

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Ohio Power Company to Update Its)	Case No. 12-2627-EL-RDR
Distribution Investment Rider)	

APPLICATION

Ohio Power Company d/b/a AEP Ohio (“AEP Ohio” or the “Company”) submits this application to update its Distribution Investment Rider (DIR). In support of its application, AEP Ohio states the following:

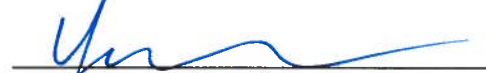
1. AEP Ohio is an electric utility as that term is defined in §4928.01(A)(11), Ohio Rev. Code.
2. AEP Ohio is an electric utility operating company subsidiary of American Electric Power Company, Inc.
3. Through the Opinion and Order issued August 8, 2012 in Case No. 11-346-EL-SSO et al. (*ESP II*), the Commission modified and approved the Company’s proposal to establish the DIR.
4. As part of the Commission’s approval of the DIR, it ordered that quarterly updates be made and that audits would be implemented annual basis. The initial DIR rate was implemented with the first billing cycle of September 2012, as part of the *ESP II* tariff compliance filing.
5. The initial DIR rate was based on investment data from the FERC Form 3Q (and Form 1) for the 1st quarter of 2012. This proposed updated DIR

rate is based on the FERC Form 3Q (and Form 1) for the 2nd quarter of 2012.

6. This Application contains two attachments. Attachment A is the proposed revised tariff sheets (bundled and OAD) reflecting the revised DIR rate. Attachment B contains the schedules and workpapers supporting the calculation of the proposed DIR rate.
7. While the Commission's Opinion and Order did not explicitly adopt the Staff's proposed 60-day automatic approval process for the quarterly DIR updates, this Application is being filed 60 days in advance of the proposed effective date of the first billing cycle for December 2012 and the Company further requests that the Commission affirmatively grant this Application and rule that subsequent quarterly updates will be subject to the 60-day automatic approval procedure.
8. The Company understands that the quarterly updated DIR rates would be implemented subject to reconciliation as part of the annual audit procedure adopted in the Opinion and Order.

Based on the reasons stated above and the exhibits and work papers submitted with this filing, the Commission should approve the Company's application.

Respectfully submitted,



Steven T. Nourse

Yazen Alami

American Electric Power Service Corporation

1 Riverside Plaza, 29th Floor

Columbus, Ohio 43215

Telephone: (614) 715-1608

Fax: (614) 716-2950

Email: stnourse@aep.com

yalami@aep.com

Counsel for Ohio Power Company

ATTACHMENT A

P.U.C.O. NO. 20

DISTRIBUTION INVESTMENT RIDER

Effective Cycle 1 December 2012 all customer bills subject to the provision of this Rider, including any bills rendered under special contract, shall be adjusted by the Distribution Investment Rider charge of 10.11225% of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Filed pursuant to order dated August 8, 2012 in Case No. 11-346-EL-SSO
Issued: _____

Issued By
Pablo Vegas, President
AEP Ohio

Effective: Cycle 1 December 2012

P.U.C.O. NO. 20

OAD - DISTRIBUTION INVESTMENT RIDER
(Open Access Distribution- Distribution Investment Rider)

Effective Cycle 1 December 2012 all customer bills subject to the provision of this Rider, including any bills rendered under special contract, shall be adjusted by the Distribution Investment Rider charge of 10.11225% of the customer's distribution charges under the Company's Schedules, excluding charges under any applicable Riders. This Rider shall be adjusted periodically to recover amounts authorized by the Commission.

