

PUCO EXHIBIT FILING

Date of Hearing: May 30, 2012

Case No. 11-346-EL-SSO and 11-348-EL-SSO

PUCO Case Caption: _____

Columbus Southern Company
and Ohio Power Company

Volume IX

List of exhibits being filed:

AEP Exhibit 126

AEP Exhibit 127

IEU-Ohio Exhibit 122

FES Exhibit 1028

PUCO

2012 JUN 12 PM 3:43

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Reporter's Signature: Karen Sue Gibson

Date Submitted: 6-1-12

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Technician MS Date Processed 6/12/12

BEFORE THE PUBLIC UTILITIES COMMISSION OF OHIO

- - -

In the Matter of the :
Application of Columbus :
Southern Power Company :
and Ohio Power Company :
for Authority to Establish:
a Standard Service Offer : Case No. 11-346-EL-SSO
Pursuant to \$4928.143, : Case No. 11-348-EL-SSO
Ohio Rev. Code, in the :
Form of an Electric :
Security Plan. :

In the Matter of the :
Application of Columbus :
Southern Power Company : Case No. 11-349-EL-AAM
and Ohio Power Company : Case No. 11-350-EL-AAM
for Approval of Certain :
Accounting Authority. :

- - -

PROCEEDINGS

before Ms. Greta See and Mr. Jonathan Tauber,
Attorney Examiners, and Commissioner Andre Porter, at
the Public Utilities Commission of Ohio, 180 East
Broad Street, Room 11-A, Columbus, Ohio, called at
8:30 a.m. on Wednesday, May 30, 2012.

- - -

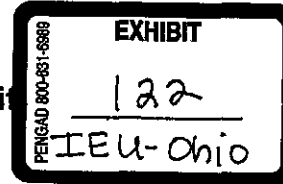
VOLUME IX

- - -

ARMSTRONG & OKEY, INC.
222 East Town Street, Second Floor
Columbus, Ohio 43215-5201
(614) 224-9481 - (800) 223-9481
Fax - (614) 224-5724

- - -

IEU-Ohio Exhibit



Stipulation of Facts by the Paulding Wind Farm II LLC

(Witness Steve Irvin)

In lieu of testifying, Paulding Wind Farm II LLC stipulates that Steve Irvin would testify if asked upon cross examination and under oath as follows:

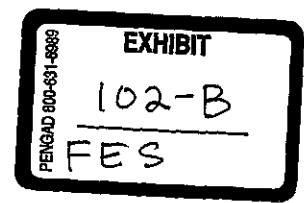
1. Mr. Irvin states that Paulding Wind Farm II LLC bid the unforced capacity of the Timber Road II Wind Farm into the PJM Interconnection LLC 2015/2016 Reliability Pricing Model Base Residual Auction.

A handwritten signature in black ink, appearing to be "CM", written over a horizontal line.

Christopher Montgomery
Attorney for Paulding Wind Farm II LLC

A handwritten signature in black ink, appearing to be "Joseph E. Olier", written over a horizontal line.

Joseph E. Olier
Attorney for Industrial Energy Users-Ohio



1 Q. DO YOU AGREE WITH MR. ROUSH?

2 A. No. The PIRR, which is designed to recover additional fuel costs that have been deferred
3 and are considered a regulatory asset, does not begin until 2013. Thus, in 2012, SSO customers
4 will only pay the FAC. As shown in Exhibit DMR-1, the current FAC is \$0.0399 /kWh (\$39.90 /
5 MWh) for CSP customers and \$0.0335 / kWh (\$33.50 / MWh) for OPC customers. On a merged
6 basis, page 1 of Exhibit DMR-1 shows the FAC to be \$0.0361 / kWh (\$36.10 / MWh). Thus,
7 merging the FAC rates reduces the CSP FAC by \$3.80 MWh and increases the OPC FAC by
8 \$2.60 /MWh.⁷⁴

9 If the FAC is not merged, then these FAC charges will remain the same in the first year
10 of the Modified ESP. In 2013, the merged FAC will be \$0.0360 / kWh (\$36.00/MWh).

