate that would be necessary to recover the estimated fuel expense for the 1st Quarter of 2012. Column C shows the reconciliation adjustment (RA) that would be necessary to recover the actual fuel over/under-recovery experienced from the previous quarter. The reconciliation component is originally set at zero in order to reflect the removal of the fuel deferrals to be collected in a separate rider. Column D is the sum of the FC component and the RA component.

**Schedule 2:** This schedule shows the Companies' estimates of the fuel cost by month it is expecting to incur in the 1st Quarter of 2012. Schedule 2 calculates the rates by voltage that would be necessary to recover the forecast costs.

**Schedule 3, page 1:** This page of schedule 3 shows the under-recovery of fuel expense for the months of July, August and September, as well as the cumulative

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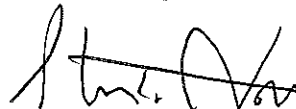
Ms. Betty McCauley  
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balance through September 2011. It also shows the carrying cost associated with the under-recoveries. The "Other Credits/Charges" column reflects adjustments to the FAC deferrals based on prior Commissions orders. Schedule 3 calculates the adjustment to the FAC rates that would be necessary to recover the under-recovery during the 1st Quarter of 2012. However, due to the collection of the under-recovery through the Phase-in rider, the under-recovery balance is not included in the RA component of Schedule 1 of this filing.

**Schedule 3, page 2:** This page of schedule 3 provides monthly data on the actual fuel costs recorded by the Companies from July 2011 through September 2011. The Retail FAC Cost shown in the last column on this page is carried over to page 1 of Schedule 3. Shown on page 2 and included in the total FAC cost is an amount representing the revenue requirement associated with solar panels installed by the Companies to help meet the renewable energy requirements of SB 221, as well as other renewable energy costs.

**Schedule 3, page 3:** This page of schedule 3 provides the monthly carrying costs for the Ormet Interim Agreement which are an issue in Case No. 09-1094-EL-FAC. These carrying costs are calculated on the deferral that is included in the FAC for the period January 1, 2009 through September 17, 2009. Any rate discounts provided to Ormet subsequent to September 17 will be recovered through the Economic Development Rider (EDR).

Sincerely,

A handwritten signature in black ink, appearing to read "Steven T. Nourse", written over a horizontal line.

Steven T. Nourse

cc: Parties of Record

OHIO POWER COMPANY

7<sup>th</sup> Revised Sheet No. 80-1  
Cancels 6<sup>th</sup> Revised Sheet No. 80-1

P.U.C.O NO. 19

FUEL ADJUSTMENT CLAUSE RIDER

Effective Cycle 1 January 2012, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Fuel Adjustment Clause charge per KWH as follows:

Delivery Voltage	Charge (¢/KWH)
Secondary	3.65934
Primary	3.53239
Subtransmission/Transmission	3.46202

Filed pursuant to Order dated \_\_\_\_\_ in Case No 11-281-EL-FAC

Issued: \_\_\_\_\_

Issued by  
Joseph Hamrock, President  
AEP Ohio

Effective: Cycle 1 January 2012

## P.U.C.O. NO 7

## FUEL ADJUSTMENT CLAUSE RIDER

Effective Cycle 1 January 2012, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Fuel Adjustment Clause charge per KWH as follows:

Delivery Voltage	Charge (¢/KWH)
Secondary	3.65934
Primary	3.53239
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Filed pursuant to Order dated \_\_\_\_\_ in Case No 11-281-EL-FAC

Issued: \_\_\_\_\_

Issued by  
Joseph Hamrock, President  
AEP Ohio

Effective: Cycle 1 January 2012

**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
**Calculation of Quarterly FAC For Billing During**  
**January 2012 through March 2012**  
**Summary - Proposed FAC Rate**

		<b>A</b>		<b>B</b>		<b>C</b>
		<b>Schedule 2</b>		<b>Schedule 3</b>		
<b>Line</b>	<b>Delivery Voltage</b>	<b>Forecast (FC) Component</b>	<b>Reconciliation (RA) Adjustment Comp.</b>	<b>Total of FC and RA Components</b>		
1	Secondary	3.65934	0.00000	3.65934		
2	Primary	3.53239	0.00000	3.53239		
3	Sub/Transmission	3.46202	0.00000	3.46202		

OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY  
Calculation of Quarterly FAC For Billing During  
January 2012 through March 2012  
FC Component

