

**BEFORE
THE PUBLIC UTILITY COMMISSION OF OHIO**

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| In the Matter of the Application of Ohio |) | |
| Power Company for Authority to Establish |) | Case No. 16-1852-EL-SSO |
| a Standard Service Offer Pursuant to |) | |
| Section 4928.143, Revised Code, in the |) | |
| Form of an Electric Security Plan |) | |

| | | |
|---|---|--------------------------------|
| In the Matter of the Application of Ohio |) | |
| Power Company for Approval of Certain |) | Case No. 16-1853-EL-AAM |
| Accounting Authority |) | |

**DIRECT TESTIMONY OF MATTHEW WHITE
ON BEHALF OF
THE RETAIL ENERGY SUPPLY ASSOCIATION**

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1 **I. INTRODUCTION AND PURPOSE OF TESTIMONY**

2 **Q. Please introduce yourself.**

3 A. My name is Matthew White. I am employed by Interstate Gas Supply, Inc. (“IGS” or “IGS
4 Energy”) as General Counsel, Legislative and Regulatory Affairs. My business address is
5 6100 Emerald Parkway, Dublin, Ohio 43016. I am testifying on behalf of the Retail Energy
6 Supply Association (RESA), of which IGS Energy is a member.

7 **Q. Please describe your educational background and work history.**

8 A. I have a Juris Doctor (J.D.) and Masters in Business Administration (M.B.A.) from the
9 College of William & Mary. I also have a Bachelor of Arts (B.A.) from Ohio University. I
10 started my career at the law firm of Chester, Wilcox & Saxbe as an energy and utilities
11 lawyer. At Chester Wilcox I participated in numerous regulatory proceedings relating to
12 utility matters, including natural gas and electric rate cases and electric power siting cases.
13 I have also worked on power and gas sales transactions. At the beginning of 2011, I was
14 hired into IGS Energy’s rotation program where I spent the next 16 months working in
15 various departments throughout the company learning IGS’ entire business including the
16 electric and gas supply and risk departments. In 2012, I began full-time as an attorney in
17 IGS’ regulatory affairs department. In 2014, I was promoted to Manager, Legal and
18 Regulatory Affairs. In 2015, I was promoted to my current position, General Counsel,
19 Regulatory and Legislative Affairs. In my current position, I oversee the regulatory and
20 legislative activities for IGS Energy throughout the country. My team is responsible for
21 electric and natural gas litigation for IGS Energy, including electric and natural gas rate
22 cases and other proceedings that relate to energy.

23 **Q. Have you previously testified before any regulatory agency?**

24 A. Yes. I have submitted written testimony in the following cases: Pennsylvania Public
25 Service Commission Case Nos. R-2015-2469665 and R-2015-2468056; Public Utilities
26 Commission of Ohio Case Nos. 12-1685-GA-AIR, 13-2385-EL-SSO, 12-426-EL-SSO,
27 14-841-EL-SSO, 15-50-GA-RDR, 14-1051-EL-UNC, 14-1693-EL-RDR, 14-1297-EL-
28 SSO and 16-395-EL-SSO, *et al.*; Michigan Public Service Commission Case Nos. U-
29 17131, U- 17332 and U-17882; Kentucky Public Service Commission Case No. 2013-
30 00167; Illinois Commerce Commission Case No. 14-0312; and Maryland Public Service
31 Commission Case No. 9221.

32 **Q. What is the purpose of your supplemental testimony?**

33 A. I address the following three proposals included in the application filed by Ohio Power
34 Company (“AEP Ohio”), as modified by the Joint Stipulation and Recommendation
35 (“Stipulation”), in this proceeding:

- 36 • **Competition Incentive Rider (CIR).** Ohio law requires that all costs related to default
37 service be recovered through the Standard Service Offer rate (“SSO rate”) so that the SSO
38 is not subsidized, and Choice customers are not required to pay for costs that are used to
39 support default service. The Stipulation proposes to set the CIR rider at \$0.00105 per kWh
40 until the next base distribution rate case establishes a different level. Although I do not
41 believe the amount proposed in this Stipulation reflects all the costs AEP Ohio incurs to
42 support default service, it is a first step to properly unbundle costs. Therefore, I recommend
43 that the Commission adopt the CIR amount proposed in the Stipulation on a temporary
44 basis until a more reasonable level may be authorized in AEP Ohio’s next base distribution
45 rate case.

- **Supplier Consolidated Billing.** RESA supports the Stipulation’s proposal to further refine the Supplier Consolidated Billing Pilot.
- **Enroll From My Wallet.** RESA supports the proposed streamlined enrollment process contemplated by the Stipulation. This enhancement represents an important step forward for the competitive market and consumers.

II. COST ALLOCATION AND COMPETITION INCENTIVE RIDER

Q. Did AEP Ohio’s initial application propose any changes to the standard service offer from its last ESP?

A. Yes. As part of the Stipulation and Recommendation in Case Nos. 14-1693-EL-RDR, the Commission authorized AEP Ohio to “file and advocate for a pilot program that establishes a bypassable competition incentive rider (CIR) as an addition to the SSO non-shopping rate above the auction price with the purpose of incenting shopping and *recognizing that there may be costs associated with providing retail electric service that are not reflected in SSO bypassable rates.* (emphasis added).”¹ AEP Ohio’s application included a request for approval of a CIR.

Q. What is the purpose of the CIR?

A. AEP Ohio recovers some costs required to support default service through distribution rates, which results in a subsidy to the generation component of the SSO. When SSO costs are collected through non-bypassable distribution rates, shopping customers pay twice for many generation related costs—once from CRES charges and again through AEP Ohio

¹ *In the Matter of the Application Seeking Approval of Ohio Power Company's Proposal to Enter into an Affiliate Power Purchase Agreement for Inclusion in the Power Purchase Agreement Rider*, Case Nos. 14-1693-EL-RDR, *et al.*, Opinion and Order at 29 (Mar. 31, 2016).

distribution rates. The CIR partially mitigates this subsidy by allocating a small amount of costs to the SSO and refunding those charges back to all distribution ratepayers.

Q. What is the consequence of the subsidy you have described?

A. Currently, AEP Ohio's SSO price reflects a pass-through of wholesale capacity and energy costs. However, AEP Ohio incurs other costs required to support SSO service, but those costs are not reflected in the SSO; instead they are recovered through distribution rates. Without an appropriate allocation of costs to the SSO and a corresponding crediting mechanism, shopping customers pay distribution rates that are greater than they should be, and the SSO price is lower than it should be.

Q. What SSO costs are recovered through distribution rates?

A. There are a number of costs AEP Ohio incurs required to support SSO service. Based on AEP Ohio's last base rate case (which reflects a 2010 test year that was prior to the Company undertaking SSO auctions), such costs include:

- (1) Call center infrastructure and employees to maintain appropriate customer service for SSO customers;
- (2) Outside and inside legal, regulatory, and compliance personnel to comply with the regulatory rule requirements for the SSO;
- (3) IT employees, infrastructure, and software;
- (4) Office space for employees;
- (5) Administrative and human resources staff to support the employees;
- (6) Office supplies;
- (7) Accounting and auditing services;
- (8) Printing and postage to communicate with customers;

(9) Uncollectible expense; and

(10) The regulatory assessments for the PUCO and the Ohio Consumers' Counsel ("OCC") that are based on SSO generation revenue, but are recovered through distribution rates.

Q. Do CRES providers incur the same type of costs you've just described?

A. Yes. For instance, CRES providers incur legal and compliance expense to meet extensive regulatory requirements to offer a product in the market. CRES providers must pay the PUCO and OCC assessments based on their generation sales. CRES providers incur uncollectible expense and collection costs. CRES providers must maintain a call center, and provide other account management services to customers. CRES providers have overhead expense including IT and office space. All of these expenses are required to make a retail product available in the market. CRES providers must reflect these costs directly in the prices they charge customers. Conversely, SSO service incurs these costs, but the costs are recovered from all distribution customers, which CRES customers also pay. Thus, CRES customers are paying not only for their own generation product, but they are also paying to support SSO generation service through distribution rates.

Q. Can you give specific examples of how these costs are being inappropriately allocated to distribution customers instead of being recovered through the SSO?

A. Yes. For instance, the OCC and PUCO assessments are calculated and charged based on the percentage of KWH each supplier serves in the market. So CRES providers must pay the PUCO and OCC assessment based on the amount of electricity they sell. AEP Ohio is also assessed the PUCO and OCC assessment based on total revenue collected—including SSO revenue—but the SSO does not reflect this cost. Rather AEP Ohio is recovering those

costs through distribution rates. This is just one example. AEP Ohio also incurs significant legal and regulatory cost in proceedings to establish SSO service, but none of these costs are reflected in the SSO.

Q. Does subsidizing SSO costs through distribution rates form a barrier to competition?

A. Yes. The SSO price is a product that all products compete against. According to the PUCO shopping statistics, 64.89% of residential AEP Ohio customers receive service on the utility SSO rate.² Thus, the SSO product has by far the largest market share for the residential customer class. Therefore, to the extent that the SSO is subsidized and artificially low, it harms all other products that must compete against the SSO. Ultimately, subsidizing the SSO leads to less competition in the AEP Ohio service territory and fewer products being available to customers.

Q. How should the Commission treat the costs AEP Ohio incurs for procuring SSO service for customers that are currently being recovered through distribution rates?

A. The Commission should start allocating these costs to the SSO price. The cost of providing retail electric service consists of more than just a pass-through of wholesale energy prices. As noted already, there are a number of non-electric costs that are incurred to offer SSO service to residential electric customers that are currently being recovered through distribution rates.

Q. Would this re-allocation result in higher prices to customers?

A. The CIR is revenue-neutral. All costs recovered through SSO customers would be flowed back to all distribution customers, resulting in net revenue neutrality.

² <https://www.puco.ohio.gov/industry-information/statistical-reports/electric-customer-choice-switch-rates-and-aggregation-activity/electric-switch-rates-by-customer/customers-1q2017/>

133 **Q. Have other states with competitive retail electric markets unbundled costs to support**
134 **default service from electric utility distribution rates and charged those costs to**
135 **default service?**

136 A. Yes. Ohio is significantly behind when it comes to ensuring that the default service price
137 reflects the full costs of providing retail electric service. In the states of Pennsylvania,
138 Maryland, Texas, Illinois, and New York, a number of overhead costs required to support
139 the default service are actually charged to the default service. Those include the cost of IT,
140 legal fees, infrastructure, customer service, cost of working capital, and employee time to
141 name a few. Although Ohio law requires this kind of unbundling, the Commission has not
142 enforced this requirement. Ohio continues to treat default service price as just a pass-
143 through price for wholesale electric costs and other costs required to support SSO service
144 are not included in the default rate.

145 **Q. At what level did AEP Ohio originally propose to establish the CIR?**

146 A. AEP Ohio originally proposed to set the CIR rider at \$0.00062 per kWh as a result of the
147 process set forth in a Stipulation entered into in Case Nos. 14-1693-EL-RDR, *et al.*

148 **Q. Is that amount reasonable?**

149 A. No. Based upon my review of the application and AEP Ohio's distribution rates, the CIR
150 level initially proposed does not cover even close to the amount of costs AEP Ohio incurs
151 to provide the SSO.

152 **Q. Does the Stipulation propose to establish the CIR at a level different from what was**
153 **proposed in AEP Ohio's original application?**

154 A. Yes. The Stipulation proposes to set the CIR rider at \$0.00105 per kWh until a different
155 level is established in the next base distribution rate case.

156 **Q. Is the amount proposed in the Stipulation a more reasonable amount for the CIR?**

157 A. Yes, it is an improvement to the initially proposed CIR. I have identified \$56,274,004.9 in
158 costs that should be allocated to AEP Ohio's SSO service. Based upon 2016 levels of
159 shopping, those costs would be equivalent to a charge of \$0.0046 per kWh allocation to
160 the SSO rate. The net effect of this allocation for a residential customer taking SSO service
161 is \$.0029 per kwh.³ Although I do not believe the \$0.00105 per kWh amount proposed in
162 the Stipulation accounts for all the costs AEP Ohio incurs to provide the SSO, it is certainly
163 a better reflection of AEP Ohio's SSO charges than the amount originally proposed in the
164 application. The amount proposed is a product of serious bargaining among interested
165 stakeholders and should therefore provide some added benefit to customers in the AEP
166 Ohio service area. Therefore, I recommend that the Commission adopt the CIR amount
167 proposed in the Stipulation until a more accurate level can be established in the next base
168 distribution rate case.

169 **Q. Have you evaluated AEP Ohio's distribution rates and identified costs that should be**
170 **included in Rider CIR?**

171 A. Yes, I started my evaluation with AEP Ohio's existing distribution rates as authorized in
172 AEP Ohio's most recently approved distribution rate case (Case Nos. 11-351-EL-AIR, *et*
173 *al.*). In that filing, AEP Ohio (Ohio Power Company and Columbus Southern Power
174 Company respectively) included requested increases in both operation and maintenance
175 expense as well as in base distribution rates. The information supporting AEP Ohio's
176 proposed increase was contained in the B and C Schedules. By analyzing AEP Ohio's B
177 and C schedules and through a combination of discovery responses, I identified

³ See MW exhibits 3, 4, and 5.

\$56,274,004.9 in costs that could be allocated to SSO service. Based upon 2016 levels of shopping, that would be equivalent to a charge of \$0.0046 per kWh allocation to the SSO rate.

Q. What expenses did you evaluate to calculate the \$0.0046 per kWh amount?

A. There are four areas of AEP Ohio's distribution expenses that I identified as areas that relate to SSO service: Customer Accounts Expense, Customer Service and Information Expense, Administrative & General ("A&G") Expense, and Taxes Other than Income Taxes. These categories include costs such as uncollectible expenses associated with default service customers, PUCO and OCC assessments, legal and regulatory expenses, payroll taxes, call center costs, and infrastructure costs, and several other categories of costs I have identified throughout my testimony. Many of these costs are incurred to support default service. For example, AEP Ohio included \$5,330,000 in regulatory fees related to its PUCO and OCC Assessments under taxes other than income taxes.⁴ These amounts are directly correlated with AEP Ohio's total collected receipts, including SSO revenue. Each of these expense line items includes costs needed to support both distribution

⁴ Ex. MW-6 & 7 (C-Schedule 2.1 p. 5). The amounts indicated are \$2,549,000 and \$2,781,000 for Columbus Southern Power Company and Ohio Power Company respectively.

and SSO service. After making the appropriate company adjustments, \$168,812,000 of eligible expenses must be allocated between distribution and default service customers.

Table 1 – C Schedule Allocations

| Schedule | Page | Line Item | Company | Expense | Unadjusted Jurisdictional | Adjusted Jurisdictional |
|----------|------|-----------|---------|---|--|-------------------------|
| C-2 | 1 | 15 | CSP | Customer Accounts Expense | \$ 76,623,000 | \$ 40,580,000 |
| C-2 | 1 | 16 | CSP | Customer Service and Information Expense | \$ 41,974,000 | \$ 2,076,000 |
| C-2 | 1 | 18 | CSP | Administrative & General Expense | \$ 41,419,000 | \$ 38,964,000 |
| C-2.1 | 5 | 6 & 9 | CSP | Taxes Other than Income Taxes (payroll taxes & regulatory fees) | \$ 5,740,000 | \$ 5,740,000 |
| | | | | | Total Amount: | \$ 87,360,000 |
| | | | | | Allocated CIR Amount Based Upon SSO Revenue Allocation Factor: | \$ 29,121,727.55 |
| C-2 | 1 | 15 | OPC | Customer Accounts Expense | \$ 67,255,000 | \$ 37,059,000 |
| C-2 | 1 | 16 | OPC | Customer Service and Information Expense | \$ 47,013,000 | \$ 3,307,000 |
| C-2 | 1 | 18 | OPC | Administrative & General Expense | \$ 37,413,000 | \$ 35,527,000 |
| C-2.1 | 5 | 6 & 9 | OPC | Taxes Other than Income Taxes (payroll taxes & regulatory fees) | \$ 5,559,000 | \$ 5,559,000 |
| | | | | | Total Amount: | \$ 81,452,000 |
| | | | | | Allocated CIR Amount Based Upon SSO Revenue Allocation Factor: | \$ 27,152,277.4 |

Q. Of the \$168,812,000 identified above, how much should be allocated to the SSO?

A. Based on the expenses identified in Table 1, I have identified \$56,274,004.9 in costs that could be collected to the SSO to cover infrastructure, operation, financial, and other expenses incurred in order to offer the SSO product to customers.⁵

Q. How did you arrive at this amount?

A. The services provided and the corresponding costs listed in each category are incurred in part to support SSO service and therefore there is a need to allocate costs to both services, not just distribution services. The most appropriate method to ensure the SSO pays a reasonable amount of costs is to allocate costs in proportion to the amount of SSO revenue AEP Ohio receives from customers. I developed an allocation factor based upon the relationship of AEP Ohio's SSO revenue to total AEP Ohio revenue.⁶ Specifically, I divided AEP Ohio's SSO revenue by AEP Ohio's total revenue collected from customers to get an allocation factor of 33.34%, which is the percentage of AEP Ohio's total costs in

⁵ Ex. MW-1.

⁶ Ex. MW-2.

the four categories that I identified that should be added to the SSO service. Although AEP Ohio's distribution rates were approved in 2012, I used distribution and generation revenue from calendar year 2015 to establish the revenue allocation factor. Because shopping levels were lower in 2012, my proposed revenue allocation factor provides a conservative calculation of the amount of default service-related costs embedded in existing distribution rates.

Table 2

| | |
|---------------------------------|--------------------|
| SSO Revenue (AEP Ohio) | \$945,654,329.00 |
| Total Revenue (AEP Ohio) | \$2,836,794,693.00 |
| Allocation Factor | 33.34% |

Source Ex. MW-2.

Q. Why did you choose SSO revenue to calculate your allocation factor?

A. SSO revenue is a reasonable proxy to calculate the actual expense AEP Ohio incurs in order to support default service. For instance, if 33.34 percent of AEP Ohio's revenues comes from default service, it is reasonable to conclude that 33.34% of the costs in the four categories I identified should be allocated to default service as well.

Q. Does your analysis allocate costs to the SSO from all of the AEP Ohio distribution accounts?

A. No. I only allocated costs from a small number of AEP Ohio's distribution accounts (4 line items). These accounts contain costs that are being incurred to support to the SSO. For instance, Customer Account Expense contains customer care and account management costs AEP Ohio incurs to support the SSO. AEP Ohio also recovers items such as the PUCO and OCC assessment, legal and compliance and other costs required to support

default service through the General and Administrative account. All of these are items that directly support SSO customers and also are costs CRES providers incur that are directly reflected in CRES generation pricing. AEP Ohio has several other distribution accounts which I have not included in my calculations. While there may be SSO-related costs in these other distribution accounts, I chose not to allocate any of these costs to the SSO in order to take a conservative approach in my cost allocation methodology.

Q. Given the amount of costs that your analysis identified, do you believe the CIR level proposed by the Stipulation is reasonable?

A. Yes. I have identified significantly more costs that should be unbundled from distribution rates, than what is in the proposed CIR. Given that the Stipulation proposes to allocate less than 25% of the amount of costs that I have identified, I believe the Stipulation proposes a conservative allocation of costs to the SSO. While I believe the allocation is conservative, it remains an improvement from the initial application and is an example of reasonable negotiation and bargaining between a diverse group of parties.

III. SUPPLIER CONSOLIDATED BILLING PILOT

Q. Does the Stipulation propose any additional retail enhancements?

A. Yes. The Stipulation provides additional detail regarding the parameters of the forthcoming supplier consolidated billing pilot program.

Q. What is supplier consolidated billing?

A. Under supplier consolidated billing, CRES providers collect on behalf of or purchase the receivables from the utility for the utility distribution charges upfront, making the utility whole for all electric distribution charges and other regulated charges the utility may be authorized to collect from customers. After the CRES provider purchases the receivables from the utility, the CRES provider is then responsible for collecting and billing all electric

distribution and generation charges from the customer. Under the supplier consolidated billing model, the customer does not receive a bill from the utility.

Q. How does supplier consolidated billing differ from utility consolidated billing?

A. Supplier consolidated billing would enable CRES providers to provide customers with a single bill for all the components of electric service, including the non-commodity components. Supplier consolidated billing is similar to utility consolidated billing in that the customer will receive only one bill for electric distribution and generation service. However, with the supplier consolidated billing model, the CRES provider issues the bill to the customer instead of the utility.

Q. Is it important for CRES providers to have flexibility when billing for electric service?

A. Yes. More and more customers are demanding value-added products and services with their electric commodity. Therefore, it is important to be able to bill for value-added products and services in a way that is convenient for customers. For instance, if a customer enrolls in a product with a CRES provider that includes the electric commodity, a smart-thermostat, energy monitoring, energy efficiency and demand response, the customer does not want separate bills for each individual component of that product. Further, customers may not even want a separate price for each service, but rather may want a bundled all-in price. As AEP Ohio rolls out smart grid and supplier products continue to evolve, the need for supplier consolidated billing will only increase. Therefore, in order for CRES providers to offer value-added products and services that customers prefer, it is important to have billing flexibility.

Q. Under supplier consolidated billing, would non-payment of non-commodity charges trigger disconnection protocols toward a customer?

278 A. No. While CRES providers would be able to bill non-commodity charges on the customer's
279 bills, with supplier consolidated billing, failure to pay CRES charges (including
280 commodity and non-commodity charges) would not trigger disconnection for the customer.
281 Disconnection for non-payment would not be applicable to customers on this pilot
282 program. Further, it would still be the utility's responsibility to initiate the physical
283 disconnection for the customer, but limited to unsafe conditions.

284 **Q. When did the Commission initially authorize the supplier consolidated billing pilot**
285 **program?**

286 A. The pilot program was initially authorized in the order approving the PPA Stipulation in
287 Case Nos. 14-1693-EL-RDR, *et al.* and it was further expanded through the Global
288 Settlement in Case Nos. 10-2929-EL-UNC *et al.* to include an additional CRES provider.
289 While those cases both addressed certain parameters associated with the pilot program, the
290 specific details of the program were delegated to a working group, which included AEP
291 Ohio, CRES providers, and Commission Staff. While the group has made significant
292 headway in developing the pilot program, certain issues remain to be resolved.

293 **Q. Does the Stipulation further refine and enhance the supplier consolidated billing**
294 **program?**

295 A. Yes, the Stipulation provides additional detail and certainty needed to allow the program
296 to move forward. Specifically, the Stipulation proposes that CRES providers
297 collect/purchase AEP Ohio's distribution receivables at a discount of 0.66%. This discount
298 accounts for the risk of collection placed on CRES providers coupled with the inability to
299 disconnect customers for non-payment.

300 **Q. Does the Stipulation contain any other refinements to the supplier consolidated billing**
301 **program?**

302 A. Yes, the Stipulation places a cap on the amount of costs that CRES providers may incur
303 and expands the size of the proposed pilot program to include two additional suppliers.
304 These provisions may limit the total cost that each CRES provider incurs and provide
305 certainty that costs will not exceed a certain level. These provisions provide needed
306 certainty for CRES providers to incur the initial costs to get the program off the ground.

307 **IV. ENROLL FROM MY WALLET**

308 **Q. Are there additional retail enhancements in the Stipulation?**

309 A. Yes, the Stipulation recommends approval of a streamlined enrollment process, commonly
310 referred to as “Enroll From My Wallet.” This innovative process will enable customers to
311 access competitive markets through a more user-friendly and flexible manner.

312 **Q. Can you explain how a CRES supplier effectuates an enrollment with a customer?**

313 A. Yes. Normally in order to enroll with a CRES provider in AEP Ohio’s service territory, a
314 customer must have their Service Delivery Identifier (SDI) number. Because a customer
315 does not normally have this information readily available outside of the home, it is often
316 very difficult for a customer to select a product from a CRES provider unless they actually
317 have their retail electric bill in their hand as they are evaluating a competitive product. As
318 a practical matter, this limitation diminishes the customer experience and a customer’s
319 ability to enroll in a CRES product and creates a barrier for customers to participate in the
320 competitive market.

321 **Q. Can you describe the provision in the Stipulation that relates to “Enroll From My**
322 **Wallet”?**

323 A. Yes. In order to streamline customers' ability to enroll in CRES products they desire, the
324 Stipulation proposes that AEP Ohio construct a tool that allows a CRES Provider controlled
325 access to the customer's SDI number. This tool is commonly referred to as "Enroll From
326 My Wallet" as it allows a customer to effectuate an enrollment by providing a CRES
327 provider unique information that may act as a substitute for an account number.

328 **Q. What information could a customer utilize to enroll without their account number?**

329 A. AEP Ohio currently has a tool that permits a customer to look up their account number by
330 providing: (1) the customer's phone number assigned to the account; and (2) either (a) the
331 last four digits of the customer's Social Security Number; or (b) the amount of one of the
332 customer's last three bills, to the extent the Company possesses that information for the
333 affected customer. Enroll From My Wallet would permit a customer to provide the same
334 information to a CRES provider to effectuate an enrollment. The CRES provider would be
335 required to maintain a Letter of Authorization as required by Rule 4901:1-10-24 (E) on file
336 for release of the SDI number that AEP Ohio uses in lieu of the account number to enroll
337 customers.

338 **Q. How would AEP Ohio pay for the cost of Enroll From My Wallet?**

339 A. Under the Stipulation, participating CRES providers would pay a one-time authorization
340 fee of \$5,000 to cover implementation costs. Once the cost of implementation has been
341 recovered AEP Ohio will credit any additional funds through the Smart Grid Phase 2 rider
342 to offset the costs of changes to the supplier portal/EDI protocol.

343 **Q. Do you believe the provision in the Stipulation related to Enroll From My Wallet is**
344 **reasonable?**

345 A. Yes, I do. The state policy favors competition, customer engagement, and innovation.
346 Likewise, we are currently in an era when customers expect to be able to purchase a host
347 of products at the click of a button or the swipe of a credit card. The existing customer
348 enrollment procedures are inefficient and can result in unsatisfactory consumer
349 experiences. Therefore, the streamlined enrollment process contemplated by the
350 Stipulation represents an important step forward for the competitive market and consumers.

351 V. **CONCLUSION**

352 Q. **Do you have an opinion on whether the provisions in the Stipulation benefit customers**
353 **and are in the public interest?**

354 A. Yes. Each these provisions in the Stipulation benefit customers and are in the public
355 interest. Ohio policy is to ensure the availability of unbundled and comparable retail
356 electric service that provides consumers with the supplier, price, terms, conditions, and
357 quality options they elect to meet their respective needs. Just as important, Ohio policy is
358 to recognize the continuing emergence of competitive electricity markets through the
359 development and implementation of flexible regulatory treatment and innovative products.
360 Each of the above-referenced Stipulation provisions follow those and other Ohio policies
361 that are intended to promote the development of the competitive retail markets in Ohio,
362 and implementation of these pilots will assist in the development of new products and
363 programs that will benefit consumers. Significantly, the Stipulation ensures that Staff will
364 be involved in the development and implementation of the supplier consolidated billing
365 pilot and also ensures that non-commodity products and/or services will be paid last under
366 the non-commodity billing program. Taken as a whole, the provisions in the Stipulation
367 are in the public interest.