11 Q. WHAT HAPPENS IN 2013?

12 A. In 2013, the PIRR takes effect. The increase for all AEP Ohio customers will average
13 ~~\$3.10~~ ~~\$34.00~~/MWh, as shown on page 2 of Exhibit DMR-1. Thus, if the FAC is kept separate in the
14 first year of the Modified ESP, in the second year CSP customers will see a slight decrease
15 attributable to the merged FAC of -\$3.90/MWh, plus the PIRR of ~~\$31.00~~, or a ~~total increase~~ **\$3.10 net decrease** of
16 ~~-\$0.80~~ ~~\$27.10~~/MWh over the first-year ESP rates. OPC customers would see a \$2.50/MWh increase in
17 their FAC from \$33.50/MWh to \$36.00/MWh, and thus a total increase of ~~\$2.50 + \$31.00 =~~ **\$3.10**
18 ~~\$5.60~~ ~~\$33.50~~/MWh. Therefore, rather than experiencing equal rate increases due to the PIRR starting
19 in June 2013, OPC customers would experience an increase ~~that was 24% greater than~~ **whereas** CSP
20 customers.⁷⁵ **will experience a decrease** Thus, Mr. Roush's proposal would exacerbate the rate changes felt by OPC
21 customers relative to CSP customers.

⁷⁴ ~~These are not the same as the incorrect values shown in Mr. Roush's testimony, but are instead based on the data he presents on page 1 of Exhibit DMR-1.~~

⁷⁵ ~~Calculated as $(\$33.50 / \$27.10) - 1 = 24\%$.~~

CALCULATION OF RATE BASE - AEP OHIO 2011 & 2010

		2011	2010
{1}	Electric Plant in Service	\$ 15,398,905,730	\$ 15,306,469,326
{2}	Accumulated Depreciation	\$ (5,978,043,786)	\$ (5,791,362,514)
{2}	Amortization of Other Utility Plant	\$ (119,734,183)	\$ -
	Total Rate Base Deductions	\$ (2,771,574,645)	\$ (2,533,513,143)
	Total Rate Base Additions	\$ 435,467,709	\$ 482,518,150
	Total Rate Base	\$ 6,965,022,836	\$ 7,464,113,829

RATE BASE DEDUCTIONS

{3}	Unamortized Reaquired Debt (189)	\$ 14,551,607	\$ 15,889,618
{4}	Electric - ADIT (190)	\$ 413,443,081	\$ 295,346,790
{3}	Customer Deposits (235)	\$ 55,784,949	\$ 57,669,349
{3}	Customer Advances for Construction (252)	\$ 275,115	\$ 275,637
{3}	Accumulated Deferred Investment Tax Credit (253)	\$ 13,492,560	\$ 15,872,565
{5}	Electric - ADIT (282)	\$ 1,678,755,624	\$ 1,609,289,555
{6}	Electric - ADIT (283)	\$ 595,271,709	\$ 539,169,629
	Total Rate Base Deductions	\$ 2,771,574,645	\$ 2,533,513,143

RATE BASE ADDITIONS

{7}	MATERIALS & SUPPLIES	\$ 435,467,709	\$ 482,518,150
	CASH WORKING CAPITAL	\$ -	\$ -
	Total Rate Base Additions	\$ 435,467,709	\$ 482,518,150

NOTES

- {1} 2011 FERC Form 1, page 206&207, line 104
- {2} 2011 FERC Form 1, page 200, line 14
- {3} 2011 FERC Form 1, page 111-113
- {4} 2011 FERC Form 1, page 234
- {5} 2011 FERC Form 1, page 274
- {6} 2011 FERC Form 1, page 277
- {7} 2011 FERC Form 1, page 227

Not sure how to account for ADIT account 283
What are included for Rate Base Additions?

THIS FILING IS

Item 1: ☒ An Initial (Original)
Submission

OR ☐ Resubmission No. _____

Form 1 Approved
OMB No.1902-0021
(Expires 12/31/2014)
Form 1-F Approved
OMB No.1902-0029
(Expires 12/31/2014)
Form 3-Q Approved
OMB No.1902-0205
(Expires 05/31/2014)

PENGAD 800-631-6989

EXHIBIT
187
AEP



FERC FINANCIAL REPORT
FERC FORM No. 1: Annual Report of
Major Electric Utilities, Licensees
and Others and Supplemental
Form 3-Q: Quarterly Financial Report

