July 1, 2013

Barcy F. McNeal
Docketing Division Chief
Public Utilities Commission of Ohio
180 East Broad Street
Columbus Ohio 43215-3793

Re: *In the Matter of the Distribution Investment Rider for Ohio Power Company*, Case No. 12-2627-EL-RDR

Steven T. Nourse
Senior Counsel –
Regulatory Services
(614) 716-1608 (P)
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Dear Ms. McNeal:

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 Distribution Investment Rider (DIR). As part of the Commission's approval of the DIR, it ordered that quarterly updates be made and that audits would be implemented on an annual basis.

The Company submits its DIR adjustment based on investment data from the FERC Form 3Q for the 1st quarter of 2013. Included in the adjustment is the over/under recovery for March plant actual balances.

Through its order on November 28, 2012, the Commission clarified that future DIR filings should be automatically approved 60 days after the application is filed, with the new rate to take effect on the proposed effective date, unless the 60-day period is suspended by the Commission. The Company is updating its DIR to be effective on first billing cycle of September, 2013 unless otherwise ordered by the Commission.

Regards,

/s/ Steven T. Nourse
Steven T. Nourse
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American Electric Power Service Corporation
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DISTRIBUTION UTILITY PLANT ADFIT
ACTUAL BALANCES
Account 2821001

DISTRIBUTION	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	Actual Book Balance @ 8/31/2012	Actual Book Balance @ 9/30/2012	Actual Book Balance @ 12/31/2012	Actual Book Balance @ 3/31/2013
ADFIT - A/C 282 (Utility Property)	(328,328,000)	(420,358,000)	(431,916,000)	(443,753,831)	(452,552,835)	(456,558,838)	(477,005,603)	(488,236,564)

AEP Ohio Proposed Distribution Investment Rider March 2013

Line			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	$	2,092,752,000
4			
5	March 2013 Distribution Plant	$	3,732,750,893
6	Accumulated Depreciation March 2013	$	1,390,499,853
7=5-6	Net Distribution Plant	$	2,342,251,040
8			
9=7-3	Change in Distribution Net Plant	$	249,499,040
10			
11	gridSMART Net Plant Adjustment (Recovered through GS Rider)	$	16,072,795
12			
13	Incremental Veg Mgmt net Plant Adjustment (Recovered through Rider)	$	25,082,045
14			
15	Incremental ADIT Offset	$	159,908,564
16			
17=9-11-13-15	Adjusted Change in Distribution Plant	$	48,435,636
18			
19	Carrying Charge Rate		20.59%
20			
21=17*19	Initial Rider Revenue	$	9,972,897
22			
23	Revenue Offset Provided in Distribution Stipulation	$	62,344,000
24			
25=21+23	Revised Rider Revenue	$	72,316,897
26			
27	2013 Rider Revenue Cap	$	104,000,000
28			
29	2013 Rider Revenue (lesser of line 25 & 27)	$	72,316,897
30			
31	(Over)/Under (Based on March Actuals)	$	6,193,235
32			
33	2013 Fully Adjusted Revenue Requirement	$	78,510,132
34			
35	Annual Base Distribution Revenue (12 Months Ending March 2013)	$	641,950,050
36			
37=33/35	AEP Ohio Percentage of Base Distribution Revenue		12.22994%