368 **Q.** **Does this conclude your testimony?**

369 **A.** Yes, but I reserve the opportunity to further supplement my testimony at a later date.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Testimony was served by electronic mail this
13th day of September, 2017 to the following:

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/s/ Rebekah J. Glover

One of the Attorneys for Retail Energy Supply
Association

Exhibit MW-1

C Schedule Allocations

Exhibit MW-1

| Schedule | Page | Line Item | Company | Expense | Unadjusted Jurisdictional | Adjusted Jurisdictional |
|---|------|-----------|---------|--|--|-------------------------|
| C-2 | 1 | 15 | CSP | Customer Accounts Expense | \$ 76,623,000 | \$ 40,580,000 |
| C-2 | 1 | 16 | CSP | Customer Service and Information Expense | \$ 41,974,000 | \$ 2,076,000 |
| C-2 | 1 | 18 | CSP | Administrative & General Expense | \$ 41,419,000 | \$ 38,964,000 |
| Taxes Other than Income Taxes (payroll taxes & regulatory fees) | | | | | \$ 5,740,000 | \$ 5,740,000 |
| C-2.1 | 5 | 6 & 9 | CSP | | | |
| | | | | | Total Amount: | \$ 87,360,000 |
| | | | | | Allocated CIR Amount Based Upon SSO Revenue Allocation Factor: | \$ 29,121,727.55 |
| C-2 | 1 | 15 | OPC | Customer Accounts Expense | \$ 67,255,000 | \$ 37,059,000 |
| C-2 | 1 | 16 | OPC | Customer Service and Information Expense | \$ 47,013,000 | \$ 3,307,000 |
| C-2 | 1 | 18 | OPC | Administrative & General Expense | \$ 37,413,000 | \$ 35,527,000 |
| Taxes Other than Income Taxes (payroll taxes & regulatory fees) | | | | | \$ 5,559,000 | \$ 5,559,000 |
| C-2.1 | 5 | 6 & 9 | OPC | | | |
| | | | | | Total Amount: | \$ 81,452,000 |
| | | | | | Allocated CIR Amount Based Upon SSO Revenue Allocation Factor: | \$ 27,152,277.4 |
| AEP Ohio Total | | | | | \$ | 56,274,004.9 |
| Does not include rate base costs | | | | | | |
| CIR in mils Based on above Costs | | | | | \$ | 0.004576 |

Exhibit MW-2

| Billed Revenue By Function 2015 | | | | | Exhibit MW-2 |
|---------------------------------|---------------------|-------------------|-------------------|---------------------|---------------|
| | Distribution | Generation | Transmission | | |
| Non-Shopping | \$ 651,405,092.00 | \$ 945,654,329.00 | \$ 160,971,232.70 | \$ 1,758,030,653.70 | |
| Shopping | \$ 926,581,930.60 | | \$ 152,182,109.50 | \$ 1,078,764,040.10 | |
| | \$ 1,577,987,022.60 | \$ 945,654,329.00 | \$ 313,153,342.20 | \$ 2,836,794,693.80 | Allocation |
| | | | | | Factor 33.34% |

Exhibit MW-3

Metered kWh by Class 2015 and 2016

Exhibit MW-3

| 2015 Metered kWh by Class | |
|---------------------------|----------------|
| Non Shopping | |
| Residential | 9,654,810,967 |
| Commercial | 2,171,616,163 |
| Industrial | 1,813,619,882 |
| Other | 41,013,422 |
| | 13,681,060,434 |
| Shopping | |
| Residential | 4,646,371,733 |
| Commercial | 12,294,399,121 |
| Industrial | 12,870,077,061 |
| Other | 87,294,103 |
| | 29,898,142,018 |
| Total Metered kWh | 43,579,202,452 |
| RESA_1-3_Attachement_1 | |

| 2016 Metered kWh by Class | |
|---------------------------|----------------|
| Non Shopping | |
| Residential | 9,519,123,259 |
| Commercial | 2,094,043,858 |
| Industrial | 644,053,203 |
| Other | 39,185,279 |
| | 12,296,405,599 |
| Shopping | |
| Residential | 4,712,539,602 |
| Commercial | 12,540,693,332 |
| Industrial | 13,653,669,896 |
| Other | 91,051,074 |
| | 30,997,953,904 |
| Total Metered kWh | 43,294,359,503 |
| RESA_1-3_Attachement_1 | |

Exhibit MW-4

Calculation of SSO Credit Rider by Class

Exhibit MW-4

| | Total | Residential | GS Non Demand Secondary | GS Secondary | GS Primary | GS Sub/Tran | Source Exhibit |
|---------------------------------|--------------------|------------------|-------------------------|------------------|-----------------|-----------------|--|
| CIR Revenue Requirement | \$ 56,274,004.93 | | | | | | MW- Exhibit 3 |
| SSOCR Revenue Requirement | \$ (56,274,004.93) | | | | | | MW-Exhibit 3 |
| 5 CP at Generator by Class | 8063 | 3507 | 120 | 2219 | 939 | 1278 | Direct Testimony of David Gill Exhibit DRG-4 |
| Percentage of 5 CP at Generator | 100.00% | 43.49% | 1.49% | 27.52% | 11.65% | 15.85% | |
| Class Revenue Requirement | | \$ 24,476,365.53 | \$ 837,514.65 | \$ 15,487,041.66 | \$ 6,553,552.11 | \$ 8,919,530.98 | |
| Wires Energy at the Meter (kWh) | 43,345,689,000 | 14,609,153,000 | 755,532,000 | 11,807,286,000 | 6,082,971,000 | 9,876,223,000 | Direct Testimony of David Gill Exhibit DRG-4 |
| SSO Credit Rider (\$/kWh) | | \$ 0.00168 | \$ 0.00111 | \$ 0.00131 | \$ 0.00108 | \$ 0.00090 | |

**OHIO POWER COMPANY'S RESPONSE TO
THE RESOURCE ENERGY SOLUTION ASSOCIATION'S
DATA REQUEST
PUCO CASE NO. 16-1852-EL-SSO et al.
FIRST SET**

INTERROGATORY

RESA-INT-1-001 Identify the total revenue AEP Ohio collected from customers for the years 2015 and 2016.

RESPONSE

The Company objects to the form of the question as this request is vague, overbroad and/or unduly burdensome. Without waiving the foregoing objection(s) or any general objection the Company may have, the Company states as follows. For the purposes of answering the question, the Company assumes that the question relates to retail revenue billed to customers for the years of 2015 and 2016. See RESA 1-2 Attachment 1.

Prepared by: Andrea E. Moore
 Counsel

**OHIO POWER COMPANY'S RESPONSE TO
THE RESOURCE ENERGY SOLUTION ASSOCIATION'S
DATA REQUEST
PUCO CASE NO. 16-1852-EL-SSO et al.
FIRST SET**

INTERROGATORY

RESA-INT-1-002 Of the total revenue collected by AEP Ohio for each of the years 2015 and 2016, identify: a. The amount of distribution and transmission revenue from all customers, including customers taking Standard Service Offer (SSO) service and Competitive Electric Retail Supplier (CRES) service; b. The amount of distribution and transmission revenue from customers taking SSO service; c. The amount of distribution and transmission revenue from customers taking CRES service; d. The amount of generation revenue from all customers; e. The amount of generation revenue from customers taking SSO service; and f. The amount of generation revenue from customers taking CRES service.

RESPONSE

See RESA 1-2 Attachment 1 for the billed revenue by function for 2015 and 2016.

Prepared by: Andrea E. Moore

**OHIO POWER COMPANY'S RESPONSE TO
THE RESOURCE ENERGY SOLUTION ASSOCIATION'S
DATA REQUEST
PUCO CASE NO. 16-1852-EL-SSO et al.
FIRST SET**

INTERROGATORY

RESA-INT-1-003 For each of the years 2015 and 2016, identify by percentage of sales and kwh sold, and by customer class, service rendered to shopping and non-shopping customers.

RESPONSE

The Company objects to the form of the question as this request is vague, overbroad and/or unduly burdensome. Without waiving the foregoing objection(s) or any general objection the Company may have, the Company states as follows. See RESA 1-3 Attachment 1 for the requested data.

Prepared by: Andrea E. Moore
 Counsel

**OHIO POWER COMPANY'S RESPONSE TO
THE RESOURCE ENERGY SOLUTION ASSOCIATION'S
DATA REQUEST
PUCO CASE NO. 16-1852-EL-SSO et al.
FIRST SET**

INTERROGATORY

RESA-INT-1-004 Identify the total bad debt expense incurred by AEP Ohio for each of the years 2015 and 2016. In your response, identify all operation and maintenance expense incurred by AEP Ohio to collect bad debt.

RESPONSE

The bad debt expense for 2015 was \$18,468,493 and for 2016 the bad debt expense was 17,244,904. The Company uses third party collection agencies and the expenses were \$509,500 for 2015 and \$388,100 for 2016.

Prepared by: Andrea E. Moore

**OHIO POWER COMPANY'S RESPONSE TO
THE RESOURCE ENERGY SOLUTION ASSOCIATION'S
DATA REQUEST
PUCO CASE NO. 16-1852-EL-SSO et al.
FIRST SET**

INTERROGATORY

RESA-INT-1-005 For the bad debt expense identified in Interrogatory No. 4, identify: a. The percentage attributable to generation service; b. The percentage attributable to transmission service; and c. The percentage attributable to distribution service.

RESPONSE

The Company objects to the form of the question as this request is vague, overbroad and/or unduly burdensome. Without waiving the foregoing objection(s) or any general objection the Company may have, the Company states as follows. Charge offs are a cost of the distribution function of the business and as such if a charge off comes through, the entire bill amount is included as bad debt and booked to the distribution function.

Prepared by: Andrea E. Moore
 Counsel

**OHIO POWER COMPANY'S RESPONSE TO
THE RESOURCE ENERGY SOLUTION ASSOCIATION'S
DATA REQUEST
PUCO CASE NO. 16-1852-EL-SSO et al.
FIRST SET**

INTERROGATORY

RESA-INT-1-006 To the extent the level of bad debt expense identified in response to Interrogatory No. 4 is different from the level of bad debt expense reported in the Staff Report in Case No. 15-1507-EL-EDI, what factors explain the difference?

RESPONSE

The approximately \$12M in the Staff Report in Case No. 15-1507-EL-EDI is the level of bad debt included in the Company's last base Distribution case.

Prepared by: Andrea E. Moore

**OHIO POWER COMPANY'S RESPONSE TO
THE RESOURCE ENERGY SOLUTION ASSOCIATION'S
DATA REQUEST
PUCO CASE NO. 16-1852-EL-SSO et al.
FIRST SET**

INTERROGATORY

RESA-INT-1-007 For the years 2015 and 2016, identify the dollar amount remitted by AEP Ohio to the State of Ohio (or any agency thereof) for the following assessments: a. The Universal Service Fund described in R.C. 4928.51; b. The Energy Efficiency Revolving Loan Fund described in R.C. 4928.61; c. The PUCO assessment described in R.C. 4905.10; and d. The OCC assessment described in R.C. 4911.18.

RESPONSE

a. 2015 USF billed was \$181,853,794.37, 2016 USF was \$200,675,198.23.

b. There were no dollars billed for the Energy Efficiency Revolving Load Fund.

c. 2015 Assessment fees were \$3,258,501.85. The Company has not yet been assessed the 2016 assessment fees.

d. 2015 Assessment fees for OCC were \$559,118.01. The Company has not yet been assessed the 2016 assessment fees.

Prepared by: Andrea E. Moore

SECTION C

OPERATING INCOME

COLUMBUS SOUTHERN POWER COMPANY

Case No. 11-351-EL-AIR

Test Year: Twelve Months Ended May 31, 2011

Date Certain: August 31, 2010

Schedules

| | |
|--------|---|
| C-1 | Jurisdictional proforma income statement |
| C-2 | Adjusted test year operating income |
| C-2.1 | Operating revenue and expenses by accounts - jurisdictional allocation |
| C-3 | Summary of jurisdictional adjustments to test year operating income |
| C-3.1 | Detailed adjustments |
| C-4 | Adjusted jurisdictional income taxes |
| C-4.1 | Development of jurisdictional income taxes before adjustments |
| C-5 | Social and service club dues |
| C-6 | Charitable contributions |
| C-7 | Customer service and informational, sales, and general advertising expense |
| C-8 | Rate Case expense (jurisdiction) |
| C-9 | Operation and maintenance payroll costs |
| C-9.1 | Total Company Payroll analysis by employee classifications/payroll distribution |
| C-10.1 | Comparative balance sheet for the most recent five calendar years |
| C-10.2 | Comparative income statement for the most recent five calendar years |
| C-11.1 | Revenue Statistics - Total Company |
| C-11.2 | Revenue Statistics - Jurisdictional |
| C-11.3 | Sales Statistics - Total Company |
| C-11.4 | Sales Statistics - Jurisdictional |
| C-12 | Analysis of reserve for uncollectible accounts |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Jurisdictional Proforma Income Statement
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):
 Schedule A-1, A-2, C-2, C-4

Schedule C-1
 Page 1 of 1
 Witness Responsible:
 T.A. Caudill

| Line No. | Description | Adjusted Revenue & Expenses | Proposed Increase | Proforma Revenue & Expenses |
|----------|--|-----------------------------|-------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) |
| 1 | Operating Revenues | \$ 359,938 | \$34,211 | \$394,149 |
| 2 | | | | |
| 3 | Operating Expenses | | | |
| 4 | Operation & Maintenance | 147,423 | 135 | 147,558 |
| 5 | Depreciation and Amortization Expenses | 57,472 | | 57,472 |
| 6 | Taxes - Other | 80,757 | 142 | 80,898 |
| 7 | Operating Expenses before Income Taxes | 285,651 | 277 | 285,928 |
| 8 | | | | |
| 9 | NEOI before Income Taxes | 74,286 | 33,934 | 108,220 |
| 10 | | | | |
| 11 | State Income taxes | 409 | 319 | 728 |
| 12 | Federal Income taxes | 19,546 | 11,765 | 31,311 |
| 13 | Total Income Taxes | 19,954 | 12,084 | 32,039 |
| 14 | | | | |
| 15 | Total Operating Expenses | 305,606 | 12,361 | 317,967 |
| 16 | | | | |
| 17 | Net Operating Income | \$ 54,332 | \$ 21,850 | \$ 76,182 |
| 18 | | | | |
| 19 | Rate Base | \$ 910,953 | | \$ 910,953 |
| 20 | | | | |
| 21 | Rate of Return | 5.96% | | 8.36% |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Jurisdictional Adjusted Test Year Net Electric Operating Income (NEOI)
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original___ Updated___ Revised___
 Work Paper Reference No(s):
 Schedule C-2.1, C-3, C-4

Schedule C-2
 Page 1 of 2
 Witness Responsible:
 T.A. Caudill

| Line No. | Description | Unadjusted Revenue & Expenses | Adjustments | Adjusted Revenue & Expenses |
|----------|--|-------------------------------|------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) |
| 1 | OPERATING REVENUES | | | |
| 2 | Base Revenues | \$ 555,231 | \$ (215,510) | \$ 339,721 |
| 3 | Fuel Revenues | 0 | 0 | 0 |
| 4 | Other Operating Revenues | 21,295 | (1,078) | 20,217 |
| 5 | Total Operating Revenues | 576,525 | (216,588) | 359,938 |
| 6 | | | | |
| 7 | OPERATING EXPENSES | | | |
| 8 | Operation and Maintenance Expenses | | | |
| 9 | Production Expenses | | | |
| 10 | Fuel and Purchased Power | (1,800) | 1,800 | 0 |
| 11 | Other | 0 | 0 | 0 |
| 12 | Total Production Expenses | (1,800) | 1,800 | 0 |
| 13 | Transmission Expense | 0 | | 0 |
| 14 | Distribution Expense | 92,943 | (27,138) | 65,805 |
| 15 | Customer Accounts Expenses | 76,623 | (36,043) | 40,580 |
| 16 | Customer Service & Information Expense | 41,974 | (39,898) | 2,076 |
| 17 | Sales Expense | 2,307 | (2,308) | (1) |
| 18 | Administrative & General Expense | 41,419 | (2,456) | 38,964 |
| 19 | Total Operating and Maintenance Expense | 253,466 | (106,043) | 147,423 |
| 20 | Depreciation and Amortization Expenses | | | |
| 21 | Depreciation | 65,418 | (12,209) | 53,209 |
| 22 | Amort. & Depl. of Utility Plant | 4,263 | 0 | 4,263 |
| 23 | Amort. of Utility Plant Acq. Adj. | 0 | 0 | 0 |
| 24 | Net Amortization of Regulatory Credits/Debits | 1,600 | (1,600) | (0) |
| 25 | Total Depreciation and Amtz. Expenses | 71,281 | (13,809) | 57,472 |
| 26 | Taxes Other Than Income Taxes | 149,735 | (68,978) | 80,757 |
| 27 | | | | |
| 28 | TOTAL OPERATING EXPENSE BEFORE INCOME TAXES | 474,482 | (188,830) | 285,651 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Jurisdictional Adjusted Test Year Net Electric Operating Income (NEOI)
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 Schedule C-2.1, C-3, C-4

Schedule C-2
 Page 2 of 2
 Witness Responsible:
 T.A. Caudill

| Line No. | Description | Unadjusted Revenue & Expenses | Adjustments | Adjusted Revenue & Expenses |
|----------|-------------------------------------|-------------------------------|-------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) |
| 1 | NEOI BEFORE INCOME TAXES | 102,044 | (27,758) | 74,286 |
| 2 | | | | |
| 3 | Income Taxes-State and Local | | | |
| 4 | Current | 570 | (324) | 246 |
| 5 | Provision for Deferred Income Taxes | 101 | 62 | 163 |
| 6 | Total State & Local Income Taxes | 671 | (263) | 409 |
| 7 | Income Taxes-Federal | | | |
| 8 | Current | 19,727 | (11,962) | 7,765 |
| 9 | Provision for Deferred Income Taxes | 10,478 | 1,519 | 11,997 |
| 10 | Deferred Investment Tax Credit | (397) | 181 | (216) |
| 11 | Total Federal Income Taxes | 29,807 | (10,261) | 19,546 |
| 12 | | | | |
| 13 | Total Operating Expenses | 504,960 | (199,354) | 305,606 |
| 14 | | | | |
| 15 | Net Electric Operating Income | \$ 71,566 | \$ (17,234) | \$ 54,332 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WP C-2.1a thru e, Schedule B-7.1a, Schedule E-4

Schedule C-2.1
 Page 1 of 5
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zelina

| Line No. | Acct. No. | Account Title | Unadjusted Total Utility | Alloc. % | Unadjusted Jurisdiction | Allocation Code/Description |
|----------|---------------|--|--------------------------|----------|-------------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | OPERATING REVENUES | | | | |
| 2 | 440-445 | Base Revenues | \$ 1,167,397 | 47.56% | \$ 555,231 | DIRECT |
| 3 | 440-445 | Fuel Revenues | 692,045 | 0.00% | 0 | NONDIST |
| 4 | | TOTAL Sales to Ultimate Customers | <u>1,859,442</u> | | <u>555,231</u> | |
| 5 | 447 | Sales for Resale | 247,595 | 0.00% | 0 | NONDIST |
| 6 | | Sales of Electricity | <u>2,107,037</u> | | <u>555,231</u> | |
| 7 | 450 | Forfeited Discounts | 2,831 | 100.00% | 2,831 | ALLDIST |
| 8 | 451 | Misc. Service Revenues | 2,110 | 94.34% | 1,991 | OTHREV1 |
| 9 | 454.1 | Rent from Electric Property - Assoc. | 13,352 | 42.01% | 5,609 | OTHREV2 |
| 10 | 454.2 | Rent from Electric Property - Non Assoc. | 6,557 | 91.64% | 6,008 | OTHREV3 |
| 11 | 454.4 | Rent from Electric Property - ABD | 436 | 29.28% | 128 | OTHREV4 |
| 12 | 456.0015 | Revenues from ABD | 702 | 91.37% | 642 | OTHREV5 |
| 13 | 456.1027 | PJM Transm Dis/Meter - Non Affil. | 554 | 100.00% | 554 | ALLDIST |
| 14 | 456.0012,41 | Other Electric Revenue - Distribution | 3,532 | 100.00% | 3,532 | ALLDIST |
| 15 | 456 all other | Other Electric Revenues (all other) | 10,848 | 0.00% | 0 | NONDIST |
| 16 | | Other Operating Revenues | <u>40,923</u> | | <u>21,295</u> | |
| 17 | | Total Electric Operating Revenues | <u>\$ 2,147,959</u> | | <u>\$ 576,525</u> | |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
For The Twelve Months Ending May 31, 2011
(\$000)

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ☒ Original ☐ Updated ☐ Revised
Work Paper Reference No(s):
WP C-2.1a thru e, Schedule B-7.1a

Schedule C-2.1
Page 2 of 5
Witness Responsible:
T.E. Mitchell
O.J. Sever
T.A. Caudill

| Line No. | Acct. No. | Account Title | Unadjusted Total Utility | Alloc. % | Unadjusted Jurisdiction | Allocation Code/Description |
|----------|-------------|---|--------------------------|----------|-------------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | OPERATING EXPENSES | | | | |
| 2 | | | | | | |
| 3 | | All Other Production Expenses | \$ 1,025,188 | 0.00% | \$ 0 | NONDIST |
| 4 | 555.0110 | Purchased Power - Discounts | (1,800) | 100.00% | (1,800) | ALLDIST |
| 5 | | POWER PRODUCTION EXPENSES | <u>\$ 1,023,388</u> | | <u>\$ (1,800)</u> | |
| 6 | | | | | | |
| 7 | | TRANSMISSION EXPENSES | <u>\$ 52,242</u> | 0.00% | <u>\$ 0</u> | NONDIST |
| 8 | | | | | | |
| 9 | | DISTRIBUTION EXPENSES | | | | |
| 10 | | Operation | | | | |
| 11 | 580 | Operation Supervision and Engineering | \$ 4,972 | 100.00% | \$ 4,972 | ALLDIST |
| 12 | 581 | Load Dispatching | (38) | 100.00% | (38) | ALLDIST |
| 13 | 582 | Station Expenses | 928 | 100.00% | 928 | ALLDIST |
| 14 | 583 | Overhead Line Expenses | 1,424 | 100.00% | 1,424 | ALLDIST |
| 15 | 584 | Underground Line Expenses | 2,678 | 100.00% | 2,678 | ALLDIST |
| 16 | 585 | Street Lighting and Signal System Expenses | 61 | 100.00% | 61 | ALLDIST |
| 17 | 586 | Meter Expenses | 812 | 100.00% | 812 | ALLDIST |
| 18 | 587 | Customer Installations Expenses | 107 | 100.00% | 107 | ALLDIST |
| 19 | 588 | Miscellaneous Distribution Expenses | 34,713 | 100.00% | 34,713 | ALLDIST |
| 20 | 589 | Rents | 3,833 | 100.00% | 3,833 | ALLDIST |
| 21 | | TOTAL Operation | <u>49,491</u> | | <u>49,491</u> | |
| 22 | | Maintenance | | | | |
| 23 | 590 | Maintenance Supervision and Engineering | 351 | 100.00% | 351 | ALLDIST |
| 24 | 591 | Maintenance of Structures | 194 | 100.00% | 194 | ALLDIST |
| 25 | 592 | Maintenance of Station Equipment | 2,572 | 100.00% | 2,572 | ALLDIST |
| 26 | 593 | Maintenance of Overhead Lines | 35,156 | 100.00% | 35,156 | ALLDIST |
| 27 | 594 | Maintenance of Underground Lines | 3,173 | 100.00% | 3,173 | ALLDIST |
| 28 | 595 | Maintenance of Line Transformers | 313 | 100.00% | 313 | ALLDIST |
| 29 | 596 | Maintenance of Street Lighting and Signal Systems | 150 | 100.00% | 150 | ALLDIST |
| 30 | 597 | Maintenance of Meters | 179 | 100.00% | 179 | ALLDIST |
| 31 | 598 | Maintenance of Miscellaneous Distribution Plant | 1,365 | 100.00% | 1,365 | ALLDIST |
| 32 | | TOTAL Maintenance | <u>43,452</u> | | <u>43,452</u> | |
| 33 | | TOTAL Distribution Expenses | <u>\$ 92,943</u> | | <u>\$ 92,943</u> | |
| 34 | | | | | | |
| 35 | | CUSTOMER ACCOUNTS EXPENSES | | | | |
| 36 | | Operation | | | | |
| 37 | 901 | Supervision | 1,153 | 100.00% | 1,153 | ALLDIST |
| 38 | 902 | Meter Reading Expenses | 4,601 | 100.00% | 4,601 | ALLDIST |
| 39 | 903 | Customer Records and Collection Expenses | 22,029 | 100.00% | 22,029 | ALLDIST |
| 40 | 904 | Uncollectible Accounts | 35,678 | 100.00% | 35,678 | ALLDIST |
| 41 | 431.0002 | Interest on Customer Deposits | 1,199 | 100.00% | 1,199 | ALLDIST |
| 42 | 426.5009,10 | Factored Customer Accounts Receivable | 11,887 | 100.00% | 11,887 | ALLDIST |
| 43 | 905 | Miscellaneous Customer Accounts Expenses | 77 | 100.00% | 77 | ALLDIST |
| 44 | | TOTAL Customer Accounts Expenses | <u>\$ 76,623</u> | | <u>\$ 76,623</u> | |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
For The Twelve Months Ending May 31, 2011
(\$000)

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ☒ Original ☐ Updated ☐ Revised
Work Paper Reference No(s):
WP C-2.1a thru e, Schedule B-7.1a

Schedule C-2.1
Page 3 of 5
Witness Responsible:
T.E. Mitchell
O.J. Sever
T.A. Caudill
H.E. McCoy

| Line No. | Acct. No. | Account Title | Unadjusted Total Utility | Alloc. % | Unadjusted Jurisdiction | Allocation Code/Description |
|----------|-----------------|--|--------------------------|----------|-------------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | OPERATING EXPENSES | | | | |
| 2 | | | | | | |
| 3 | | CUSTOMER SERVICE AND INFORMATIONAL EXPENSES | | | | |
| 4 | | Operation | | | | |
| 5 | 907 | Supervision | \$ 1,577 | 100.00% | \$ 1,577 | ALLDIST |
| 6 | 908 | Customer Assistance Expenses | 40,014 | 100.00% | 40,014 | ALLDIST |
| 7 | 909 | Informational and Instructional Expenses | 383 | 100.00% | 383 | ALLDIST |
| 8 | 910 | Misc. Customer Service and Informational Expenses | 0 | 100.00% | 0 | ALLDIST |
| 9 | | TOTAL Customer Serv. & Info. Exp. | \$ 41,974 | 100.00% | \$ 41,974 | ALLDIST |
| 10 | | | | | | |
| 11 | | SALES EXPENSE | | | | |
| 12 | | Operation | | | | |
| 13 | 911 | Supervision | \$ 108 | 100.00% | \$ 108 | ALLDIST |
| 14 | 912 | Demonstrating and Selling Expenses | 1 | 100.00% | 1 | ALLDIST |
| 15 | 913 | Advertising Expenses | 2,198 | 100.00% | 2,198 | ALLDIST |
| 16 | 916 | Miscellaneous Sales Expenses | 0 | 100.00% | 0 | ALLDIST |
| 17 | | TOTAL Sales Expenses | \$ 2,307 | | \$ 2,307 | |
| 18 | | | | | | |
| 19 | | ADMINISTRATIVE AND GENERAL EXPENSES | | | | |
| 20 | | Operation | | | | |
| 21 | 920 | Administrative and General Salaries | \$ 23,059 | 57.67% | \$ 13,298 | A&G1 |
| 22 | 921 | Office Supplies and Expenses | 2,648 | 43.26% | 1,146 | A&G2 |
| 23 | 922 | Administrative Expenses Transferred-Cr. | (2,374) | 98.31% | (2,334) | A&G3 |
| 24 | 923.0001 | Outside Svcs Empl - Nonassoc | 3,160 | 59.08% | 1,867 | A&G4 |
| 25 | 923.0003 | AEPSC Billed to Client Co | 14,241 | 59.95% | 8,538 | A&G5 |
| 26 | 924 | Property Insurance | 2,363 | 8.71% | 206 | A&G6 |
| 27 | 925 | Injuries and Damages | 2,967 | 44.59% | 1,323 | A&G7 |
| 28 | 926 all other | Other Employee Benefits excluding Pension & OPEB | 10,467 | 44.01% | 4,607 | A&G8 |
| 29 | 926.0003, 37 | Pension Plan | 7,970 | 54.82% | 4,369 | A&G9 |
| 30 | 926.0050 | Pension Plan Fringe Loading Offset | (3,044) | 77.30% | (2,353) | A&G10 |
| 31 | 926.0021, 57 | OPEB | 6,824 | 63.26% | 4,317 | A&G11 |
| 32 | 926.0053 | OPEB Fringe Loading Offset | (1,346) | 79.76% | (1,074) | A&G12 |
| 33 | 927 | Franchise Requirements | 0 | 0.00% | 0 | NONDIST |
| 34 | 928 | Regulatory Commission Expenses | 115 | 94.59% | 109 | A&G13 |
| 35 | 929 | Duplicate Charges-Cr. | 0 | 0.00% | 0 | NONDIST |
| 36 | 930.1000 | General Advertising Expenses | 1,531 | 96.30% | 1,474 | A&G14 |
| 37 | 930.2 all other | Miscellaneous General Expenses | 967 | 58.08% | 561 | A&G15 |
| 38 | 930.2007 | Associated Business Development Expenses | 1,060 | 66.58% | 706 | A&G16 |
| 39 | 931 | Rents | 2,139 | 98.55% | 2,108 | A&G17 |
| 40 | | TOTAL Operation | 72,747 | | 38,867 | |
| 41 | | Maintenance | | | | |
| 42 | 935 | Maintenance of General Plant | 3,065 | 83.26% | 2,552 | A&G18 |
| 43 | | TOTAL Administrative and General Expenses | \$ 75,812 | | \$ 41,419 | |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original___Updated___Revised
Work Paper Reference No(s):
WP C-2.1a thru e, Schedule B-7.1a

Schedule C-2.1
Page 4 of 5
Witness Responsible:
T.E. Mitchell
O.J. Sever
T.A. Caudill

| Line No. | Acct. No. | Account Title | Unadjusted Total Utility | Alloc. % | Unadjusted Jurisdiction | Allocation Code/Description |
|----------|-----------|--|--------------------------|----------|-------------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | DEPRECIATION & AMORTIZATION EXPENSES | | | | |
| 2 | | | | | | |
| 3 | | DEPRECIATION EXPENSE | | | | |
| 4 | 403 | Production | \$ 60,588 | 0.00% | \$ 0 | NONDIST |
| 5 | 403 | Transmission | 13,987 | 0.00% | 0 | NONDIST |
| 6 | 403 | Distribution | 62,095 | 100.00% | 62,095 | ALLDIST |
| 7 | 403 | General | 3,864 | 86.00% | 3,323 | DEPR1 |
| 8 | | TOTAL Depreciation Expense | <u>\$ 140,534</u> | | <u>\$ 65,418</u> | |
| 9 | | | | | | |
| 10 | | AMORTIZATION OF UTILITY PLANT | | | | |
| 11 | 404 | Intangible Plant | <u>\$ 9,914</u> | 43.00% | <u>\$ 4,263</u> | AMORT1 |
| 12 | | | | | | |
| 13 | | AMORTIZATION OF PLANT ACQ ADJ | | | | |
| 14 | 406 | Distribution | <u>\$ 0</u> | 100.00% | <u>\$ 0</u> | ALLDIST |
| 15 | | | | | | |
| 16 | | AMTZ. OF REGULATORY DEBITS (407.3) /CREDITS (407.4) | | | | |
| 17 | | Amtz. Of Regulatory Debits (407.3) | | | | |
| 18 | 407.3000 | Regulatory Debits - RTO | \$ 572 | 0.00% | \$ 0 | NONDIST |
| 19 | 407.3000 | Regulatory Debits - Mon Power | \$ 1,600 | 100.00% | \$ 1,600 | ALLDIST |
| 20 | 407.3006 | Regulatory Debits ETCRR | (11) | 0.00% | 0 | NONDIST |
| 21 | | TOTAL Account 407.3 | <u>2,161</u> | | <u>1,600</u> | |
| 22 | | | | | | |
| 23 | | Amtz. Of Regulatory Credits (407.4) | | | <u>0</u> | |
| 24 | 407.4003 | Regulatory Credits ETCRR | <u>(67)</u> | 0.00% | <u>0</u> | NONDIST |
| 25 | | NET Amtz. of Reg. Credits/Debits | <u>\$ 2,094</u> | | <u>\$ 1,600</u> | |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WP C-2.1a thru e, Schedule B-7.1a