These reports are mandatory under the Federal Power Act, Sections 3, 4(a), 304 and 309, and 18 CFR 141.1 and 141.400. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider these reports to be of confidential nature

Exact Legal Name of Respondent (Company)

Ohio Power Company

Year/Period of Report

End of 2011/Q4

Name of Respondent Ohio Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2011/Q4	
OTHER REGULATORY ASSETS (Account 182.3)						
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable. 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes. 3. For Regulatory Assets being amortized, show period of amortization.						
Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS Written off During the Quarter/Year Account Charged (d) Written off During the Period Amount (e)		Balance at end of Current Quarter/Year (f)
1	SFAS 108 Deferred FIT	168,338,860	94,454,435	Various	91,202,642	172,590,853
2						
3	SFAS 108 Deferred SIT	17,947,835	4,214,873	Various	1,749,765	20,412,947
4						
5	SFAS 112 Post Employment Benefits	8,805,430	505,215	228.3	842,473	8,869,172
6						
7	Unrealized Loss on Forward Commitments	5,787,908	62,437,258	244,254	58,236,029	9,930,038
8						
9	DSM Program Costs	2,220,967		Various	2,220,967	
10	- Ohio ESP - Case No. 08-918-EL-SSO					
11						
12	Deferred Distribution Storm Expense		8,374,775			8,374,775
13	- Case No. 11-348-EL-SSO					
14						
15	BridgeCo TO Funding	2,072,063		407.3	153,388	1,918,667
16	- Per FERC Docket No AC04-101-000					
17	- Amortization period - 1/2005 to 12/2019					
18						
19	PJM Integration Payments	3,280,197		407.3	730,060	2,560,137
20	- Per FERC Docket No EL05-74-000					
21	- Amortization period - 1/2005 to 12/2014					
22						
23	Other PJM Integration	1,855,618		407.3	137,353	1,718,265
24	- Per FERC Docket No AC04-101-000					
25	- Amortization period - 1/2005 to 12/2019					
26						
27	Carry Chgs-RTO Start-up Costs	1,637,624	800,393	407.3	996,933	1,441,084
28	- Per FERC Docket No AC04-101-000 and EL05-74-000					
29	- Amortization periods - 1/2005 up to 12/2019					
30						
31	Alliance RTO Deferred Expense	1,453,348		407.3	107,998	1,351,352
32	- Per FERC Docket No AC04-101-000					
33	- Amortization period - 1/2005 to 12/2019					
34						
35	Unrecovered Fuel Cost	465,448,941	279,151,352	501	278,423,402	466,176,891
36	- Ohio ESP - Case No. 08-918-EL-SSO					
37	- Ohio ESP - Case No. 08-917-EL-SSO					
38						
39	Carrying Charges-Ohio Fuel Adjustment Clause	58,255,981	61,451,347	421, 407.3	32,619,667	86,897,761
40	- Ohio ESP - Case No. 08-918-EL-SSO					
41	- Ohio ESP - Case No. 08-917-EL-SSO					
42						
43						
44	TOTAL	1,237,263,480	1,556,837,625		1,436,125,471	1,357,975,634

Name of Respondent Ohio Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) 11	Year/Period of Report End of 2011/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.
 2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
 3. For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	Deferred Equity Carrying Charges - Ohio FAC	(31,839,469)	17,415,045	421	32,042,324	-46,466,748
2	- Ohio ESP - Case No. 08-918-EL-SSO					
3	- Ohio ESP - Case No. 08-917-EL-SSO					
4						
5	Monongahela Power Litigation Termination	503,792	189,695	407.3	693,487	
6	- Case No 05-765-EL-UNC					
7						
8	Under-Recovered Ohio TCR Rider	382,185	39,187,114	566	11,165,315	28,403,984
9	- Docket No. 05-1194-EL-UNC					
10						
11	SFAS 158 Employers' Accounting for Defined					
12	Benefit Pension and Other Postretirement Plans	363,831,112	390,505,774	Various	364,625,550	389,712,336
13						
14	Under Recovered ESRP Costs-OH	3,376,784	6,398,359	593	5,921,271	4,453,872
15	- ESRP-Enhanced Service Reliability Plan					
16	- Ohio ESP - Case No. 08-918-EL-SSO					
17	- Ohio ESP - Case No. 08-917-EL-SSO					
18						
19	EDR Deferral	311,478	22,884,359	555	12,983,586	10,012,271
20	- EDR - Economic Development Rider					
21	- Case No. 09-119-EL-AEC					
22	- Case No. 09-516-EL-AEC					
23	- Case No. 08-884-EL-AEC					
24	- Case No. 10-3066-EL-AEC					
25						
26	EDR Carrying Charges	1,094,886	631,521			1,726,207
27	- EDR - Economic Development Rider					
28	- Case No. 09-119-EL-AEC					
29	- Case No. 09-516-EL-AEC					
30	- Case No. 08-884-EL-AEC					
31	- Case No. 10-3066-EL-AEC					
32						
33	EDR Excess Cap Deferral	6,000,000	6,000,000			12,000,000
34	- EDR - Economic Development Rider					
35	- Case No. 09-119-EL-AEC					
36						
37	EDR Excess Cap Deferral Carrying Charges	114,386	457,584			571,980
38	- EDR - Economic Development Rider					
39	- Case No. 09-119-EL-AEC					
40						
41						
42						
43						
44	TOTAL	1,237,263,480	1,556,837,625		1,436,125,471	1,357,975,634

