

July 15, 2014

Barcy McNeal  
Secretary  
Public Utilities Commission of Ohio  
180 East Broad Street  
Columbus, OH 43215

Re: Application of Ohio Power Company for Authority to True-Up the Deferred Asset  
Recovery Rider In Relation to the Issuance of Phase-In-Recovery Bonds in  
Case No. 12-1969-EL-ATS  
Case No. 14-1210-EL-RDR

Dear Mrs. McNeal:

Pursuant to the Commission's Financing Order adopted on March 20, 2013, as modified on April 10, 2013, in the above-referenced Case 12-1969-EL-ATS (the "Financing Order"), Ohio Power Company ("Company"), as servicer of the Phase-In-Recovery Bonds, submits this filing for a true-up adjustment to the Phase-In-Recovery Charges. Any capitalized terms not defined herein shall have the meanings ascribed thereto in the Financing Order.

The Company has calculated the true-up adjustment in accordance with the methodology approved in the Financing Order. Attachment 1 is the Company's Deferred Asset Phase-In Recovery Rider which shows the resulting values of the Phase-In-Recovery Charge rates as a percentage of the base distribution rates. The Company has attached its work papers showing the true-up calculation as Attachment 2. Attachment 3 is the semi-annual Servicer's Certificate for the Payment date of July 1, 2014.

Pursuant to the Financing Order, the Phase-In-Recovery Charge rates shall go into effect on August 1, 2014. The Commission will have 15 days after the filing date in which to confirm the mathematical accuracy of the true-up adjustment to the Phase-In-Recovery Charges. Any mathematical correction to the true-up adjustment will be made in the next true-up adjustment filing and will not delay the effectiveness of the Phase-In-Recovery Charges requesting herein on the effective date set forth in this request.

Respectfully submitted,

OHIO POWER COMPANY

By: 

Name: Kathleen M. Trafford

Porter Wright Morris & Arthur LLP

P.U.C.O. NO. 20  
Deferred Asset Phase-In Rider

Effective ~~August 1, 2013~~ August 1, 2014, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Deferred Asset Phase-In Rider charge of 7.8361% of the customer's base 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 as set forth in the financing order in Case No. 12-1969-EL-ATS.

Filed pursuant to Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_

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

Issued by  
Pablo Vegas, President  
AEP Ohio

Effective: \_\_\_\_\_

P.U.C.O. NO. 20  
OAD - DEFERRED ASSET PHASE-IN RIDER  
(Open Access Distribution - Deferred Asset Phase-In Rider)

Effective ~~August 1, 2013~~August 1, 2014, all customer bills subject to the provisions of this Rider, including any bills rendered under special contract, shall be adjusted by the Deferred Asset Phase-In Rider charge of 7.~~8361~~% of the customer's base 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 as set forth in the financing order in Case No. 12-1969-EL-ATS.

Filed pursuant to Order dated \_\_\_\_\_ in Case No. \_\_\_\_\_

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

Issued by  
Pablo Vegas, President  
AEP Ohio

Effective: \_\_\_\_\_

**AEP/Ohio Power Company  
CALCULATION OF OH PIR RATES  
Standard True-Up Adjustment for the Billing Period of August 2014 through July 2015**

	A	B*	C	D	E
	Periodic Billing Requirement (PBR)	(Over)/Under Recovery	Adjusted PBR (C= A+B)	Projected Gross D Revenue	OH PIR Rate (E=C/D)
<b>Bond Payment</b>	\$ 49,246,572	\$ (2,946,218)	\$ 46,300,354	\$ 615,804,971	7.52%
<b>Taxes</b>	\$ 528,514	\$ 6,701	\$ 535,215	\$ 615,804,971	<u>0.09%</u>
					7.61%

\* Over Under of Bond Payment from page 3 of Semi-Annual Servicer's Certificate filed as Attachment 3

## August 2013 Through June 2014 Actuals Versus Estimates Over/(Under)

<u>Collections</u>	<u>Billed</u>	<u>Certificate Actuals</u>
August	\$ 4,030,546	\$ 2,209,348
September	\$ 4,480,666	\$ 4,206,846
October	\$ 3,723,597	\$ 4,359,163
November	\$ 3,658,224	\$ 3,451,356
December	\$ 4,132,937	\$ 3,801,130
January	\$ 4,476,609	\$ 4,080,318
February	\$ 4,420,244	\$ 4,061,244
March	\$ 4,170,275	\$ 4,287,917
April	\$ 3,801,563	\$ 3,979,296
May	\$ 3,604,361	\$ 3,674,381
June	\$ 4,165,207	\$ 3,553,601
<b>Total Collections</b>	<b>44,664,229.76</b>	<b>41,664,599.75</b>