Schedule C-2.1
 Page 5 of 5
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 J.B. Bartsch

| Line No. | Acct. No. | Account Title | Unadjusted Total Utility | Alloc. % | Unadjusted Jurisdiction | Allocation Code/Description |
|----------|-----------|--|--------------------------|----------|-------------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | TAXES OTHER THAN INCOME TAXES | | | | |
| 2 | | | | | | |
| 3 | 408.1x | Franchise Tax | \$ 280 | 0.71% | \$ 2 | OTHTAX1 |
| 4 | 408.1x | Commercial Activity Taxes | 5,377 | 86.68% | 4,661 | OTHTAX2 |
| 5 | 408.1x | Revenue-KWH Taxes | 68,563 | 100.00% | 68,563 | ALLDIST |
| 6 | 408.1x | Payroll Taxes | 6,419 | 49.71% | 3,191 | OTHTAX3 |
| 7 | 408.1x | Capacity Taxes | 0 | 0.00% | 0 | NONDIST |
| 8 | 408.1x | Property Taxes | 107,255 | 65.97% | 70,758 | OTHTAX4 |
| 9 | 408.1x | Regulatory Fees | 2,549 | 100.00% | 2,549 | ALLDIST |
| 10 | 408.1x | Production Taxes | 1 | 0.00% | 0 | NONDIST |
| 11 | 408.1x | Miscellaneous Taxes | 10 | 99.73% | 10 | OTHTAX5 |
| 12 | | TOTAL TAXES OTHER THAN INCOME TAXES | \$ 190,455 | | \$ 149,735 | |
| 13 | | | | | | |
| 14 | 411.1005 | Accretion Expense | \$ 2,844 | 0.00% | \$ 0 | NONDIST |
| 15 | | | | | | |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-361-EL-AIR
Summary of Jurisdictional Adjustments to Operating Income
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-3
 Page 1 of 3
 Witness Responsible:
 T.A. Caudill

| Line No. | Element of Operating Income | Title of Adjustment | | | | | | | | |
|----------|--|---------------------|------------------------------|----------------------------|-------------------|--------------------------------------|--|------------------------------------|--|---|
| | | Total Schedule C-3 | Universal Service Fund C-3.1 | Advanced Energy Fund C-3.2 | Kwh Tax C-3.3 | Energy Efficiency/ Peak Demand C-3.4 | Economic Development Cost Recovery C-3.5 | Enhanced Service Reliability C-3.6 | Annualize Pole Attachment Revenues C-3.7 | Annualize Pole Attachment Expense C-3.8 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) |
| 1 | OPERATING REVENUES | | | | | | | | | |
| 2 | Base Revenues | \$ (215,510) | \$ (34,161) | \$ (791) | \$ (73,913) | \$ (49,982) | \$ (35,754) | \$ (9,613) | | |
| 3 | Fuel Revenues | \$ 0 | | | | | | | | |
| 4 | Other Operating Revenues | (1,078) | | | | | | | (1,078) | |
| 5 | Total Operating Revenues | (216,588) | (34,161) | (791) | (73,913) | (49,982) | (35,754) | (9,613) | (1,078) | 0 |
| 6 | OPERATING EXPENSES | | | | | | | | | |
| 7 | Operation and Maintenance Expenses | | | | | | | | | |
| 8 | Production Expenses | | | | | | | | | |
| 9 | Fuel and Purchased Power | 1,800 | | | | | 1,800 | | | |
| 10 | Other | 0 | | | | | | | | |
| 11 | Total Production Expenses | 1,800 | 0 | 0 | 0 | 0 | 1,800 | 0 | 0 | 0 |
| 12 | Transmission Expense | 0 | | | | | | | | |
| 13 | Distribution Expense | (27,138) | | | | | | | | |
| 14 | Customer Accounts Expenses | (36,043) | (35,784) | | | (1) | | (10,798) | | (583) |
| 15 | Customer Service & Information Expense | (39,898) | | (824) | | (38,861) | | | | |
| 16 | Sales Expense | (2,308) | | | | (108) | | | | |
| 17 | Administrative & General Expense | (2,456) | | | | (579) | | | | |
| 18 | Total Operating and Maintenance Expense | (106,043) | (35,784) | (824) | 0 | (39,549) | 1,800 | (10,798) | 0 | (583) |
| 19 | Depreciation and Amortization Expenses | | | | | | | | | |
| 20 | Depreciation | (12,209) | | | | | | (176) | | |
| 21 | Amort. & Depl. of Utility Plant | 0 | | | | | | | | |
| 22 | Amort. of Utility Plant Acq. Adj. | 0 | | | | | | | | |
| 23 | Net Amortization of Regulatory Credits/Debits | (1,600) | | | | | | | | |
| 24 | Total Depreciation and Amort. Expenses | (13,809) | 0 | 0 | 0 | 0 | 0 | (176) | 0 | 0 |
| 25 | Taxes Other Than Income Taxes | (68,978) | | | (68,563) | | | | | |
| 26 | Income Taxes-State and Municipal | | | | | | | | | |
| 27 | Current | (324) | | | | | | | | |
| 28 | Provision for Deferred Income Taxes | 62 | | | | | | | | |
| 29 | Provision for Deferred Income Taxes-Credit | | | | | | | | | |
| 30 | Total State & Local Income Taxes | (263) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 | Income Taxes-Federal | | | | | | | | | |
| 32 | Current | (11,962) | | | | | | | | |
| 33 | Provision for Deferred Income Taxes | 1,519 | | | | | | | | |
| 34 | Provision for Deferred Income Taxes-Credit | 181 | | | | | | | | |
| 35 | Total Federal Income Taxes | (10,261) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | Total Operating Expenses | (199,354) | (35,784) | (824) | (68,563) | (39,549) | 1,800 | (10,974) | 0 | (583) |
| 37 | Net Electric Operating Income | \$ (17,234) | \$ 1,623 | \$ 33 | \$ (5,349) | \$ (10,433) | \$ (37,554) | \$ 1,361 | \$ (1,078) | \$ 583 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Summary of Jurisdictional Adjustments to Operating Income
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ►Original___Updated___Revised
 Work Paper Reference No(s):

Schedule C-3
 Page 2 of 3
 Witness Responsible:
 T.A. Caudill

| Line No. | Element of Operating Income | Title of Adjustment | | | | | | | | |
|----------|---|----------------------|------------------------|---------------------------------|---------------------------|------------------------|-------------------------------|----------------------------|------------------------------------|--------------------------------|
| | | Severance Adjustment | Severance Amortization | Annualize Labor/Payroll Expense | Annualize Pension Expense | Annualize OPEB Expense | Interest on Customer Deposits | Amortize Rate Case Expense | Public Safety Announcement Expense | Annualize Depreciation Expense |
| | Schedule Reference | C-3.9 | C-3.10 | C-3.11 | C-3.12 | C-3.13 | C-3.14 | C-3.15 | C-3.16 | C-3.17 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) |
| 1 | OPERATING REVENUES | | | | | | | | | |
| 2 | Base Revenues | | | | | | | | | |
| 3 | Fuel Revenues | | | | | | | | | |
| 4 | Other Operating Revenues | | | | | | | | | |
| 5 | Total Operating Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | OPERATING EXPENSES | | | | | | | | | |
| 7 | Operation and Maintenance Expenses | | | | | | | | | |
| 8 | Production Expenses | | | | | | | | | |
| 9 | Fuel and Purchased Power | | | | | | | | | |
| 10 | Other | | | | | | | | | |
| 11 | Total Production Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | Transmission Expense | | | | | | | | | |
| 13 | Distribution Expense | (14,237) | 4,797 | 514 | | | | | | |
| 14 | Customer Accounts Expenses | | | 109 | | | (368) | | | |
| 15 | Customer Service & Information Expense | | | 10 | | | | | | |
| 16 | Sales Expense | | | | | | | | | |
| 17 | Administrative & General Expense | (2,765) | 937 | 77 | 640 | (484) | | 51 | 125 | |
| 18 | Total Operating and Maintenance Expense | (17,002) | 5,734 | 710 | 640 | (484) | (368) | 51 | 125 | 0 |
| 19 | Depreciation and Amortization Expenses | | | | | | | | | |
| 20 | Depreciation | | | | | | | | | (1,142) |
| 21 | Amort. & Depl. of Utility Plant | | | | | | | | | |
| 22 | Amort. of Utility Plant Acq. Adj. | | | | | | | | | |
| 23 | Net Amortization of Regulatory Credits/Debits | | | | | | | | | |
| 24 | Total Depreciation and Amort. Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1,142) |
| 25 | Taxes Other Than Income Taxes | (696) | 221 | 51 | | | | | | |
| 26 | Income Taxes-State and Municipal | | | | | | | | | |
| 27 | Current | | | | | | | | | |
| 28 | Provision for Deferred Income Taxes | | | | | | | | | |
| 29 | Provision for Deferred Income Taxes-Credit | | | | | | | | | |
| 30 | Total State & Local Income Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 | Income Taxes-Federal | | | | | | | | | |
| 32 | Current | | | | | | | | | |
| 33 | Provision for Deferred Income Taxes | | | | | | | | | |
| 34 | Provision for Deferred Income Taxes-Credit | | | | | | | | | |
| 35 | Total Federal Income Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | Total Operating Expenses | (17,688) | 5,955 | 761 | 640 | (484) | (368) | 51 | 125 | (1,142) |
| 37 | Net Electric Operating Income | \$ 17,688 | \$ (5,955) | \$ (761) | \$ (640) | \$ 484 | \$ 368 | \$ (51) | \$ (125) | \$ 1,142 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Summary of Jurisdictional Adjustments to Operating Income
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ►Original___Updated___Revised
 Work Paper Reference No(s):

Schedule C-3
 Page 3 of 3
 Witness Responsible:
 T.A. Caudill

| Line No. | Element of Operating Income | Title of Adjustment | | | | | | | | |
|----------|---|---------------------|--------------|--------------|----------------------------------|------------|------|------|------|------|
| | | Depreciation Rate | Solar Panels | Income Taxes | Mon Power Litigation Termination | gridSMART® | | | | |
| | Schedule Reference | C-3.18 | C-3.19 | C-3.20 | C-3.21 | C-3.22 | | | | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) |
| 1 | OPERATING REVENUES | | | | | | | | | |
| 2 | Base Revenues | | | | \$ (2,633) | \$ (8,664) | | | | |
| 3 | Fuel Revenues | | | | | | | | | |
| 4 | Other Operating Revenues | | | | | | | | | |
| 5 | Total Operating Revenues | 0 | 0 | 0 | (2,633) | (8,664) | 0 | 0 | 0 | 0 |
| 6 | OPERATING EXPENSES | | | | | | | | | |
| 7 | Operation and Maintenance Expenses | | | | | | | | | |
| 8 | Production Expenses | | | | | | | | | |
| 9 | Fuel and Purchased Power | | | | | | | | | |
| 10 | Other | | | | | | | | | |
| 11 | Total Production Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | Transmission Expense | | | | | | | | | |
| 13 | Distribution Expense | | | | | (8,830) | | | | |
| 14 | Customer Accounts Expenses | | | | | 1 | | | | |
| 15 | Customer Service & Information Expense | | | | | (224) | | | | |
| 16 | Sales Expense | | | | | (2,200) | | | | |
| 17 | Administrative & General Expense | | | | | (458) | | | | |
| 18 | Total Operating and Maintenance Expense | 0 | 0 | 0 | 0 | (9,711) | 0 | 0 | 0 | 0 |
| 19 | Depreciation and Amortization Expenses | | | | | | | | | |
| 20 | Depreciation | (9,862) | (16) | | | (1,012) | | | | |
| 21 | Amort. & Depl. of Utility Plant | | | | | | | | | |
| 22 | Amort. of Utility Plant Acq. Adj. | | | | | | | | | |
| 23 | Net Amortization of Regulatory Credits/Debits | | | | (1,600) | | | | | |
| 24 | Total Depreciation and Amtz. Expenses | (9,862) | (16) | 0 | (1,600) | (1,012) | 0 | 0 | 0 | 0 |
| 25 | Taxes Other Than Income Taxes | | | | | | | | | |
| 26 | Income Taxes-State and Municipal | | | | | | | | | |
| 27 | Current | | | (324) | | | | | | |
| 28 | Provision for Deferred Income Taxes | | | 62 | | | | | | |
| 29 | Provision for Deferred Income Taxes-Credit | | | | | | | | | |
| 30 | Total State & Local Income Taxes | 0 | 0 | (263) | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 | Income Taxes-Federal | | | | | | | | | |
| 32 | Current | | | (11,962) | | | | | | |
| 33 | Provision for Deferred Income Taxes | | | 1,519 | | | | | | |
| 34 | Provision for Deferred Income Taxes-Credit | | | 181 | | | | | | |
| 35 | Total Federal Income Taxes | 0 | 0 | (10,261) | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | Total Operating Expenses | (9,862) | (16) | (10,261) | (1,600) | (10,723) | 0 | 0 | 0 | 0 |
| 37 | Net Electric Operating Income | \$ 9,862 | \$ 16 | \$ 10,261 | \$ (1,032) | \$ 2,059 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Universal Service Fund Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 Schedule E-4.1

Schedule C-3.1
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--|----------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effects of Universal Service Fund (USF) from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 440 - 445 | Sales of electricity (billings to customers) | | (34,161) | ALLDIST | 100.00% | \$ (34,161) |
| 5 | | | | | | | |
| 6 | 9040000 | Uncoll Accts - Pct Income Plan (9040002) | | (35,784) | ALLDIST | 100.00% | \$ (35,784) |
| 7 | | | | | | | |
| 8 | | | | | | | <u>\$ 1,623</u> |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 16 | | Supporting Calculations | | | | | |
| 17 | | Summary | | | | | |
| 18 | | Account 9040002 | | | | | |
| 19 | | USF | | Amount - \$ | | | |
| 20 | | Jun 2010 - Aug 2010 | | 10,000,574.43 | Actual | | |
| 21 | | Sep 2010 | | 3,008,118.39 | Forecast | | |
| 22 | | Oct 2010 | | 2,645,789.35 | Forecast | | |
| 23 | | Nov 2010 | | 2,612,629.36 | Forecast | | |
| 24 | | Dec 2010 | | 2,971,211.32 | Forecast | | |
| 25 | | Jan 2011 | | 2,909,148.83 | Forecast | | |
| 26 | | Feb 2011 | | 2,909,148.83 | Forecast | | |
| 27 | | Mar 2011 | | 2,909,148.83 | Forecast | | |
| 28 | | Apr 2011 | | 2,909,148.83 | Forecast | | |
| 29 | | May 2011 | | 2,909,148.83 | Forecast | | |
| 30 | | Total | | <u>35,784,067.00</u> | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Advanced Energy Fund Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ►Original___Updated___Revised
 Work Paper Reference No(s):
 Schedule E-4.1

Schedule C-3.2
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--|-------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effects of Advanced Energy Fund (AEF) from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 440 - 445 | Sales of electricity (billings to customers) | | (791) | ALLDIST | 100.00% | \$ (791) |
| 5 | | | | | | | |
| 6 | 9080000 | Customer Assistance Expenses | | (824) | ALLDIST | 100.00% | \$ (824) |
| 7 | | | | | | | |
| 8 | | | | | | | <u>\$ 33</u> |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
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| 17 | | | | | | | |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | Supporting Calculations | | | | | |
| 23 | | <u>Summary</u> | | | | | |
| 24 | | Account 9080000 | | | | | |
| 25 | | AEF - Quarterly Expense | | Amount - \$ | | | |
| 26 | | Q2 - Jun 2010 | | 203,018.49 | Actual | | |
| 27 | | Q3 - Sep 2010 | | 207,050.00 | Forecast | | |
| 28 | | Q4 - Dec 2010 | | 207,050.00 | Forecast | | |
| 29 | | Q1 - Mar 2011 | | 206,487.00 | Forecast | | |
| 30 | | Total | | <u>823,605.49</u> | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
KWH Tax Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 Schedule E-4.1

Schedule C-3.3
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zellna

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|--------------------------------|--|--|----------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effects of KWH Tax Rider from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 440 - 445 | Sales of electricity (billings to customers) | | (73,913) | ALLDIST | 100.00% | \$ (73,913) |
| 5 | | | | | | | |
| 6 | 4081010 | Revenue-KWH Taxes | | (68,563) | ALLDIST | 100.00% | \$ (68,563) |
| 7 | | | | | | | |
| 8 | | | | | | | <u>\$ (5,349)</u> |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 16 | Supporting Calculations | | | | | | |
| 17 | | <u>Summary</u> | | | | | |
| 18 | | Account 4081010 | | | | | |
| 19 | | KWH Tax | | <u>Amount - \$</u> | | | |
| 20 | | Jun 2010 - Aug 2010 | | 19,809,578.15 | Actual | | |
| 21 | | Sep 2010 | | 5,364,400.37 | Forecast | | |
| 22 | | Oct 2010 | | 5,060,609.66 | Forecast | | |
| 23 | | Nov 2010 | | 4,934,241.28 | Forecast | | |
| 24 | | Dec 2010 | | 6,268,530.49 | Forecast | | |
| 25 | | Jan 2011 | | 6,395,794.23 | Forecast | | |
| 26 | | Feb 2011 | | 5,848,589.66 | Forecast | | |
| 27 | | Mar 2011 | | 5,530,829.84 | Forecast | | |
| 28 | | Apr 2011 | | 4,584,691.88 | Forecast | | |
| 29 | | May 2011 | | 4,766,047.71 | Forecast | | |
| 30 | | Total | | <u>68,563,313.26</u> | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Energy Efficiency & Peak Demand Reduction Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 Schedule E-4.1, WP C-3.4a

Schedule C-3.4
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|-----------|------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effect of the Energy Efficiency and Peak Demand Reduction (EE/EDR) rider from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 440-445 | Sales of electricity (billings to customers) | | (49,982) | ALLDIST | 100.00% | \$ (49,982) |
| 5 | | | | | | | |
| 6 | 9030001 | Customer Orders & Inquiries | | (1) | ALLDIST | 100.00% | \$ (1) |
| 7 | 9070000 | Supervision - Customer Service | | (0) | ALLDIST | 100.00% | \$ (0) |
| 8 | 9070001 | Supervision - DSM | | (277) | ALLDIST | 100.00% | \$ (277) |
| 9 | 9080000 | Customer Assistance Expenses | | (846) | ALLDIST | 100.00% | \$ (846) |
| 10 | 9080009 | Cust Assistance Expense - DSM | | (28,409) | ALLDIST | 100.00% | \$ (28,409) |
| 11 | 9080014 | DSM Costs Deferred | | (9,329) | ALLDIST | 100.00% | \$ (9,329) |
| 12 | 9110001 | Supervision - Residential | | (21) | ALLDIST | 100.00% | \$ (21) |
| 13 | 9110002 | Supervision - Comm & Ind | | (87) | ALLDIST | 100.00% | \$ (87) |
| 14 | 9200000 | Administrative & Gen Salaries | | (6) | ALLDIST | 100.00% | \$ (6) |
| 15 | 9210001 | Off Supl & Exp - Nonassociated | | (0) | ALLDIST | 100.00% | \$ (0) |
| 16 | 9230001 | Outside Svcs Empl - Nonassoc | | (165) | ALLDIST | 100.00% | \$ (165) |
| 17 | 9301002 | Radio Station Advertising Time | | (3) | ALLDIST | 100.00% | \$ (3) |
| 18 | 9301007 | Special Adv Space & Prod Exp | | (400) | ALLDIST | 100.00% | \$ (400) |
| 19 | 9302000 | Misc General Expenses | | (4) | ALLDIST | 100.00% | \$ (4) |
| 20 | | | Total O&M | (39,549) | | | \$ (39,549) |
| 21 | | | | | | | |
| 22 | | | | | | | \$ (10,433) |
| 23 | | | | | | | |
| 24 | | | | | | | |
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| 27 | | | | | | | |
| 28 | | | | | | | |
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| 30 | | | | | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Economic Development Recovery Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 Schedule E-4.1

Schedule C-3.5
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Code | Allocation | | Jurisdictional Amount |
|----------|-----------|--|--|------------------|---------|------------|----|-----------------------|
| | | Account Title | | | | % | | |
| (A) | (B) | (C) | | (D) | (E) | (F) | | (G) |
| 1 | | Purpose and Description: | | | | | | |
| 2 | | To remove the effects of the Economic Development Recovery Rider (EDR) from the distribution test year | | | | | | |
| 3 | | | | | | | | |
| 4 | 440 - 445 | Sales of electricity (billings to customers) | | (35,754) | ALLDIST | 100.00% | \$ | (35,754) |
| 5 | 442 | Sales of electricity (EDR discount) | | 37,554 [1] | | | | |
| 6 | | Total Revenues | | 1,800 | | | | |
| 7 | | | | | | | | |
| 8 | 5550110 | Purchased Power (over/under) | | 1,800 | ALLDIST | 100.00% | \$ | 1,800 |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | | | | | | | | <u>\$ (37,554)</u> |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
| 14 | | | | | | | | |
| 15 | | | | | | | | |
| 16 | | | | | | | | |
| 17 | | | | | | | | |

Supporting Calculations

| Accounts | Description | Amount - \$ | | | |
|----------|--------------------------------------|-------------------------|-----------------------------|---------------------------------|-------------------|
| | | 3 Months Actual 8/31/10 | 9 Months Forecast 5/31/2011 | 12 Months Ended 5/31/2011 Total | Impact Inc. (Dec) |
| 23 | 5550110 Purchased Power (over/under) | 186,328 A | (1,986,004) B | (1,799,676) | 1,799,676 |

Sources:

A- Company General Ledger
 B- Company Forecast Model

[1] Test year Distribution Revenue is not Discounted. Therefore, the Discount has already been removed.

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Enhanced Service Reliability Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ►Original___Updated___Revised
Work Paper Reference No(s):
 Schedule E-4.1, WP C-3.6a

Schedule C-3.6
Page 1 of 1
Witness Responsible:
T.E. Mitchell
O.J. Sever
T.A. Caudill
T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | Total Adjustment | Allocation Code | % | Juris-dictional Amount |
|----------|-----------|---|------------------|-----------------|---------|------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | |
| 2 | | To remove the effect of the Enhanced Service Reliability Rider (ESRR) from the distribution test year | | | | |
| 3 | | | | | | |
| 4 | 440-445 | Sales of Electricity | (9,613) | | | |
| 5 | | Total Revenue | (9,613) | ALLDIST | 100.00% | \$ (9,613) |
| 6 | | | | | | |
| 7 | 4030001 | Depreciation Exp | (176) | | | |
| 8 | | Total Depreciation | (176) | ALLDIST | 100.00% | \$ (176) |
| 9 | | | | | | |
| 10 | 5930009 | ESRR-OvUnd Maint OvH Lines | 1,525 | ALLDIST | 100.00% | \$ 1,525 |
| 11 | 5930000 | Maintenance of Overhead Lines | (12,323) | ALLDIST | 100.00% | \$ (12,323) |
| 12 | | Total O&M | (10,798) | | | |
| 13 | | | | | | |
| 14 | | | | | | \$ 1,361 |
| 15 | | | | | | |
| 16 | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Pole Attachment Revenue
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-3.7
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | Total Adjustment | Allocation Code | % | Juris-dictional Amount |
|----------|-----------|---|--------------------------|-----------------|---------|------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | |
| 2 | | Adjust to decrease Pole Attachment Revenues recorded from June 2010 through August 2010 | | | | |
| 3 | | for adjustments related to prior periods (Account 454) | | | | |
| 4 | | | | | | |
| 5 | 4540002 | Rent from Elect Property-Non-Affiliated | | | | |
| 6 | | Remove Out of Period Pole Attachment Revenue | (1,078) | ALLDIST | 100.00% | \$ (1,078) |
| 7 | | | | | | |
| 8 | | | | | | |
| 9 | | | | | | |
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| 22 | | | | | | |
| 23 | | Supporting Calculations | | | | |
| 24 | | <u>Summary</u> | | | | |
| 25 | | Account 4540002 | | | | |
| 26 | | CAD056AJE | | | | |
| 27 | | 6/29/2010 | Amount - \$ 28,369.19 | Actual | | |
| 28 | | 7/30/2010 | (941,219.29) | Actual | | |
| 29 | | 8/31/2010 | (164,713.40) | Actual | | |
| 30 | | Total | <u>(1,077,563.50)</u> | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Pole Attachment Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-3.8
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--|------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | Adjust to decrease Pole Attachment Expenses recorded from June 2010 through August 2010 | | | | | |
| 3 | | for adjustments related to prior periods (Account 589) | | | | | |
| 4 | | | | | | | |
| 5 | 5890001 | Rents - Nonassociated | | | | | |
| 6 | | Out of Period Pole Attachment Rental Expense | | (583) | ALLDIST | 100.00% | \$ (583) |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
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| 22 | | | | | | | |
| 23 | | | | | | | |
| 24 | | Supporting Calculations | | | | | |
| 25 | | <u>Summary</u> | | | | | |
| 26 | | Account 5890001 | | | | | |
| 27 | | CAD056AJE | | Amount - \$ | | | |
| 28 | | 6/29/2010 | | 5,983.07 | Actual | | |
| 29 | | 7/30/2010 | | (588,564.22) | Actual | | |
| 30 | | Total | | (582,581.15) | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Severance Adjustment
For The Twelve Months Ending May 31, 2011
(\$000)

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised ___
Work Paper Reference No(s): WPC3.xx
WP C-3.9a

Schedule C-3.9
Page 1 of 1
Witness Responsible:
T.E. Mitchell
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--|------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | | | | | | |
| 2 | | Purpose and Description: | | | | | |
| 3 | | To remove the effect of the June 2010 through August 2010 Severance expense | | | | | |
| 4 | | | | | | | |
| 5 | 5880000 | Miscellaneous Distribution Exp | | (14,237) | ALLDIST | 100.00% | \$ (14,237) |
| 6 | 9200000 | Administrative & Gen Salaries | | (2,515) | ALLDIST | 100.00% | \$ (2,515) |
| 7 | 9230001 | Outside Svcs Empl - Nonassoc | | (18) | ALLDIST | 100.00% | \$ (18) |
| 8 | 9260005 | Group Medical Ins Premiums | | (213) | ALLDIST | 100.00% | \$ (213) |
| 9 | 9260009 | Group Dental Insurance Prem | | (11) | ALLDIST | 100.00% | \$ (11) |
| 10 | 4081002 | FICA | | (686) | ALLDIST | 100.00% | \$ (686) |
| 11 | 9260027 | Savings Plan Contributions | | (8) | ALLDIST | 100.00% | \$ (8) |
| 12 | | Total O&M | | <u>(17,688)</u> | | | <u>\$ (17,688)</u> |
| 13 | | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Severance Amortization
For The Twelve Months Ending May 31, 2011
(\$000)

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised
Work Paper Reference No(s): WPC3.xx
WP C-3.10a

Schedule C-3.10
Page 1 of 1
Witness Responsible:
T.E. Mitchell
T.A. Caudill
S.J. Dias

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|--|------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | | | | | | |
| 2 | | Purpose and Description: | | | | | |
| 3 | | To amortize the 2010 Severance expense over 3 years. | | | | | |
| 4 | | | | | | | |
| 5 | 5880000 | Miscellaneous Distribution Exp | | 4,797 | ALLDIST | 100.00% | \$ 4,797 |
| 6 | 9200000 | Administrative & Gen Salaries | | 853 | ALLDIST | 100.00% | \$ 853 |
| 7 | 9230001 | Outside Svcs Empl - Nonassoc | | 7 | ALLDIST | 100.00% | \$ 7 |
| 8 | 9260005 | Group Medical Ins Premiums | | 71 | ALLDIST | 100.00% | \$ 71 |
| 9 | 9260009 | Group Dental Insurance Prem | | 4 | ALLDIST | 100.00% | \$ 4 |
| 10 | 4081002 | FICA | | 221 | ALLDIST | 100.00% | \$ 221 |
| 11 | 9260027 | Savings Plan Contributions | | 3 | ALLDIST | 100.00% | \$ 3 |
| 12 | | Total O&M | | <u>5,955</u> | | | <u>\$ 5,955</u> |
| 13 | | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Annualize Labor & Payroll Expenses
For The Twelve Months Ending May 31, 2011
(\$000)

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ☒ Original ☐ Updated ☐ Revised
Work Paper Reference No(s): WP C-9
WP C-3.11a, WP C-3.11b

Schedule C-3.11
Page 1 of 1
Witness Responsible:
O.J. Sever
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|------------------|------------|---------|-----------------------|
| | | Account Title | | Code | % | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | |
| 2 | | To adjust test year Payroll Expenses and F.I.C.A. Taxes to reflect annualized | | | | |
| 3 | | staffing levels and wages at the end of the test year | | | | |
| 4 | | | | | | |
| 5 | 5800000 | Supervision & Engineering | \$ 54 | ALLDIST | 100.00% | \$ 54 |
| 6 | 5820000 | Station Equipment | \$ 7 | ALLDIST | 100.00% | \$ 7 |
| 7 | 5830000 | Overhead Lines | \$ 39 | ALLDIST | 100.00% | \$ 39 |
| 8 | 5840000 | Underground Lines | \$ 13 | ALLDIST | 100.00% | \$ 13 |
| 9 | 5850000 | Street & Area Lighting | \$ 1 | ALLDIST | 100.00% | \$ 1 |
| 10 | 5860000 | Meters | \$ 33 | ALLDIST | 100.00% | \$ 33 |
| 11 | 5870000 | Customer Installations | \$ 5 | ALLDIST | 100.00% | \$ 5 |
| 12 | 5880000 | Miscellaneous Distribution Exp | \$ 117 | ALLDIST | 100.00% | \$ 117 |
| 13 | 5890001 | Rents - Nonassociated | \$ 0 | ALLDIST | 100.00% | \$ 0 |
| 14 | 5900000 | Supervision & Engineering | \$ 4 | ALLDIST | 100.00% | \$ 4 |
| 15 | 5910000 | Structures | \$ 0 | ALLDIST | 100.00% | \$ 0 |
| 16 | 5920000 | Station Equipment | \$ 13 | ALLDIST | 100.00% | \$ 13 |
| 17 | 5930000 | Maintenance of Overhead Lines | \$ 187 | ALLDIST | 100.00% | \$ 187 |
| 18 | 5940000 | Underground Lines | \$ 14 | ALLDIST | 100.00% | \$ 14 |
| 19 | 5950000 | Line Transformers | \$ 7 | ALLDIST | 100.00% | \$ 7 |
| 20 | 5960000 | Street & Area Lighting | \$ 1 | ALLDIST | 100.00% | \$ 1 |
| 21 | 5970000 | Meters | \$ 2 | ALLDIST | 100.00% | \$ 2 |
| 22 | 5980000 | Misc Distribution Plant | \$ 17 | ALLDIST | 100.00% | \$ 17 |
| 23 | 9010000 | Supervision & Engineering | \$ 5 | ALLDIST | 100.00% | \$ 5 |
| 24 | 9020000 | Meter Reading | \$ 46 | ALLDIST | 100.00% | \$ 46 |
| 25 | 9030000 | Customer Records & Collection Expense | \$ 58 | ALLDIST | 100.00% | \$ 58 |
| 26 | 9070000 | Supervision | \$ 0 | ALLDIST | 100.00% | \$ 0 |
| 27 | 9080000 | Customer Assistance Expenses | \$ 9 | ALLDIST | 100.00% | \$ 9 |
| 28 | 9200000 | Salaries | \$ 32 | ALLDIST | 100.00% | \$ 32 |
| 29 | 9210000 | Office Supplies | \$ 0 | ALLDIST | 100.00% | \$ 0 |
| 30 | 9260000 | Other Employee Benefits | \$ 0 | ALLDIST | 100.00% | \$ 0 |
| 31 | 9302007 | Assoc Business Development Exp | \$ 0 | ALLDIST | 100.00% | \$ 0 |
| 32 | 9350000 | Admin & General Maintenance | \$ 18 | ALLDIST | 100.00% | \$ 18 |
| 33 | | | <u>\$ 683</u> | | | <u>\$ 683</u> |
| 34 | | | | | | |
| 35 | 9260027 | Employee Benefits - Savings Plan Contribution | \$ 27 | ALLDIST | 100.00% | \$ 27 |
| 36 | | | | | | |
| 37 | 408.1 | Payroll Taxes | \$ 51 | ALLDIST | 100.00% | \$ 51 |
| 38 | | | | | | |
| 39 | | Total Payroll Expense and Tax Adjustment | <u>\$ 761</u> | | | <u>\$ 761</u> |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Annualize Pension Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Work Paper Reference No(s):

