



Legal Department

American Electric Power
1 Riverside Plaza
Columbus, OH 43215-2373
AEP.com

July 9, 2015

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

Matthew J. Satterwhite
Senior Counsel –
(614) 716-1915 (P)
(614) 716-2014 (F)
mjsatterwhite@aep.com
aep.com

Re: Re: In the Matter of Ohio Power Company Revenue Neutral Residential Distribution Rate Design, Case No. 11-351-EL-AIR, Case No. 11-352-EL-AIR, Case No. 11-353-EL-ATA, Case No. 11-354-EL-ATA, Case No. 11-356-EL-AAM, Case No. 11-358-EL-AAM.

Dear Docketing Chief McNeal:

Background

On December 14, 2011, the Commission issued an Opinion and Order in these cases requiring Ohio Power Company (AEP Ohio or the Company) to update its cost-of-service study and file the updated study in this proceeding to review residential rate design at the end of the 3-year pilot revenue decoupling program. In addition, the Commission directed the Company to file, in Case No. 10-3126-EL-UNC, metrics to evaluate the success of the pilot program. The Company filed in that case as directed and that case is now closed based on the Commission determining that a straight fixed variable approach was to be filed by the electric utilities in their next base case. The Commission then narrowed its focus in the February 14, 2012 Entry on Rehearing in Case No. 11-351-EL-AIR determining that the Company recognize the Commission's focus on moving to a straight-fixed-variable rate in the future. As such the Company provides the following information to compare the pilot throughput balancing adjustment rider to a straight fixed variable rate design in compliance with the Commission's order in Case No. 11-351-EL-AIR.

Updated Cost-of-Service Study

Consistent with the Commission's directives, the Company is submitting a jurisdictional cost-of-service study for calendar year 2014 as Attachment 1 of this filing. This cost-of-service study does not include all adjustments typically made during a distribution rate case. It does, however, include an adjustment to remove the Company's revenues under the Pilot Throughput Balancing Adjustment Rider (PTBAR) and an adjustment to gross 2014 revenues to the level that would have been achieved had the Company instituted a Straight Fixed Variable (SFV) rate design.

Distribution Revenues

The Company has included the following riders in the study's Distribution per Books amount for the Distribution Firm Sales and Rider Revenues Line:

- Universal Service Fund Rider
- KWH Tax Rider
- Residential Distribution Credit Rider
- Pilot Throughput Balancing Adjustment Rider
- Deferred Asset Phase-In Rider
- Transmission Cost Recovery Rider*
- Economic Development Rider
- Enhanced Service Reliability Rider
- GridSMART Phase 1 Rider
- Distribution Investment Rider
- Storm Damage Recovery Rider
- Energy Efficiency and Peak Demand Reduction Cost Rider*

* The Transmission Cost Recovery Rider and the Energy Efficiency and Peak Demand Reduction Cost Rider were removed from revenues via adjustments included in Column 3 of Attachment 1 – Distribution Fixed, Known & Measurable Adjustments.

SFV Rate Design

The use of a Straight Fixed Variable rate design yields a Residential distribution charge of \$27.24 per bill for a standard residential customer and a GS-1 distribution charge of \$14.81 per bill for standard GS-1 customer. The rate design, which reflects the revenue requirements and billing determinants from Case Nos. 11-351-EL-AIR and 11-352-EL-AIR, along with the cost-of-service revenue adjustment are included in Attachment 2 of this filing.

Change in Pilot Throughput Balancing Adjustment Rider

The table below summarizes the effect of the net adjustments that remove the PTBAR accrual and replace it with an increase in revenues that would have resulted from the use of a SFV rate design for Residential and GS-1 customers.

Adjusted Operating Revenues – Sales of Electricity	\$1,214,291,151	100%
Adjustment to Remove PTBAR Revenues	22,989,212	2%
Adjusted Distribution Revenues, excl. PTBAR	1,191,301,939	98%
Distribution Adjustment to Reflect SFV*	26,184,024	2%
Adjusted Operating Revenues – After SFV Adjustment	\$1,217,485,964	100%

*Calculated in Attachment 2 of this filing

Barcy F. McNeal

July 9, 2015

Page 3

The Company provides this information as indicated by the Commission as a compliance filing related to the enumerated cases and is not seeking any change to the Pilot Throughput Balancing Adjustment Rider or other rates at this time.