	<u>Tax Assessment</u>	<u>Rider Collections</u>	<u>Over/(Under)</u>
<b>Gross Up</b>	<b>\$ 420,395.81</b>	<b>\$ 427,096.41</b>	<b>\$ 6,700.59</b>

**Exhibit B**

**Semi-Annual Servicer's Certificate  
Ohio Power Company, as Servicer  
Ohio Phase-In-Recovery Funding LLC**

Pursuant to Section 4.01(c)(ii) of the Phase-In-Recovery Property Servicing Agreement dated as of August 1, 2013 (the "Servicing Agreement"), between, OHIO POWER COMPANY, as Servicer and OHIO PHASE-IN-RECOVERY FUNDING LLC, the Servicer does hereby certify, for the July 1, 2014 Payment Date (the "Current Payment Date"), as follows:

Capitalized terms used herein have their respective meanings as set forth in the Indenture (as defined in the Servicing Agreement). References herein to certain sections and subsections are references to the respective sections of the Servicing Agreement or the Indenture, as the context indicates.

**Collection Periods** Aug-2013 to Jun-2014

**Payment Date:** 07/01/2014

**1. Collections Allocable and Aggregate Amounts Available for the Current Payment Date:**

i. Remittances for the 08/13 Collection Period	2,209,348.15
ii. Remittances for the 09/13 Collection Period	4,206,846.33
iii. Remittances for the 10/13 Collection Period	4,359,163.09
iv. Remittances for the 11/13 Collection Period	3,451,355.59
v. Remittances for the 12/13 Collection Period	3,801,130.21
vi. Remittances for the 01/14 Collection Period	4,080,317.90
vii. Remittances for the 02/14 Collection Period	4,061,243.60
viii. Remittances for the 03/14 Collection Period	4,287,916.54
ix. Remittances for the 04/14 Collection Period	3,979,296.42
x. Remittances for the 05/14 Collection Period	3,674,380.62
xi. Remittances for the 06/14 Collection Period <sup>1</sup>	3,553,601.30
xii. Investment Earnings on Collection Account	
xiii. Investment Earnings on Capital Subaccount	125.67
xiv. Investment Earnings on Excess Funds Subaccount	0.00
xv. Investment Earnings on General Subaccount	1,692.81
<b>xvi. General Subaccount Balance (sum of i through xv above)</b>	<b>41,666,418.23</b>
xvii. Excess Funds Subaccount Balance as of Prior Payment Date	0.00
xviii. Capital Subaccount Balance as of Prior Payment Date	1,337,040.00
<b>xix. Collection Account Balance (sum of xvi through xviii above)</b>	<b>43,003,458.23</b>

**2. Outstanding Amounts as of Prior Payment Date:**

i. Tranche A-1 Outstanding Amount	164,900,000.00
ii. Tranche A-2 Outstanding Amount	102,508,000.00
<b>iii. Aggregate Outstanding Amount of all Tranches:</b>	<b>267,408,000.00</b>

**Notes:**

<sup>1</sup> June remittances do not include the previous month's true-up, which will settle on July 25, 2014.

**3. Required Funding/Payments as of Current Payment Date:**

**Principal**

i. Tranche A-1

ii. Tranche A-2

iii. For all Tranches:

**Principal Due**

34,936,477.72

0.00

**34,936,477.72**

**Interest**

**Tranche**

**Interest**

**Rate**

**Days in Interest**

**Period<sup>1</sup>**

**Principal**

**Balance**

**Interest Due**

iv. Tranche A-1

0.958%

330

164,900,000.00

1,448,096.83

v. Tranche A-2

2.049%

330

102,508,000.00

1,925,356.51

vi. For all Tranches:

**3,373,453.34**

**Required Level**

**Funding Required**

vii. Capital Subaccount

1,337,040.00

0.00

**1,337,040.00**

**0.00**

**4. Allocation of Remittances as of Current Payment Date Pursuant to 8.02(e) of Indenture:**

i. Trustee Fees and Expenses, Indemnity Amounts<sup>2</sup>

0.00

ii. Servicing Fee

245,124.00

iii. Administration Fee

45,833.33

iv. Permitted Return

65,448.11

v. Operating Expenses<sup>3</sup>

53,738.19

vi. Semi-Annual Interest (including any past-due for prior periods)

3,373,453.34

**Tranche**

**Aggregate**

**Per \$1000 of Original**

**Principal Amount**

1. Tranche A-1 Interest Payment

1,448,096.83

\$8.7817

2. Tranche A-2 Interest Payment

1,925,356.51

\$18.7825

**3,373,453.34**

vii. Principal Due and Payable as a Result of Event of Default or on Final Maturity Date

0.00

1. Tranche A-1 Principal Payment

0.00

\$0.0000

2. Tranche A-2 Principal Payment

0.00

\$0.0000

**0.00**

**Notes:**

<sup>1</sup> On 30/360 day basis for initial payment date; otherwise use one-half of annual rate.

<sup>2</sup> Subject to \$100,000 annual cap

<sup>3</sup> Subject to annual aggregate dollar cap of \$652,594, minus the expenses in clauses (i), (ii) and (iii) above

viii. Semi-Annual Principal

<u>Tranche</u>	<u>Per \$1000 of Original</u>		<u>34,936,477.72</u>
	<u>Aggregate</u>	<u>Principal Amount</u>	
1. Tranche A-1 Principal Payment	34,936,477.72	\$211.8646	
2. Tranche A-2 Principal Payment	0.00	\$0.0000	
	<b>34,936,477.72</b>		
ix. Funding of Capital Subaccount (to required level)			1,337,040.00
x. Investment Earnings on Capital Subaccount Released to Note Issuer			125.67
xi. Deposit to Excess Funds Subaccount			2,946,217.87
xii. Released to Note Issuer upon Retirement of all Notes			0.00
<b>xiii. Aggregate Remittances as of Current Payment Date</b>			<b>43,003,458.23</b>

**5. Outstanding Amount and Collection Account Balance as of Current Payment Date (after giving effect to payments to be made on such Payment Date):**

<u>Tranche</u>	
i. Tranche A-1	129,963,522.28
ii. Tranche A-2	102,508,000.00
<b>iii. Aggregate Outstanding Amount of all Tranches</b>	<b>232,471,522.28</b>
iv. Excess Funds Subaccount Balance	2,946,217.87
v. Capital Subaccount Balance	1,337,040.00
<b>vi. Aggregate Collection Account Balance</b>	<b>4,283,257.87</b>

**6. Subaccount Withdrawals as of Current Payment Date (if applicable, pursuant to Section 8.02(e) of Indenture):**

i. Excess Funds Subaccount	0.00
ii. Capital Subaccount	1,337,165.67
<b>iii. Total Withdrawals</b>	<b>1,337,165.67</b>



**7. Shortfalls In Interest and Principal Payments as of Current Payment Date:**

i. Semi-annual Interest

- 1. Tranche A-1 Principal Payment
- 2. Tranche A-2 Principal Payment

0.00

0.00

**0.00**

ii. Semi-annual Principal

- 1. Tranche A-1 Principal Payment
- 2. Tranche A-2 Principal Payment

0.00

0.00

**0.00**

**8. Shortfalls in Payment of Permitted Return as of Current Payment Date:**

i. Permitted Return

0.00

**9. Shortfalls in Required Subaccount Levels as of Current Payment Date:**

i. Capital Subaccount

0.00

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Servicer's Certificate this 18th day of June, 2014.

OHIO POWER COMPANY,  
as Servicer

By: 

Name: Julia A. Sloat

Title: Treasurer

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

**Commission of Ohio Docketing Information System on**

**7/15/2014 2:16:16 PM**

**in**

**Case No(s). 14-1210-EL-RDR, 12-1969-EL-ATS**

Summary: Request for a true-up adjustment to Ohio Power Company's Deferred Asset Recovery Rider in relation to issuance of phase-in recovery bonds electronically filed by Ms. Christen M. Blend on behalf of Ohio Power Company and Ms. Kathleen M. Trafford