Name of Respondent Ohio Power Company	This Report is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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OTHER REGULATORY ASSETS (Account 182.3)

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- Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.
- For Regulatory Assets being amortized, show period of amortization.

Line No.	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Current Quarter/Year (b)	Debits (c)	CREDITS		Balance at end of Current Quarter/Year (f)
				Written off During the Quarter/Year Account Charged (d)	Written off During the Period Amount (e)	
1	PWO Deferred Asset		3,400,000			3,400,000
2	- PWO - Partnership With Ohio					
3	- Case No. 11-352-EL-AIR					
4	- Amortization periods - 1/2012 up to 05/2015					
5						
6	DARR Distribution Deferred Assets		86,447,400			86,447,400
7	- DARR - Deferred Asset Recovery Rider					
8	- Case No. 11-352-EL-AIR					
9	- Amortization periods - 1/2012 up to 12/2018					
10						
11	DARR Carrying Charges		240,337,564			240,337,564
12	- DARR - Deferred Asset Recovery Rider					
13	- Case No. 11-352-EL-AIR					
14	- Amortization periods - 1/2012 up to 12/2018					
15						
16	DARR Unrecognized Equity Carrying Charges			182.3	153,511,037	-153,511,037
17	- DARR - Deferred Asset Recovery Rider					
18	- Case No. 11-352-EL-AIR					
19	- Amortization periods - 1/2012 up to 12/2018					
20						
21	Deregulation Consumer Education (a)	2,121,590		182.3	2,121,590	
22						
23	Deregulation Transition Filing (a)	1,830		182.3	1,830	
24						
25	Deregulation Implementation (a)	46,544,714		182.3	46,544,714	
26						
27	Deferred Storm Expense (a)	28,808,537		182.3	28,808,537	
28	- Hurricane Ike - Ohio Wind Storm 9/14/08					
29	- Case No. 08-1301-EL-AAM					
30						
31	Carrying Chgs-Deferred Storm Exp-Hurricane Ike (a)	3,334,830	1,534,176	182.3	4,868,806	
32	Ohio Wind Storm - Case No. 08-1301-EL-AAM					
33						
34	Carrying Charges-Deferred Ohio Deregulation (a)	40,547,681	46,282,042	182.3	86,829,723	
35						
36	Extension of Local Facilities (a)	116,356,029	25,592,613	182.3	141,948,642	
37						
38	Ohio Line Extension - Equity Charges (a)	(61,401,077)	74,906,298	421	13,505,221	
39						
40	Reg Asset - Rate Case Expenses (a)	319,790		182.3	319,790	
41						
42	(a) Portion and/or balance combined into					
43	corresponding DARR Reg Asset at 12/31/2011					
44	TOTAL	1,237,263,480	1,556,837,625		1,436,125,471	1,357,975,634