Cordially,

/s/Matthew J. Satterwhite

Matthew J. Satterwhite

Senior Counsel

cc: Parties of Record

**Ohio Power Company - Distribution
Jurisdictional Separation Study
Twelve Months Ended December 31, 2014**

Line No.	Description	DISTRIBUTION PER BOOKS	DISTRIBUTION FIXED, KNOWN & MEASURABLE ADJUSTMENTS	DISTRIBUTION AFTER ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REMOVE PTBAR	DISTRIBUTION AFTER PTBAR ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REFLECT SFV	DISTRIBUTION AFTER SFV ADJUSTMENT	ALLOCATOR	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Operating Revenues - Sale of Electricity	2,864,176,800	(1,649,885,649)	1,214,291,151	(22,989,212)	1,191,301,939	26,184,024	1,217,485,964		
2	Other Electric Operating Revenues	(37,578,867)	72,811,190	35,232,324	0	35,232,324	0	35,232,324		
3	Non-Firm Sales Revenues	387,387,235	(387,387,235)	0	0	0	0	0		
4	Total Operating Revenues	3,213,985,168	(1,964,461,693)	1,249,523,475	(22,989,212)	1,226,534,263	26,184,024	1,252,718,287		
5	Operation and Maintenance Expenses									
6	Power Production	1,474,368,257	(1,438,651,850)	35,716,407	0	35,716,407	0	35,716,407		
7	Transmission	272,544,016	(272,544,016)	0	0	0	0	0		
8	Distribution	188,235,870	(255,290)	187,980,580	0	187,980,580	0	187,980,580		
9	Customer Accounts	239,731,633	0	239,731,633	0	239,731,633	0	239,731,633		
10	Customer Service & Information	80,888,992	(71,913,433)	8,975,559	0	8,975,559	0	8,975,559		
10	Sales Expense	2,236,374	0	2,236,374	0	2,236,374	0	2,236,374		
11	Administrative and General	74,864,933	0	74,864,933	0	74,864,933	0	74,864,933		
12	Total Operation and Maintenance Expense	2,332,870,075	(1,783,364,588)	549,505,487	0	549,505,487	0	549,505,487		
13	Depreciation and Amortization Expense	137,337,855	0	137,337,855	0	137,337,855	0	137,337,855		
14	Regulatory Debits/Credits	109,974,399	(107,272,453)	2,701,946	(876,914)	1,825,032	0	1,825,032		
15	Taxes Other than Income	298,559,293	0	298,559,293	0	298,559,293	0	298,559,293		
16	Other	30,232,188	0	30,232,188	0	30,232,188	0	30,232,188		
17	Total Other Expenses	576,103,734	(107,272,453)	468,831,281	(876,914)	467,954,367	0	467,954,367		
18	Net Operating Income Before Income Tax	305,011,359	(73,824,652)	231,186,707	(22,112,298)	209,074,409	26,184,024	235,258,433		
19	State Income Tax	(4,868,952)	325,447	(4,543,505)	(206,620)	(4,750,125)	254,771	(4,495,354)		
20	Deferred State Income Tax	16,658,726	(1,043,761)	15,614,965	(8,532)	15,606,433	0	15,606,433		
21	Total State Income Tax	11,789,774	(718,314)	11,071,460	(215,152)	10,856,308	254,771	11,111,079		
22	Federal Income Tax									
23	Current Federal Income Tax	38,407,932	11,592,824	50,000,756	(7,360,067)	42,640,689	9,075,239	51,715,928		
24	Deferred Federal Income Tax	30,761,505	(37,180,042)	(6,418,537)	(303,934)	(6,722,471)	0	(6,722,471)		
25	Deferred Investment Tax Credit	(92,654)	0	(92,654)	0	(92,654)	0	(92,654)		
26	Total Federal Income Taxes	69,076,784	(25,587,218)	43,489,566	(7,664,001)	35,825,565	9,075,239	44,900,804		
27	Net Operating Income	224,144,801	(47,519,120)	176,625,681	(14,233,145)	162,392,536	16,854,014	179,246,551		
28	Electric Plant in Service - Original Cost	4,383,785,604	0	4,383,785,604	0	4,383,785,604	0	4,383,785,604		
29	Accumulated Provision for Depreciation & Amortization	(1,611,696,149)	0	(1,611,696,149)	0	(1,611,696,149)	0	(1,611,696,149)		
30	Construction Work in Progress	113,868,345	0	113,868,345	0	113,868,345	0	113,868,345		
31	Working Capital Requirement	9,799,995	0	9,799,995	0	9,799,995	0	9,799,995		
32	Other Rate Base Offsets	(835,390,008)	0	(835,390,008)	0	(835,390,008)	0	(835,390,008)		
33	Rate Base	2,060,367,786	0	2,060,367,786	0	2,060,367,786	0	2,060,367,786		

[illegible]

Ohio Power Company - Distribution
Jurisdictional Separation Study
Twelve Months Ended December 31, 2014

Line No.	Description	DISTRIBUTION PER BOOKS	DISTRIBUTION FIXED, KNOWN & MEASURABLE ADJUSTMENTS	DISTRIBUTION AFTER ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REMOVE PTBAR	DISTRIBUTION AFTER PTBAR ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REFLECT SFV	DISTRIBUTION AFTER SFV ADJUSTMENT	ALLOCATOR	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Distribution Plant									
2	A360 Land and Land Rights	57,770,583	0	57,770,583	0	57,770,583	0	57,770,583	Direct	
3	A361 Structures and Improvements	20,432,375	0	20,432,375	0	20,432,375	0	20,432,375	Direct	
4	A362 Station Equipment	594,742,798	0	594,742,798	0	594,742,798	0	594,742,798	Direct	
5	A363 Storage Battery Equipment	5,069,926	0	5,069,926	0	5,069,926	0	5,069,926	Direct	
6	A364 Poles, Towers & Fixtures	654,180,595	0	654,180,595	0	654,180,595	0	654,180,595	Direct	
7	A365 O.H. Conductors & Devices	672,468,181	0	672,468,181	0	672,468,181	0	672,468,181	Direct	
8	A366 Underground Conduits	205,104,904	0	205,104,904	0	205,104,904	0	205,104,904	Direct	
9	A367 U.G. Conductors & Devices	567,345,527	0	567,345,527	0	567,345,527	0	567,345,527	Direct	
10	A368 Line Transformers	716,261,529	0	716,261,529	0	716,261,529	0	716,261,529	Direct	
11	A369 Services	315,224,716	0	315,224,716	0	315,224,716	0	315,224,716	Direct	
12	A370 Meters	182,207,258	0	182,207,258	0	182,207,258	0	182,207,258	Direct	
13	A371 Install. on Customer Prem.	54,332,413	0	54,332,413	0	54,332,413	0	54,332,413	Direct	
14	A372 Leased Prop. on Cust. Premises	103,793	0	103,793	0	103,793	0	103,793	Direct	
15	A373 Street Lights	38,739,735	0	38,739,735	0	38,739,735	0	38,739,735	Direct	
16	Total Distribution Plant	4,083,984,333	0	4,083,984,333	0	4,083,984,333	0	4,083,984,333		
17	General Plant									
18	A389 Land and Land Rights	7,896,622	0	7,896,622	0	7,896,622	0	7,896,622	Direct	
19	A390 Structures and Improvements	123,480,728	0	123,480,728	0	123,480,728	0	123,480,728	Direct	
20	A391 Office Furniture & Equip.	4,714,238	0	4,714,238	0	4,714,238	0	4,714,238	Direct	
21	A392 Transportation Equipment	12,731	0	12,731	0	12,731	0	12,731	Direct	
22	A393 Stores Equipment	414,525	0	414,525	0	414,525	0	414,525	Direct	
23	A394 Tools, Shop & Garage Equip.	23,482,002	0	23,482,002	0	23,482,002	0	23,482,002	Direct	
24	A395 Laboratory Equipment	190,418	0	190,418	0	190,418	0	190,418	Direct	
25	A396 Power Operated Equipment	4,943	0	4,943	0	4,943	0	4,943	Direct	
26	A397 Communication Equipment	54,989,338	0	54,989,338	0	54,989,338	0	54,989,338	Direct	
27	A398 Misc. Equipment	2,053,235	0	2,053,235	0	2,053,235	0	2,053,235	Direct	
28	A399 Other Property - Land	0	0	0	0	0	0	0	Direct	
29	A39910 Other Property Land Rights	0	0	0	0	0	0	0	Direct	
30	A39919 ARO General Plant	461,283	0	461,283	0	461,283	0	461,283	Direct	
31	A39930 Other Tangible Property	0	0	0	0	0	0	0	Direct	
32	Total General Plant	217,700,063	0	217,700,063	0	217,700,063	0	217,700,063		
33	Total Electric Plant in Service (101 & 106)	4,383,149,026	0	4,383,149,026	0	4,383,149,026	0	4,383,149,026		
34	Electric Plant Acquisition Adjustment (114)	636,578	0	636,578	0	636,578	0	636,578	Direct	
35	Total Electric Utility Plant	4,383,785,604	0	4,383,785,604	0	4,383,785,604	0	4,383,785,604		

