

**BEFORE THE
PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of)	
Ohio Power Company to Update)	Case No. 12-3285-EL-RDR
Its Enhanced Service Reliability Rider)	

APPLICATION

Ohio Power Company d/b/a AEP Ohio (“AEP Ohio” or the “Company”) submits this application to update its Enhanced Service Reliability Rider (ESRR) rates. 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 March 18, 2009 in Case Nos. 08-917-EL-SSO (*ESP I*), the Commission approved the establishment of the ESRR. This Application is the final (2011) ESRR reconciliation filing under the *ESP I* decision.
4. Through the Opinion and Order issued August 8, 2012 in Case Nos. 11-346-EL-SSO et al. (*ESP II*), the Commission approved the continuation of the ESRR.
5. On page 65 of the *ESP II* Opinion and Order, the Commission directed AEP Ohio to file a revised vegetation management program consistent

with the Order, which the Company did through initiation of Case No. 12-3284-EL-UNC.

6. On page 65 of the *ESP II* Opinion and Order, the Commission addressed the baseline expenditure level beyond which the incremental vegetation management expense would be recovered through the ESRR. The Company's proposed incremental recovery, as further explained below, is consistent with this finding regarding the baseline.
7. Schedule 1 attached to this Application reports the final, incremental vegetation management expenditures for 2011. Schedule 1 also sets forth the ESRR collections for 2011 and reports an under-recovery of \$351,060 during 2011. Schedule 1 also projects vegetation management expenditures for 2012 (updated with the latest information available) and sets forth a revenue requirement for that portion of the 2012 ESRR. Finally, Schedule 1 proposes a new ESRR rate based on the prior over/under balances and the projected final spend for 2012.
8. Schedules 2 and 3 contain the proposed tariffs.
9. As set forth in a separate motion being filed concurrently with the Application, the Company proposes that this 2011 filing be held in abeyance so that it can be efficiently processed along with the 2012 ESRR filing (forthcoming in April 2013).

Based on the information and exhibits submitted with this filing, the Commission should approve the Company's application.

Respectfully submitted,

//s// Steven T. Nourse

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2011 Ohio Power Company (Combined) ESR Rider True-Up

Distribution Vegetation

2011 Over/(Under) Recovery

	Base Vegetation Spend	2011 Actual Spending	2011 Actual Incremental	2011 Vegetation Revenue Requirement*
O&M	\$ 20,570,412	\$ 50,774,169	\$ 30,203,757	\$ 30,203,757
January	\$ 202,465	\$ 574,726	\$ 372,261	\$ 160,879
February	\$ 183,062	\$ 847,268	\$ 664,207	\$ 161,947
March	\$ 303,841	\$ 663,619	\$ 359,778	\$ 169,972
April	\$ 384,869	\$ 814,980	\$ 430,111	\$ 174,320
May	\$ 519,409	\$ 835,436	\$ 317,027	\$ 179,381
June	\$ 303,813	\$ 859,266	\$ 555,453	\$ 183,192
July	\$ 316,508	\$ 1,688,195	\$ 1,371,687	\$ 189,943
August	\$ 323,400	\$ 861,183	\$ 537,783	\$ 206,632
September	\$ 242,534	\$ 1,049,605	\$ 807,071	\$ 213,146
October	\$ 244,925	\$ 1,149,819	\$ 904,894	\$ 222,971
November	\$ 235,510	\$ 1,044,881	\$ 809,371	\$ 234,072
December	\$ 359,151	\$ 1,387,843	\$ 1,028,792	\$ 244,005
Capital - 40 Year Life	\$ 3,629,588	\$ 11,777,923	\$ 8,148,335	\$ 2,340,461
Total	\$ 24,200,000		2011 Actual Revenue Requirement \$ 32,544,218	
			2011 ESR Rider Collections \$ 32,183,157	
			2011 Over/(Under) Recovery \$ (351,060)	

Distribution Vegetation

2012 Incremental Investment

	Base Vegetation Spend	Updated 2012 Vegetation Spend	Carrying Charge Rate	2012 Vegetation Revenue Requirement
O&M	\$ 20,570,412	\$ 28,000,000		\$ 28,000,000
Capital - 40 Year Life	\$ 3,629,588	\$ 5,000,000	14.19%	\$ 354,750 (a)
Total	\$ 24,200,000	\$ 33,000,000		\$ 28,354,750
			2008 Investment Carrying Costs \$ 756,086	
			2010 Investment Carrying Costs \$ 1,072,084	
			2011 Investment Carrying Costs \$ 1,156,249 (b)	
			Over/(Under) Recovery to Date \$ (2,592,104) (c)	
			Over/(Under) Recovery (From Above) \$ (351,060)	
			Total Revenue Requirement \$ 34,282,334	
			Base Distribution Revenues \$ 651,764,508	
			2012 ESR Rider 5.25983%	
			Current ESR Rider 5.30856%	
			Change in ESR Rider -0.04863%	

(a) Annual carrying charge rate times updated 2012 capital spending times one-half year

(b) Annual carrying charge rate times 2011 actual capital spending

(c) Over/(Under) Recovery to Date (2008 actual Over Recovery of \$521,029 plus 2010 Actual Under Recovery (\$3,113,133))

P.U.C.O. NO. 20

ENHANCED SERVICE RELIABILITY RIDER

Effective ~~Cycle 1 September 2012~~, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~5.30956%~~ 5.25993% 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: ~~August 16, 2012~~

Effective: ~~Cycle 1 September 2012~~

Issued by
Pablo Vegas, President
AEP Ohio

P.U.C.O. NO. 20

OAD – ENHANCED SERVICE RELIABILITY RIDER
(Open Access Distribution – Enhanced Service Reliability Rider)

Effective ~~Cycle 1 September 2012~~, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Enhanced Service Reliability charge of ~~5.30956%~~ 5.25993% 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 Nos. 11-346-EL-SSO

Issued: August 16, 2012

Effective: Cycle 1 September 2012

Issued by
Pablo Vegas, President
AEP Ohio

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Case No(s). 12-3285-EL-RDR

Summary: Application of Ohio Power Company to Update its Enhanced Service Reliability Rider electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company