AEP Ohio Net Book Value March 2013

gl_account	utility_account	month	quantity	book_cost	allocated_reserve	net_book_value
1010001 Plant In Service	36000 - Land	03/2013	864	$ 14,581,339.40	$ 2,434.80	$ 14,578,904.60
1060001 Completd Constr not Classif	36000 - Land	03/2013	3	$ -	$ -	$ -
1010001 Plant In Service	36010 - Land Rights	03/2013	0	$ 36,275,255.43	$ 7,185.89	$ 36,268,069.54
1060001 Completd Constr not Classif	36010 - Land Rights	03/2013	78	$ 1,295,923.90	$ 8.78	$ 1,295,915.12
1010001 Plant In Service	36100 - Structures and Improvements	03/2013	3	$ 20,449,143.48	$ 9,720,939.00	$ 10,728,204.48
1060001 Completd Constr not Classif	36100 - Structures and Improvements	03/2013	6	$ 21,893.75	$ 2,954.62	$ 18,939.13
1010001 Plant In Service	36200 - Station Equipment	03/2013	74	$ 512,857,920.92	$ 155,985,112.93	$ 356,872,807.99
1060001 Completd Constr not Classif	36200 - Station Equipment	03/2013	1444	$ 23,480,599.88	$ 704,403.89	$ 22,776,195.99
1010001 Plant In Service	36300 - Storage Battery Equipment	03/2013	0	$ 5,062,198.87	$ 1,686,598.87	$ 3,375,600.00
1060001 Completd Constr not Classif	36300 - Storage Battery Equipment	03/2013	0	$ -	$ -	$ -
1010001 Plant In Service	36400 - Poles, Towers and Fixtures	03/2013	2510095	$ 598,073,367.45	$ 342,902,013.29	$ 255,171,354.16
1060001 Completd Constr not Classif	36400 - Poles, Towers and Fixtures	03/2013	14583	$ 8,812,136.44	$ 335,567.36	$ 8,476,569.08
1010001 Plant In Service	36500 - Overhead Conductors, Device	03/2013	7.8E+08	$ 556,838,522.02	$ 152,225,419.83	$ 404,613,102.19
1060001 Completd Constr not Classif	36500 - Overhead Conductors, Device	03/2013	13572	$ 37,910,400.32	$ 1,378,675.64	$ 36,531,724.68
1010001 Plant In Service	36600 - Underground Conduit	03/2013	1.2E+07	$ 166,452,544.38	$ 47,792,354.26	$ 118,660,190.12
1060001 Completd Constr not Classif	36600 - Underground Conduit	03/2013	4418	$ 11,849,875.89	$ 266,408.53	$ 11,583,467.36
1010001 Plant In Service	36700 - Undergrnd Conductors,Device	03/2013	1.8E+08	$ 498,983,594.66	$ 211,036,918.51	$ 287,946,676.15
1060001 Completd Constr not Classif	36700 - Undergrnd Conductors,Device	03/2013	6527	$ 23,952,356.89	$ 423,464.08	$ 23,528,892.81
1010001 Plant In Service	36800 - Line Transformers	03/2013	2040229	$ 659,920,104.75	$ 272,484,785.95	$ 387,435,318.80
1060001 Completd Constr not Classif	36800 - Line Transformers	03/2013	8813	$ 6,335,423.70	$ 261,090.52	$ 6,074,333.18
1010001 Plant In Service	36900 - Services	03/2013	2631731	$ 295,154,736.87	$ 121,141,279.69	$ 174,013,457.18
1060001 Completd Constr not Classif	36900 - Services	03/2013	5078	$ 1,000,506.86	$ 29,687.99	$ 970,818.87
1010001 Plant In Service	37000 - Meters	03/2013	2776137	$ 149,862,096.92	$ 23,094,682.89	$ 126,767,414.03
1060001 Completd Constr not Classif	37000 - Meters	03/2013	21	$ 372,122.01	$ 1,467.39	$ 370,654.62
1010001 Plant In Service	37016 - AMI Meters	03/2013	403705	$ 15,039,506.05	$ 4,448,445.27	$ 10,591,060.78
1060001 Completd Constr not Classif	37016 - AMI Meters	03/2013	2	$ 92,986.95	$ 1,642.40	$ 91,344.55
1010001 Plant In Service	37100 - Installs Customer Premises	03/2013	330330	$ 51,119,210.26	$ 35,026,503.33	$ 16,092,706.93
1060001 Completd Constr not Classif	37100 - Installs Customer Premises	03/2013	1638	$ 366,030.52	$ 17,206.40	$ 348,824.12
1010001 Plant In Service	37200 - Leased Prop Cust Premises	03/2013	0	$ 103,793.00	$ 71,987.21	$ 31,805.79
1010001 Plant In Service	37300 - Street Lghtng & Signal Sys	03/2013	1.3E+07	$ 36,268,380.92	$ 16,904,958.55	$ 19,363,422.37
1060001 Completd Constr not Classif	37300 - Street Lghtng & Signal Sys	03/2013	1247	$ 218,920.73	$ 6,175.77	$ 212,744.96
				$ 3,732,750,893.22	$ 1,397,960,373.64	$ 2,334,790,519.58
			RWIP		$ (7,460,520.64)	
					$ 1,390,499,853.00	