Ohio Power Company - Distribution
Jurisdictional Separation Study
Twelve Months Ended December 31, 2014

Line No.	Description	DISTRIBUTION PER BOOKS	DISTRIBUTION FIXED, KNOWN & MEASURABLE ADJUSTMENTS	DISTRIBUTION AFTER ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REMOVE PTBAR	DISTRIBUTION AFTER PTBAR ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REFLECT SFV	DISTRIBUTION AFTER SFV ADJUSTMENT	ALLOCATOR	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Accumulated Provision for Depreciation									
2	Steam & Hydraulic	0	0	0	0	0	0	0	N/A	
3	Total Production Plant	0	0	0	0	0	0	0		
4	Transmission	0	0	0	0	0	0	0	N/A	
5	Total Transmission Plant	0	0	0	0	0	0	0		
6	Distribution	(1,454,754,803)	0	(1,454,754,803)	0	(1,454,754,803)	0	(1,454,754,803)	Direct	
7	Total Distribution Plant	(1,454,754,803)	0	(1,454,754,803)	0	(1,454,754,803)	0	(1,454,754,803)		
8	General	(89,220,227)	0	(89,220,227)	0	(89,220,227)	0	(89,220,227)	Direct	
9	Total General Plant	(89,220,227)	0	(89,220,227)	0	(89,220,227)	0	(89,220,227)		
10	Total Accumulated Provision for Depreciation (108)	(1,543,975,030)	0	(1,543,975,030)	0	(1,543,975,030)	0	(1,543,975,030)		
11	Accumulated Provision for Amortization									
12	Intangible	(58,146,872)	0	(58,146,872)	0	(58,146,872)	0	(58,146,872)	Direct	
13	Total Intangible	(58,146,872)	0	(58,146,872)	0	(58,146,872)	0	(58,146,872)		
14	Steam & Hydraulic	0	0	0	0	0	0	0	N/A	
15	Total Production Plant	0	0	0	0	0	0	0		
16	Transmission Plant	0	0	0	0	0	0	0	N/A	
17	Total Transmission Plant	0	0	0	0	0	0	0		
18	Distribution	0	0	0	0	0	0	0		
19	Total Distribution Plant	0	0	0	0	0	0	0		
20	General	(8,986,318)	0	(8,986,318)	0	(8,986,318)	0	(8,986,318)	Direct	
21	Total General Plant	(8,986,318)	0	(8,986,318)	0	(8,986,318)	0	(8,986,318)		
22	Total Accumulated Provision for Amortization (111)	(67,133,190)	0	(67,133,190)	0	(67,133,190)	0	(67,133,190)		
23	Amortization-Plant Acquisition Adjustment (115)	(587,929)	0	(587,929)	0	(587,929)	0	(587,929)	Direct	
24	Total Acc Prov Depreciation and Amortization	(1,611,696,149)	0	(1,611,696,149)	0	(1,611,696,149)	0	(1,611,696,149)		
25	Net Electric Plant in Service	2,772,089,455	0	2,772,089,455	0	2,772,089,455	0	2,772,089,455		
26	Construction Work in Progress (107)	113,868,345	0	113,868,345	0	113,868,345	0	113,868,345	Direct	

Ohio Power Company - Distribution
Jurisdictional Separation Study
Twelve Months Ended December 31, 2014