Schedule C-2.1, WP C-3.12a

Schedule C-3.12

Page 1 of 1

Witness Responsible:

H.E. McCoy

T.A. Caudill

| Line No. | Acct. No. | Purpose and Description Account Title | Total Adjustment | Allocation Code | % | Juris-dictional Amount |
|----------|-------------------|--|------------------|-----------------|---------|------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | |
| 2 | | Adjust pension expense to reflect the most recent actuarial estimates for the test period. | | | | |
| 3 | | | | | | |
| 4 | | <u>PENSION EXPENSE</u> | | | | |
| 5 | | | | | | |
| 6 | 9260003 & 9260037 | Distribution Pension Expense | 4,369 | | | |
| 7 | 9260050 | Less: Amount Charged to Capital Projects & Clearing Accounts | (2,353) | | | |
| 8 | | Net Distribution Pension Expense | 2,016 | | | |
| 9 | | Ratio of Pension Expense to Total Accrual (Line 8 / Line 6) | 46.15% | | | |
| 10 | | | | | | |
| 11 | | 2011 Distribution Expense per Actuarial Report | 5,755 | | | |
| 12 | | Percentage of Pension Accrual Charged to O&M (Line 9) | 46.15% | | | |
| 13 | | Adjusted Pension Expense | 2,656 | | | |
| 14 | | | | | | |
| 15 | | Adjustment Amount (Line 13 - Line 8) | 640 | ALLDIST | 100.00% | 640 |
| 16 | | | | | | |
| 17 | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Annualize OPEB Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ►Original___Updated___Revised
Work Paper Reference No(s):
Schedule C-2.1, WP C-3.13a

Schedule C-3.13
Page 1 of 1
Witness Responsible:
H.E. McCoy
T.A. Caudill

| Purpose and Description | | | | | | |
|-------------------------|-------------------|---|------------------|-----------------|---------|----------------------------|
| Line No. | Acct. No. | Account Title | Total Adjustment | Allocation Code | % | Juris- dictional Amount |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | |
| 2 | | Adjust OPEB expense to reflect the most recent actuarial estimates for the test period. | | | | |
| 3 | | | | | | |
| 4 | | <u>OPEB EXPENSE</u> | | | | |
| 5 | | | | | | |
| 6 | 9260021 & 9260057 | Distribution OPEB Expense | 4,317 | | | |
| 7 | 9260053 | Less: Amount Charged to Capital Projects & Clearing Accounts | (1,074) | | | |
| 8 | | Net Distribution OPEB Expense | 3,243 | | | |
| 9 | | Ratio of OPEB Expense to Total Accrual (Line 9 / Line 7) | 75.13% | | | |
| 10 | | | | | | |
| 11 | | 2011 Distribution OPEB Contribution per Actuarial Report | 3,673 | | | |
| 12 | | Percentage of OPEB Accrual Charged to O&M (Line 10) | 75.13% | | | |
| 13 | | Adjusted OPEB Expense | 2,760 | | | |
| 14 | | | | | | |
| 15 | | Adjustment Amount (Line 14 - Line 9) | (484) | ALLDIST | 100.00% | (484) |
| 16 | | | | | | |
| 17 | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Interest on Customer Deposits
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ►Original___Updated___Revised
Work Paper Reference No(s):
Schedule B-6, Schedule C-2.1

Schedule C-3.14
Page 1 of 1
Witness Responsible:
T.E. Mitchell
O.J. Sever
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|--------|------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | Adjust customer deposit interest expense to be the rate requested in the filing multiplied by the date certain balance | | | | | |
| 3 | | -- the interest expense associated with these deposits is added to operating expense | | | | | |
| 4 | | | | | | | |
| 5 | 4310002 | INTEREST ON CUSTOMER SERVICE DEPOSITS | | | | | |
| 6 | | Date Certain Deposits 8/31/10 (a/c 235) | 27,677 | | | | |
| 7 | | Requested Interest Rate | 3.00% | | | | |
| 8 | | Going Level Interest Expense | 830 | | | | |
| 9 | | Interest Expense Reflected in Cost of Service | 1,199 | | | | |
| 10 | | Adjustment to Interest on Customer Deposits | | (368) | ALLDIST | 100.00% | \$ (368) |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Amortize Rate Case Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 Schedule C-8

Schedule C-3.15
 Page 1 of 1
 Witness Responsible:
 S.J. Dias
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Juris- dictional Amount |
|-------------|--------------|--|--|---------------------|------------|---------|-------------------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To include in the test year - amortization of the estimated rate case expense over three years | | | | | |
| 3 | | | | | | | |
| 4 | 9280003 | Rate Case Amortization | | 51 | ALLDIST | 100.00% | \$ 51 |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
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| 9 | | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Public Safety Announcement Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original___Updated___Revised
 Work Paper Reference No(s):

Schedule C-3.16
 Page 1 of 1
 Witness Responsible:
 S.J. Dias
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | Total Adjustment | Allocation Code | % | Juris-dictional Amount |
|----------|-----------|---|------------------|-----------------|---------|------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | |
| 2 | | To include Public Safety Announcement expense in the distribution test year | | | | |
| 3 | | | | | | |
| 4 | 9301000 | General Advertising | 125 | ALLDIST | 100.00% | \$ 125 |
| 5 | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Annualize Depreciation Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised ___
Work Paper Reference No(s): WP C-3.xx
WP B-3.2a, WP C-3.17a

Schedule C-3.17
Page 1 of 1
Witness Responsible:
T.E. Mitchell
O.J. Sever
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|------------------|------------|---------|-----------------------|
| | | Account Title | | Code | % | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | | | | | |
| 2 | | Purpose and Description: | | | | |
| 3 | | To compare the depreciation expense in the test year to the annualized depreciation expense recorded based | | | | |
| 4 | | on the date certain plant balances as of August 31, 2010 | | | | |
| 5 | | | | | | |
| 6 | 4030001 | Depreciation Expense | | | | |
| 7 | | Depreciation Rate Adjustment - Distribution | | | | |
| 8 | | Depreciation Expense Annualized as of | | | | |
| 9 | | August 31, 2010 Plant Balances 60,465 | | | | |
| 10 | | Depreciation Expense for Test Year 60,891 | | | | |
| 11 | | Adjustment to Depreciation Expense on Annualized basis to Test Year | (426) | ALLDIST | 100.00% | \$ (426) |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | Depreciation Rate Adjustment - General (Distribution only) | | | | |
| 15 | | Depreciation Expense Annualized as of | | | | |
| 16 | | August 31, 2010 Plant Balances 2,602 | | | | |
| 17 | | Depreciation Expense for Test Year 3,318 | | | | |
| 18 | | Adjustment to Depreciation Expense on Annualized basis to Test Year | (716) | ALLDIST | 100.00% | \$ (716) |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | (1,142) | | | \$ (1,142) |
| 22 | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Depreciation Rate Adjustment
For The Twelve Months Ending May 31, 2011
(\$000)

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original___Updated___Revised
Work Paper Reference No(s): WPC3.xx
WP B-3.2a

Schedule C-3.18
Page 1 of 1
Witness Responsible:
T.E. Mitchell
D.A. Davis
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--------|------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | | | | | | |
| 2 | | Purpose and Description: | | | | | |
| 3 | | Adjust depreciation at current approved rates to depreciation rates based on Depreciation Study rates | | | | | |
| 4 | | based on date certain of 08/31/10 | | | | | |
| 5 | | | | | | | |
| 6 | 4030001 | Depreciation Expense | | | | | |
| 7 | | Depreciation Rate Adjustment | | | | | |
| 8 | | Depreciation - Distribution Plant - Current Rates | 60,465 | | | | |
| 9 | | Depreciation - Distribution Plant - Study Rates | 51,841 | | | | |
| 10 | | | | (8,624) | ALLDIST | 100.00% | \$ (8,624) |
| 11 | | Deprec - General Plant (Dist Co) - Current Rates | 2,602 | | | | |
| 12 | | Deprec - General Plant (Dist Co) - Study Rates | 1,364 | | | | |
| 13 | | | | (1,238) | ALLDIST | 100.00% | \$ (1,238) |
| 14 | | | | | | | |
| 15 | | Adjustment for Depreciation on Current and Study Rates | | (9,862) | | | \$ (9,862) |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
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| 30 | | | | | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Remove Depreciation Expense for Solar Panels
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 WP B-3.1a

Schedule C-3.19
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|--|------------------|------------|------------------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effect of the Solar Panel Projects from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 4030001 | Depreciation Exp | | (16) | ALLDIST | 100.00% | \$ (16) |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |
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| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | Supporting Calculations | | | | | |
| 15 | | <u>Summary</u> | | | | | |
| 16 | | Asset Value at 8/31/10 | | \$ 501,397.58 | | | |
| 17 | | Depr Rate | | 0.30% | [A] | Amount - \$ | |
| 18 | | Jun 2010 - Aug 2010 | | | | 3,058.53 | Actual |
| 19 | | Sep 2010 | | | | 1,482.05 | Forecast |
| 20 | | Oct 2010 | | | | 1,482.05 | Forecast |
| 21 | | Nov 2010 | | | | 1,482.05 | Forecast |
| 22 | | Dec 2010 | | | | 1,482.05 | Forecast |
| 23 | | Jan 2011 | | | | 1,482.05 | Forecast |
| 24 | | Feb 2011 | | | | 1,482.05 | Forecast |
| 25 | | Mar 2011 | | | | 1,482.05 | Forecast |
| 26 | | Apr 2011 | | | | 1,482.05 | Forecast |
| 27 | | May 2011 | | | | 1,482.05 | Forecast |
| 28 | | Total | | | | <u>16,396.96</u> | |
| 29 | | | | | | | |
| 30 | [A] | Depreciation rate in forecast as provided by Company witness Sever. | | | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Federal & State Income Taxes
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original___Updated___Revised
Work Paper Reference No(s):
 Schedule C-4.1

Schedule C-3.20
Page 1 of 1
Witness Responsible:
J.B. Bartsch
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Juris- dictional Amount |
|-------------|---------------|---|--|---------------------|------------|---------|-------------------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To Adjust State, Local and Federal Income Tax Expense for impacts | | | | | |
| 3 | | related to Going-Level Adjustments | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | 409.1 | Current State & Local Income Tax Expense | | (324) | DIRECT | 100.00% | \$ (324) |
| 7 | | | | | | | |
| 8 | 410.1 & 411.1 | Deferred State & Local Income Tax Expense | | 62 | DIRECT | 100.00% | \$ 62 |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | 409.1 | Current Federal Income Tax Expense | | (11,962) | DIRECT | 100.00% | \$ (11,962) |
| 14 | | | | | | | |
| 15 | 410.1 & 411.1 | Deferred Federal Income Tax Expense | | 1,519 | DIRECT | 100.00% | \$ 1,519 |
| 16 | | | | | | | |
| 17 | 411.4 & 411.5 | Deferred Investment Tax Credit Expense | | 181 | DIRECT | 100.00% | \$ 181 |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | | | | | | |
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COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Remove Monongahela Power Litigation Termination Revenue and Related Amortization
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised
Work Paper Reference No(s):
Schedule E-4.1

Schedule C-3.21
Page 1 of 1
Witness Responsible:
T.E. Mitchell
O.J. Sever
T.A. Caudill
T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--|---------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effects of Monongahela Power Litigation Termination from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 440 - 445 | Sales of electricity (billings to customers) | | (2,633) | ALLDIST | 100.00% | \$ (2,633) |
| 5 | | | | | | | |
| 6 | 4073000 | Regulatory Debits | | (1,600) | ALLDIST | 100.00% | \$ (1,600) |
| 7 | | | | | | | |
| 8 | | | | | | | <u>\$ (1,032)</u> |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
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| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
| 19 | | Supporting Calculations | | | | | |
| 20 | | <u>Summary</u> | | | | | |
| 21 | | Account 4073000 | | | | | |
| 22 | | Mon Power | | Amount | | | |
| 23 | | Jun 2010 | | 220,733.50 | Actual | | |
| 24 | | Jul 2010 | | 242,709.32 | Actual | | |
| 25 | | Aug 2010 | | 225,836.30 | Actual | | |
| 26 | | Sep 2010 | | 225,751.06 | Forecast | | |
| 27 | | Oct 2010 | | 220,492.47 | Forecast | | |
| 28 | | Nov 2010 | | 232,982.30 | Forecast | | |
| 29 | | Dec 2010 | | 231,726.74 | Forecast | | |
| 30 | | Total | | <u>1,600,231.69</u> | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
gridSMART® Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 Schedule E-4.1, WP C-3.22a

Schedule C-3.22
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zellina

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|---------|------------------|------------|------------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effect of the gridSMART® rider from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 440-445 | Sales of Electricity | | | | | |
| 5 | | Total Revenue | (8,664) | ALLDIST | 100.00% | \$ (8,664) | |
| 6 | | | | | | | |
| 7 | 4030001 | Depreciation Exp | (993) | | | | |
| 8 | 4030011 | gSMART-OvUnd Depreciation Exp | (19) | | | | |
| 9 | | Total Depreciation | (1,012) | ALLDIST | 100.00% | \$ (1,012) | |
| 10 | | | | | | | |
| 11 | 5800000 | Oper Supervision & Engineering | (417) | ALLDIST | 100.00% | \$ (417) | |
| 12 | 5830000 | Overhead Line Expenses | (0) | ALLDIST | 100.00% | \$ (0) | |
| 13 | 5860000 | Meter Expenses | (62) | ALLDIST | 100.00% | \$ (62) | |
| 14 | 5880000 | Miscellaneous Distribution Exp | (30) | ALLDIST | 100.00% | \$ (30) | |
| 15 | 5880004 | gSMART-OvUnd Misc Dist Exp | (7,624) | ALLDIST | 100.00% | \$ (7,624) | |
| 16 | 5930000 | Maintenance of Overhead Lines | 1,041 | ALLDIST | 100.00% | \$ 1,041 | |
| 17 | 5960000 | Maint of Strt Lghtng & Sgnal S | (0) | ALLDIST | 100.00% | \$ (0) | |
| 18 | 5970000 | Maintenance of Meters | 262 | ALLDIST | 100.00% | \$ 262 | |
| 19 | 9020000 | Meter Reading Expenses | (0) | ALLDIST | 100.00% | \$ (0) | |
| 20 | 9030000 | Cust Records & Collection Exp | 1 | ALLDIST | 100.00% | \$ 1 | |
| 21 | 9070000 | Supervision - Customer Service | (3) | ALLDIST | 100.00% | \$ (3) | |
| 22 | 9070001 | Supervision - DSM | (0) | ALLDIST | 100.00% | \$ (0) | |
| 23 | 9080000 | Customer Assistance Expenses | (13) | ALLDIST | 100.00% | \$ (13) | |
| 24 | 9080009 | Cust Assistance Expense - DSM | (208) | ALLDIST | 100.00% | \$ (208) | |
| 25 | 9110001 | Supervision - Residential | (1) | ALLDIST | 100.00% | \$ (1) | |
| 26 | 9130000 | Advertising Expense | (2,199) | ALLDIST | 100.00% | \$ (2,199) | |
| 27 | 9200000 | Administrative & Gen Salaries | (410) | ALLDIST | 100.00% | \$ (410) | |
| 28 | 9210001 | Off Supl & Exp - Nonassociated | (19) | ALLDIST | 100.00% | \$ (19) | |
| 29 | 9230001 | Outside Svcs Empl - Nonassoc | 61 | ALLDIST | 100.00% | \$ 61 | |
| 30 | 9301001 | Newspaper Advertising Space | (98) | ALLDIST | 100.00% | \$ (98) | |
| 31 | 9301007 | Special Adv Space & Prod Exp | (249) | ALLDIST | 100.00% | \$ (249) | |
| 32 | 9302019 | gSMART-OvUnd Misc Gen Exp | 259 | ALLDIST | 100.00% | \$ 259 | |
| 33 | 9350001 | Maint of Structures - Owned | (2) | ALLDIST | 100.00% | \$ (2) | |
| 34 | 9350013 | Maint of Cmmncation Eq-Unall | (0) | ALLDIST | 100.00% | \$ (0) | |
| 35 | | Total O&M | (9,711) | | | \$ (9,711) | |
| 36 | | | | | | | |
| 37 | | | | | | \$ 2,059 | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Adjusted Jurisdictional Income Taxes
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 Schedule C-4.1, WP C-4.1a thru r

Schedule C-4
 Page 1 of 2
 Witness Responsible:
 J.B. Bartsch

| Line No. | Description | At Current Rates | | | At Proposed Rates | |
|-------------|--|------------------|-----------------------------|-----------|-------------------------|------------|
| | | Unadjusted | Schedule C-3 Adjustments | Adjusted | Proforma Adjustments | Proforma |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | Operating Income Before State & Local Income Taxes | \$ 102,044 | \$ (27,758) | \$ 74,286 | \$ 33,934 | \$ 108,220 |
| 2 | Current State & Local Income Tax Expense | 570 | (324) | 246 | 319 | 565 |
| 3 | Operating Income Before Federal Income Taxes | 101,474 | (27,433) | 74,040 | 33,615 | 107,655 |
| 4 | Reconciling Items: | | | | | |
| | Interest Charges (Synchronization) | (25,079) | 338 | (24,741) | 0 | (24,741) |
| 5 | Schedule M Reconciling Items: | | | | | |
| | Tax Accelerated Depreciation | 84,045 | 0 | 84,045 | 0 | 84,045 |
| 6 | Book Depreciation | 69,680 | (12,209) | 57,471 | 0 | 57,471 |
| 7 | Excess of Tax Over Book Depreciation | (14,365) | (12,209) | (26,574) | 0 | (26,574) |
| 8 | Other Reconciling Items | (5,668) | 5,128 | (540) | 0 | (540) |
| 9 | Total Schedule M Reconciling Items | (20,033) | (7,081) | (27,114) | 0 | (27,114) |
| 10 | Federal Taxable Income | \$ 56,362 | \$ (34,176) | \$ 22,185 | \$ 33,615 | \$ 55,800 |
| 11 | Federal, State, Local Income Taxes: | | | | | |
| | Federal @ 35% Statutory Rate | | | | | |
| 12 | State & Local @ Various Effective Tax Rates | | | | | |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Adjusted Jurisdictional Income Taxes
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised
Work Paper Reference No(s):
Schedule C-4.1, WP C-4.1a thru r

Schedule C-4
Page 2 of 2
Witness Responsible:
J.B. Bartsch

| Line No. | Description | At Current Rates | | | At Proposed Rates | |
|----------|---|------------------|--------------------------|---------------|----------------------|---------------|
| | | Unadjusted | Schedule C-3 Adjustments | Adjusted | Proforma Adjustments | Proforma |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 13 | Current Federal Income Tax @ Statutory Rates | \$ 19,727 | \$ (11,962) | \$ 7,765 | \$ 11,765 | \$ 19,530 |
| 14 | Adjustments | 0 | 0 | 0 | 0 | 0 |
| 15 | Current Federal Income Tax Expense | <u>19,727</u> | <u>(11,962)</u> | <u>7,765</u> | <u>11,765</u> | <u>19,530</u> |
| | Deferred Income Tax Expense (Net): | | | | | |
| 16 | Depreciation Related | 11,312 | 3,314 | 14,626 | 0 | 14,626 |
| 17 | Excess DFIT Reversal - Depreciation | (34) | 0 | (34) | 0 | (34) |
| 18 | Other Temporary Differences | (800) | (1,795) | (2,595) | 0 | (2,595) |
| 19 | Total Deferred Federal Income Taxes (Net) | <u>10,478</u> | <u>1,519</u> | <u>11,997</u> | <u>0</u> | <u>11,997</u> |
| 20 | Amortization of Deferred Investment Tax Credits | <u>(397)</u> | <u>181</u> | <u>(216)</u> | <u>0</u> | <u>(216)</u> |
| 21 | Total Federal Income Tax Expense | <u>29,807</u> | <u>(10,261)</u> | <u>19,546</u> | <u>11,765</u> | <u>31,311</u> |
| 22 | Current State & Local Income Tax Expense | 570 | (324) | 246 | 319 | 565 |
| 23 | Deferred State & Local Income Tax Expense | <u>101</u> | <u>62</u> | <u>163</u> | <u>0</u> | <u>163</u> |
| 24 | Total State & Local Income Tax Expense | <u>671</u> | <u>(263)</u> | <u>409</u> | <u>319</u> | <u>728</u> |
| 25 | Total Income Tax Expense | <u>30,478</u> | <u>(10,524)</u> | <u>19,954</u> | <u>12,084</u> | <u>32,039</u> |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Development of Jurisdictional Income Taxes Before Adjustments
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WP C-4.1a thru r

Schedule C-4.1
 Page 1 of 2
 Witness Responsible:
 J.B. Bartsch

| Line No. | Account Title | Total Utility | Allocation % | Jurisdiction | Allocation Code/ Explanation |
|----------|--|-------------------|--------------|------------------|------------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) |
| 1 | Operating Income Before State & Local Income Taxes | \$ 453,296 | | \$ 102,044 | DIRECT |
| 2 | Current State & Local Income Tax Expense | <u>2,074</u> | | <u>570</u> | DIRECT |
| 3 | Operating Income Before Federal Income Taxes | 451,221 | | 101,474 | DIRECT |
| 4 | Reconciling Items: Interest Charges | <u>(84,968)</u> | | <u>(25,079)</u> | DIRECT |
| | Schedule M Reconciling Items: | | | | |
| 5 | Tax Accelerated Depreciation | 269,044 | | 84,045 | DIRECT |
| 6 | Book Depreciation | <u>150,447</u> | | <u>69,680</u> | DIRECT |
| 7 | Excess of Tax Over Book Depreciation | <u>(118,597)</u> | | <u>(14,365)</u> | DIRECT |
| 8 | Other Reconciling Items | <u>(35,739)</u> | | <u>(5,668)</u> | DIRECT |
| 9 | Total Schedule M Reconciling Items | <u>(154,336)</u> | | <u>(20,033)</u> | DIRECT |
| 10 | Federal Taxable Income | <u>\$ 211,917</u> | | <u>\$ 56,362</u> | DIRECT |
| | Federal, State, Local Income Taxes: | | | | |
| 11 | Federal @ 35% Statutory Rate | | | | |
| 12 | State & Local @ Various Effective Tax Rates | | | | |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Development of Jurisdictional Income Taxes Before Adjustments
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WP C-4.1a thru r

Schedule C-4.1
 Page 2 of 2
 Witness Responsible:
 J.B. Bartsch

| Line No. | Account Title | Total Utility (1) | Allocation % (2) | Jurisdiction (3) | Allocation Code/ Explanation (4) |
|----------|---|-------------------|------------------|------------------|----------------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) |
| 13 | Current Federal Income Tax @ Statutory Rates | \$ 74,171 | | \$ 19,727 | DIRECT |
| 14 | Adjustments | (7,201) | | 0 | DIRECT |
| 15 | Current Federal Income Tax Expense | <u>66,970</u> | | <u>19,727</u> | DIRECT |
| | Deferred Income Tax Expense (Net): | | | | |
| 16 | Depreciation Related | 57,015 | | 11,312 | DIRECT |
| 17 | Excess DFIT Reversal - Depreciation | (199) | | (34) | DIRECT |
| 18 | Other Temporary Differences | 11,040 | | (800) | DIRECT |
| 19 | Total Deferred Federal Income Taxes (Net) | <u>67,856</u> | | <u>10,478</u> | DIRECT |
| 20 | Amortization of Deferred Investment Tax Credits | <u>(1,962)</u> | | <u>(397)</u> | DIRECT |
| 21 | Total Federal Income Tax Expense | <u>132,865</u> | | <u>29,807</u> | DIRECT |
| 22 | Current State & Local Income Tax Expense | 2,074 | | 570 | DIRECT |
| 23 | Deferred State & Local Income Tax Expense | <u>303</u> | | <u>101</u> | DIRECT |
| 24 | Total State & Local Income Tax Expense | <u>2,377</u> | | <u>671</u> | DIRECT |
| 25 | Total Income Tax Expense | <u>135,242</u> | | <u>30,478</u> | DIRECT |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Social and Service Club Dues
For The Twelve Months Ending May 31, 2011

Data: 3 MOS Actual & 9 MOS Estimated

Type of Filing: ►Original___Updated___Revised

Work Paper Reference No(s):

Schedule C-5

Page 1 of 1

Witness Responsible:

Not Applicable

| Line No. | Acct. No. | Social Organization/ Service Club | Total Utility | Allocation % | Jurisdiction |
|-------------|--------------|--------------------------------------|------------------|-----------------|--------------|
| (A) | (B) | (C) | (D) | (E) | (F) |

No social and/or service club dues are included in test year operating expenses.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Charitable Contributions
For The Twelve Months Ending May 31, 2011

Data: 3 MOS Actual & 9 MOS Estimated

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Work Paper Reference No(s):

Schedule C-6

Page 1 of 1

Witness Responsible:

Not Applicable

| Line No. | Acct. No. | Charitable Organization | Total Utility | Allocation % | Jurisdictional Adjustment |
|-------------|--------------|-------------------------|------------------|-----------------|------------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) |

No charitable contributions are included in test year operating expenses

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Customer Service and Informational, Sales, and
General Advertising Expense*
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 Schedule C-2.1

Schedule C-7
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Acct. No. | Description of Expenses | Labor | Non-Labor | Total Unadjusted |
|----------|-----------|---|---------------|------------------|------------------|
| (A) | (B) | (C) | (D) | (E) | (F) |
| 1 | | <u>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</u> | | | |
| 2 | 9070000 | Supervision | \$ 19 | \$ 1,558 | \$ 1,577 |
| 3 | 9080000 | Customer Assistance | 285 | 39,729 | 40,014 |
| 4 | 9090000 | Informational and Instructional Expenses | 0 | 383 | 383 |
| 5 | 9100000 | Miscellaneous Customer Service & Informational Exp. | 0 | 0 | 0 |
| 6 | | Total Customer Service & Informational Expenses | <u>\$ 304</u> | <u>\$ 41,669</u> | <u>\$ 41,974</u> |
| 7 | | <u>SALES EXPENSES</u> | | | |
| 8 | 9110000 | Supervision | \$ - | \$ 108 | \$ 108 |
| 9 | 9120000 | Demonstrating and Selling Expenses | 0 | 1 | 1 |
| 10 | 9130000 | Advertising Expenses | 0 | 2,198 | 2,198 |
| 11 | 9160000 | Miscellaneous Selling Expenses | 0 | 0 | 0 |
| 12 | | Total Sales Expenses | <u>\$ -</u> | <u>\$ 2,307</u> | <u>\$ 2,307</u> |
| 13 | | <u>GENERAL ADVERTISING EXPENSES</u> | | | |
| 14 | 9301000 | General Advertising Expenses | \$ - | \$ 1,531 | \$ 1,531 |
| 15 | 9302000 | Miscellaneous General Expenses | 0 | 967 | 967 |
| 16 | 9302007 | Associated Business Development Expenses | 2 | 1,058 | 1,060 |
| 17 | | Total General Advertising Expenses | <u>\$ 2</u> | <u>\$ 3,555</u> | <u>\$ 3,557</u> |

* This schedule applies to electric and gas companies only.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Rate Case Expense (Jurisdiction)
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised ___
Work Paper Reference No(s):

Schedule C-8
Page 1 of 1
Witness Responsible:
S.J. Dias

| Comparison of Projected Expenses Associated with the Current Case to Prior Rate Cases | | | | | | |
|---|------------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------|-------------------------------------|
| Item of Expense | Current Case Estimated | Most Recent Prior Case Actual | Most Recent Prior Case Estimate | Next Most Recent Case Actual | Next Most Recent Case Estimate | Justification of Significant Change |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| Legal | \$ 125 | | | | | |
| Accounting | | | | | | |
| Rate of Return Studies | 28 | | | | | |
| Cost of Service Studies | | | | | | |
| Other Major Rate Case Expenses (List & Specify) | | | | | | |
| Total | <u>\$ 153</u> | <u>\$ 1,091 *</u> | <u>\$ 640 *</u> | <u>\$ 369 *</u> | <u>\$ 530 *</u> | |

| Schedule of Rate Case Expense Amortization | | | | | |
|--|-------------------------------|-----------------------------|--------------------------------|------------------------------------|---|
| Rate Case | Total Expense to be Amortized | Opinion/ Order Date | Authorized Amortization Period | Amount Amortized/ Expensed to Date | Expenses Included In Unadjusted Test Year Expense |
| (H) | (I) | (J) | (K) | (L) | (M) |
| Current (Estimated) | \$ 153 | | | \$ - | \$ - |
| Most Recent | \$ 1,091 | 91-418-EL-AIR 05/12/1992 | 4 years | \$ 1,091 | - |
| Next Most Recent | \$ 369 | 83-314-EL-AIR 12/20/1983 | 1 year | \$ 369 | - |
| | | | | | <u>\$ - (1)</u> |

(1) Represents rate case expense included on Schedule C-2.