AEP Ohio gridSMART Net Book Value March 2013

company	utility_account	cc_rate_codes	month	quantity	book_cost	allocated_reserve	net_book_value
Ohio Power - Distr	36200 - Station Equipment	gridSMART	03/2013	37	$4,511,684.78	$239,195.72	$4,272,489.06
Ohio Power - Distr	36400 - Poles, Towers and Fixtures	gridSMART	03/2013	1332	$323,738.08	$32,386.31	$291,351.77
Ohio Power - Distr	36500 - Overhead Conductors, Device	gridSMART	03/2013	78920	$5,672,483.77	$375,683.80	$5,296,799.97
Ohio Power - Distr	36600 - Underground Conduit	gridSMART	03/2013	38	$1,613.85	$53.55	$1,560.30
Ohio Power - Distr	36700 - Undergrnd Conductors,Device	gridSMART	03/2013	694	$16,522.05	$286.26	$16,235.79
Ohio Power - Distr	36800 - Line Transformers	gridSMART	03/2013	565	$1,120,524.78	$84,230.36	$1,036,294.42
Ohio Power - Distr	36900 - Services	gridSMART	03/2013	399	$97,694.72	$5,927.19	$91,767.53
Ohio Power - Distr	37000 - Meters	gridSMART	03/2013	1	$5,782.58	$22.80	$5,759.78
Ohio Power - Distr	37016 - AMI Meters	gridSMART	03/2013	108485	$7,760,550.72	$2,795,378.96	$4,965,171.76
Ohio Power - Distr	37100 - Installs Customer Premises	gridSMART	03/2013	17	$95,626.40	$2,803.41	$92,822.99
Ohio Power - Distr	37300 - Street Lghtng & Signal Sys	gridSMART	03/2013	23	$2,846.22	$304.40	$2,541.82
							$16,072,795.19

