



Legal Department

July 28, 2014

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 Application of Ohio Power Company
For Authority to Issue Phase-In Recovery Bonds and Impose,
Charge and Collection Phase-In Recovery Charges and For
Tariff and Bill Format Changes, Case No.
12-1969-EL-ATS*

Steven T. Nourse
Senior Counsel –
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Dear Ms. McNeal:

Ohio Power Company (AEP Ohio) submitted its update to the Deferred Asset Phase-In Rider in this docket on July 15, 2014. Based on review and input from Staff, a minor correction in the supporting calculations was identified. Attached are updated schedules affected, which slightly modify the proposed rate reduction involved with this update filing.

Respectfully Submitted,

//s/ Steven T. Nourse

cc: Parties of Record

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 ~~7.8360~~ % 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 ~~7.8360~~7.836% 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)
Bond Payment	\$	49,246,572	\$	(2,946,218)	\$	46,300,354	\$	615,804,971		7.52%
Taxes	\$	528,514	\$	(6,701)	\$	521,814	\$	615,804,971		<u>0.08%</u>
										7.60%

* 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
Total Collections	44,664,229.76	41,664,599.75

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

**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 ¹	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
xvi. General Subaccount Balance (sum of i through xv above)	41,666,418.23
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
xix. Collection Account Balance (sum of xvi through xviii above)	43,003,458.23

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
iii. Aggregate Outstanding Amount of all Tranches:	267,408,000.00

Notes:

¹ 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
Period¹**

**Principal
Balance**

Interest Due

- iv. Tranche A-1
- v. Tranche A-2

0.958%
2.049%

330
330

164,900,000.00
102,508,000.00

1,448,096.83
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 Amounts² 0.00
- ii. Servicing Fee 245,124.00
- iii. Administration Fee 45,833.33
- iv. Permitted Return 65,448.11
- v. Operating Expenses³ 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
- 2. Tranche A-2 Interest Payment

1,448,096.83
1,925,356.51
3,373,453.34

\$8.7817
\$18.7825

- 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
- 2. Tranche A-2 Principal Payment

0.00
0.00
0.00

\$0.0000
\$0.0000

Notes:

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

² Subject to \$100,000 annual cap

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

viii. Semi-Annual Principal 34,936,477.72

<u>Tranche</u>	<u>Aggregate</u>	<u>Per \$1000 of Original 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	
	<u>34,936,477.72</u>		
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
xiii. Aggregate Remittances as of Current Payment Date			<u>43,003,458.23</u>

**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
iii. Aggregate Outstanding Amount of all Tranches	<u>232,471,522.28</u>
iv. Excess Funds Subaccount Balance	2,946,217.87
v. Capital Subaccount Balance	1,337,040.00
vi. Aggregate Collection Account Balance	<u>4,283,257.87</u>

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
iii. Total Withdrawals	<u>1,337,165.67</u>

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

i. Semi-annual Interest

1. Tranche A-1 Principal Payment

0.00

2. Tranche A-2 Principal Payment

0.00

0.00

ii. Semi-annual Principal

1. Tranche A-1 Principal Payment

0.00

2. Tranche A-2 Principal Payment

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

7/31/2014 9:28:30 AM

in

Case No(s). 14-1210-EL-RDR

Summary: Correspondence -Update Schedules electronically filed by Mr. Steven T Nourse on behalf of Ohio Power Company