* Breakdown by category not available.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Operation and Maintenance Payroll Costs
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated

Type of Filing: ► Original ___ Updated ___ Revised

Work Paper Reference No(s):

Schedule C-9.1, Schedule C-2.1, WP C-2.1a thru e, Schedule C-3.9 thru C-3.13

Schedule C-9

Page 1 of 1

Witness Responsible:

T.E. Mitchell

O.J. Sever

T.A. Caudill

H.E. McCoy

| Operation and Maintenance Expense | | | | | | | |
|-----------------------------------|---------------------------------------|--------------------------|------------------------------|--------------|---------------------------|-------------|-------------------------|
| Line No. | Description | Total Company Unadjusted | Allocation Code/ Description | Allocation % | Jurisdictional Unadjusted | Adjustments | Jurisdictional Adjusted |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | Payroll Costs: | | | | | | |
| 2 | Labor | \$ 53,571 | DIRECT | 55.89% | \$ 29,939 | \$ 683 | \$ 30,622 |
| 3 | | | | | | | |
| 4 | Employee Benefits | | | | | | |
| 5 | Pension | \$ 4,926 | DIRECT | 40.93% | \$ 2,016 | \$ 640 | \$ 2,656 |
| 6 | OPEB | \$ 5,478 | DIRECT | 59.21% | \$ 3,243 | \$ (484) | \$ 2,760 |
| 7 | Savings Plan Contribution | \$ 3,317 | A&G8 | 44.01% | \$ 1,460 | \$ 27 | \$ 1,487 |
| 8 | Other Employee Benefits | \$ 7,150 | A&G8 | 44.01% | \$ 3,147 | \$ 0 | \$ 3,147 |
| 9 | Total Benefits | \$ 20,872 | | | \$ 9,866 | \$ 183 | \$ 10,049 |
| 10 | | | | | | | |
| 11 | Payroll Taxes (F.I.C.A.) | \$ 5,362 | OTHTAX3 | 49.71% | \$ 2,665 | \$ 51 | \$ 2,716 |
| 12 | Other Payroll Taxes | \$ 1,058 | OTHTAX3 | 49.71% | \$ 526 | \$ 0 | \$ 526 |
| 13 | Total Payroll Taxes | \$ 6,419 | | | \$ 3,191 | \$ 51 | \$ 3,242 |
| 14 | | | | | | | |
| 15 | Total Payroll Costs | \$ 80,862 | | | \$ 42,996 | \$ 917 | \$ 43,913 |
| 16 | | | | | | | |
| 17 | Severance Costs: | | | | | | |
| 18 | Labor - Severance | \$ 16,770 | ALLDIST | 100.00% | \$ 16,770 | \$ (11,113) | \$ 5,657 |
| 19 | Savings Plan Contribution - Severance | \$ 8 | ALLDIST | 100.00% | \$ 8 | \$ (6) | \$ 3 |
| 20 | Other Employee Benefits - Severance | \$ 224 | ALLDIST | 100.00% | \$ 224 | \$ (149) | \$ 75 |
| 21 | Payroll Taxes (F.I.C.A.) - Severance | \$ 686 | ALLDIST | 100.00% | \$ 686 | \$ (466) | \$ 221 |
| 22 | Total Payroll Costs - Severance | \$ 17,688 | | | \$ 17,688 | \$ (11,734) | \$ 5,955 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Total Company Payroll Analysis
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-9.1
 Page 1 of 7
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. 5/31/2011 |
|----------|--|---------------------------------|------------------|------------------|------------------|------------------|-----------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 1,943,870 | 2,060,453 | 2,112,634 | 2,275,076 | 2,299,216 | 2,108,964 |
| 3 | Overtime Hours | 337,731 | 275,652 | 273,193 | 409,486 | 355,432 | 297,189 |
| 4 | Total Manhours | <u>2,281,601</u> | <u>2,336,105</u> | <u>2,385,827</u> | <u>2,684,562</u> | <u>2,654,648</u> | <u>2,406,153</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | 17.37% | 13.38% | 12.93% | 18.00% | 15.46% | 14.09% |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 58,439 | 62,996 | 65,740 | 69,350 | 72,960 | 66,154 |
| 8 | Overtime Dollars | 12,678 | 10,562 | 10,626 | 15,346 | 14,010 | 11,202 |
| 9 | Total Labor Dollars | <u>71,117</u> | <u>73,558</u> | <u>76,367</u> | <u>84,696</u> | <u>86,970</u> | <u>77,357</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | 21.69% | 16.77% | 16.16% | 22.13% | 19.20% | 16.93% |
| 11 | O&M Labor Dollars | 47,580 | 50,358 | 52,498 | 58,726 | 60,285 | 53,571 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>66.90%</u> | <u>68.46%</u> | <u>68.74%</u> | <u>69.34%</u> | <u>69.32%</u> | <u>69.25%</u> |
| 13 | Total Employee Benefits | 23,936 | 25,494 | 24,238 | 25,564 | 35,788 | 40,113 |
| 14 | Employee Benefits Expensed | 14,709 | 15,770 | 15,297 | 16,468 | 25,050 | 26,218 |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>61.45%</u> | <u>61.86%</u> | <u>63.11%</u> | <u>64.42%</u> | <u>69.99%</u> | <u>65.36%</u> |
| 16 | Total Payroll Taxes | 6,548 | 6,117 | 6,283 | 7,214 | 6,348 | 8,472 |
| 17 | Payroll Taxes Expensed | 4,373 | 3,816 | 4,002 | 4,827 | 3,947 | 5,955 |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>66.79%</u> | <u>62.39%</u> | <u>63.69%</u> | <u>66.91%</u> | <u>62.17%</u> | <u>70.28%</u> |
| 19 | Average Employee Levels | 1,120 | 1,174 | 1,211 | 1,254 | 1,280 | 1,118 |
| 20 | Year End Employee Levels | 1,144 | 1,199 | 1,235 | 1,292 | 1,254 | 1,194 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Distribution Payroll Analysis
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):

Schedule C-9.1
 Page 2 of 7
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. 5/31/2011 |
|----------|--|---------------------------------|------------------|------------------|------------------|------------------|-----------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 1,280,723 | 1,374,318 | 1,410,166 | 1,484,322 | 1,449,706 | 1,347,011 |
| 3 | Overtime Hours | 237,707 | 159,848 | 146,803 | 254,218 | 186,846 | 156,584 |
| 4 | Total Manhours | <u>1,518,430</u> | <u>1,534,166</u> | <u>1,556,969</u> | <u>1,738,540</u> | <u>1,636,552</u> | <u>1,503,595</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | 18.56% | 11.63% | 10.41% | 17.13% | 12.89% | 11.62% |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 38,088 | 41,459 | 43,617 | 45,389 | 46,949 | 41,955 |
| 8 | Overtime Dollars | 9,056 | 6,410 | 6,006 | 9,794 | 7,946 | 6,293 |
| 9 | Total Labor Dollars | <u>47,144</u> | <u>47,869</u> | <u>49,623</u> | <u>55,183</u> | <u>54,895</u> | <u>48,248</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | 23.78% | 15.46% | 13.77% | 21.58% | 16.92% | 15.00% |
| 11 | O&M Labor Dollars | 27,857 | 29,397 | 30,720 | 34,987 | 35,032 | 29,939 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>59.09%</u> | <u>61.41%</u> | <u>61.91%</u> | <u>63.40%</u> | <u>63.82%</u> | <u>62.05%</u> |
| 13 | Total Employee Benefits | 13,992 | 15,166 | 13,845 | 14,262 | 20,625 | 25,456 |
| 14 | Employee Benefits Expensed | 6,373 | 7,326 | 6,720 | 7,026 | 12,210 | 13,803 |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>45.55%</u> | <u>48.31%</u> | <u>48.54%</u> | <u>49.26%</u> | <u>59.20%</u> | <u>54.22%</u> |
| 16 | Total Payroll Taxes | 4,361 | 4,027 | 4,108 | 4,684 | 4,074 | 5,797 |
| 17 | Payroll Taxes Expensed | 2,573 | 2,185 | 2,303 | 2,823 | 2,254 | 3,731 |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>59.01%</u> | <u>54.25%</u> | <u>56.06%</u> | <u>60.27%</u> | <u>55.33%</u> | <u>64.35%</u> |
| 19 | Average Employee Levels | 737 | 781 | 811 | 830 | 823 | 689 |
| 20 | Year End Employee Levels | 748 | 808 | 820 | 848 | 800 | 748 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Distribution Payroll Analysis - Exempt
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ►Original___Updated___Revised
 Work Paper Reference No(s):
 WP C-9.1a

Schedule C-9.1
 Page 3 of 7
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. 5/31/2011 |
|----------|--|---------------------------------|----------------|----------------|----------------|----------------|-----------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 326,255 | 339,923 | 333,616 | 357,756 | 344,169 | 304,526 |
| 3 | Overtime Hours | 20,022 | 12,285 | 10,396 | 20,156 | 15,024 | 10,346 |
| 4 | Total Manhours | <u>346,277</u> | <u>352,208</u> | <u>344,012</u> | <u>377,912</u> | <u>359,193</u> | <u>314,871</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | 6.14% | 3.61% | 3.12% | 5.63% | 4.37% | 3.40% |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 12,265 | 12,813 | 13,176 | 14,102 | 14,481 | 10,711 |
| 8 | Overtime Dollars | 610 | 367 | 312 | 625 | 494 | 272 |
| 9 | Total Labor Dollars | <u>12,875</u> | <u>13,180</u> | <u>13,488</u> | <u>14,727</u> | <u>14,975</u> | <u>10,983</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | 4.97% | 2.87% | 2.37% | 4.43% | 3.41% | 2.54% |
| 11 | O&M Labor Dollars | 8,388 | 8,396 | 8,446 | 9,253 | 9,757 | 7,022 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>65.15%</u> | <u>63.70%</u> | <u>62.62%</u> | <u>62.83%</u> | <u>65.16%</u> | <u>63.94%</u> |
| 13 | Total Employee Benefits | * | * | * | * | * | * |
| 14 | Employee Benefits Expensed | * | * | * | * | * | * |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 16 | Total Payroll Taxes | * | * | * | * | * | * |
| 17 | Payroll Taxes Expensed | * | * | * | * | * | * |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 19 | Average Employee Levels | 178 | 183 | 183 | 188 | 188 | * |
| 20 | Year End Employee Levels | 182 | 179 | 187 | 193 | 183 | * |

* Not Available in this detail

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Distribution Payroll Analysis - Nonexempt
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 WP C-9.1b

Schedule C-9.1
 Page 4 of 7
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. |
|----------|--|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 5/31/2011 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 702,709 | 754,590 | 779,205 | 807,929 | 783,819 | 761,202 |
| 3 | Overtime Hours | 162,250 | 109,980 | 104,230 | 180,474 | 131,172 | 132,573 |
| 4 | Total Manhours | <u>864,959</u> | <u>864,570</u> | <u>883,435</u> | <u>988,403</u> | <u>914,991</u> | <u>893,775</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | 23.09% | 14.57% | 13.38% | 22.34% | 16.73% | 17.42% |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 18,304 | 20,116 | 21,323 | 21,811 | 22,507 | 22,306 |
| 8 | Overtime Dollars | 6,074 | 4,348 | 4,216 | 6,835 | 5,542 | 5,364 |
| 9 | Total Labor Dollars | <u>24,378</u> | <u>24,464</u> | <u>25,539</u> | <u>28,646</u> | <u>28,049</u> | <u>27,670</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | 33.18% | 21.62% | 19.77% | 31.34% | 24.62% | 24.05% |
| 11 | O&M Labor Dollars | 15,811 | 16,803 | 17,744 | 20,470 | 19,816 | 18,353 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>64.85%</u> | <u>68.68%</u> | <u>69.48%</u> | <u>71.46%</u> | <u>70.65%</u> | <u>66.33%</u> |
| 13 | Total Employee Benefits | * | * | * | * | * | * |
| 14 | Employee Benefits Expensed | * | * | * | * | * | * |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 16 | Total Payroll Taxes | * | * | * | * | * | * |
| 17 | Payroll Taxes Expensed | * | * | * | * | * | * |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 19 | Average Employee Levels | 412 | 438 | 456 | 464 | 453 | * |
| 20 | Year End Employee Levels | 415 | 457 | 461 | 467 | 443 | * |

* Not Available in this detail

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Distribution Payroll Analysis - Salaried Nonexempt
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WPC-9.1c

Schedule C-9.1
 Page 5 of 7
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. 5/31/2011 |
|----------|--|---------------------------------|----------------|----------------|----------------|----------------|-----------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 251,759 | 279,805 | 297,345 | 318,637 | 321,718 | 281,284 |
| 3 | Overtime Hours | 55,435 | 37,583 | 32,177 | 53,588 | 40,650 | 13,665 |
| 4 | Total Manhours | <u>307,194</u> | <u>317,388</u> | <u>329,522</u> | <u>372,225</u> | <u>362,368</u> | <u>294,949</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | 22.02% | 13.43% | 10.82% | 16.82% | 12.64% | 4.86% |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 7,518 | 8,531 | 9,118 | 9,477 | 9,961 | 8,938 |
| 8 | Overtime Dollars | 2,372 | 1,694 | 1,478 | 2,334 | 1,910 | 658 |
| 9 | Total Labor Dollars | <u>9,890</u> | <u>10,225</u> | <u>10,596</u> | <u>11,811</u> | <u>11,871</u> | <u>9,596</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | 31.55% | 19.86% | 16.21% | 24.63% | 19.18% | 7.36% |
| 11 | O&M Labor Dollars | 3,658 | 4,199 | 4,529 | 5,264 | 5,459 | 4,563 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>36.98%</u> | <u>41.06%</u> | <u>42.75%</u> | <u>44.57%</u> | <u>45.99%</u> | <u>47.55%</u> |
| 13 | Total Employee Benefits | * | * | * | * | * | * |
| 14 | Employee Benefits Expensed | * | * | * | * | * | * |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 16 | Total Payroll Taxes | * | * | * | * | * | * |
| 17 | Payroll Taxes Expensed | * | * | * | * | * | * |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 19 | Average Employee Levels | 147 | 160 | 172 | 178 | 182 | * |
| 20 | Year End Employee Levels | 151 | 172 | 172 | 188 | 174 | * |

* Not Available in this detail

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Transmission Payroll Analysis
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Work Paper Reference No(s):

WP C-9.1d

Schedule C-9.1

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Witness Responsible:

T.E. Mitchell

O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. 5/31/2011 |
|----------|--|---------------------------------|----------------|----------------|----------------|----------------|-----------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 87,820 | 99,828 | 105,055 | 113,234 | 115,228 | 103,282 |
| 3 | Overtime Hours | 8,360 | 8,721 | 9,409 | 12,997 | 11,056 | 8,064 |
| 4 | Total Manhours | <u>96,180</u> | <u>108,549</u> | <u>114,464</u> | <u>126,231</u> | <u>126,284</u> | <u>111,346</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | <u>9.52%</u> | <u>8.74%</u> | <u>8.96%</u> | <u>11.48%</u> | <u>9.59%</u> | <u>7.81%</u> |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 2,947 | 3,461 | 3,687 | 3,882 | 4,110 | 3,629 |
| 8 | Overtime Dollars | 327 | 335 | 370 | 512 | 448 | 303 |
| 9 | Total Labor Dollars | <u>3,274</u> | <u>3,796</u> | <u>4,057</u> | <u>4,394</u> | <u>4,558</u> | <u>3,932</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | <u>11.09%</u> | <u>9.68%</u> | <u>10.04%</u> | <u>13.20%</u> | <u>10.90%</u> | <u>8.35%</u> |
| 11 | O&M Labor Dollars | 1,867 | 2,015 | 2,120 | 2,408 | 2,456 | 1,865 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>57.00%</u> | <u>53.10%</u> | <u>52.27%</u> | <u>54.80%</u> | <u>53.88%</u> | <u>47.45%</u> |
| 13 | Total Employee Benefits | 1,076 | 1,101 | 976 | 942 | 1,525 | 1,686 |
| 14 | Employee Benefits Expensed | 292 | 269 | 97 | 55 | 558 | 649 |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>27.16%</u> | <u>24.45%</u> | <u>9.98%</u> | <u>5.80%</u> | <u>36.61%</u> | <u>38.49%</u> |
| 16 | Total Payroll Taxes | 304 | 325 | 350 | 361 | 341 | 451 |
| 17 | Payroll Taxes Expensed | 179 | 165 | 175 | 206 | 173 | 287 |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>58.86%</u> | <u>50.76%</u> | <u>49.99%</u> | <u>57.13%</u> | <u>50.61%</u> | <u>63.60%</u> |
| 19 | Average Employee Levels | 51 | 57 | 61 | 63 | 65 | 54 |
| 20 | Year End Employee Levels | 54 | 59 | 58 | 67 | 64 | 52 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Generation Payroll Analysis
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WP C-9.1e

Schedule C-9.1
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 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. |
|----------|--|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 5/31/2011 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 575,327 | 586,307 | 597,413 | 677,520 | 734,282 | 658,671 |
| 3 | Overtime Hours | 91,664 | 107,083 | 116,981 | 142,271 | 157,530 | 132,541 |
| 4 | Total Manhours | <u>666,991</u> | <u>693,390</u> | <u>714,394</u> | <u>819,791</u> | <u>891,812</u> | <u>791,212</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | <u>15.93%</u> | <u>18.26%</u> | <u>19.58%</u> | <u>21.00%</u> | <u>21.45%</u> | <u>20.12%</u> |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 17,404 | 18,076 | 18,436 | 20,079 | 21,902 | 20,570 |
| 8 | Overtime Dollars | 3,295 | 3,817 | 4,250 | 5,040 | 5,616 | 4,606 |
| 9 | Total Labor Dollars | <u>20,699</u> | <u>21,893</u> | <u>22,686</u> | <u>25,119</u> | <u>27,518</u> | <u>25,177</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | <u>18.93%</u> | <u>21.12%</u> | <u>23.05%</u> | <u>25.10%</u> | <u>25.64%</u> | <u>22.39%</u> |
| 11 | O&M Labor Dollars | 17,857 | 18,946 | 19,658 | 21,331 | 22,796 | 21,767 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>86.27%</u> | <u>86.54%</u> | <u>86.65%</u> | <u>84.92%</u> | <u>82.84%</u> | <u>86.46%</u> |
| 13 | Total Employee Benefits | 8,867 | 9,227 | 9,417 | 10,360 | 13,638 | 12,971 |
| 14 | Employee Benefits Expensed | 8,043 | 8,175 | 8,480 | 9,388 | 12,282 | 11,766 |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>90.71%</u> | <u>88.60%</u> | <u>90.05%</u> | <u>90.61%</u> | <u>90.05%</u> | <u>90.71%</u> |
| 16 | Total Payroll Taxes | 1,883 | 1,765 | 1,825 | 2,169 | 1,933 | 2,223 |
| 17 | Payroll Taxes Expensed | 1,622 | 1,467 | 1,524 | 1,798 | 1,520 | 1,937 |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>86.09%</u> | <u>83.10%</u> | <u>83.50%</u> | <u>82.88%</u> | <u>78.61%</u> | <u>87.11%</u> |
| 19 | Average Employee Levels | 332 | 336 | 339 | 361 | 392 | 375 |
| 20 | Year End Employee Levels | 342 | 332 | 357 | 377 | 390 | 394 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Comparative Balance Sheets (Total Company)
As of 08/31/2010 and December 31, 2005-2009
(\$000)

Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):

Schedule C-10.1
 Page 1 of 4
 Witness Responsible:
 T.E. Mitchell

| Line No. | Description | Date Certain 08/31/2010 | Most Recent Five Calendar Years | | | | |
|----------|---|----------------------------|---------------------------------|--------------|--------------|--------------|--------------|
| (A) | (B) | (C) | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | UTILITY PLANT | | | | | | |
| 2 | Utility Plant (101-106, 114) (incl. EPIS leased & assoc. reserve) | \$ 5,329,966 | \$ 5,253,876 | \$ 4,782,462 | \$ 4,379,179 | \$ 3,994,436 | \$ 3,838,188 |
| 3 | Construction Work in Progress (107) | 165,623 | 154,928 | 394,918 | 415,327 | 294,135 | 129,245 |
| 4 | Total Utility Plant | 5,495,590 | 5,408,804 | 5,177,380 | 4,794,506 | 4,288,570 | 3,967,433 |
| 5 | (Less) Accum. Prov. for Depr., Amort., and Depl. (108, 110, 111, 115) | 2,120,103 | 2,045,319 | 1,989,471 | 1,902,042 | 1,714,175 | 1,589,285 |
| 6 | Net Utility Plant, Before Nuclear Fuel | 3,375,487 | 3,363,486 | 3,187,908 | 2,892,463 | 2,574,395 | 2,378,149 |
| 7 | Nuclear Fuel (120.1-120.4, 120.6) | - | - | - | - | - | - |
| 8 | (Less) Accum. Prov. For Amort. of Nuclear Fuel Assem. (120.5) | - | - | - | - | - | - |
| 9 | Net Nuclear Fuel | - | - | - | - | - | - |
| 10 | Net Utility Plant | 3,375,487 | 3,363,486 | 3,187,908 | 2,892,463 | 2,574,395 | 2,378,149 |
| 11 | OTHER PROPERTY AND INVESTMENTS | | | | | | |
| 12 | Nonutility Property (121) | 15,395 | 15,395 | 13,530 | 13,311 | 13,003 | 12,977 |
| 13 | (Less) Accum. Prov. for Depr. & Amort. (122) | 3,252 | 3,057 | 3,034 | 3,008 | 2,718 | 2,721 |
| 14 | Investments in Associated Companies (123) | 430 | 430 | 430 | 430 | 430 | 430 |
| 15 | Investments in Subsidiary Companies (123.1) | (1,315) | (1,484) | 15,332 | 14,663 | 13,629 | 13,320 |
| 16 | Noncurrent Portion of Allowances | 14,540 | 14,540 | 16,303 | 20,761 | 28,080 | 26,965 |
| 17 | Other Investments (124) | 12,300 | 12,368 | 12,466 | 12,708 | 12,779 | 16,815 |
| 18 | Special Funds (125-129) | 0 | 0 | 0 | 58,660 | 0 | 0 |
| 19 | Long-Term Portion of Derivative Assets (175) | 28,639 | 23,882 | 28,359 | 43,222 | 56,126 | 101,512 |
| 20 | Long-Term Portion of Derivative Assets - Hedges (176) | 0 | 0 | 101 | 131 | 80 | 0 |
| 21 | Total Other Property and Investments | 66,736 | 62,074 | 83,487 | 160,877 | 121,410 | 169,299 |
| 22 | CURRENT AND ACCRUED ASSETS | | | | | | |
| 23 | Cash (131) & Working Funds (135) & TCI (136) | 1,924 | 1,096 | 1,063 | 1,389 | 1,319 | 940 |
| 24 | Special Deposits (132-134) | 20,380 | 31,024 | 45,913 | 59,164 | 8,898 | 16,832 |
| 25 | Notes Receivable (141) | - | - | - | - | - | - |
| 26 | Customer Accounts Receivable (142) | 22,540 | 21,199 | 36,951 | 39,971 | 36,542 | 26,978 |
| 27 | Other Accounts Receivable (143) | 6,062 | 16,973 | 30,418 | 26,182 | 17,498 | 17,919 |
| 28 | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144) | 1,976 | 3,481 | 2,902 | 2,563 | 546 | 1,082 |
| 29 | Notes Receivable from Associated Companies (145) | 135,927 | - | - | - | - | - |
| 30 | Accounts Receivable from Associated Companies (146) | 25,664 | 25,173 | 41,337 | 29,820 | 60,005 | 67,694 |
| 31 | Fuel Stock (151) | 61,876 | 72,012 | 41,177 | 35,216 | 36,499 | 27,853 |
| 32 | Fuel Stock Expense Undistributed (152) | 1,451 | 2,146 | 898 | 633 | 849 | 726 |
| 33 | Residuals (Elec.) and Extracted Products (153) | - | - | - | - | - | - |

¹ If date certain actual balance sheet is not available at the date of filing, it shall be provided with the two-month update filing.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Comparative Balance Sheets (Total Company)
As of 08/31/2010 and December 31, 2005-2009
(\$000)

Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):

Schedule C-10.1
 Page 2 of 4
 Witness Responsible:
 T.E. Mitchell

| Line No. | Description | Date Certain ¹ 08/31/2010 | Most Recent Five Calendar Years | | | | |
|----------|---|---|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | | | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 34 | CURRENT AND ACCRUED ASSETS, continued | | | | | | |
| 35 | Plant Material and Operating Supplies (154) | 38,947 | 37,342 | 31,711 | 34,673 | 30,572 | 27,450 |
| 36 | Merchandise (155) | - | - | - | - | - | - |
| 37 | Other Materials and Supplies (156) | - | - | - | - | - | - |
| 38 | Nuclear Materials Held for Sale (157) | - | - | - | - | - | - |
| 39 | Allowances (158.1 and 158.2) | 37,388 | 41,112 | 36,472 | 37,435 | 31,404 | 43,098 |
| 40 | (Less) Noncurrent Portion of Allowances | 14,540 | 14,540 | 16,303 | 20,761 | 28,080 | 26,965 |
| 41 | Stores Expense Undistributed (163) | 22 | - | - | - | - | - |
| 42 | Prepayments (165) | 22,128 | 20,947 | 21,037 | 5,638 | 41,254 | 133,684 |
| 43 | Interest and Dividends Receivable (171) | 2,024 | 1,196 | 3,905 | 808 | - | - |
| 44 | Rents Receivable (172) | 660 | 829 | 167 | 185 | 204 | 244 |
| 45 | Accrued Utility Revenues (173) | 34,321 | 11,845 | 18,359 | 14,815 | 11,042 | 10,086 |
| 46 | Miscellaneous Current and Accrued Assets (174) | 374 | 1,038 | 0 | 25 | 0 | 2 |
| 47 | Derivative Instrument Assets (175) | 63,071 | 57,241 | 61,513 | 77,327 | 116,667 | 177,393 |
| 48 | (Less) Long-Term Portion of Derivative Instrument Assets (175) | 28,639 | 23,882 | 28,359 | 43,222 | 56,126 | 101,512 |
| 49 | Derivative Instrument Assets - Hedges (176) | 38 | 984 | 2,932 | 590 | 5,777 | 626 |
| 50 | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) | 0 | 0 | 101 | 131 | 80 | 0 |
| 51 | Total Current and Accrued Assets | <u>429,642</u> | <u>300,254</u> | <u>326,187</u> | <u>297,195</u> | <u>313,699</u> | <u>421,965</u> |
| 52 | DEFERRED DEBITS | | | | | | |
| 53 | Unamortized Debt Expense (181) | 8,392 | 6,694 | 8,176 | 5,778 | 5,027 | 5,877 |
| 54 | Extraordinary Property Losses (182.1) | - | - | - | - | - | - |
| 55 | Unrecovered Plant and Regulatory Study Costs (182.2) | - | - | - | - | - | - |
| 56 | Other Regulatory Assets (182.3) | 320,610 | 334,716 | 293,113 | 230,051 | 292,908 | 225,706 |
| 57 | Prelim. Survey and Investigation Charges (183) | 3 | 1 | 1 | 1 | 2 | 94 |
| 58 | PREL. SUR. & INVEST. CHARGES (GAS) (183.1, 183.2) | - | - | - | - | - | - |
| 59 | Clearing Accounts/Temp Facilities (184, 185) | 31 | - | - | - | - | - |
| 60 | Miscellaneous Deferred Debits (186) | 47,863 | 109,836 | 98,935 | 95,298 | 83,670 | 73,637 |
| 61 | Def. Losses from Disposition of Utility Plant (187) | - | - | - | - | - | - |
| 62 | Research, Devel. And Demonstration Expend. (188) | - | - | - | - | - | - |
| 63 | Unamortized Loss on Reacquired Debt (189) | 8,861 | 9,357 | 10,100 | 10,858 | 11,624 | 12,389 |
| 64 | Accumulated Deferred Income Taxes (190) | 109,875 | 118,960 | 150,077 | 100,931 | 80,836 | 75,275 |
| 65 | Total Deferred Debits | <u>495,636</u> | <u>579,564</u> | <u>560,402</u> | <u>442,917</u> | <u>474,067</u> | <u>392,977</u> |
| 66 | Total Assets and Other Debits | <u>\$ 4,367,501</u> | <u>\$ 4,305,378</u> | <u>\$ 4,157,985</u> | <u>\$ 3,793,452</u> | <u>\$ 3,483,571</u> | <u>\$ 3,362,390</u> |

¹ If date certain actual balance sheet is not available at the date of filing, it shall be provided with the two-month update filing.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Comparative Balance Sheets (Total Company)
As of 08/31/2010 and December 31, 2005-2009
(\$000)

Type of Filing: ► Original ___ Updated ___ Revised ___
Work Paper Reference No(s):

Schedule C-10.1
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Witness Responsible:
T.E. Mitchell

| Line No. | Description | Date Certain ¹ 08/31/2010 | Most Recent Five Calendar Years | | | | |
|----------|--|---|---------------------------------|------------------|------------------|------------------|------------------|
| | | | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 67 | PROPRIETARY CAPITAL | | | | | | |
| 68 | Common Stock Issued (201) | \$ 41,026 | \$ 41,026 | \$ 41,026 | \$ 41,026 | \$ 41,026 | \$ 41,026 |
| 69 | Preferred Stock Issued (204) INCLUDES AMOUNT DUE WITHIN ONE YEAR | 0 | 0 | 0 | 0 | 0 | 0 |
| 70 | Premium on Capital Stock (207) | 257,892 | 257,892 | 257,892 | 257,892 | 257,892 | 257,892 |
| 71 | Other Paid-In-Capital (208-211) | 322,877 | 322,772 | 322,615 | 322,457 | 322,300 | 322,142 |
| 72 | Installments Received on Capital Stock (212) | - | - | - | - | - | - |
| 73 | (Less) Discount on Capital Stock (213) | - | - | - | - | - | - |
| 74 | (Less) Capital Stock Expense (214) | - | - | - | - | - | - |
| 75 | Retained Earnings (215, 215.1, 216) ² | 906,133 | 786,073 | 664,555 | 552,162 | 448,287 | 353,174 |
| 76 | Unappropriated Undistr. Subsidiary Earnings (216.1) | 2,111 | 2,065 | 10,202 | 9,533 | 8,499 | 8,190 |
| 77 | Less: Reacquired Capital Stock (217) | - | - | - | - | - | - |
| 78 | Accumulated Other Comprehensive Income (219) | (49,635) | (49,994) | (46,851) | (16,394) | (19,236) | (880) |
| 79 | Total Proprietary Capital | <u>1,480,405</u> | <u>1,359,835</u> | <u>1,249,440</u> | <u>1,166,677</u> | <u>1,058,769</u> | <u>981,546</u> |
| 80 | LONG-TERM DEBT | | | | | | |
| 81 | Bonds (221) INCLUDES AMOUNT DUE WITHIN ONE YEAR | - | - | - | - | - | - |
| 82 | (Less) Reacquired Bonds (222) | - | - | 92,245 | - | - | - |
| 83 | Advances from Associated Companies (223) | - | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 |
| 84 | Other Long-Term Debt (224) | 1,592,745 | 1,442,745 | 1,442,745 | 1,204,745 | 1,104,245 | 1,104,245 |
| 85 | Unamortized Premium on Long-Term Debt (225) | - | - | - | - | - | - |
| 86 | Less: Unamortized Discount on Long-Term Debt-Debit (226) | 4,018 | 6,352 | 6,906 | 6,521 | 6,923 | 7,325 |
| 87 | Total Long-Term Debt | <u>1,588,727</u> | <u>1,536,393</u> | <u>1,443,594</u> | <u>1,298,224</u> | <u>1,197,322</u> | <u>1,196,920</u> |
| 88 | OTHER NONCURRENT LIABILITIES | | | | | | |
| 89 | Obligations Under Capital Leases - Noncurrent (227) | 6,798 | 2,239 | 3,691 | 4,380 | 5,727 | 6,471 |
| 90 | Accumulated Provision for Property Insurance (228.1) | - | - | - | - | - | - |
| 91 | Accumulated Provision for Injuries and Damages (228.2) | 47 | 53 | 170 | 170 | 15 | 86 |
| 92 | Accumulated Provision for Pensions and Benefits (228.3) | 116,068 | 122,487 | 137,022 | 28,365 | 40,059 | 2,898 |
| 93 | Accumulated Miscellaneous Operating Provisions (228.4) | 2,022 | 3,447 | 925 | 1,349 | 238 | 510 |
| 94 | Accumulated Provision for Rate Refunds (229) | - | - | - | - | - | - |
| 95 | Long-Term Portion of Derivative Instrument Liabilities | 9,352 | 10,272 | 14,758 | 27,376 | 40,460 | 84,067 |
| 96 | Long-Term Portion of Derivative Instrument Liabilities - Hedges | 146 | 41 | 16 | 78 | 17 | 223 |
| 97 | Asset Retirement Obligations (230) | 40,039 | 39,349 | 16,321 | 20,588 | 18,574 | 16,681 |
| 98 | Total Other Non-Current Liabilities | <u>174,472</u> | <u>177,887</u> | <u>172,903</u> | <u>82,306</u> | <u>105,089</u> | <u>110,937</u> |

¹ If date certain actual balance sheet is not available at the date of filing, it shall be provided with the two month update filing.