Line No.	Description	DISTRIBUTION PER BOOKS	DISTRIBUTION FIXED, KNOWN & MEASURABLE ADJUSTMENTS	DISTRIBUTION AFTER ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REMOVE PTBAR	DISTRIBUTION AFTER PTBAR ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REFLECT SFV	DISTRIBUTION AFTER SFV ADJUSTMENT	ALLOCATOR	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Working Capital Requirements									
2	Assets									
3	Uncollectibles (144)	0	0	0	0	0	0	0	Direct	
4	Fuel Inventory (151, 152)	0	0	0	0	0	0	0	Direct	
5	Materials & Supplies Held for Normal Ops (154, 163)	2,538,347	0	2,538,347	0	2,538,347	0	2,538,347	Direct/Normal Ops	9.01%
6	Prepayments-Other (165)	7,261,648	0	7,261,648	0	7,261,648	0	7,261,648	Direct	
7	Other Current Assets	0	0	0	0	0	0	0	Direct	
8	Total Working Capital Requirements	9,799,995	0	9,799,995	0	9,799,995	0	9,799,995		
9	Other Rate Base Offsets									
10	Customer Deposits (235)	(53,922,061)	0	(53,922,061)	0	(53,922,061)	0	(53,922,061)	Direct	
11	Customer Advances (252)	(250,000)	0	(250,000)	0	(250,000)	0	(250,000)	Direct	
12	Prepayments-Pension (1650010/1650019/1650020)	173,839,011	0	173,839,011	0	173,839,011	0	173,839,011	Direct	
13	Deferred Taxes - Federal (190.1)	122,690,217	0	122,690,217	0	122,690,217	0	122,690,217	Direct	
14	Deferred Taxes - State (190.1)	4,453,049	0	4,453,049	0	4,453,049	0	4,453,049	Direct	
15	Deferred Taxes (281.1)	0	0	0	0	0	0	0	Direct	
16	Deferred Taxes (282.1)	(586,506,790)	0	(586,506,790)	0	(586,506,790)	0	(586,506,790)	Direct	
17	Deferred Taxes - Federal (283.1)	(470,728,955)	0	(470,728,955)	0	(470,728,955)	0	(470,728,955)	Direct	
18	Deferred Taxes - State (283.1)	(24,861,533)	0	(24,861,533)	0	(24,861,533)	0	(24,861,533)	Direct	
19	Deferred Investment Tax Credits (255)	(102,946)	0	(102,946)	0	(102,946)	0	(102,946)	Direct -46(f)(1) portion	
20	Total Other Rate Base Offsets	(835,390,008)	0	(835,390,008)	0	(835,390,008)	0	(835,390,008)		
21	Total Rate Base	2,060,367,786	0	2,060,367,786	0	2,060,367,786	0	2,060,367,786		

Ohio Power Company - Distribution
Jurisdictional Separation Study
Twelve Months Ended December 31, 2014

Line No.	Description	DISTRIBUTION PER BOOKS	DISTRIBUTION FIXED, KNOWN & MEASURABLE ADJUSTMENTS	DISTRIBUTION AFTER ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REMOVE PTBAR	DISTRIBUTION AFTER PTBAR ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REFLECT SFV	DISTRIBUTION AFTER SFV ADJUSTMENT	ALLOCATOR	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Distribution Firm Sales & Rider Revenue	1,321,964,184	(130,662,245)	1,191,301,939	0	1,191,301,939	26,184,024	1,217,485,964	Specific	100.0%
2	Other Generation and Transmission Revenues	1,519,223,404	(1,519,223,404)	0	0	0	0	0	Specific	100.0%
3	Pilot Throughput Balancing Adjustment Rider	22,989,212	0	22,989,212	(22,989,212)	0	0	0	Specific	100.0%
4	Total Firm Sales	2,864,176,800	(1,649,885,649)	1,214,291,151	(22,989,212)	1,191,301,939	26,184,024	1,217,485,964		
5	Sales for Resale									
6	447 - Sales for Resale	387,387,235	(387,387,235)	0	0	0	0	0		
7	Total Sales for Resale	387,387,235	(387,387,235)	0	0	0	0	0		
8	Other Operating Revenues									
9	450-Forfeited Discounts	3,062,403	0	3,062,403	0	3,062,403	0	3,062,403	Specific	100.0%
10	451-Miscellaneous Service Revenues	7,074,607	0	7,074,607	0	7,074,607	0	7,074,607	Specific	98.3%
11	Subtotal Other Operating Revenues	10,137,010	0	10,137,010	0	10,137,010	0	10,137,010		
12	Rent from Electric Property									
13	4541-Rent-Assoc Cos	4,993,525	(255,290)	4,738,236	0	4,738,236	0	4,738,236		
14	4542-Rent-Non-Assoc Cos	60,230	0	60,230	0	60,230	0	60,230	Specific	4.8%
15	4544-Rent From Elect Prop-ABD-Nonaf	283,945	0	283,945	0	283,945	0	283,945	Specific	32.8%
16	4545-Rent from Elec Prop-Pole Atch	14,862,277	0	14,862,277	0	14,862,277	0	14,862,277	Specific	100.0%
17	Total Rent from Electric Property	20,199,977	(255,290)	19,944,687	0	19,944,687	0	19,944,687		
18	Other Electric Revenue									
19	456-Other Electric Revenue - Distribution	1,203,159	0	1,203,159	0	1,203,159	0	1,203,159	Specific	100.0%
20	456.0015 Other Electric Revenues - ABD	2,589,516	0	2,589,516	0	2,589,516	0	2,589,516	Specific	80.7%
21	456.0041 Misc. Revenue - NonAffiliated	2,300	0	2,300	0	2,300	0	2,300	Specific	91.0%
23	456.0180 Amort of Defer Equity Inc	19,096,848	(19,096,848)	0	0	0	0	0	Specific	100.0%
22	456.1027 PJM Tranns Dist/Meter - NonAff	1,355,652	0	1,355,652	0	1,355,652	0	1,355,652	Specific	100.0%
24	456-Other Electric Revenue - Non-Jurisdictional TCRR	(89,404,764)	89,404,764	0	0	0	0	0	Specific	102.5%
25	456-Other Electric Revenue - Non-Jurisdictional	(2,758,564)	2,758,564	0	0	0	0	0	Specific	-0.9%
26	Total Other Electric Revenues	(67,915,853)	73,066,480	5,150,627	0	5,150,627	0	5,150,627		
27	Total Other Operating Revenues	(37,578,867)	72,811,190	35,232,324	0	35,232,324	0	35,232,324		
28	Total Operating Revenues	3,213,985,168	(1,964,461,693)	1,249,523,475	(22,989,212)	1,226,534,263	26,184,024	1,252,718,287		