	Total Capital Spend									2.86%	4.00%				3.30%
month number	CSP	OPC	Merged	Remove Base CSP	CSP Incremental	CSP Cummulative Incremental	Remove Base OPCo	OPCO Incremental	OPCO Cummulative Incremental	CSP Depreciation	OPCo Depreciation	Remove Base Combined	Incremental	Combined Cummulative Incremental	Combined Depreciation
200901	$ 104,724	$ 187,059		$ 65,809	$ 38,915	$ 38,915	$ 136,656	$ 50,403	$ 50,403				$ 89,318		
200902	$ 114,757	$ 181,141	$ -	$ 66,398	$ 48,359	$ 87,273	$ 116,663	$ 64,478	$ 114,880	$ 93	$ 168		$ 112,836		
200903	$ 185,456	$ 325,269	$ -	$ 97,710	$ 87,746	$ 175,020	$ 206,231	$ 119,038	$ 233,918	$ 208	$ 383		$ 206,784		
200904	$ 149,513	$ 418,705	$ -	$ 138,973	$ 10,540	$ 185,559	$ 255,896	$ 162,809	$ 396,727	$ 417	$ 780		$ 173,349		
200905	$ 300,530	$ 746,872	$ -	$ 229,935	$ 70,595	$ 256,154	$ 289,474	$ 457,398	$ 854,125	$ 442	$ 1,322		$ 527,993		
200906	$ 231,571	$ 386,671	$ -	$ 79,621	$ 151,950	$ 408,104	$ 224,192	$ 162,479	$ 1,016,605	$ 611	$ 2,847		$ 314,429		
200907	$ 244,585	$ 541,455	$ -	$ 132,439	$ 112,146	$ 520,250	$ 184,069	$ 357,386	$ 1,373,990	$ 973	$ 3,389		$ 469,532		
200908	$ 214,666	$ 180,036	$ -	$ 107,287	$ 107,379	$ 627,629	$ 216,113	$ (36,077)	$ 1,337,914	$ 1,240	$ 4,580		$ 71,302		
200909	$ 187,440	$ 290,979	$ -	$ 16,309	$ 171,131	$ 798,760	$ 226,225	$ 64,754	$ 1,402,667	$ 1,496	$ 4,460		$ 235,885		
200910	$ 455,658	$ 822,415	$ -	$ 60,780	$ 394,878	$ 1,193,638	$ 184,145	$ 638,270	$ 2,040,937	$ 1,904	$ 4,676		$ 1,033,148		
200911	$ 686,483	$ 578,379	$ -	$ 95,597	$ 590,886	$ 1,784,524	$ 139,913	$ 438,466	$ 2,479,403	$ 2,845	$ 6,803		$ 1,029,352		
200912	$ 998,822	$ 582,985	$ -	$ 116,810	$ 882,012	$ 2,666,536	$ 242,341	$ 340,644	$ 2,820,047	$ 4,253	$ 8,265		$ 1,222,656		
201001	$ 610,600	$ 231,600	$ -	$ 65,809	$ 544,791	$ 3,211,327	$ 136,656	$ 94,944	$ 2,914,991	$ 6,355	$ 9,400		$ 639,735		
201002	$ 101,405	$ 126,837	$ -	$ 66,398	$ 35,007	$ 3,246,334	$ 116,663	$ 10,174	$ 2,925,164	$ 7,654	$ 9,717		$ 45,180		
201003	$ 245,797	$ 393,086	$ -	$ 97,710	$ 148,087	$ 3,394,421	$ 206,231	$ 186,855	$ 3,112,019	$ 7,737	$ 9,751		$ 334,942		
201004	$ 337,530	$ 546,620	$ -	$ 138,973	$ 198,557	$ 3,592,978	$ 255,896	$ 290,724	$ 3,402,743	$ 8,090	$ 10,373		$ 489,281		
201005	$ 427,796	$ 626,308	$ -	$ 229,935	$ 197,861	$ 3,790,838	$ 289,474	$ 336,834	$ 3,739,577	$ 8,563	$ 11,342		$ 534,695		
201006	$ 291,600	$ 448,774	$ -	$ 79,621	$ 211,979	$ 4,002,817	$ 224,192	$ 224,582	$ 3,964,160	$ 9,035	$ 12,465		$ 436,561		
201007	$ 409,080	$ 411,784	$ -	$ 132,439	$ 276,641	$ 4,279,458	$ 184,069	$ 227,715	$ 4,191,874	$ 9,540	$ 13,214		$ 504,356		
201008	$ 445,525	$ 486,963	$ -	$ 107,287	$ 338,238	$ 4,617,696	$ 216,113	$ 270,850	$ 4,462,725	$ 10,199	$ 13,973		$ 609,088		
201009	$ 383,478	$ 784,754	$ -	$ 16,309	$ 367,169	$ 4,984,865	$ 226,225	$ 558,529	$ 5,021,253	$ 11,006	$ 14,876		$ 925,698		
201010	$ 520,171	$ 716,631	$ -	$ 60,780	$ 459,391	$ 5,444,256	$ 184,145	$ 532,486	$ 5,553,740	$ 11,881	$ 16,738		$ 991,877		
201011	$ 571,699	$ 756,862	$ -	$ 95,597	$ 476,102	$ 5,920,358	$ 139,913	$ 616,949	$ 6,170,688	$ 12,975	$ 18,512		$ 1,093,051		
201012	$ 472,255	$ 971,781	$ -	$ 116,810	$ 355,445	$ 6,275,803	$ 242,341	$ 729,440	$ 6,900,128	$ 14,110	$ 20,569		$ 1,084,885		
201101	$ 204,113	$ 81,919	$ -	$ 65,809	$ 138,304	$ 6,414,107	$ 136,656	$ (54,737)	$ 6,845,391	$ 14,957	$ 23,000		$ 83,567		
201102	$ 202,054	$ 645,215	$ -	$ 66,398	$ 135,656	$ 6,549,763	$ 116,663	$ 528,552	$ 7,373,942	$ 15,287	$ 22,818		$ 664,207		
201103	$ 176,176	$ 487,443	$ -	$ 97,710	$ 78,466	$ 6,628,229	$ 206,231	$ 281,212	$ 7,655,154	$ 15,610	$ 24,580		$ 359,678		
201104	$ 193,824	$ 621,157	$ -	$ 138,973	$ 54,851	$ 6,683,080	$ 255,896	$ 365,261	$ 8,020,415	$ 15,797	$ 25,517		$ 420,112		
201105	$ 255,085	$ 581,351	$ -	$ 229,935	$ 25,150	$ 6,708,230	$ 289,474	$ 291,877	$ 8,312,292	$ 15,928	$ 26,735		$ 317,027		
201106	$ 274,900	$ 584,365	$ -	$ 79,621	$ 195,279	$ 6,903,509	$ 224,192	$ 360,173	$ 8,672,466	$ 15,988	$ 27,708		$ 555,452		
201107	$ 653,539	$ 1,034,656	$ -	$ 132,439	$ 521,100	$ 7,424,608	$ 184,069	$ 850,587	$ 9,523,052	$ 16,453	$ 28,908		$ 1,371,687		
201108	$ 251,652	$ 609,531	$ -	$ 107,287	$ 144,365	$ 7,568,974	$ 216,113	$ 393,418	$ 9,916,471	$ 17,695	$ 31,744		$ 537,783		
201109	$ 334,765	$ 714,840	$ -	$ 16,309	$ 318,456	$ 7,887,430	$ 226,225	$ 488,615	$ 10,405,085	$ 18,039	$ 33,055		$ 807,071		
201110	$ 592,129	$ 557,690	$ -	$ 60,780	$ 531,349	$ 8,418,779	$ 184,145	$ 373,545	$ 10,778,631	$ 18,798	$ 34,684		$ 904,894		
201111	$ 580,100	$ 464,781	$ -	$ 95,597	$ 484,503	$ 8,903,282	$ 139,913	$ 324,868	$ 11,103,498	$ 20,065	$ 35,929		$ 809,371		
201112	$ 581,996	$ 893,769	$ -	$ 116,810	$ 465,186	$ 9,368,468	$ 242,341	$ 651,428	$ 11,754,926	$ 21,219	$ 37,012		$ 1,116,614	$ 21,123,394	
201201			$ 611,711									$ 202,465	$ 409,246	$ 21,532,639	$ 58,089
201202			$ 634,456									$ 183,062	$ 451,394	$ 21,984,033	$ 59,215
201203			$ 898,712									$ 303,941	$ 594,771	$ 22,578,804	$ 60,456
201204			$ 1,036,073									$ 394,869	$ 641,204	$ 23,220,008	$ 62,092
201205			$ 669,495									$ 519,409	$ 150,086	$ 23,370,094	$ 63,855
201206			$ 605,353									$ 303,813	$ 301,540	$ 23,671,634	$ 64,268
201207			$ 290,259									$ 316,508	$ (26,249)	$ 23,645,385	$ 65,097
201208			$ 845,820									$ 323,400	$ 522,420	$ 24,167,805	$ 65,025
201209			$ 553,280									$ 242,534	$ 310,746	$ 24,478,551	$ 66,461
201210			$ 1,542,575									$ 244,925	$ 1,297,650	$ 25,776,201	$ 67,316
201211			$ 823,035									$ 235,510	$ 587,525	$ 26,363,726	$ 70,885
201212			$ 364,543									$ 359,151	$ 5,392	$ 26,369,118	$ 72,500
201301			$ 489,666									$ 202,465	$ 287,201	$ 26,656,318	$ 72,515
201302			$ 596,846									$ 183,062	$ 413,784	$ 27,070,103	$ 73,305
201303			$ 199,160									$ 303,941	$ (104,781)	$ 26,965,321	$ 74,443
	$ 12,991,474	$ 19,020,683	$ 10,160,984	**$ 3,557,197**	**$ 9,329,553**		**$ 7,129,101**	**$ 11,704,523**		**$ 337,465**	**$ 550,290**	**$ 4,319,056**	**$ 26,965,321**		**$ 995,521**