² The following summarizes the significant accounting changes during the periods presented (pre-tax):

2008: Company adopted Emerging Issues Task Force (EITF) 06-10 "Accounting for Collateral Assignment Split-Dollar Life Insurance Arrangements" effective January 1, 2008 with an unfavorable cumulative effect reduction of \$1.7 million.

2007: Company adopted Financial Accounting Standards Board Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" effective January 1, 2007 with an unfavorable adjustment to retained earnings of \$3 million.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Comparative Balance Sheets (Total Company)
As of 08/31/2010 and December 31, 2005-2009
(\$000)

Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):

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 Witness Responsible:
 T.E. Mitchell

| Line No. | Description | Date Certain ¹ 08/31/2010 | Most Recent Five Calendar Years | | | | |
|----------|--|---|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | | | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 99 | CURRENT AND ACCRUED LIABILITIES | | | | | | |
| 100 | Notes Payable (231) | - | - | - | - | - | - |
| 101 | Accounts Payable (232) | 85,949 | 95,642 | 131,120 | 113,061 | 112,102 | 58,805 |
| 102 | Notes Payable Associated Companies (233) | - | 28,793 | 84,156 | 102,509 | 9,242 | 24,774 |
| 103 | Accounts Payable to Associated Companies (234) | 60,777 | 82,844 | 122,489 | 67,365 | 61,337 | 60,357 |
| 104 | Customer Deposits (235) | 28,810 | 27,911 | 30,145 | 45,602 | 34,991 | 47,013 |
| 105 | Taxes Accrued (236) | 99,512 | 167,830 | 187,000 | 181,760 | 161,631 | 120,280 |
| 106 | Interest Accrued (237) | 37,542 | 23,521 | 24,518 | 25,350 | 19,515 | 18,838 |
| 107 | Dividends Declared (238) | - | - | - | - | - | - |
| 108 | Matured Long-Term Debt (239) | - | - | - | - | - | - |
| 109 | Matured Interest (240) | - | - | - | - | - | - |
| 110 | Taxes Collections Payable (241) | 60 | 946 | 56 | 29 | 59 | 10 |
| 111 | Miscellaneous Current and Accrued Liabilities (242) | 34,514 | 37,020 | 42,027 | 46,525 | 32,085 | 28,700 |
| 112 | Obligations Under Capital Leases - Current (243) | 3,815 | 2,124 | 2,661 | 3,104 | 2,692 | 3,006 |
| 113 | Derivative Instrument Liabilities (244) | 21,473 | 21,570 | 30,628 | 55,916 | 89,188 | 151,213 |
| 114 | (Less) Long-Term Portion of Derivative Instrument Liabilities | 9,352 | 10,272 | 14,758 | 27,376 | 40,460 | 84,067 |
| 115 | Derivative Instrument Liabilities - Hedges (245) | 1,978 | 1,794 | 636 | 1,656 | 574 | 2,113 |
| 116 | (Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges | 146 | 41 | 16 | 78 | 17 | 223 |
| 117 | Total Current and Accrued Liabilities | <u>364,931</u> | <u>479,682</u> | <u>640,662</u> | <u>615,423</u> | <u>482,938</u> | <u>430,818</u> |
| 118 | DEFERRED CREDITS | | | | | | |
| 119 | Customer Advances for Construction (252) | 276 | 276 | 278 | 295 | 301 | 310 |
| 120 | Other Regulatory Liabilities (254) | 20,424 | 29,882 | 14,652 | 19,880 | 40,552 | 28,683 |
| 121 | Accumulated DITC (255) | 15,469 | 16,833 | 18,813 | 20,767 | 22,952 | 25,215 |
| 122 | Deferred Gains from Disposition of Utility Plant (256) | - | - | - | - | - | - |
| 123 | Other Deferred Credits (253) | 19,077 | 19,710 | 30,285 | 34,828 | 17,312 | 14,361 |
| 124 | Unamortized Gain on Reacquired Debt (257) | - | - | - | - | - | - |
| 125 | Accumulated DFIT (281-283) | <u>703,720</u> | <u>684,880</u> | <u>587,358</u> | <u>555,052</u> | <u>558,336</u> | <u>573,599</u> |
| 126 | Total Deferred Credits | <u>758,966</u> | <u>751,581</u> | <u>651,386</u> | <u>630,822</u> | <u>639,452</u> | <u>642,168</u> |
| 127 | Total Liabilities and Other Credits | <u>\$ 4,371,007</u> | <u>\$ 4,305,378</u> | <u>\$ 4,157,985</u> | <u>\$ 3,793,452</u> | <u>\$ 3,483,571</u> | <u>\$ 3,362,390</u> |

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COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Comparative Income Statements (Total Company)
2005-2009 and the Twelve Months Ending May 31, 2011
(\$000)

Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
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Schedule C-10.2

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Witness Responsible:

T.E. Mitchell

O.J. Sever

| Line No. | Description | Test Yr. 5/31/2011 | Most Recent Five Calendar Years | | | | |
|----------|--|-----------------------|---------------------------------|--------------|--------------|--------------|--------------|
| | | | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | UTILITY OPERATING INCOME | | | | | | |
| 2 | Operating Revenues (400) | \$ 2,147,959 | \$ 2,057,100 | \$ 2,277,642 | \$ 2,091,769 | \$ 1,803,111 | \$ 1,533,893 |
| 3 | Operating Expenses: | | | | | | |
| 4 | Operation Expenses (401) | 1,236,758 | 1,095,212 | 1,367,342 | 1,176,117 | 1,021,302 | 907,407 |
| 5 | Maintenance Expenses (402) | 115,447 | 126,441 | 109,335 | 93,157 | 88,654 | 87,303 |
| 6 | Depreciation Expense (403.0+403.1002) | 136,196 | 126,947 | 136,122 | 117,188 | 109,215 | 101,898 |
| 7 | Depreciation Expense for Asset Retirement Costs (403.1001) | 4,337 | 2,676 | 453 | 14,923 | 11,692 | 10,635 |
| 8 | Amort. & Depl. of Utility Plant (404-405) | 9,914 | 11,690 | 11,406 | 10,554 | 10,847 | 10,318 |
| 9 | Amort. of Utility Plant Acq. Adj. (406) | - | - | - | - | - | - |
| 10 | Amort. of Property Losses (407) | - | - | - | - | - | - |
| 11 | Amort. of Conversion Expenses (407) | - | - | - | - | - | - |
| 12 | Regulatory Debits (407.3) | 2,161 | 3,134 | 60,152 | 62,841 | 61,354 | 19,352 |
| 13 | (Less) Regulatory Credits (407.4) | 67 | 93 | 21,530 | 8,346 | 36 | - |
| 14 | Taxes Other Than Income Taxes (408.1) | 190,455 | 175,069 | 167,631 | 161,056 | 154,536 | 148,571 |
| 15 | Income Taxes - Federal (409.1) | 68,167 | 19,276 | 116,048 | 162,038 | 116,820 | 36,386 |
| 16 | - Other (409.1) | 2,074 | 618 | 2,955 | (4,914) | 1,563 | 1,924 |
| 17 | Provision of Deferred Inc. Taxes (410.1) | 91,715 | 315,856 | 165,043 | 134,427 | 72,254 | 120,805 |
| 18 | (Less) Provision for Deferred Income Taxes - Cr. (411.1) | - | 175,128 | 161,302 | 154,101 | 83,059 | 97,576 |
| 19 | Investment Tax Credit Adj. - Net (411.4) | (1,962) | (1,980) | (1,954) | (2,238) | (2,125) | (2,636) |
| 20 | (Less) Gains from Disp. of Utility Plant (411.6) | - | - | - | 331 | 456 | - |
| 21 | Losses from Disp. of Utility Plant (411.7) | - | - | 207 | - | 51 | - |
| 22 | (Less) Gains from Disposition of Allowances (411.8) | 17 | 66 | 1,206 | 3,980 | 10,753 | 1,695 |
| 23 | Losses from Disposition of Allowances (411.9) | - | - | - | 3 | - | 23 |
| 24 | Accretion Expense (411.10) | 2,844 | 1,359 | 1,378 | 1,232 | 1,243 | 864 |
| 25 | Total Utility Operating Expenses | 1,834,468 | 1,701,012 | 1,952,080 | 1,759,626 | 1,553,103 | 1,343,578 |
| 26 | Net Utility Operating Income | 313,492 | 356,088 | 325,562 | 332,143 | 250,009 | 190,315 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Comparative Income Statements (Total Company)
2005-2009 and the Twelve Months Ending May 31, 2011
(\$000)

Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):
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| Line No. | Description | Test Yr. 5/31/2011 | Most Recent Five Calendar Years | | | | |
|----------|--|-----------------------|---------------------------------|----------|---------|---------|--------|
| | | | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 27 | OTHER INCOME and DEDUCTIONS | | | | | | |
| 28 | Other Income | | | | | | |
| 29 | Nonutility Operating Income | | | | | | |
| 30 | Rev. from Merchandising, Jobbing & Contract Work (415) | - | - | - | - | - | - |
| 31 | (Less) Costs & Exp. of Merch., Jobbing & Contr. Work (416) | - | - | - | - | 2 | - |
| 32 | Revenues form Nonutility Operations (417) | 5 | 4 | 1 | 2 | 1 | - |
| 33 | (Less) Expenses of Nonutility Operations (417.1) | - | - | - | - | - | - |
| 34 | Nonoperating Rental Income (418) | 450 | 423 | 723 | 495 | 417 | 381 |
| 35 | Equity in Earnings of Subsidiary Companies (418.1) | 17 | 297 | 669 | 1,034 | 309 | 1,385 |
| 36 | Interest and Dividend Income (419) | 3,702 | 802 | 5,164 | 1,755 | 8,646 | 3,749 |
| 37 | Allowance for Other Funds Used During Constr. (419.1) | 890 | 3,382 | 3,364 | 3,036 | 1,866 | 1,579 |
| 38 | Miscellaneous Nonoperating Income (421) | 9,133 | 10,087 | 7,779 | 8,336 | 6,990 | 16,774 |
| 39 | Gain on Disposition of Property (421.1) | - | 12 | 414 | 18 | 79 | 405 |
| 40 | Total Other Income | 14,197 | 15,007 | 18,115 | 14,675 | 18,305 | 24,272 |
| 41 | Other Income Deductions: | | | | | | |
| 42 | Loss on Disposition of Property (421.2) | (128) | 24 | 150 | - | 10 | 15 |
| 43 | Miscellaneous Amortization (425) | - | - | - | - | - | - |
| 44 | Miscellaneous Income Deductions (426.1-426.5) | 13,473 | 28,027 | 25,272 | 25,228 | 21,266 | 14,836 |
| 45 | Total Other Income Deductions | 13,345 | 28,050 | 25,421 | 25,228 | 21,275 | 14,851 |
| 46 | Taxes Applicable to Other Income and Deductions | | | | | | |
| 47 | Taxes Other Than Income Taxes (408.2) | - | 80 | 315 | 315 | 315 | 315 |
| 48 | Income Taxes - Federal (409.2) | (1,235) | (6,234) | (7,730) | (6,046) | (4,543) | 5,938 |
| 49 | Income Taxes - Other (409.2) | 47 | 288 | 263 | - | - | - |
| 50 | Provision for Deferred Inc. Taxes (410.2) | 781 | 3,146 | 3,608 | 13,186 | 14,510 | 11,306 |
| 51 | (Less) Provision for Deferred Income Taxes - Cr. (411.2) | 1,210 | 12,144 | 7,554 | 13,384 | 14,567 | 15,258 |
| 52 | Investment Tax Credit Adj. - Net (411.5) | - | - | - | 53 | (139) | (79) |
| 53 | (Less) Investment Tax Credits (420) | - | - | - | - | - | - |
| 54 | Total Taxes on Other Inc. and Ded. | (1,616) | (14,863) | (11,098) | (5,875) | (4,424) | 2,222 |
| 55 | Net Other Income and Deductions | 2,468 | 1,820 | 3,792 | (4,677) | 1,454 | 7,199 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Comparative Income Statements (Total Company)
2005-2009 and the Twelve Months Ending May 31, 2011
(\$000)

Type of Filing: ► Original___Updated___Revised
 Work Paper Reference No(s):
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 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Test Yr. 5/31/2011 | Most Recent Five Calendar Years | | | | |
|----------|---|-----------------------|---------------------------------|------------|------------|------------|------------|
| (A) | (B) | (C) | 2009 | 2008 | 2007 | 2006 | 2005 |
| 56 | INTEREST CHARGES | | | | | | |
| 57 | Interest on Long-Term Debt (427) | 79,948 | 79,206 | 73,458 | 63,523 | 62,231 | 56,149 |
| 58 | Amort. of Debt Discount and Expense (428) | 1,548 | 1,841 | 1,086 | 978 | 1,172 | 1,589 |
| 59 | Amort. of Loss on Reacquired Debt (428.1) | 416 | 743 | 757 | 766 | 766 | 766 |
| 60 | (Less) Amort. of Premium on Debt - Credit (429) | - | - | - | - | - | - |
| 61 | (Less) Amort. of Gain on Reacquired Debt -Cr. (429.1) | - | - | - | - | - | - |
| 62 | Interest on Debt to Assoc. Companies (430) | 2 | 5,974 | 20,899 | 7,423 | 5,098 | 503 |
| 63 | Other Interest Expense (431) | 3,054 | 4,450 | (1,300) | 3,963 | 2,642 | 2,234 |
| 64 | (Less) Allow. for Borrowed Funds Used During Constr. -Cr. (432) | 2,511 | 5,968 | 2,677 | 7,275 | 5,955 | 1,526 |
| 65 | Net Interest Charges | 82,456 | 86,247 | 92,223 | 69,378 | 65,954 | 59,715 |
| 66 | Income Before Extraordinary Items | 233,504 | 271,661 | 237,130 | 258,088 | 185,509 | 137,799 |
| | | | 0 | 0 | 0 | 0 | 0 |
| 67 | EXTRAORDINARY ITEMS | | | | | | |
| 68 | Extraordinary Income (434) | - | - | - | - | 107 | - |
| 69 | (Less) Extraordinary Deductions (435) ¹ | - | - | - | - | - | 1,292 |
| 70 | Net Extraordinary Items | - | - | - | - | 107 | (1,292) |
| 71 | Income Taxes - Federal and Other (409.3) | - | - | - | - | 38 | (452) |
| 72 | Extraordinary Items After Taxes | - | - | - | - | 70 | (840) |
| 73 | Net Income | 233,504 | 271,661 | 237,130 | 258,088 | 185,579 | 136,959 |
| | | | 0 | 0 | 0 | 0 | 0 |
| 74 | (LESS) PREFERRED DIVIDEND | 157 | 157 | 157 | 157 | 157 | 2,620 |
| 75 | Available for Common | \$ 233,347 | \$ 271,504 | \$ 236,973 | \$ 257,931 | \$ 185,422 | \$ 134,340 |

¹ The following summarizes the significant accounting changes during the periods presented (pre-tax):

2005: Company adopted Financial Accounting Standards Board Interpretation No. 47 "Accounting for Conditional Asset Retirement Obligations" during the fourth quarter of 2005 and recorded an unfavorable extraordinary item related to asbestos removal for nonregulated operations of \$1.3 million.

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Revenue Statistics - Total Company
Actual 2005-2009 and Projected 2011-2015
and the Twelve Months Ending May 31, 2011

Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):

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 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. | Five Projected Calendar Years | | | | |
|----------|--|---------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------------|---------------------|---------------------|---------------------|---------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 12 Mo. Ending 5/31/2011 | 2011 | 2012 | 2013 | 2014 | 2015 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
| 1 | Revenue by customer class (\$000): | | | | | | | | | | | |
| 2 | Residential | \$ 555,487 | \$ 632,878 | \$ 682,184 | \$ 720,761 | \$ 749,623 | \$ 870,240 | \$ 874,943 | \$ 911,506 | \$ 919,827 | \$ 945,634 | \$ 943,889 |
| 3 | Commercial | 495,771 | 569,865 | 619,396 | 684,277 | 715,727 | 690,772 | 638,561 | 600,838 | 600,655 | 618,198 | 616,835 |
| 4 | Industrial | 129,590 | 195,855 | 274,867 | 330,659 | 268,109 | 291,266 | 317,252 | 364,904 | 385,145 | 402,189 | 401,091 |
| 5 | Other | 4,782 | 5,380 | 5,441 | 5,872 | 6,341 | 7,165 | 7,386 | 7,437 | 7,443 | 7,678 | 7,714 |
| 6 | Total Retail | <u>\$ 1,185,630</u> | <u>\$ 1,403,978</u> | <u>\$ 1,581,888</u> | <u>\$ 1,741,569</u> | <u>\$ 1,739,800</u> | <u>\$ 1,859,442</u> | <u>\$ 1,838,142</u> | <u>\$ 1,884,685</u> | <u>\$ 1,913,070</u> | <u>\$ 1,973,699</u> | <u>\$ 1,969,529</u> |
| 7 | YEAR END Number of customers by class: | | | | | | | | | | | |
| 8 | Residential | 635,838 | 661,760 | 665,583 | 667,012 | 666,894 | 668,056 | 669,769 | 674,105 | 681,053 | 687,109 | 691,356 |
| 9 | Commercial | 71,361 | 75,930 | 77,036 | 78,280 | 78,219 | 79,705 | 80,222 | 81,008 | 81,855 | 82,656 | 83,410 |
| 10 | Industrial | 2,630 | 3,515 | 3,449 | 3,396 | 3,357 | 3,350 | 3,340 | 3,321 | 3,303 | 3,286 | 3,268 |
| 11 | Other | 288 | 320 | 307 | 309 | 309 | 311 | 312 | 314 | 316 | 316 | 316 |
| 12 | Total Retail | <u>710,117</u> | <u>741,525</u> | <u>746,375</u> | <u>748,997</u> | <u>748,779</u> | <u>751,422</u> | <u>753,643</u> | <u>758,748</u> | <u>766,527</u> | <u>773,367</u> | <u>778,350</u> |
| 13 | AVERAGE Number of customers by class: | | | | | | | | | | | |
| 14 | Residential | 634,722 | 660,300 | 664,299 | 665,306 | 667,018 | 667,302 | 668,241 | 671,109 | 677,197 | 683,794 | 688,895 |
| 15 | Commercial | 71,802 | 75,845 | 77,022 | 78,052 | 78,482 | 79,252 | 79,798 | 80,566 | 81,393 | 82,221 | 82,979 |
| 16 | Industrial | 2,687 | 3,484 | 3,496 | 3,431 | 3,384 | 3,351 | 3,350 | 3,332 | 3,314 | 3,297 | 3,279 |
| 17 | Other | 293 | 320 | 316 | 310 | 308 | 309 | 311 | 313 | 315 | 316 | 316 |
| 18 | Total Retail | <u>709,304</u> | <u>739,949</u> | <u>745,133</u> | <u>747,099</u> | <u>749,192</u> | <u>750,213</u> | <u>751,700</u> | <u>755,320</u> | <u>762,219</u> | <u>769,628</u> | <u>775,469</u> |
| 19 | AVERAGE Revenue per customer: | | | | | | | | | | | |
| 20 | Residential | \$ 875 | \$ 958 | \$ 1,027 | \$ 1,083 | \$ 1,124 | \$ 1,304 | \$ 1,309 | \$ 1,358 | \$ 1,358 | \$ 1,383 | \$ 1,370 |
| 21 | Commercial | \$ 6,924 | \$ 7,514 | \$ 8,042 | \$ 8,767 | \$ 9,120 | \$ 8,716 | \$ 8,002 | \$ 7,458 | \$ 7,380 | \$ 7,519 | \$ 7,434 |
| 22 | Industrial | \$ 48,229 | \$ 56,216 | \$ 78,623 | \$ 96,374 | \$ 79,228 | \$ 86,923 | \$ 94,702 | \$ 109,515 | \$ 116,218 | \$ 121,986 | \$ 122,321 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Revenue Statistics - Jurisdictional
Actual 2005-2009 and Projected 2011-2015
and the Twelve Months Ending May 31, 2011

Type of Filing: ☒ Original ☐ Updated ☐ Revised
Work Paper Reference No(s):

Schedule C-11.2
Page 1 of 1
Witness Responsible:
T.E. Mitchell
O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. | Five Projected Calendar Years | | | | |
|-------------|--|---------------------------------|------|------|------|------|----------------------------|-------------------------------|------|------|------|------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 12 Mo. Ending 5/31/2011 | 2011 | 2012 | 2013 | 2014 | 2015 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
| 1 | Revenue by customer class (\$000): | | | | | | | | | | | |
| 2 | Residential | | | | | | | | | | | |
| 3 | Commercial | | | | | | | | | | | |
| 4 | Industrial | | | | | | | | | | | |
| 5 | Other | | | | | | | | | | | |
| 6 | Total Retail | | | | | | | | | | | |
| 7 | YEAR END Number of customers by class: | | | | | | | | | | | |
| 8 | Residential | | | | | | | | | | | |
| 9 | Commercial | | | | | | | | | | | |
| 10 | Industrial | | | | | | | | | | | |
| 11 | Other | | | | | | | | | | | |
| 12 | Total Retail | | | | | | | | | | | |
| 13 | AVERAGE Number of customers by class: | | | | | | | | | | | |
| 14 | Residential | | | | | | | | | | | |
| 15 | Commercial | | | | | | | | | | | |
| 16 | Industrial | | | | | | | | | | | |
| 17 | Other | | | | | | | | | | | |
| 18 | Total Retail | | | | | | | | | | | |
| 19 | AVERAGE Revenue per customer: | | | | | | | | | | | |
| 20 | Residential | | | | | | | | | | | |
| 21 | Commercial | | | | | | | | | | | |
| 22 | Industrial | | | | | | | | | | | |

SAME AS SCHEDULE C-11.1 - 100% OF TOTAL COMPANY OPERATIONS ARE JURISDICTIONAL

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Sales Statistics - Total Company
Actual 2005-2009 and Projected 2011-2015
and the Twelve Months Ending May 31, 2011

Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-11.3
Page 1 of 1
Witness Responsible:
T.E. Mitchell
O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. | Five Projected Calendar Years | | | | |
|----------|--|---------------------------------|----------------|----------------|----------------|----------------|-------------------------|-------------------------------|----------------|----------------|----------------|----------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 12 Mo. Ending 5/31/2011 | 2011 | 2012 | 2013 | 2014 | 2015 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
| 1 | GWH Sales by customer class: | | | | | | | | | | | |
| 2 | Residential | 7,351 | 7271 | 7741 | 7,551 | 7,303 | 7,740 | 7,491 | 7,482 | 7,504 | 7,510 | 7,495 |
| 3 | Commercial | 8,216 | 8422 | 8926 | 8,772 | 8,532 | 8,671 | 8,649 | 8,732 | 8,821 | 8,837 | 8,831 |
| 4 | Industrial | 2,660 | 3821 | 5289 | 5,832 | 4,788 | 4,839 | 4,867 | 4,935 | 4,950 | 4,888 | 4,800 |
| 5 | Other | 51 | 54 | 54 | 55 | 54 | 56 | 56 | 57 | 57 | 58 | 58 |
| 6 | Total Retail | <u>18,278</u> | <u>19,568</u> | <u>22,010</u> | <u>22,210</u> | <u>20,677</u> | <u>21,306</u> | <u>21,064</u> | <u>21,207</u> | <u>21,332</u> | <u>21,293</u> | <u>21,183</u> |
| 7 | YEAR END Number of customers by class: | | | | | | | | | | | |
| 8 | Residential | 635,838 | 661,760 | 665,583 | 667,012 | 666,894 | 668,056 | 669,769 | 674,105 | 681,053 | 687,109 | 691,356 |
| 9 | Commercial | 71,361 | 75,930 | 77,036 | 78,280 | 78,219 | 79,705 | 80,222 | 81,008 | 81,855 | 82,656 | 83,410 |
| 10 | Industrial | 2,630 | 3,515 | 3,449 | 3,396 | 3,357 | 3,350 | 3,340 | 3,321 | 3,303 | 3,286 | 3,268 |
| 11 | Other | 288 | 320 | 307 | 309 | 309 | 311 | 312 | 314 | 316 | 316 | 316 |
| 12 | Total Retail | <u>710,117</u> | <u>741,525</u> | <u>746,375</u> | <u>748,997</u> | <u>748,779</u> | <u>751,422</u> | <u>753,643</u> | <u>758,748</u> | <u>766,527</u> | <u>773,367</u> | <u>778,350</u> |
| 13 | AVERAGE Number of customers by class: | | | | | | | | | | | |
| 14 | Residential | 634,722 | 660,300 | 664,299 | 665,306 | 667,018 | 667,302 | 668,241 | 671,109 | 677,197 | 683,794 | 688,895 |
| 15 | Commercial | 71,602 | 75,845 | 77,022 | 78,052 | 78,482 | 79,252 | 79,798 | 80,566 | 81,393 | 82,221 | 82,979 |
| 16 | Industrial | 2,687 | 3,484 | 3,496 | 3,431 | 3,384 | 3,351 | 3,350 | 3,332 | 3,314 | 3,297 | 3,279 |
| 17 | Other | 293 | 320 | 316 | 310 | 308 | 309 | 311 | 313 | 315 | 316 | 316 |
| 18 | Total Retail | <u>709,304</u> | <u>739,949</u> | <u>745,133</u> | <u>747,099</u> | <u>749,192</u> | <u>750,213</u> | <u>751,700</u> | <u>755,320</u> | <u>762,219</u> | <u>769,628</u> | <u>775,469</u> |
| 19 | AVERAGE kWh Sales per customer: | | | | | | | | | | | |
| 20 | Residential | 11,581 | 11,012 | 11,653 | 11,350 | 10,949 | 11,598 | 11,211 | 11,149 | 11,081 | 10,983 | 10,880 |
| 21 | Commercial | 114,745 | 111,042 | 115,889 | 112,387 | 108,713 | 109,412 | 108,381 | 108,388 | 108,371 | 107,480 | 106,419 |
| 22 | Industrial | 989,952 | 1,096,728 | 1,512,872 | 1,699,796 | 1,414,894 | 1,444,261 | 1,452,875 | 1,481,193 | 1,493,615 | 1,482,608 | 1,463,829 |

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Sales Statistics - Jurisdictional
Actual 2005-2009 and Projected 2011-2015
and the Twelve Months Ending May 31, 2011

Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-11.4
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. | Five Projected Calendar Years | | | | |
|-------------|--|---------------------------------|------|------|------|------|----------------------------|-------------------------------|------|------|------|------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 12 Mo. Ending 5/31/2011 | 2011 | 2012 | 2013 | 2014 | 2015 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
| 1 | GWH Sales by customer class: | | | | | | | | | | | |
| 2 | Residential | | | | | | | | | | | |
| 3 | Commercial | | | | | | | | | | | |
| 4 | Industrial | | | | | | | | | | | |
| 5 | Other | | | | | | | | | | | |
| 6 | Total Retail | | | | | | | | | | | |
| 7 | YEAR END Number of customers by class: | | | | | | | | | | | |
| 8 | Residential | | | | | | | | | | | |
| 9 | Commercial | | | | | | | | | | | |
| 10 | Industrial | | | | | | | | | | | |
| 11 | Other | | | | | | | | | | | |
| 12 | Total Retail | | | | | | | | | | | |
| 13 | AVERAGE Number of customers by class: | | | | | | | | | | | |
| 14 | Residential | | | | | | | | | | | |
| 15 | Commercial | | | | | | | | | | | |
| 16 | Industrial | | | | | | | | | | | |
| 17 | Other | | | | | | | | | | | |
| 18 | Total Retail | | | | | | | | | | | |
| 19 | AVERAGE Sales per customer: | | | | | | | | | | | |
| 20 | Residential | | | | | | | | | | | |
| 21 | Commercial | | | | | | | | | | | |
| 22 | Industrial | | | | | | | | | | | |

SAME AS SCHEDULE C-11.3 - 100% OF TOTAL COMPANY OPERATIONS ARE JURISDICTIONAL

COLUMBUS SOUTHERN POWER COMPANY
Case No. 11-351-EL-AIR
Analysis of Reserve for Uncollectible Accounts
2007-2009 and the Twelve Months Ending May 31, 2011
(\$000)

Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-12
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Three Calendar Years | | | Test Yr. 12 Mo. Ending 5/31/2011 |
|----------|---|----------------------------------|--------|--------|--|
| | | 2007 | 2008 | 2009 | |
| (A) | (B) | (C) | (D) | (E) | (F) |
| 1 | Reserve at Beginning of Year | 546 | 2,563 | 2,895 | 2,129 |
| 2 | Current Year's Provision | 2,017 | 332 | 1,362 | (105) |
| 3 | Recoveries | - | - | (775) | [a] - |
| 4 | Amount Charged Against Reserve | - | - | 1 | 47 |
| 5 | Reserve at End of Year | 2,563 | 2,895 | 3,481 | 1,976 |
| 6 | Net Write Off Ratio [(4)-(3)]/(5) | | | 22.29% | 2.38% |
| 7 | Uncollectible Expense/Provision Ratio (2)/(5) | 78.70% | 11.47% | 39.13% | -5.31% |

If lines (6) and (7) differ, provide the reasons for the difference.