Ohio Power Company - Distribution
Jurisdictional Separation Study
Twelve Months Ended December 31, 2014

Line No.	Description	DISTRIBUTION PER BOOKS	DISTRIBUTION FIXED, KNOWN & MEASURABLE ADJUSTMENTS	DISTRIBUTION AFTER ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REMOVE PTBAR	DISTRIBUTION AFTER PTBAR ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REFLECT SFV	DISTRIBUTION AFTER SFV ADJUSTMENT	ALLOCATOR	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Power Production Expenses									
2	Steam Operation & Maintenance (500-514)	0	0	0	0	0	0	0	N/A	
3	Hydraulic Operations & Maintenance (535-545)	0	0	0	0	0	0	0	N/A	
4	Other Production Operations & Maintenance (546-554)	0	0	0	0	0	0	0	N/A	
5	Subtotal Production Expenses	0	0	0	0	0	0	0		
6	Other Power Supply Expense									
7	555-Purchased Power	1,417,016,841	(1,417,016,841)	0	0	0	0	0	Specific	99.97%
8	555.0110 Purchased Power Discounts	35,716,407	0	35,716,407	0	35,716,407	0	35,716,407	Specific	100.0%
9	556-Sys Control & Load Dispatching	0	0	0	0	0	0	0	N/A	
10	557- Other Expenses	21,635,009	(21,635,009)	0	0	0	0	0	Specific	100.0%
11	Total Other Power Supply Expense	1,474,368,257	(1,438,651,850)	35,716,407	0	35,716,407	0	35,716,407		
12	Total Production O&M Expense	1,474,368,257	(1,438,651,850)	35,716,407	0	35,716,407	0	35,716,407		
13	Transmission Expense									
14	560-Supervision & Engineering	0	0	0	0	0	0	0	N/A	
15	561-Load Dispatching	3,786,658	(3,786,658)	0	0	0	0	0	Specific	38.8%
16	562-Station Equipment	0	0	0	0	0	0	0	N/A	
17	563-Overhead Lines	0	0	0	0	0	0	0	N/A	
18	564-Underground Lines	0	0	0	0	0	0	0	N/A	
19	565-Transmission of Electricity by Others	266,463,122	(266,463,122)	0	0	0	0	0		
20	566-Misc Transmission	0	0	0	0	0	0	0	N/A	
21	567-Rents	0	0	0	0	0	0	0	N/A	
22	575-Regional Market Expenses	2,294,236	(2,294,236)	0	0	0	0	0	Specific	100.0%
23	Total Transmission Operation Expense	272,544,016	(272,544,016)	0	0	0	0	0		
24	568-Supervision & Engineering	0	0	0	0	0	0	0	N/A	
25	569-Structures	0	0	0	0	0	0	0	N/A	
26	570-Station Equipment	0	0	0	0	0	0	0	N/A	
27	571-Overhead Lines	0	0	0	0	0	0	0	N/A	
28	572-Underground Lines	0	0	0	0	0	0	0	N/A	
29	573-Misc Transmission Expenses	0	0	0	0	0	0	0	N/A	
30	Total Transmission Maintenance Expense	0	0	0	0	0	0	0		
31	Total Transmission O&M Expense	272,544,016	(272,544,016)	0	0	0	0	0		

Ohio Power Company - Distribution
Jurisdictional Separation Study
Twelve Months Ended December 31, 2014

Line No.	Description	DISTRIBUTION PER BOOKS	DISTRIBUTION FIXED, KNOWN & MEASURABLE ADJUSTMENTS	DISTRIBUTION AFTER ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REMOVE PTBAR	DISTRIBUTION AFTER PTBAR ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REFLECT SFV	DISTRIBUTION AFTER SFV ADJUSTMENT	ALLOCATOR	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Distribution Expense									
2	580-Supervision & Engineering	7,761,729	0	7,761,729	0	7,761,729	0	7,761,729	Specific	100.0%
3	581-Load Dispatching	21,843	0	21,843	0	21,843	0	21,843	Specific	100.0%
4	582-Station Equipment	1,721,942	0	1,721,942	0	1,721,942	0	1,721,942	Specific	100.0%
5	583-Overhead Lines	1,513,688	0	1,513,688	0	1,513,688	0	1,513,688	Specific	100.0%
6	584-Underground Lines	1,512,346	0	1,512,346	0	1,512,346	0	1,512,346	Specific	100.0%
7	585-Street & Area Lighting	161,026	0	161,026	0	161,026	0	161,026	Specific	100.0%
8	586-Meters	1,156,209	0	1,156,209	0	1,156,209	0	1,156,209	Specific	100.0%
9	587-Customer Installations	204,963	0	204,963	0	204,963	0	204,963	Specific	100.0%
10	588.0000 Miscellaneous Distribution Exp	41,874,319	0	41,874,319	0	41,874,319	0	41,874,319	Specific	100.0%
11	588.0004 gSMART-OvUnd Misc Dist Exp	(22,939,208)	0	(22,939,208)	0	(22,939,208)	0	(22,939,208)	Specific	100.0%
12	589.0001 Rents - Nonassociated	5,099,777	0	5,099,777	0	5,099,777	0	5,099,777	Specific	100.0%
13	589.0002 Rents - Associated	333,140	(255,290)	77,850	0	77,850	0	77,850	Specific	100.0%
14	Total Distribution Operation	38,421,774	(255,290)	38,166,484	0	38,166,484	0	38,166,484		
15	590-Supervision & Engineering	539,848	0	539,848	0	539,848	0	539,848	Specific	100.0%
16	591-Structures	81,789	0	81,789	0	81,789	0	81,789	Specific	100.0%
17	592-Station Equipment	5,696,447	0	5,696,447	0	5,696,447	0	5,696,447	Specific	100.0%
18	593.0000 Maintenance of Overhead Lines	124,902,389	0	124,902,389	0	124,902,389	0	124,902,389	Specific	100.0%
19	593.0008 Storm Damage - OvUnd	2,939,426	0	2,939,426	0	2,939,426	0	2,939,426	Specific	100.0%
20	593.0009 ESRR-OvUnd Maint OvH Lines	332,661	0	332,661	0	332,661	0	332,661	Specific	100.0%
21	593.0010 Storm Expense Amortization	1,090	0	1,090	0	1,090	0	1,090	Specific	100.0%
22	594-Underground Lines	8,878,900	0	8,878,900	0	8,878,900	0	8,878,900	Specific	100.0%
23	595-Line Transformers	2,022,271	0	2,022,271	0	2,022,271	0	2,022,271	Specific	100.0%
24	596-Street & Area Lighting	446,597	0	446,597	0	446,597	0	446,597	Specific	100.0%
25	597-Meters	617,226	0	617,226	0	617,226	0	617,226	Specific	100.0%
26	598-Misc Distribution Plant	3,355,452	0	3,355,452	0	3,355,452	0	3,355,452	Specific	100.0%
27	Total Distribution Maintenance	149,814,096	0	149,814,096	0	149,814,096	0	149,814,096		
28	Total Distribution Expense	188,235,870	(255,290)	187,980,580	0	187,980,580	0	187,980,580		