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OTHER REGULATORY ASSETS (Account 182.3)							
1. Report below the particulars (details) called for concerning other regulatory assets, including rate order docket number, if applicable.							
2. Minor items (5% of the Balance in Account 182.3 at end of period, or amounts less than \$100,000 which ever is less), may be grouped by classes.							
3. For Regulatory Assets being amortized, show period of amortization.							
Line No.	Description and Purpose of Other Regulatory Assets	Balance at Beginning of Current Quarter/Year	Debits	CREDITS		Balance at end of Current Quarter/Year	
	(a)	(b)	(c)	Written on During the Quarter/Year Account Charged	Written on During the Period Amount	(d)	(e)
1							
2	Deferred Equity Carrying Chgs-Non Fuel (a)	(31,743,772)	75,390,417	421	44,800,582		-1,153,937
3	- Amortization periods - 1/2005 up to 12/2019						
4							
5	Carrying Charge Def OH RSP Filing Cost (a)	273,327	61,366	182.3	354,692		
6							
7	Def Equity Carrying Charge OH RSP Filing Cst (a)	(171,830)	230,191	421	58,361		
8							
9	Monongahela Power Integration Cost (a)	5,732,372	2,106,631	182.3	7,839,003		
10							
11	Monongahela Power Acqd Net Reg Asset (a)	4,052,126		182.3	4,052,126		
12							
13	Mon Power Acquisition-Carrying Charges (a)	4,375,876	1,862,250	182.3, 421	6,238,128		
14							
15	Mon Power Acquisition-Equity Carrying Charges (a)	(2,178,838)	3,180,382	421	1,001,544		
16							
17	Ohio Green Power Pricing Program (a)	393,862	36,197	182.3	430,059		
18	-Docket No 06-1153-EL-UNC						
19							
20	(a) Portion and/or balance combined into						
21	corresponding DARR Reg Asset at 12/31/2011						
22							
23							
24							
25							
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42							
43							
44	TOTAL	1,237,263,480	1,556,837,625		1,436,125,471		1,357,975,634

Name of Respondent Ohio Power Company		This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission		Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283)					
1. Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283.					
2. For other (Specify), include deferrals relating to other income and deductions.					
Line No.	Account (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR		
			Amounts Debited to Account 410.1 (c)	Amounts Credited to Account 411.1 (d)	
1	Account 283				
2	Electric				
3	Reg Asset-Dist-Carry Chrgs		84,118,147		
4	Reg A-Dist-UnrecgEqty CaryChrg			53,728,863	
5	Deferred Fuel Expense	182,404,430	37,420,115	12,352,129	
6	Mark To Market Book Gain	27,725,244	18,224,160	21,070,223	
7	Deferred SIT - Normalized	89,996,352	13,637,598	20,834,823	
8	Other	259,043,603	72,671,704	121,819,481	
9	TOTAL Electric (Total of lines 3 thru 8)	539,169,629	224,071,724	229,805,519	
10	Gas				
11					
12					
13					
14					
15					
16					
17	TOTAL Gas (Total of lines 11 thru 16)				
18	Other	58,554,083			
19	TOTAL (Acct 283) (Enter Total of lines 9, 17 and 18)	597,723,712	224,071,724	229,805,519	
20	Classification of TOTAL				
21	Federal Income Tax	489,779,521	210,434,126	208,970,696	
22	State Income Tax	107,944,191	13,637,598	20,834,823	
23	Local Income Tax				
NOTES					

Name of Respondent Ohio Power Company	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) / /	Year/Period of Report End of 2011/Q4
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ACCUMULATED DEFERRED INCOME TAXES - OTHER (Account 283) (Continued)

3. Provide in the space below explanations for Page 276 and 277. Include amounts relating to insignificant items listed under Other.
4. Use footnotes as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No.
Amounts Debited to Account 410.2 (e)	Amounts Credited to Account 411.2 (f)	Debits Account Credited (g)	Amount (h)	Credits Account Debited (i)	Amount (j)		
							1
							2
						84,118,147	3
						-53,728,863	4
						187,472,416	5
						22,879,181	6
						82,799,127	7
61,835,875						271,731,701	8
61,835,875						595,271,709	9
							10
							11
							12
							13
							14
							15
							16
							17
106,066,803	75,403,296	Various	-32,145,841	Various	-27,268,204	94,095,227	18
167,902,678	75,403,296		-32,145,841		-27,268,204	689,366,936	19
							20
167,902,678	75,403,296		-27,930,968		-25,518,439	586,154,862	21
			-4,214,873		-1,749,765	103,212,074	22
							23

NOTES (Continued)