The difference in the ratios is primarily due to differences in timing for when provision expenses and actual recoveries and/or write-offs are recorded. Write-offs for Miscellaneous Receivables do not occur in the 144 account.

[a] 2009 reclass to Long-term Liability

SECTION C

OPERATING INCOME

OHIO POWER COMPANY

Case No. 11-352-EL-AIR

Test Year: Twelve Months Ended May 31, 2011

Date Certain: August 31, 2010

Schedules

| | |
|--------|---|
| C-1 | Jurisdictional proforma income statement |
| C-2 | Adjusted test year operating income |
| C-2.1 | Operating revenue and expenses by accounts - jurisdictional allocation |
| C-3 | Summary of jurisdictional adjustments to test year operating income |
| C-3.1 | Detailed adjustments |
| C-4 | Adjusted jurisdictional income taxes |
| C-4.1 | Development of jurisdictional income taxes before adjustments |
| C-5 | Social and service club dues |
| C-6 | Charitable contributions |
| C-7 | Customer service and informational, sales, and general advertising expense |
| C-8 | Rate Case expense (jurisdiction) |
| C-9 | Operation and maintenance payroll costs |
| C-9.1 | Total Company Payroll analysis by employee classifications/payroll distribution |
| C-10.1 | Comparative balance sheet for the most recent five calendar years |
| C-10.2 | Comparative income statement for the most recent five calendar years |
| C-11.1 | Revenue Statistics - Total Company |
| C-11.2 | Revenue Statistics - Jurisdictional |
| C-11.3 | Sales Statistics - Total Company |
| C-11.4 | Sales Statistics - Jurisdictional |
| C-12 | Analysis of reserve for uncollectible accounts |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Jurisdictional Proforma Income Statement
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 Schedule A-1, A-2, C-2, C-4

Schedule C-1
 Page 1 of 1
 Witness Responsible:
 T.A. Caudill

| Line No. | Description | Adjusted Revenue & Expenses | Proposed Increase | Proforma Revenue & Expenses |
|----------|--|-----------------------------|-------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) |
| 1 | Operating Revenues | \$ 343,917 | \$59,603 | \$403,521 |
| 2 | | | | |
| 3 | Operating Expenses | | | |
| 4 | Operation & Maintenance | 154,003 | 149 | 154,152 |
| 5 | Depreciation and Amortization Expenses | 65,878 | | 65,878 |
| 6 | Taxes - Other | 64,488 | 247 | 64,735 |
| 7 | Operating Expenses before Income Taxes | 284,369 | 396 | 284,765 |
| 8 | | | | |
| 9 | NEOI before Income Taxes | 59,548 | 59,208 | 118,756 |
| 10 | | | | |
| 11 | State Income taxes | (64) | 1,042 | 978 |
| 12 | Federal Income taxes | 11,815 | 20,358 | 32,173 |
| 13 | Total Income Taxes | 11,751 | 21,400 | 33,151 |
| 14 | | | | |
| 15 | Total Operating Expenses | 296,120 | 21,796 | 317,916 |
| 16 | | | | |
| 17 | Net Operating Income | \$ 47,797 | \$ 37,808 | \$ 85,605 |
| 18 | | | | |
| 19 | Rate Base | \$ 1,015,236 | | \$ 1,015,236 |
| 20 | | | | |
| 21 | Rate of Return | 4.71% | | 8.43% |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Jurisdictional Adjusted Test Year Net Electric Operating Income (NEOI)
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 Schedule C-2.1, C-3, C-4

Schedule C-2
 Page 1 of 2
 Witness Responsible:
 T.A. Caudill

| Line No. | Description | Unadjusted Revenue & Expenses | Adjustments | Adjusted Revenue & Expenses |
|----------|--|-------------------------------|------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) |
| 1 | OPERATING REVENUES | | | |
| 2 | Base Revenues | \$ 527,796 | \$ (203,413) | \$ 324,383 |
| 3 | Fuel Revenues | 0 | 0 | \$ 0 |
| 4 | Other Operating Revenues | 20,232 | (697) | \$ 19,534 |
| 5 | Total Operating Revenues | <u>548,028</u> | <u>(204,111)</u> | <u>\$ 343,917</u> |
| 6 | | | | |
| 7 | OPERATING EXPENSES | | | |
| 8 | Operation and Maintenance Expenses | | | |
| 9 | Production Expenses | | | |
| 10 | Fuel and Purchased Power | (2,424) | 2,424 | \$ 0 |
| 11 | Other | 0 | | \$ 0 |
| 12 | Total Production Expenses | <u>(2,424)</u> | <u>2,424</u> | <u>\$ 0</u> |
| 13 | Transmission Expense | 0 | | \$ 0 |
| 14 | Distribution Expense | 106,489 | (28,391) | \$ 78,098 |
| 15 | Customer Accounts Expenses | 67,255 | (30,196) | \$ 37,059 |
| 16 | Customer Service & Information Expense | 47,031 | (43,724) | \$ 3,307 |
| 17 | Sales Expense | 118 | (106) | \$ 12 |
| 18 | Administrative & General Expense | 37,413 | (1,886) | \$ 35,527 |
| 19 | Total Operating and Maintenance Expense | <u>255,881</u> | <u>(101,878)</u> | <u>\$ 154,003</u> |
| 20 | Depreciation and Amortization Expenses | | | |
| 21 | Depreciation | 66,061 | (4,267) | \$ 61,793 |
| 22 | Amort. & Depl. of Utility Plant | 4,084 | 0 | \$ 4,084 |
| 23 | Amort. of Utility Plant Acq. Adj. | 0 | 0 | \$ 0 |
| 24 | Net Amortization of Regulatory Credits/Debits | 0 | 0 | \$ 0 |
| 25 | Total Depreciation and Amtz. Expenses | <u>70,145</u> | <u>(4,267)</u> | <u>\$ 65,878</u> |
| 26 | Taxes Other Than Income Taxes | 140,346 | (75,858) | \$ 64,488 |
| 27 | | | | |
| 28 | TOTAL OPERATING EXPENSE BEFORE INCOME TAXES | <u>466,373</u> | <u>(182,003)</u> | <u>\$ 284,369</u> |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Adjusted Test Year Net Electric Operating Income (NEOI)
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ►Original___Updated___Revised
 Work Paper Reference No(s):

Schedule C-2
 Page 2 of 2
 Witness Responsible:
 T.A. Caudill

| Line No. | Description | Unadjusted Revenue & Expenses | Adjustments | Adjusted Revenue & Expenses |
|----------|-------------------------------------|-------------------------------|-------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) |
| 1 | NEOI BEFORE INCOME TAXES | 81,655 | (22,107) | 59,548 |
| 2 | | | | |
| 3 | Income Taxes-State and Local | | | |
| 4 | Current | 200 | (387) | (187) |
| 5 | Provision for Deferred Income Taxes | 122 | (0) | 122 |
| 6 | Total State & Local Income Taxes | 323 | (387) | (64) |
| 7 | Income Taxes-Federal | | | |
| 8 | Current | 3,371 | (7,560) | (4,189) |
| 9 | Provision for Deferred Income Taxes | 16,254 | (250) | 16,004 |
| 10 | Deferred Investment Tax Credit | 0 | 0 | 0 |
| 11 | Total Federal Income Taxes | 19,625 | (7,810) | 11,815 |
| 12 | | | | |
| 13 | Total Operating Expenses | 486,320 | (190,200) | 296,120 |
| 14 | | | | |
| 15 | Net Electric Operating Income | \$ 61,708 | \$ (13,910) | \$ 47,797 |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised
Work Paper Reference No(s):
WP C-2.1a thru e, Schedule B-7.1a, Schedule E-4

Schedule C-2.1
Page 1 of 5
Witness Responsible:
T.E. Mitchell
O.J. Sever
T.A. Caudill
T.R. Zelina

| Line No. | Acct. No. | Account Title | Unadjusted Total Utility | Alloc. % | Unadjusted Jurisdiction | Allocation Code/Description |
|----------|---------------|--|--------------------------|-----------|-------------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | OPERATING REVENUES | | | | |
| 2 | 440-445 | Base Revenues | \$ 1,312,508 | 40.2128% | \$ 527,796 | DIRECT |
| 3 | 440-445 | Fuel Revenues | 658,255 | 0.0000% | 0 | NONDIST |
| 4 | | TOTAL Sales to Ultimate Customers | <u>1,970,763</u> | | <u>527,796</u> | |
| 5 | 447 | Sales for Resale | 1,149,365 | 0.0000% | 0 | NONDIST |
| 6 | | Sales of Electricity | <u>3,120,128</u> | | <u>527,796</u> | |
| 7 | 450 | Forfeited Discounts | 1,163 | 100.0000% | 1,163 | ALLDIST |
| 8 | 451 | Misc. Service Revenues | 2,627 | 99.8110% | 2,622 | OTHREV1 |
| 9 | 454.1 | Rent from Electric Property - Assoc. | 3,068 | 126.1182% | 3,870 | OTHREV2 |
| 10 | 454.2 | Rent from Electric Property - Non Assoc. | 9,768 | 80.0960% | 7,824 | OTHREV3 |
| 11 | 454.4 | Rent from Electric Property - ABD | 164 | 40.3683% | 66 | OTHREV4 |
| 12 | 456.0015 | Revenues from ABD | 1,669 | 92.0081% | 1,535 | OTHREV5 |
| 13 | 456.1027 | PJM Transm Dis/Meter - Non Affil. | 823 | 99.9012% | 822 | OTHREV6 |
| 13 | 456.0012,41 | Other Electric Revenue - Distribution | 2,386 | 97.6090% | 2,329 | OTHREV7 |
| 14 | 456 all other | Other Electric Revenues (all other) | 21,380 | 0.0000% | 0 | NONDIST |
| 15 | | Other Operating Revenues | <u>43,048</u> | | <u>20,232</u> | |
| 16 | | Total Electric Operating Revenues | <u>\$ 3,163,176</u> | | <u>\$ 548,028</u> | |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ►Original___Updated___Revised
 Work Paper Reference No(s):
 WP C-2.1a thru e, Schedule B-7.1a

Schedule C-2.1
 Page 2 of 5
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill

| Line No. | Acct. No. | Account Title | Unadjusted Total Utility | Alloc. % | Unadjusted Jurisdiction | Allocation Code/Description |
|----------|-------------|---|--------------------------|-----------|-------------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | OPERATING EXPENSES | | | | |
| 2 | | | | | | |
| 3 | | All Other Production Expenses | \$ 1,618,157 | 0.0000% | \$ 0 | NONDIST |
| 4 | 555.0110 | Purchased Power - Discounts | (2,424) | 100.0000% | (2,424) | ALLDIST |
| 5 | | POWER PRODUCTION EXPENSES | <u>\$ 1,615,733</u> | | <u>\$ (2,424)</u> | |
| 6 | | | | | | |
| 7 | | TRANSMISSION EXPENSES | <u>\$ 47,504</u> | 0.0000% | <u>\$ 0</u> | NONDIST |
| 8 | | | | | | |
| 9 | | DISTRIBUTION EXPENSES | | | | |
| 10 | | Operation | | | | |
| 11 | 580 | Operation Supervision and Engineering | \$ 3,752 | 99.9012% | \$ 3,749 | DISTPLANT |
| 12 | 581 | Load Dispatching | (29) | 99.9012% | (29) | DISTPLANT |
| 13 | 582 | Station Expenses | 1,714 | 99.9012% | 1,713 | DISTPLANT |
| 14 | 583 | Overhead Line Expenses | 1,062 | 99.9012% | 1,060 | DISTPLANT |
| 15 | 584 | Underground Line Expenses | 674 | 99.9012% | 673 | DISTPLANT |
| 16 | 585 | Street Lighting and Signal System Expenses | 129 | 99.9012% | 129 | DISTPLANT |
| 17 | 586 | Meter Expenses | 1,329 | 99.9012% | 1,327 | DISTPLANT |
| 18 | 587 | Customer Installations Expenses | 100 | 99.9012% | 100 | DISTPLANT |
| 19 | 588 | Miscellaneous Distribution Expenses | 28,868 | 99.9012% | 28,840 | DISTPLANT |
| 20 | 589 | Rents | 3,670 | 99.9012% | 3,666 | DISTPLANT |
| 21 | | TOTAL Operation | <u>41,268</u> | | <u>41,227</u> | |
| 22 | | Maintenance | | | | |
| 23 | 590 | Maintenance Supervision and Engineering | 615 | 99.9012% | 615 | DISTPLANT |
| 24 | 591 | Maintenance of Structures | 109 | 99.9012% | 109 | DISTPLANT |
| 25 | 592 | Maintenance of Station Equipment | 3,082 | 99.9012% | 3,079 | DISTPLANT |
| 26 | 593 | Maintenance of Overhead Lines (excl. 593.0009) | 56,615 | 99.9012% | 56,559 | DISTPLANT |
| 27 | 593.0009 | Maintenance of Overhead Lines ESRP | 210 | 100.0000% | 210 | ALLDIST |
| 28 | 594 | Maintenance of Underground Lines | 1,280 | 99.9012% | 1,279 | DISTPLANT |
| 29 | 595 | Maintenance of Line Transformers | 1,108 | 99.9012% | 1,107 | DISTPLANT |
| 30 | 596 | Maintenance of Street Lighting and Signal Systems | 290 | 99.9012% | 290 | DISTPLANT |
| 31 | 597 | Maintenance of Meters | 443 | 99.9012% | 442 | DISTPLANT |
| 32 | 598 | Maintenance of Miscellaneous Distribution Plant | 1,575 | 99.9012% | 1,573 | DISTPLANT |
| 33 | | TOTAL Maintenance | <u>65,326</u> | | <u>65,262</u> | |
| 34 | | TOTAL Distribution Expenses | <u>\$ 106,594</u> | | <u>\$ 106,489</u> | |
| 35 | | | | | | |
| 36 | | CUSTOMER ACCOUNTS EXPENSES | | | | |
| 37 | | Operation | | | | |
| 38 | 901 | Supervision | 1,232 | 99.9999% | 1,232 | NUMCUST |
| 39 | 902 | Meter Reading Expenses | 4,927 | 99.9999% | 4,927 | NUMCUST |
| 40 | 903 | Customer Records and Collection Expenses | 19,662 | 99.9999% | 19,662 | NUMCUST |
| 41 | 904 | Uncollectible Accounts | 29,931 | 99.9999% | 29,931 | NUMCUST |
| 42 | 431.0002 | Interest on Customer Deposits | 1,193 | 100.0000% | 1,193 | ALLDIST |
| 43 | 426.5009,10 | Factored Customer Accounts Receivable | 10,238 | 100.0000% | 10,238 | ALLDIST |
| 44 | 905 | Miscellaneous Customer Accounts Expenses | 73 | 99.9999% | 73 | NUMCUST |
| 45 | | TOTAL Customer Accounts Expenses | <u>\$ 67,255</u> | | <u>\$ 67,255</u> | |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WP C-2.1a thru e, Schedule B-7.1a

Schedule C-2.1
 Page 3 of 5
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 H.E. McCoy

| Line No. | Acct. No. | Account Title | Unadjusted Total Utility | Alloc. % | Unadjusted Jurisdiction | Allocation Code/Description |
|----------|-----------------|--|--------------------------|-----------|-------------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | OPERATING EXPENSES | | | | |
| 2 | | | | | | |
| 3 | | CUSTOMER SERVICE AND INFORMATIONAL EXPENSES | | | | |
| 4 | | Operation | | | | |
| 5 | | Supervision | \$ 1,610 | 99.9999% | \$ 1,610 | NUMCUST |
| 6 | 907 | Customer Assistance Expenses | \$ 11,075 | 99.9999% | 11,075 | NUMCUST |
| 7 | 908 | Customer Assistance Expenses - DSM | \$ 33,976 | 100.0000% | 33,976 | ALLDIST |
| 8 | 909 | Informational and Instructional Expenses | \$ 368 | 99.9999% | 368 | NUMCUST |
| 9 | 910 | Misc. Customer Service and Informational Expenses | \$ 2 | 99.9999% | 2 | NUMCUST |
| 10 | | TOTAL Customer Serv. & Info. Exp. | \$ 47,031 | | \$ 47,031 | |
| 11 | | | | | | |
| 12 | | SALES EXPENSE | | | | |
| 13 | | Operation | | | | |
| 14 | 911 | Supervision | \$ 110 | 99.9012% | \$ 110 | DISTPLANT |
| 15 | 912 | Demonstrating and Selling Expenses | 1 | 99.9012% | 1 | DISTPLANT |
| 16 | 913 | Advertising Expenses | 0 | 99.9012% | 0 | DISTPLANT |
| 17 | 916 | Miscellaneous Sales Expenses | 6 | 99.9012% | 6 | DISTPLANT |
| 18 | | TOTAL Sales Expenses | \$ 118 | | \$ 118 | |
| 19 | | | | | | |
| 20 | | ADMINISTRATIVE AND GENERAL EXPENSES | | | | |
| 21 | | Operation | | | | |
| 22 | 920 | Administrative and General Salaries | \$ 25,880 | 36.9035% | \$ 9,551 | A&G1 |
| 23 | 921 | Office Supplies and Expenses | 1,510 | 53.9666% | 815 | A&G2 |
| 24 | 922 | Administrative Expenses Transferred-Cr. | (3,255) | 98.9421% | (3,221) | A&G3 |
| 25 | 923.0001 | Outside Svcs Empl - Nonassoc | 7,417 | 19.2010% | 1,424 | A&G4 |
| 26 | 923.0003 | AEPSC Billed to Client Co | 22,203 | 36.9834% | 8,211 | A&G5 |
| 27 | 924 | Property Insurance | 3,325 | 7.7224% | 257 | A&G6 |
| 28 | 925 | Injuries and Damages | 6,071 | 32.2881% | 1,960 | A&G7 |
| 29 | 926 all other | Other Employee Benefits excluding Pension & OPEB | 15,100 | 25.2650% | 3,815 | A&G8 |
| 30 | 926.0003, 37 | Pension Plan | 15,010 | 33.5468% | 5,035 | A&G9 |
| 31 | 926.0050 | Pension Plan Fringe Loading Offset | (6,309) | 52.5480% | (3,315) | A&G10 |
| 32 | 926.0021, 57 | OPEB | 12,141 | 43.9365% | 5,334 | A&G11 |
| 33 | 926.0053 | OPEB Fringe Loading Offset | (2,481) | 65.5052% | (1,625) | A&G12 |
| 34 | 927 | Franchise Requirements | 0 | 0.0000% | 0 | NONDIST |
| 35 | 928 | Regulatory Commission Expenses | 250 | 58.9317% | 147 | A&G13 |
| 36 | 929 | Duplicate Charges-Cr. | 0 | 0.0000% | 0 | NONDIST |
| 37 | 930.1000 | General Advertising Expenses | 1,341 | 91.2298% | 1,224 | A&G14 |
| 38 | 930.2 all other | Miscellaneous General Expenses | 2,406 | 86.8241% | 2,089 | A&G15 |
| 39 | 930.2007 | Associated Business Development Expenses | 593 | 76.7241% | 455 | A&G16 |
| 39 | 931 | Rents | 1,292 | 86.3945% | 1,117 | A&G17 |
| 40 | | TOTAL Operation | 102,494 | | 33,273 | |
| 41 | | Maintenance | | | | |
| 42 | 935 | Maintenance of General Plant | 5,730 | 72.2485% | 4,140 | A&G18 |
| 43 | | TOTAL Administrative and General Expenses | \$ 108,224 | | \$ 37,413 | |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original___Updated___Revised
Work Paper Reference No(s):
WP C-2.1a thru e, Schedule B-7.1a

Schedule C-2.1
Page 4 of 5
Witness Responsible:
T.E. Mitchell
O.J. Sever
T.A. Caudill

| Line No. | Acct. No. | Account Title | Unadjusted Total Utility | Alloc. % | Unadjusted Jurisdiction | Allocation Code/Description |
|----------|-----------|--|--------------------------|----------|-------------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | DEPRECIATION & AMORTIZATION EXPENSES | | | | |
| 2 | | | | | | |
| 3 | | DEPRECIATION EXPENSE | | | | |
| 4 | 403 | Production | \$ 246,237 | 0.0000% | \$ 0 | NONDIST |
| 5 | 403 | Transmission | 26,455 | 0.0000% | 0 | NONDIST |
| 6 | 403 | Distribution | 63,411 | 99.9012% | 63,348 | DEPR1 |
| 7 | 403 | General | 3,311 | 81.9190% | 2,713 | DEPR2 |
| 8 | | TOTAL Depreciation Expense | <u>\$ 339,415</u> | | <u>\$ 66,061</u> | |
| 9 | | | | | | |
| 10 | | AMORTIZATION OF UTILITY PLANT | | | | |
| 11 | 404 | General | \$ 239 | 95.9051% | \$ 229 | AMORT1 |
| 12 | 404 | Intangible Plant | 13,308 | 28.9713% | 3,856 | AMORT2 |
| 13 | | TOTAL Amortization Expense | <u>\$ 13,547</u> | | <u>\$ 4,084</u> | |
| 14 | | | | | | |
| 15 | | AMORTIZATION OF PLANT ACQ ADJ | | | | |
| 16 | 406 | Distribution | <u>\$ 9</u> | 0.0000% | <u>\$ 0</u> | NONDIST |
| 17 | | | | | | |
| 18 | | AMTZ. OF REGULATORY DEBITS (407.3) /CREDITS (407.4) | | | | |
| 19 | | Amtz. Of Regulatory Debits (407.3) | | | | |
| 20 | 407.3000 | Regulatory Debits - RTO | \$ 1,553 | 0.0000% | \$ 0 | NONDIST |
| 21 | 407.3006 | Regulatory Debits ETCRR | (4) | 0.0000% | 0 | NONDIST |
| 22 | | TOTAL Account 407.3 | <u>1,550</u> | | <u>0</u> | |
| 23 | | | | | <u>0</u> | |
| 24 | | Amtz. Of Regulatory Credits (407.4) | | | <u>0</u> | |
| 25 | 407.4003 | Regulatory Credits ETCRR | (36) | 0.0000% | 0 | NONDIST |
| 26 | | NET Amtz. of Reg. Credits/Debits | <u>\$ 1,514</u> | | <u>\$ 0</u> | |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Operating Revenue and Expenses by Accounts - Jurisdictional Allocation
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original___Updated___Revised
 Work Paper Reference No(s):
 WP C-2.1a thru e, Schedule B-7.1a

Schedule C-2.1
 Page 5 of 5
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 J.B. Bartsch

| Line No. | Acct. No. | Account Title | Unadjusted Total Utility | Alloc. % | Unadjusted Jurisdiction | Allocation Code/Description |
|----------|-----------|--|--------------------------|-----------|-------------------------|-----------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | TAXES OTHER THAN INCOME TAXES | | | | |
| 2 | | | | | | |
| 3 | 408.1x | Franchise Tax | \$ 1,528 | 8.5417% | \$ 130 | OTHTAX1 |
| 4 | 408.1x | Commercial Activity Taxes | 5,345 | 83.7434% | 4,476 | OTHTAX2 |
| 5 | 408.1x | Revenue-kWhr Taxes | 75,506 | 100.0000% | 75,506 | ALLDIST |
| 6 | 408.1x | Payroll Taxes | 10,143 | 27.3837% | 2,778 | OTHTAX3 |
| 7 | 408.1x | Capacity Taxes | 16,170 | 0.0000% | 0 | NONDIST |
| 8 | 408.1x | Property Taxes | 99,918 | 54.7270% | 54,682 | OTHTAX4 |
| 9 | 408.1x | Regulatory Fees | 2,783 | 99.9012% | 2,781 | OTHTAX5 |
| 10 | 408.1x | Production Taxes | 6 | 0.0000% | 0 | NONDIST |
| 11 | 408.1x | Miscellaneous Taxes | (752) | 0.9607% | (7) | OTHTAX6 |
| 12 | | TOTAL TAXES OTHER THAN INCOME TAXES | \$ 210,648 | | \$ 140,346 | |
| 13 | | | | | | |
| 14 | 411.101 | Accretion Expense | \$ 15,040 | 0.0000% | \$ 0 | NONDIST |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Summary of Jurisdictional Adjustments to Operating Income
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-3
 Page 1 of 3
 Witness Responsible:
 T.A. Caudill

| Line No. | Element of Operating Income | Title of Adjustment | | | | | | | | |
|----------|--|---------------------|------------------------------|----------------------------|-----------------|--------------------------------------|--|------------------------------------|--|---|
| | | Total Schedule C-3 | Universal Service Fund C-3.1 | Advanced Energy Fund C-3.2 | Kwh Tax C-3.3 | Energy Efficiency/ Peak Demand C-3.4 | Economic Development Cost Recovery C-3.5 | Enhanced Service Reliability C-3.6 | Annualize Pole Attachment Revenues C-3.7 | Annualize Pole Attachment Expense C-3.8 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) |
| 1 | OPERATING REVENUES | | | | | | | | | |
| 2 | Base Revenues | \$ (203,413) | \$ (28,997) | \$ (756) | \$ (75,941) | \$ (52,744) | \$ (27,140) | \$ (17,835) | | |
| 3 | Fuel Revenues | \$ 0 | | | | | | | | |
| 4 | Other Operating Revenues | (697) | | | | | | | (697) | |
| 5 | Total Operating Revenues | <u>(204,111)</u> | <u>(28,997)</u> | <u>(756)</u> | <u>(75,941)</u> | <u>(52,744)</u> | <u>(27,140)</u> | <u>(17,835)</u> | <u>(697)</u> | <u>0</u> |
| 6 | OPERATING EXPENSES | | | | | | | | | |
| 7 | Operation and Maintenance Expenses | | | | | | | | | |
| 8 | Production Expenses | | | | | | | | | |
| 9 | Fuel and Purchased Power | 2,424 | | | | | 2,424 | | | |
| 10 | Other | 0 | | | | | | | | |
| 11 | Total Production Expenses | <u>2,424</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>2,424</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 12 | Transmission Expense | 0 | | | | | | | | |
| 13 | Distribution Expense | (28,391) | | | | | | (19,950) | | (602) |
| 14 | Customer Accounts Expenses | (30,196) | (29,890) | | | (1) | | | | |
| 15 | Customer Service & Information Expense | (43,724) | | (786) | | (42,968) | | | | |
| 16 | Sales Expense | (106) | | | | (106) | | | | |
| 17 | Administrative & General Expense | (1,886) | | | | (611) | | | | |
| 18 | Total Operating and Maintenance Expense | <u>(101,878)</u> | <u>(29,890)</u> | <u>(786)</u> | <u>0</u> | <u>(43,686)</u> | <u>2,424</u> | <u>(19,950)</u> | <u>0</u> | <u>(602)</u> |
| 19 | Depreciation and Amortization Expenses | | | | | | | | | |
| 20 | Depreciation | (4,267) | | | | | | (222) | | |
| 21 | Amort. & Depl. of Utility Plant | 0 | | | | | | | | |
| 22 | Amort. of Utility Plant Acq. Adj. | 0 | | | | | | | | |
| 23 | Net Amortization of Regulatory Credits/Debits | 0 | | | | | | | | |
| 24 | Total Depreciation and Amtz. Expenses | <u>(4,267)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>(222)</u> | <u>0</u> | <u>0</u> |
| 25 | Taxes Other Than Income Taxes | (75,858) | | | (75,506) | | | | | |
| 26 | Income Taxes-State and Municipal | | | | | | | | | |
| 27 | Current | (387) | | | | | | | | |
| 28 | Provision for Deferred Income Taxes | (0) | | | | | | | | |
| 29 | Provision for Deferred Income Taxes-Credit | | | | | | | | | |
| 30 | Total State & Local Income Taxes | <u>(387)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 31 | Income Taxes-Federal | | | | | | | | | |
| 32 | Current | (7,560) | | | | | | | | |
| 33 | Provision for Deferred Income Taxes | (250) | | | | | | | | |
| 34 | Provision for Deferred Income Taxes-Credit | 0 | | | | | | | | |
| 35 | Total Federal Income Taxes | <u>(7,810)</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 36 | Total Operating Expenses | <u>(189,813)</u> | <u>(29,890)</u> | <u>(786)</u> | <u>(75,506)</u> | <u>(43,686)</u> | <u>2,424</u> | <u>(20,172)</u> | <u>0</u> | <u>(602)</u> |
| 37 | Net Electric Operating Income | <u>\$ (14,297)</u> | <u>\$ 893</u> | <u>\$ 30</u> | <u>\$ (435)</u> | <u>\$ (9,058)</u> | <u>\$ (29,565)</u> | <u>\$ 2,336</u> | <u>\$ (697)</u> | <u>\$ 602</u> |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Summary of Jurisdictional Adjustments to Operating Income
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised ___
Work Paper Reference No(s):