Cummulative Incremental Capital	$	26,965,321.50
Remove Depreciation	$	(1,883,276.27)
Incremental Veg NBV	$	25,082,045.23

DIR Over/Under Calculation

	Revenue Requirement	1/12 Revenue Requirement
Aug-12	$ 67,641,831.22	$ 5,636,819.27
Sep-12	$ 69,684,970.52	$ 5,807,080.88
Oct-12	$ 71,371,309.29	$ 5,947,609.11
Nov-12	$ 69,454,078.56	$ 5,787,839.88
Dec-12	$ 71,495,444.65	$ 5,957,953.72
Jan-13	$ 71,935,805.98	$ 5,994,650.50
Feb-13	$ 71,726,240.09	$ 5,977,186.67
Mar-13	$ 72,316,897.35	$ 6,026,408.11
		$ 47,135,548.14
DIR Revenue through April 2013		$ 40,942,313.00
Over/(Under)		$ (6,193,235.14)

P.U.C.O. NO. 20

DISTRIBUTION INVESTMENT RIDER

Effective Cycle 1 ~~August~~ September 2013 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 ~~11.94208~~12.22994% 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 November 28, 2012 in Case No. 12-2627-EL-RDR

Issued: ~~____________________~~ July 1, 2013 Effective: Cycle 1 ~~August~~ September 2013

Issued By
Pablo Vegas, President
AEP Ohio

OHIO POWER COMPANY

~~4th~~ 5th Revised Sheet No. 489-1D
Cancels ~~3rd~~ 4th Revised Sheet No. 489-1D

P.U.C.O. NO. 20

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

Effective Cycle 1 ~~August~~ September 2013 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 ~~11.94208~~12.22994% 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 November 28, 2012 in Case No. 12-2627-EL-RDR
Issued: ~~____________~~July 1, 2013 Effective: Cycle 1 ~~August~~ September 2013

Issued By
Pablo Vegas, President
AEP Ohio