Ohio Power Company - Distribution
Jurisdictional Separation Study
Twelve Months Ended December 31, 2014

Line No.	Description	DISTRIBUTION PER BOOKS	DISTRIBUTION FIXED, KNOWN & MEASURABLE ADJUSTMENTS	DISTRIBUTION AFTER ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REMOVE PTBAR	DISTRIBUTION AFTER PTBAR ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REFLECT SFV	DISTRIBUTION AFTER SFV ADJUSTMENT	ALLOCATOR	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	Customer Accounts Expense									
2	901-Supervision & Engineering	1,271,754	0	1,271,754	0	1,271,754	0	1,271,754	Specific	100.0%
3	902-Meter Reading	7,804,086	0	7,804,086	0	7,804,086	0	7,804,086	Specific	100.0%
4	903-Customer Records & Collection Expense	39,422,551	0	39,422,551	0	39,422,551	0	39,422,551	Specific	100.0%
5	904-Uncollectible Accounts	(366,011)	0	(366,011)	0	(366,011)	0	(366,011)	Specific	100.0%
6	904.0002-Uncoll Accts - Pct Income Plan	191,375,823	0	191,375,823	0	191,375,823	0	191,375,823	Specific	100.0%
7	905-Misc Customer Accounts	223,430	0	223,430	0	223,430	0	223,430	Specific	100.0%
8	Total Customer Accounts	239,731,633	0	239,731,633	0	239,731,633	0	239,731,633		
9	Customer Service & Information Expense									
10	907-Supervision	5,612,211	0	5,612,211	0	5,612,211	0	5,612,211	Specific	100.0%
11	908.0000 Customer Assistance Expenses	3,071,080	0	3,071,080	0	3,071,080	0	3,071,080	Specific	100.0%
12	908.0009 Cust Assistance Expense - DSM	67,963,449	(67,963,449)	0	0	0	0	0	Specific	100.0%
13	908.0014 DSM Costs Deferred	3,949,984	(3,949,984)	0	0	0	0	0	Specific	100.0%
14	909-Information & Instruction	0	0	0	0	0	0	0	Specific	100.0%
15	910-Misc Customer Service	292,268	0	292,268	0	292,268	0	292,268	Specific	100.0%
16	Total Customer Service & Information	80,888,992	(71,913,433)	8,975,559	0	8,975,559	0	8,975,559		
17	Sales Expense									
18	911-Supervision	1,783,513	0	1,783,513	0	1,783,513	0	1,783,513	Specific	100.0%
19	912-Demo & Selling	452,861	0	452,861	0	452,861	0	452,861	Specific	100.0%
19	913-Advertising	0	0	0	0	0	0	0	Specific	100.0%
20	916-Misc Sales Expense	0	0	0	0	0	0	0	Specific	100.0%
21	Total Sales Expense	2,236,374	0	2,236,374	0	2,236,374	0	2,236,374		
22	Administrative & General Expense									
23	920-Salaries	28,032,921	0	28,032,921	0	28,032,921	0	28,032,921	Specific	84.7%
24	921-Office Supplies	3,658,638	0	3,658,638	0	3,658,638	0	3,658,638	Specific	91.4%
25	922-Administrative Expense Transferred	(8,846,348)	0	(8,846,348)	0	(8,846,348)	0	(8,846,348)	Specific	99.7%
26	923-Outside Services Employed	6,266,015	0	6,266,015	0	6,266,015	0	6,266,015	Specific	79.2%
27	924-Property Insurance	405,830	0	405,830	0	405,830	0	405,830	Specific	61.0%
28	925-Injuries & Damages	6,195,694	0	6,195,694	0	6,195,694	0	6,195,694	Specific	94.7%
29	926-Employee Pensions and Benefits	13,575,489	0	13,575,489	0	13,575,489	0	13,575,489	Specific	99.8%
30	927-Franchise Requirements	0	0	0	0	0	0	0	Specific	0.0%
31	928-Regulatory Commission Expenses	3,116,403	0	3,116,403	0	3,116,403	0	3,116,403	Specific	99.6%
32	929-Duplicate Charges	0	0	0	0	0	0	0	Specific	0.0%
33	930.1-General Advertising Expense	2,140,085	0	2,140,085	0	2,140,085	0	2,140,085	Specific	99.2%
34	930.2-Misc General Expenses	2,967,260	0	2,967,260	0	2,967,260	0	2,967,260	Specific	70.8%
35	930.2019-gSMART-OvUnd Misc Gen Exp	2,133,288	0	2,133,288	0	2,133,288	0	2,133,288	Specific	100.0%
36	931-Rent	2,143,647	0	2,143,647	0	2,143,647	0	2,143,647	Specific	94.0%
37	Total Admin & General Operation	61,788,920	0	61,788,920	0	61,788,920	0	61,788,920		
38	935-Admin & General Maintenance	13,076,013	0	13,076,013	0	13,076,013	0	13,076,013	Specific	96.1%
39	Total Admin & General Expense	74,864,933	0	74,864,933	0	74,864,933	0	74,864,933		
40	Total Operation & Maint Exp	2,332,870,075	(1,783,364,588)	549,505,487	0	549,505,487	0	549,505,487		