Line	Description	Forecast Period - 1st Quarter 2012			Total
		January	February	March	
i	Fuel & Purchased Power	184,711,107	169,001,458	149,137,318	\$ 502,849,883
2	Environmental (Consumables and Allowances)	15,848,072	14,476,070	13,877,449	\$ 44,201,591
3	(Gains) and Losses On Sales of Allowances	(325,000)	(325,000)	(325,000)	\$ (975,000)
4	Other	-	-	-	\$ -
5	Total Includible FAC Costs	200,234,179	183,152,528	162,689,767	\$ 546,076,474
6	Less: Assigned to Off-System (Including AEP Affiliates)	68,497,295	59,332,006	41,534,886	\$ 169,364,187
7	FAC for Internal Load	131,736,884	123,820,522	121,154,881	\$ 376,712,287
8	Retail Jurisdictional Allocation Ratio	0.93337	0.93030	0.93146	0.93337
9	FAC for Retail Load Before Renewables	122,959,255	115,190,232	112,850,925	\$ 351,611,947
10	Renewables/RECs	5,720,346	5,034,843	4,773,172	\$ 15,528,361
11	FAC for Retail Load	128,679,601	120,225,075	117,624,087	\$ 367,140,308
12	Retail Non-Shopping Sales - Generation Level Kwh	3,834,400,207	3,346,595,168	3,461,993,539	10,642,988,914
13	FC Component of FAC Rate At Generation Level - Cents/kWh				3.44960
14	FC Component of FAC Rate At Generation Level	Secondary 3.44960	Primary 3.44960	Sub/Trans 3.44960	
15	Loss Factor	1.0608	1.0240	1.0036	
16	FC at the Meter Level - Cents/kWh	3.65934	3.53239	3.46202	

Line 14 x Line 15

\* Balance Moved to Phase-In Rider to be effective with the first billing cycle of January 2012.

**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
Calculation of Quarterly FAC For Billing During  
January 2012 through March 2012  
RA Component

**Monthly Retail FAC Cost**

Line	Month	Less		=		Times		=		+		=	
		Total Company FAC Cost	Assigned OSS And Pool	Internal Load FAC Cost	Retail Allocation Ratio	Retail FAC before Renewables	Renewables	Retail FAC before Renewables	Renewables	Retail FAC & Renewable Cost			
1	Jul-11	\$ 280,980,015	\$ 133,222,113	\$ 147,757,902	0.96080	\$ 141,965,092	\$ 1,395,710	\$ 143,360,802					
2	Aug-11	\$ 244,041,284	\$ 105,571,788	\$ 138,469,496	0.95789	\$ 132,638,957	\$ 1,442,187	\$ 134,081,144					
3	Sep-11	\$ 210,295,749	\$ 94,189,095	\$ 116,106,654	0.95373	\$ 110,734,805	\$ 1,946,185	\$ 112,680,990					
4	Total	\$ 735,317,048	\$ 332,982,996	\$ 402,334,052		\$ 385,338,854	\$ 4,784,082	\$ 390,122,936					

**Monthly Jurisdictional Allocation Ratios**

Line	Month	Jurisdictional Sales at Gen Level Kwh			Jurisdictional Ratios	
		Whise (WPC)	Retail	Total	Whise (WPC)	Retail
<b>Actual</b>						
5	Jul-11	202,986,657	4,505,564,882	4,708,551,539	0.04311	0.95689
6	Aug-11	200,577,437	4,090,368,141	4,290,945,578	0.04674	0.95326
7	Sep-11	185,986,999	3,406,322,257	3,592,309,256	0.05177	0.94823
<b>Forecast</b>						
8	Jan-12	273,725,095	3,834,400,207	4,108,125,302	0.06663	0.93337
9	Feb-12	250,736,657	3,346,595,168	3,597,331,825	0.06970	0.93030
10	Mar-12	254,759,447	3,461,993,539	3,716,752,986	0.06854	0.93146



**OHIO POWER COMPANY and COLUMBUS SOUTHERN POWER COMPANY**  
Calculation of Quarterly FAC For Billing During  
January 2012 through March 2012  
RA Component

**Ormet Interim Agreement Deferral**

Line	Month	Rate Discount	Carrying Charges	Total Underrecovery Deferral - Ormet
1	Jul-11	\$ -	\$ 304,350	\$ 304,350
2	Aug-11	\$ -	\$ 304,350	\$ 304,350
3	Sep-11	\$ -	\$ 304,350	\$ 304,350
4	Total	\$ -	\$ 913,051	\$ 913,051

**WORKPAPER OTHER CREDITS -**

Month	Ormet		Ormet		Out of Period Adjustments	Carrying Costs on		Total
	Waterford & Darby	Market Differential Fuel Credit	Base Revenue Adjustment	Ormet Adjustment		Credits/Charges	Other Credits/Charges	
Jul-11	\$	-	\$	-	\$	\$(140,961)	\$(140,961)	
Aug-11	\$	-	\$	-	\$	\$(140,961)	\$(140,961)	
Sep-11	\$	-	\$	-	\$(44,598,373)	\$(140,961)	\$(44,739,334)	
	\$	-	\$	-	\$(44,598,373)	\$(422,882)	\$(45,021,255)	Remand Credit

\* Out of period adjustment reflects deferral write-down per Commission-ordered remand hearing.

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**12/1/2011 3:52:42 PM**

**in**

**Case No(s). 11-0281-EL-FAC**

Summary: Notice of FAC quarterly filing for 1st Quarter of 2012. electronically filed by Mr. Steven T Nourse on behalf of American Electric Power Service Corporation