Filed pursuant to order dated August 8, 2012 in Case No. 11-346-EL-SSO
Issued: _____

Issued By
Pablo Vegas, President
AEP Ohio

Effective: Cycle 1 December 2012

ATTACHMENT B

AEP Ohio Proposed Distribution Investment Rider 2nd Quarter 2012

<u>Line</u>		AEP Ohio
1	Distribution Plant as of 8/31/2010	\$ 3,345,925,000
2	Accumulated Depreciation as of 8/31/2010	\$ 1,253,173,000
3=1-2	Net Distribution Plant	<u>\$ 2,092,752,000</u>
4		
5	2nd Quarter 2012 Distribution Plant	\$ 3,626,643,437
6	Accumulated Depreciation 2nd Quarter 2012	<u>\$ 1,383,901,685</u>
7=5-6	Net Distribution Plant	<u>\$ 2,242,741,752</u>
8		
9=7-3	Change in Distribution Net Plant	\$ 149,989,752
10		
11	gridSMART Net Plant Adjustment (Recovered through GS Rider)	\$ 8,709,005
12		
13	Incremental Veg Mgmt net Plant Adjustment (Recovered through Rider)	\$ 14,432,797
14		
15	Incremental ADIT Offset	\$ 115,425,831
16		
17=9-11-13-15	Adjusted Change in Distribution Plant	\$ 11,422,119
18		
19	Carrying Charge Rate	20.59%
20		
21=17*19	Initial Rider Revenue	\$ 2,351,814
22		
23	Revenue Offset Provided in Distribution Stipulation	\$ 62,344,000
24		
25=21+23	Revised Rider Revenue	\$ 64,695,814
26		
27	2012 Rider Revenue Cap	\$ 86,000,000
28		
29	2012 Rider Revenue (lesser of line 25 & 27)	\$ 64,695,814
30		
31	Annual Base Distribution Revenue (12 Months Ending June 2012)	\$ 639,776,882
32		
33=29/31	AEP Ohio Percentage of Base Distribution Revenue	<u><u>10.11225%</u></u>

DISTRIBUTION UTILITY PLANT ADFIT
ACTUAL BALANCES
Account 2821001

DISTRIBUTION

ADFIT - A/C 282
(Utility Property)

D Case Filing Balance @ 8/31/2010	Actual Book Balance @ 12/31/2011	Actual Book Balance @ 3/31/2012	Actual Book Balance @ 6/30/2012
(328,328,000)	(420,358,000)	(431,916,000)	(443,753,831)

Sum of Depr Base		Veg Mgt Net Plant Balance by Month				
month_number	Total	Month	101 Bal	108 Bal	Net Plant	
201002	122,540.76	201002	122,541	-	122,541	
201003	853,424.29	201003	853,424	359	853,065	
201004	1,738,774.79	201004	1,738,775	2,895	1,735,879	
201005	2,907,327.14	201005	2,907,327	8,077	2,899,250	
201006	3,715,100.60	201006	3,715,101	16,689	3,698,412	
201007	4,634,486.61	201007	4,634,487	27,690	4,606,797	
201008	5,615,060.72	201008	5,615,061	41,333	5,573,728	
201009	6,873,739.03	201009	6,873,739	57,789	6,815,950	
201010	8,217,237.78	201010	8,217,238	78,035	8,139,202	
201011	9,632,433.77	201011	9,632,434	102,242	9,530,191	
201012	11,223,892.05	201012	11,223,892	130,584	11,093,308	
201101	11,630,207.21	201101	11,630,207	163,735	11,466,472	
201102	12,548,565.73	201102	12,548,566	198,019	12,350,547	
201103	13,308,874.46	201103	13,308,874	235,162	13,073,713	
201104	14,164,399.51	201104	14,164,400	274,653	13,889,746	
201105	15,048,522.36	201105	15,048,522	316,801	14,731,721	
201106	16,002,972.70	201106	16,002,973	361,639	15,641,334	
201107	17,785,153.81	201107	17,785,154	409,372	17,375,782	
201108	18,834,734.51	201108	18,834,735	462,397	18,372,337	
201109	19,953,808.03	201109	19,953,808	518,638	19,435,170	
201110	20,962,969.05	201110	20,962,969	578,257	20,384,712	
201111	22,077,417.43	201111	22,077,417	640,691	21,436,726	
201112	23,653,519.45	201112	23,653,519	706,266	22,947,253	
201201	23,934,955.31	201201	23,934,955	771,313	23,163,642	
201202	23,804,013.59	201202	23,804,014	837,134	22,966,879	
201203	23,831,879.75	201203	23,831,880	902,595	22,929,284	
201204	23,967,428.12	201204	23,967,428	968,133	22,999,295	
201205	24,272,756.08	201205	24,272,756	1,034,043	23,238,713	
201206	24,533,645.24	201206	24,533,645	1,100,794	23,432,852	
201207						
Grand Total	405,849,840		18,918,585	1,059,460		
			(3,629,588)	203,261		
			15,288,997	856,200	14,432,797	
			19.19%			