Ohio Power Company - Distribution
Jurisdictional Separation Study
Twelve Months Ended December 31, 2014

Line No.	Description	DISTRIBUTION PER BOOKS	DISTRIBUTION FIXED, KNOWN & MEASURABLE ADJUSTMENTS	DISTRIBUTION AFTER ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REMOVE PTBAR	DISTRIBUTION AFTER PTBAR ADJUSTMENT	DISTRIBUTION ADJUSTMENT TO REFLECT SFV	DISTRIBUTION AFTER SFV ADJUSTMENT	ALLOCATOR	%
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	4030001 Depreciation Expense									
2	Production	0	0	0	0	0	0	0	N/A	
3	Transmission	0	0	0	0	0	0	0	N/A	
4	Distribution	118,870,055	0	118,870,055	0	118,870,055	0	118,870,055	Direct	
5	General	3,203,481	0	3,203,481	0	3,203,481	0	3,203,481	Direct	
6	Total Depreciation Expense (403)	122,073,535	0	122,073,535	0	122,073,535	0	122,073,535		
7	Amortization Expense									
8	Intangible Plant	15,105,255	0	15,105,255	0	15,105,255	0	15,105,255	Direct	
9	General Plant	146,368	0	146,368	0	146,368	0	146,368	Direct	
10	Total Amortization Expense (404)	15,251,623	0	15,251,623	0	15,251,623	0	15,251,623		
11	Amortization of Plant Acquisition Adjustment	12,696	0	12,696	0	12,696	0	12,696	Specific	100.0%
12	Total Depreciation & Amortization Expense	137,337,855	0	137,337,855	0	137,337,855	0	137,337,855		
13	Reg Debits/Credits Transmission	0	0	0	0	0	0	0	N/A	
14	Reg Debits/Credits Generation	107,272,453	(107,272,453)	0	0	0	0	0	Specific	100.0%
15	Reg Debits/Credits PTBAR	876,914	0	876,914	(876,914)	0	0	0	Specific	100.0%
16	Reg Debits/Credits Storm	2,295,288	0	2,295,288	0	2,295,288	0	2,295,288	Specific	100.0%
17	Reg Debits/Credits DIR	(470,256)	0	(470,256)	0	(470,256)	0	(470,256)	Specific	100.0%
18	Total Reg Debits/Credits (407)	109,974,399	(107,272,453)	2,701,946	(876,914)	1,825,032	0	1,825,032		
1	Other Taxes									
2	Franchise Tax	35,436	0	35,436	0	35,436	0	35,436	Specific	100.3%
3	Commercial Activity Taxes	7,428,608	0	7,428,608	0	7,428,608	0	7,428,608	Specific	99.9%
4	Revenue-kVhr Taxes	146,203,049	0	146,203,049	0	146,203,049	0	146,203,049	Specific	100.0%
5	Payroll Taxes	5,298,864	0	5,298,864	0	5,298,864	0	5,298,864	Specific	104.2%
6	Capacity Taxes	(163,503)	0	(163,503)	0	(163,503)	0	(163,503)	Specific	100.0%
7	Property Taxes	135,389,369	0	135,389,369	0	135,389,369	0	135,389,369	Specific	71.1%
8	Regulatory Fees	4,364,562	0	4,364,562	0	4,364,562	0	4,364,562	Specific	100.0%
9	Production Taxes	0	0	0	0	0	0	0	N/A	
10	Miscellaneous Taxes	2,908	0	2,908	0	2,908	0	2,908	Specific	100.0%
11	Total Taxes Other Than Income (408.1)	298,559,293	0	298,559,293	0	298,559,293	0	298,559,293		
12	Factoring Expense (4265009 & 4265010)	28,809,064	0	28,809,064	0	28,809,064	0	28,809,064	Specific	100.0%
13	431.0002-Interest on Customer Deposits	1,423,124	0	1,423,124	0	1,423,124	0	1,423,124	Specific	100.0%
14	Total Other	30,232,188	0	30,232,188	0	30,232,188	0	30,232,188		
15	State & Local Income Tax (409.1)	(4,868,952)	325,447	(4,543,505)	(206,620)	(4,750,125)	254,771	(4,495,354)	Direct	
16	Deferred State Income Tax (410.1 & 411.1)	16,658,726	(1,043,761)	15,614,965	(8,532)	15,606,433	0	15,606,433	Direct	
17	Total State Income Taxes	11,789,774	(718,314)	11,071,460	(215,152)	10,856,308	254,771	11,111,079		
18	Current Federal Income Taxes (409.1)	38,407,932	11,592,824	50,000,756	(7,360,067)	42,640,689	9,075,239	51,715,928	Direct	
19	Deferred Federal Income Tax (410.1 & 411.1)	30,761,505	(37,180,042)	(6,418,537)	(303,934)	(6,722,471)	0	(6,722,471)	Direct	
20	Deferred Investment Tax Credit (411.4)	(92,654)	0	(92,654)	0	(92,654)	0	(92,654)	Direct	
21	Total Federal Income Taxes	69,076,784	(25,587,218)	43,489,566	(7,664,001)	35,825,565	9,075,239	44,900,804		

AEP Ohio Straight Fixed Variable Revenue Adjustment Calculation

Rate Zone	Tariff Class	2014 Bill Counts	Straight Fixed- Variable Rate	Straight Fixed Variable Base Revenues	2014 Base Revenues	Revenue Adjustment	PTBAR 2014 Accrual	Difference from PTBAR 2014 Accrual
OP	RS	7,209,954	\$27.24	\$196,399,147	\$178,827,067	\$17,572,080		
OP	RS-TOD	3,768	\$28.09	\$105,843	\$122,906	-\$17,063		
OP	Total Residential	7,213,722		\$196,504,990	\$178,949,974	\$17,555,016	\$7,636,364	\$9,918,652
CSP	R-R	5,987,465	\$27.24	\$163,098,547	\$180,003,053	-\$16,904,506		
CSP	R-R-1	2,072,817	\$27.24	\$56,463,535	\$31,188,212	\$25,275,323		
CSP	RLM	491	\$27.74	\$13,620	\$34,952	-\$21,332		
CSP	RS-TOD	106	\$28.09	\$2,978	\$2,450	\$527		
CSP	RS-TOD2	17,516	\$27.24	\$477,136	\$489,795	-\$12,659		
CSP	RS-CPP	1,972	\$27.24	\$53,717	\$57,643	-\$3,926		
CSP	RS-RTP	95	\$27.24	\$2,588	\$2,848	-\$260		
CSP	Total Residential	8,080,462		\$220,112,120	\$211,778,953	\$8,333,167	\$13,572,227	-\$5,239,060
AEP Ohio	Total Residential	15,294,184		\$416,617,111	\$390,728,927	\$25,888,184	\$21,208,591	\$4,679,593
OP	GS-1	787,383	\$14.81	\$11,661,142	\$11,403,986	\$257,156		
OP	GS-1 On-Peak	95	\$15.66	\$1,488	\$1,674	-\$186		
OP	GS-1 Unmetered	7,771	\$13.26	\$103,043	\$62,521	\$40,522		
OP	Flood Pumps	312	\$14.81	\$4,621	\$9,887	-\$5,266		
OP	Total GS-1	795,561		\$11,770,294	\$11,478,068	\$292,226	\$41,342	\$250,884
CSP	GS-1	624,020	\$14.81	\$9,241,736	\$9,013,538	\$228,198		
CSP	GS-1 Unmetered	7,083	\$13.26	\$93,921	\$318,504	-\$224,583		
CSP	Total GS-1	631,103		\$9,335,657	\$9,332,042	\$3,614	\$222,364	-\$218,750
AEP Ohio	Total GS-1	1,426,664		\$21,105,951	\$20,810,110	\$295,841	\$263,706	\$32,135
AEP Ohio	Total Adjustment			\$437,723,061	\$411,539,037	\$26,184,024	\$21,472,297	\$4,711,727

AEP Ohio Straight Fixed Variable Rate Design

Rate Zone	Tariff Class	11-351 & 11-352 Bill Counts	11-351 & 11-352 Current Base Revenues	11-351 & 11-352 Meter Cost Differential	Revenues from Meter Cost Differential	Revenue Requirement after Meter Differential	Straight Fixed Variable Rate	Verification	Rate Design Difference
OP	RS	7,207,281	\$187,509,197	\$0.00	\$0		\$27.24	\$196,326,334	
OP	RS-TOD	4,902	\$169,213	\$0.85	\$4,167		\$28.09	\$137,697	
OP	Total Residential	7,212,183	\$187,678,410		\$4,167			\$196,464,032	
CSP	R-R	5,627,434	\$188,578,113	\$0.00	\$0		\$27.24	\$153,291,302	
CSP	R-R-1	2,218,108	\$33,867,584	\$0.00	\$0		\$27.24	\$60,421,262	
CSP	RLM	846	\$71,669	\$0.50	\$423		\$27.74	\$23,468	
CSP	RS-ES	24	\$590	\$0.85	\$20		\$28.09	\$674	
CSP	RS-TOD	76	\$1,737	\$0.85	\$65		\$28.09	\$2,135	
CSP	Total Residential	7,846,488	\$222,519,694		\$508			\$213,738,841	
AEP Ohio	Total Residential	15,058,671	\$410,198,104		\$4,675	\$410,193,430		\$410,202,873	-\$4,769
OP	GS-1	778,125	\$11,307,455	\$0.00	\$0		\$14.81	\$11,524,031	
OP	GS-1 On-Peak	263	\$5,452	\$0.85	\$224		\$15.66	\$4,119	
OP	GS-1 Unmetered	8,193	\$67,010	-\$1.55	-\$12,699		\$13.26	\$108,639	
OP	Flood Pumps	312	\$9,262	\$0.00	\$0		\$14.81	\$4,621	
OP	Total GS-1	786,893	\$11,389,179		-\$12,476			\$11,641,410	
CSP	GS-1	614,678	\$9,071,468	\$0.00	\$0		\$14.81	\$9,103,381	
CSP	GS-1 Unmetered	7,319	\$381,610	-\$1.55	-\$11,344		\$13.26	\$97,050	
CSP	Total GS-1	621,997	\$9,453,078		-\$11,344			\$9,200,431	
AEP Ohio	Total GS-1	1,408,890	\$20,842,257		-\$23,820	\$20,866,077		\$20,841,841	\$416

This foregoing document was electronically filed with the Public Utilities

Commission of Ohio Docketing Information System on

7/9/2015 2:43:58 PM

in

Case No(s). 11-0351-EL-AIR, 11-0352-EL-AIR, 11-0353-EL-ATA, 11-0354-EL-ATA, 11-0356-EL-AAM, 1

Summary: Correspondence electronically filed by Mr. Matthew J Satterwhite on behalf of Ohio Power Company