GridSMART NBV			
month	book_cost	allocated_reserve	net_book_value
08/2009 Total	1,851.64	-	1,851.64
09/2009 Total	6,666.66	22.04	6,644.62
10/2009 Total	8,771.82	101.40	8,670.42
11/2009 Total	582,594.68	892.97	581,701.71
12/2009 Total	22,611,433.45	12,825.59	22,598,607.86
01/2010 Total	15,850,099.22	286,655.11	15,563,444.11
02/2010 Total	16,545,060.34	470,066.06	16,074,994.28
03/2010 Total	16,825,900.76	659,644.55	16,166,256.21
04/2010 Total	18,322,213.92	851,197.99	17,471,015.93
05/2010 Total	18,430,519.07	1,061,288.83	17,369,230.24
06/2010 Total	18,831,331.16	1,276,599.57	17,554,731.59
07/2010 Total	9,055,617.50	1,483,486.13	7,572,131.37
08/2010 Total	9,469,224.22	1,589,644.41	7,879,579.81
09/2010 Total	10,965,208.67	1,696,029.86	9,269,178.81
10/2010 Total	13,419,363.98	1,804,529.31	11,614,834.67
11/2010 Total	15,331,554.39	1,917,215.19	13,414,339.20
12/2010 Total	17,001,640.47	2,039,911.35	14,961,729.12
01/2011 Total	14,603,325.63	2,121,393.14	12,481,932.49
02/2011 Total	15,051,745.07	2,238,710.21	12,813,034.86
03/2011 Total	16,144,994.81	2,328,378.33	13,816,616.48
04/2011 Total	16,903,390.58	2,442,986.52	14,460,404.06
05/2011 Total	17,240,552.52	2,560,620.89	14,679,931.63
06/2011 Total	17,510,776.26	2,679,763.24	14,831,013.02
07/2011 Total	17,938,645.62	2,798,232.18	15,140,413.44
08/2011 Total	18,184,038.19	2,917,330.68	15,266,707.51
09/2011 Total	18,450,181.19	3,034,321.04	15,415,860.15
10/2011 Total	18,667,102.71	3,160,925.08	15,506,177.63
11/2011 Total	18,815,358.29	3,282,654.00	15,532,704.29
12/2011 Total	18,869,355.13	3,402,330.10	15,467,025.03
01/2012 Total	19,049,619.61	3,585,694.21	15,463,925.40
02/2012 Total	19,126,877.61	3,709,260.13	15,417,617.48
03/2012 Total	19,281,399.87	3,492,433.70	15,788,966.17
04/2012 Total	19,583,148.93	3,796,569.27	15,786,579.66
05/2012 Total	19,261,301.08	2,267,305.06	16,993,996.02
06/2012 Total	19,867,722.16	3,279,136.92	16,588,585.24
Grand Total	527,808,587.21	68,248,155.06	459,560,432.15
	10,398,497.94	1,689,492.51	8,709,005.43

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

9/28/2012 4:14:18 PM

in

Case No(s). 12-2627-EL-RDR

Summary: Application electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company