Schedule C-3
Page 2 of 3
Witness Responsible:
T.A. Caudill

| Line No. | Element of Operating Income | Title of Adjustment | | | | | | | | |
|----------|---|----------------------|------------------------|---------------------------------|---------------------------|------------------------|-------------------------------|----------------------------|------------------------------------|--------------------------------|
| | | Severance Adjustment | Severance Amortization | Annualize Labor/Payroll Expense | Annualize Pension Expense | Annualize OPEB Expense | Interest on Customer Deposits | Amortize Rate Case Expense | Public Safety Announcement Expense | Annualize Depreciation Expense |
| | Schedule Reference | C-3.9 | C-3.10 | C-3.11 | C-3.12 | C-3.13 | C-3.14 | C-3.15 | C-3.16 | C-3.17 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) |
| 1 | OPERATING REVENUES | | | | | | | | | |
| 2 | Base Revenues | | | | | | | | | |
| 3 | Fuel Revenues | | | | | | | | | |
| 4 | Other Operating Revenues | | | | | | | | | |
| 5 | Total Operating Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | OPERATING EXPENSES | | | | | | | | | |
| 7 | Operation and Maintenance Expenses | | | | | | | | | |
| 8 | Production Expenses | | | | | | | | | |
| 9 | Fuel and Purchased Power | | | | | | | | | |
| 10 | Other | | | | | | | | | |
| 11 | Total Production Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | Transmission Expense | | | | | | | | | |
| 13 | Distribution Expense | (12,616) | 4,319 | 457 | | | | | | |
| 14 | Customer Accounts Expenses | | | 96 | | | (400) | | | |
| 15 | Customer Service & Information Expense | | | 30 | | | | | | |
| 16 | Sales Expense | | | | | | | | | |
| 17 | Administrative & General Expense | (2,339) | 793 | 98 | 425 | (428) | | 51 | 125 | |
| 18 | Total Operating and Maintenance Expense | (14,955) | 5,112 | 680 | 425 | (428) | (400) | 51 | 125 | 0 |
| 19 | Depreciation and Amortization Expenses | | | | | | | | | |
| 20 | Depreciation | | | | | | | | | (416) |
| 21 | Amort. & Depl. of Utility Plant | | | | | | | | | |
| 22 | Amort. of Utility Plant Acq. Adj. | | | | | | | | | |
| 23 | Net Amortization of Regulatory Credits/Debits | | | | | | | | | |
| 24 | Total Depreciation and Amort. Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (416) |
| 25 | Taxes Other Than Income Taxes | (600) | 200 | 48 | | | | | | |
| 26 | Income Taxes-State and Municipal | | | | | | | | | |
| 27 | Current | | | | | | | | | |
| 28 | Provision for Deferred Income Taxes | | | | | | | | | |
| 29 | Provision for Deferred Income Taxes-Credit | | | | | | | | | |
| 30 | Total State & Local Income Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 | Income Taxes-Federal | | | | | | | | | |
| 32 | Current | | | | | | | | | |
| 33 | Provision for Deferred Income Taxes | | | | | | | | | |
| 34 | Provision for Deferred Income Taxes-Credit | | | | | | | | | |
| 35 | Total Federal Income Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | Total Operating Expenses | (15,554) | 5,312 | 728 | 425 | (428) | (400) | 51 | 125 | (416) |
| 37 | Net Electric Operating Income | \$ 15,554 | \$ (5,312) | \$ (728) | \$ (425) | \$ 428 | \$ 400 | \$ (51) | \$ (125) | \$ 416 |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Summary of Jurisdictional Adjustments to Operating Income
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-3
 Page 3 of 3
 Witness Responsible:
 T.A. Caudill

| Line No. | Element of Operating Income | Title of Adjustment | | | | | | | | |
|----------|---|---------------------|--------------|--------------|------|------|------|------|------|------|
| | | Depreciation Rate | Solar Panels | Income Taxes | | | | | | |
| | Schedule Reference | C-3.18 | C-3.19 | C-3.20 | | | | | | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) |
| 1 | OPERATING REVENUES | | | | | | | | | |
| 2 | Base Revenues | | | | | | | | | |
| 3 | Fuel Revenues | | | | | | | | | |
| 4 | Other Operating Revenues | | | | | | | | | |
| 5 | Total Operating Revenues | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | OPERATING EXPENSES | | | | | | | | | |
| 7 | Operation and Maintenance Expenses | | | | | | | | | |
| 8 | Production Expenses | | | | | | | | | |
| 9 | Fuel and Purchased Power | | | | | | | | | |
| 10 | Other | | | | | | | | | |
| 11 | Total Production Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 12 | Transmission Expense | | | | | | | | | |
| 13 | Distribution Expense | | | | | | | | | |
| 14 | Customer Accounts Expenses | | | | | | | | | |
| 15 | Customer Service & Information Expense | | | | | | | | | |
| 16 | Sales Expense | | | | | | | | | |
| 17 | Administrative & General Expense | | | | | | | | | |
| 18 | Total Operating and Maintenance Expense | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 19 | Depreciation and Amortization Expenses | | | | | | | | | |
| 20 | Depreciation | (3,591) | (38) | | | | | | | |
| 21 | Amort. & Depl. of Utility Plant | | | | | | | | | |
| 22 | Amort. of Utility Plant Acq. Adj. | | | | | | | | | |
| 23 | Net Amortization of Regulatory Credits/Debits | | | | | | | | | |
| 24 | Total Depreciation and Amtz. Expenses | (3,591) | (38) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | Taxes Other Than Income Taxes | | | | | | | | | |
| 26 | Income Taxes-State and Municipal | | | | | | | | | |
| 27 | Current | | | (387) | | | | | | |
| 28 | Provision for Deferred Income Taxes | | | (0) | | | | | | |
| 29 | Provision for Deferred Income Taxes-Credit | | | | | | | | | |
| 30 | Total State & Local Income Taxes | 0 | 0 | (387) | 0 | 0 | 0 | 0 | 0 | 0 |
| 31 | Income Taxes-Federal | | | | | | | | | |
| 32 | Current | | | (7,560) | | | | | | |
| 33 | Provision for Deferred Income Taxes | | | (250) | | | | | | |
| 34 | Provision for Deferred Income Taxes-Credit | | | 0 | | | | | | |
| 35 | Total Federal Income Taxes | 0 | 0 | (7,810) | 0 | 0 | 0 | 0 | 0 | 0 |
| 36 | Total Operating Expenses | (3,591) | (38) | (7,810) | 0 | 0 | 0 | 0 | 0 | 0 |
| 37 | Net Electric Operating Income | \$ 3,591 | \$ 38 | \$ 7,810 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Universal Service Fund Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 Schedule E-4.1

Schedule C-3.1
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | Total Adjustment | Allocation Code | % | Juris-dictional Amount |
|----------|-----------|---|----------------------|-----------------|---------|------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | |
| 2 | | To remove the effects of Universal Service Fund (USF) from the distribution test year | | | | |
| 3 | | | | | | |
| 4 | 440 - 445 | Sales of electricity (billings to customers) | (28.997) | ALLDIST | 100.00% | \$ (28,997) |
| 5 | | | | | | |
| 6 | 9040000 | Uncoll Accts - Pct Income Plan (9040002) | (29.890) | ALLDIST | 100.00% | \$ (29,890) |
| 7 | | | | | | |
| 8 | | | | | | <u>\$ 893</u> |
| 9 | | | | | | |
| 10 | | | | | | |
| 11 | | | | | | |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | | | | | |
| 15 | | | | | | |
| 16 | | Supporting Calculations | | | | |
| 17 | | Summary | | | | |
| 18 | | Account 9040002 | | | | |
| 19 | | USF | Amount - \$ | | | |
| 20 | | Jun 2010 - Aug 2010 | 7,994,624.57 | Actual | | |
| 21 | | Sep 2010 | 2,466,810.90 | Forecast | | |
| 22 | | Oct 2010 | 2,250,543.02 | Forecast | | |
| 23 | | Nov 2010 | 2,283,816.26 | Forecast | | |
| 24 | | Dec 2010 | 2,503,883.67 | Forecast | | |
| 25 | | Jan 2011 | 2,478,163.83 | Forecast | | |
| 26 | | Feb 2011 | 2,478,163.83 | Forecast | | |
| 27 | | Mar 2011 | 2,478,163.83 | Forecast | | |
| 28 | | Apr 2011 | 2,478,163.83 | Forecast | | |
| 29 | | May 2011 | 2,478,163.83 | Forecast | | |
| 30 | | Total | <u>29,890,497.57</u> | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Advanced Energy Fund Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 Schedule E-4.1

Schedule C-3.2
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--|-------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effects of Advanced Energy Fund (AEF) from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 440 - 445 | Sales of electricity (billings to customers) | | (756) | ALLDIST | 100.00% | \$ (756) |
| 5 | | | | | | | |
| 6 | 9080000 | Customer Assistance Expenses | | (786) | ALLDIST | 100.00% | \$ (786) |
| 7 | | | | | | | |
| 8 | | | | | | | <u>\$ 30</u> |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
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| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | Supporting Calculations | | | | | |
| 23 | | <u>Summary</u> | | | | | |
| 24 | | Account 9080000 | | | | | |
| 25 | | AEF - Quarterly Expense | | Amount - \$ | | | |
| 26 | | Q2 - Jun 2010 | | 191,698.66 | Actual | | |
| 27 | | Q3 - Sep 2010 | | 197,825.00 | Forecast | | |
| 28 | | Q4 - Dec 2010 | | 197,825.00 | Forecast | | |
| 29 | | Q1 - Mar 2011 | | 198,389.00 | Forecast | | |
| 30 | | Total | | <u>785,737.66</u> | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
KWH Tax Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 Schedule E-4.1

Schedule C-3.3
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|--|----------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effects of KWH Tax Rider from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 440 - 445 | Sales of electricity (billings to customers) | | (75,941) | ALLDIST | 100.00% | \$ (75,941) |
| 5 | | | | | | | |
| 6 | 4081010 | Revenue-KWH Taxes | | (75,506) | ALLDIST | 100.00% | \$ (75,506) |
| 7 | | | | | | | |
| 8 | | | | | | | <u>\$ (435)</u> |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | | | | | | |
| 15 | | | | | | | |
| 16 | | Supporting Calculations | | | | | |
| 17 | | Summary | | | | | |
| 18 | | Account 4081010 | | | | | |
| 19 | | KWH Tax | | Amount - \$ | | | |
| 20 | | Jun 2010 - Aug 2010 | | 19,957,212.39 | Actual | | |
| 21 | | Sep 2010 | | 5,815,756.17 | Forecast | | |
| 22 | | Oct 2010 | | 5,361,739.58 | Forecast | | |
| 23 | | Nov 2010 | | 5,618,723.13 | Forecast | | |
| 24 | | Dec 2010 | | 6,985,109.57 | Forecast | | |
| 25 | | Jan 2011 | | 7,498,900.20 | Forecast | | |
| 26 | | Feb 2011 | | 6,584,597.41 | Forecast | | |
| 27 | | Mar 2011 | | 6,651,938.86 | Forecast | | |
| 28 | | Apr 2011 | | 5,529,133.09 | Forecast | | |
| 29 | | May 2011 | | 5,503,168.00 | Forecast | | |
| 30 | | Total | | <u>75,506,278.41</u> | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Energy Efficiency & Peak Demand Reduction Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 Schedule E-4.1, WP C-3.4a

Schedule C-3.4
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|--|------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effect of the Energy Efficiency and Peak Demand Reduction (EE/EDR) rider from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 440-445 | Sales of electricity (billings to customers) | | (52,744) | ALLDIST | 100.00% | \$ (52,744) |
| 5 | | | | | | | |
| 6 | 9030001 | Customer Orders & Inquiries | | (1) | ALLDIST | 100.00% | \$ (1) |
| 7 | 9070000 | Supervision - Customer Service | | (0) | ALLDIST | 100.00% | \$ (0) |
| 8 | 9070001 | Supervision - DSM | | (273) | ALLDIST | 100.00% | \$ (273) |
| 9 | 9080000 | Customer Assistance Expenses | | (11) | ALLDIST | 100.00% | \$ (11) |
| 10 | 9080009 | Cust Assistance Expense - DSM | | (33,938) | ALLDIST | 100.00% | \$ (33,938) |
| 11 | 9080014 | DSM Costs Deferred | | (8,745) | ALLDIST | 100.00% | \$ (8,745) |
| 12 | 9110001 | Supervision - Residential | | (20) | ALLDIST | 100.00% | \$ (20) |
| 13 | 9110002 | Supervision - Comm & Ind | | (86) | ALLDIST | 100.00% | \$ (86) |
| 14 | 9200000 | Administrative & Gen Salaries | | (6) | ALLDIST | 100.00% | \$ (6) |
| 15 | 9210001 | Off Supl & Exp - Nonassociated | | (0) | ALLDIST | 100.00% | \$ (0) |
| 16 | 9230001 | Outside Svcs Empl - Nonassoc | | (174) | ALLDIST | 100.00% | \$ (174) |
| 17 | 9301002 | Radio Station Advertising Time | | (3) | ALLDIST | 100.00% | \$ (3) |
| 18 | 9301007 | Special Adv Space & Prod Exp | | (424) | ALLDIST | 100.00% | \$ (424) |
| 19 | 9302000 | Misc General Expenses | | (4) | ALLDIST | 100.00% | \$ (4) |
| 20 | | Total O&M | | <u>(43,686)</u> | | | <u>\$ (43,686)</u> |
| 21 | | | | | | | |
| 22 | | | | | | | <u>\$ (9,058)</u> |
| 23 | | | | | | | |
| 24 | | | | | | | |
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| 27 | | | | | | | |
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| 30 | | | | | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Economic Development Recovery Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 Schedule E-4.1

Schedule C-3.5
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zelina

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Code | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--|-------------------------|-----------------------------|---------------------------------|----|-----------------------|
| | | Account Title | | | | % | | |
| (A) | (B) | (C) | | (D) | (E) | (F) | | (G) |
| 1 | | Purpose and Description: | | | | | | |
| 2 | | To remove the effects of the Economic Development Recovery Rider (EDR) from the distribution test year | | | | | | |
| 3 | | | | | | | | |
| 4 | 440 - 445 | Sales of electricity (billings to customers) | | (27,140) | ALLDIST | 100.00% | \$ | (27,140) |
| 5 | 442 | Sales of electricity (EDR discount) | | 29,565 [1] | | | | |
| 6 | | Total Revenues | | 2,424 | | | | |
| 7 | | | | | | | | |
| 8 | 5550110 | Purchased Power (over/under) | | 2,424 | ALLDIST | 100.00% | \$ | 2,424 |
| 9 | | | | | | | | |
| 10 | | | | | | | | |
| 11 | | | | | | | | <u>\$ (29,565)</u> |
| 12 | | | | | | | | |
| 13 | | | | | | | | |
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| 16 | | | | | | | | |
| 17 | | | | | | | | |
| 18 | | Supporting Calculations | | | | | | |
| 19 | | | | | | | | |
| 20 | | | | | | Amount - \$ | | |
| 21 | Accounts | Description | | 3 Months Actual 8/31/10 | 9 Months Forecast 5/31/2011 | 12 Months Ended 5/31/2011 Total | | Impact Inc. (Dec) |
| 22 | | | | | | | | |
| 23 | 5550110 | Purchased Power (over/under) | | (3,784,292) A | 1,360,079 B | (2,424,213) | | 2,424,213 |
| 24 | | | | | | | | |
| 25 | | | | | | | | |
| 26 | | Sources: | | | | | | |
| 27 | | A- Company General Ledger | | | | | | |
| 28 | | B- Company Forecast Model | | | | | | |
| 29 | | | | | | | | |
| 30 | | [1] Test year Distribution Revenue is not Discounted. Therefore, the Discount has already been removed. | | | | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Enhanced Service Reliability Rider
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 Schedule E-4.1, WP C-3.6a

Schedule C-3.6
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 T.R. Zellna

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--------------------|------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effect of the Enhanced Service Reliability Rider (ESRR) from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 440-445 | Sales of Electricity | | (17,835) | | | |
| 5 | | | Total Revenue | (17,835) | ALLDIST | 100.00% | \$ (17,835) |
| 6 | | | | | | | |
| 7 | 4030001 | Depreciation Exp | | (222) | | | |
| 8 | | | Total Depreciation | (222) | ALLDIST | 100.00% | \$ (222) |
| 9 | | | | | | | |
| 10 | 5930009 | ESRR-OvUnd Maint Ovh Lines | | (210) | ALLDIST | 100.00% | \$ (210) |
| 11 | 5930000 | Maintenance of Overhead Lines | | (19,740) | ALLDIST | 100.00% | \$ (19,740) |
| 12 | | | Total O&M | (19,950) | | | |
| 13 | | | | | | | |
| 14 | | | | | | | <u>\$ 2,336</u> |
| 15 | | | | | | | |
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| 30 | | | | | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Pole Attachment Revenue
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original___Updated___Revised
 Work Paper Reference No(s):

Schedule C-3.7
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--|------------------|------------|----------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | Adjust to decrease Pole Attachment Revenues recorded from June 2010 through August 2010 | | | | | |
| 3 | | for adjustments related to prior periods (Account 454) | | | | | |
| 4 | | | | | | | |
| 5 | 4540002 | Rent from Elect Property-Non-Affiliated | | | | | |
| 6 | | Remove Out of Period Pole Attachment Revenue | | (698) | DISTPLANT | 99.9012% | \$ (697) |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
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| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | Supporting Calculations | | | | | |
| 23 | | Summary | | | | | |
| 24 | | Account 4540002 | | | | | |
| 25 | | CAD056AJE | | Amount - \$ | | | |
| 26 | | 6/30/2010 | | (949,106.29) | Actual | | |
| 27 | | 7/30/2010 | | (4,467.09) | Actual | | |
| 28 | | 7/31/2010 | | 249,942.66 | | | |
| 29 | | 8/31/2010 | | 5,763.24 | Actual | | |
| 30 | | Total | | (697,867.48) | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Pole Attachment Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original___Updated___Revised
 Work Paper Reference No(s):

Schedule C-3.8
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|--------------------------------|---|--|------------------|------------|----------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | Adjust to decrease Pole Attachment Expenses recorded from June 2010 through August 2010 | | | | | |
| 3 | | for adjustments related to prior periods (Account 589) | | | | | |
| 4 | | | | | | | |
| 5 | 5890001 | Rents - Nonassociated | | | | | |
| 6 | | Out of Period Pole Attachment Rental Expense | | (603) | DISTPLANT | 99.9012% | \$ (602) |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
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| 21 | | | | | | | |
| 22 | | | | | | | |
| 23 | | | | | | | |
| 24 | Supporting Calculations | | | | | | |
| 25 | | <u>Summary</u> | | | | | |
| 26 | | Account 5890001 | | | | | |
| 27 | | CAD056AJE | | Amount - \$ | | | |
| 28 | | 6/30/2010 | | (602,900.05) | Actual | | |
| 29 | | 7/30/2010 | | (6.03) | Actual | | |
| 30 | | Total | | (602,906.08) | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Remove Effect of 2010 Severance
For The Twelve Months Ending May 31, 2011

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised
Work Paper Reference No(s):
WP C-3.9a

Schedule C-3.9
Page 1 of 1
Witness Responsible:
T.E. Mitchell
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|--|------------------|------------|----------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | | | | | | |
| 2 | | Purpose and Description: | | | | | |
| 3 | | To remove the effect of the 2010 Severance | | | | | |
| 4 | | | | | | | |
| 5 | 5880000 | Miscellaneous Distribution Exp | | (12,628) | DISTPLANT | 99.9012% | \$ (12,616) |
| 6 | 9200000 | Administrative & Gen Salaries | | (2,184) | DISTPLANT | 99.9012% | \$ (2,182) |
| 7 | 9230001 | Outside Svcs Empl - Nonassoc | | (12) | DISTPLANT | 99.9012% | \$ (12) |
| 8 | 9260005 | Group Medical Ins Premiums | | (138) | DISTPLANT | 99.9012% | \$ (138) |
| 9 | 9260009 | Group Dental Insurance Prem | | (7) | DISTPLANT | 99.9012% | \$ (7) |
| 10 | 4081002 | FICA | | (600) | DISTPLANT | 99.9012% | \$ (600) |
| 11 | 9260027 | Savings Plan Contributions | | (1) | DISTPLANT | 99.9012% | \$ (1) |
| 12 | | Total O&M | | <u>(15,570)</u> | | | <u>\$ (15,554)</u> |
| 13 | | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Amortization of 2010 Severance
For The Twelve Months Ending May 31, 2011

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ☒ Original ☐ Updated ☐ Revised
Work Paper Reference No(s):
WP C-3.10a

Schedule C-3.10
Page 1 of 1
Witness Responsible:
T.E. Mitchell
T.A. Caudill
S.J. Dias

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|-----------|------------------|------------|----------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | | | | | | |
| 2 | | Purpose and Description: | | | | | |
| 3 | | To amortize the 2010 Severance over 3 years. | | | | | |
| 4 | | | | | | | |
| 5 | 5880000 | Miscellaneous Distribution Exp | | 4,324 | DISTPLANT | 99.9012% | \$ 4,319 |
| 6 | 9200000 | Administrative & Gen Salaries | | 740 | DISTPLANT | 99.9012% | \$ 740 |
| 7 | 9230001 | Outside Svcs Empl - Nonassoc | | 5 | DISTPLANT | 99.9012% | \$ 5 |
| 8 | 9260005 | Group Medical Ins Premiums | | 46 | DISTPLANT | 99.9012% | \$ 46 |
| 9 | 9260009 | Group Dental Insurance Prem | | 2 | DISTPLANT | 99.9012% | \$ 2 |
| 10 | 4081002 | FICA | | 200 | DISTPLANT | 99.9012% | \$ 200 |
| 11 | 9260027 | Savings Plan Contributions | | 0 | DISTPLANT | 99.9012% | \$ 0 |
| 12 | | | Total O&M | <u>5,318</u> | | | <u>\$ 5,312</u> |
| 13 | | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Annualize Labor & Payroll Expenses
For The Twelve Months Ending May 31, 2011
(\$000)

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised
Work Paper Reference No(s):
WP C-3.11a, WP C-3.11b

Schedule C-3.11
Page 1 of 1
Witness Responsible:
O.J. Sever
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--|------------------|------------|----------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To adjust test year Payroll Expenses and F.I.C.A. Taxes to reflect annualized | | | | | |
| 3 | | staffing levels and wages at the end of the test year | | | | | |
| 4 | | | | | | | |
| 5 | 5800000 | Supervision & Engineering | | \$ 34 | DISTPLANT | 99.9012% | \$ 34 |
| 6 | 5820000 | Station Equipment | | \$ 10 | DISTPLANT | 99.9012% | \$ 10 |
| 7 | 5830000 | Overhead Lines | | \$ 23 | DISTPLANT | 99.9012% | \$ 23 |
| 8 | 5840000 | Underground Lines | | \$ 5 | DISTPLANT | 99.9012% | \$ 5 |
| 9 | 5850000 | Street & Area Lighting | | \$ 2 | DISTPLANT | 99.9012% | \$ 2 |
| 10 | 5860000 | Meters | | \$ 27 | DISTPLANT | 99.9012% | \$ 27 |
| 11 | 5870000 | Customer Installations | | \$ 4 | DISTPLANT | 99.9012% | \$ 4 |
| 12 | 5880000 | Miscellaneous Distribution Exp | | \$ 83 | DISTPLANT | 99.9012% | \$ 83 |
| 13 | 5890001 | Rents - Nonassociated | | \$ 0 | DISTPLANT | 99.9012% | \$ 0 |
| 14 | 5900000 | Supervision & Engineering | | \$ 5 | DISTPLANT | 99.9012% | \$ 5 |
| 15 | 5910000 | Structures | | \$ 0 | DISTPLANT | 99.9012% | \$ 0 |
| 16 | 5920000 | Station Equipment | | \$ 21 | DISTPLANT | 99.9012% | \$ 21 |
| 17 | 5930000 | Maintenance of Overhead Lines | | \$ 204 | DISTPLANT | 99.9012% | \$ 203 |
| 18 | 5940000 | Underground Lines | | \$ 6 | DISTPLANT | 99.9012% | \$ 6 |
| 19 | 5950000 | Line Transformers | | \$ 12 | DISTPLANT | 99.9012% | \$ 12 |
| 20 | 5960000 | Street & Area Lighting | | \$ 2 | DISTPLANT | 99.9012% | \$ 2 |
| 21 | 5970000 | Meters | | \$ 5 | DISTPLANT | 99.9012% | \$ 5 |
| 22 | 5980000 | Misc Distribution Plant | | \$ 13 | DISTPLANT | 99.9012% | \$ 13 |
| 23 | 9010000 | Supervision & Engineering | | \$ 6 | NUMCUST | 99.9999% | \$ 6 |
| 24 | 9020000 | Meter Reading | | \$ 43 | NUMCUST | 99.9999% | \$ 43 |
| 25 | 9030000 | Customer Records & Collection Expense | | \$ 46 | NUMCUST | 99.9999% | \$ 46 |
| 26 | 9070000 | Supervision | | \$ 0 | NUMCUST | 99.9999% | \$ 0 |
| 27 | 9080000 | Customer Assistance Expenses | | \$ 29 | NUMCUST | 99.9999% | \$ 29 |
| 28 | 9100000 | Misc Customer Service | | \$ 0 | NUMCUST | 99.9999% | \$ 0 |
| 29 | 9200000 | Salaries | | \$ 47 | DISTPLANT | 99.9012% | \$ 47 |
| 30 | 9210000 | Office Supplies | | \$ 0 | DISTPLANT | 99.9012% | \$ 0 |
| 31 | 9250000 | Injuries & Damages | | \$ 0 | DISTPLANT | 99.9012% | \$ 0 |
| 32 | 9260000 | Employee Benefits | | \$ 0 | DISTPLANT | 99.9012% | \$ 0 |
| 33 | 9302007 | Assoc Business Development Exp | | \$ 1 | DISTPLANT | 99.9012% | \$ 1 |
| 34 | 9350000 | Admin & General Maintenance | | \$ 24 | DISTPLANT | 99.9012% | \$ 24 |
| 35 | | | | <u>\$ 655</u> | | | <u>\$ 654</u> |
| 36 | | | | | | | |
| 37 | 9260027 | Employee Benefits - Savings Plan Contribution | | \$ 26 | DISTPLANT | 99.9012% | \$ 26 |
| 38 | | | | | | | |
| 39 | 408.1 | Payroll Taxes | | \$ 48 | DISTPLANT | 99.9012% | \$ 48 |
| 40 | | | | | | | |
| 41 | | | | | | | |
| 42 | | Total Payroll Expense and Tax Adjustment | | <u>\$ 729</u> | | | <u>\$ 728</u> |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Annualize Pension Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 Schedule C-2.1, WP C-3.12a

Schedule C-3.12
 Page 1 of 1
 Witness Responsible:
 H.E. McCoy
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | Total Adjustment | Allocation Code | % | Juris-dictional Amount |
|----------|-------------------|--|------------------|-----------------|----------|---|
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | | | | | |
| 2 | | Purpose and Description: | | | | |
| 3 | | Adjust pension expense in forecast to reflect the most recent actuarial estimates for the test period. | | | | |
| 4 | | | | | | |
| 5 | | | | | | |
| 6 | | PENSION EXPENSE | | | | |
| 7 | 9260003 & 9260037 | Distribution Pension Expense in Forecast (Line 25) | 5,040 | | | |
| 8 | | Less: Amount Charged to Capital Projects & Clearing Accounts (Line 29) | (3,318) | | | |
| 9 | | Net Distribution Pension Expense in Forecast | 1,722 | | | |
| 10 | | Ratio of Pension Expense to Total Accrual (Line 9 / Line 7) | 34.16% | | | |
| 11 | | | | | | |
| 12 | 9260050 | Distribution Pension Accrual for Test Year Ended 5/31/2011 (Line 33) | 6,286 | | | |
| 13 | | Percentage of Pension Accrual Charged to O&M (Line 10) | 34.16% | | | |
| 14 | | Adjusted Pension Expense | 2,147 | | | |
| 15 | | | | | | |
| 16 | | Adjustment Amount (Line 14 - Line 9) | 426 | DISTPLANT | 99.9012% | \$ 425 |
| 17 | | | | | | |
| 18 | | | | | | |
| 19 | | Supporting Calculations | | | | |
| 20 | | | | | | |
| 21 | | <u>Calculation of Forecasted Amounts Related to Distribution</u> | | | | |
| 22 | | | | | | |
| 23 | 9260003 & 9260037 | Total Company Pension Expense in Forecast | 15,010 | | | Account 9260003 on Forecasted Benefit Amounts Worksheet |
| 24 | | Historic Ratio of Distribution to Total Company Expense | 33.6% | | | Allocation Code: A&G9 |
| 25 | | Distribution Pension Expense in Forecast | \$ 5,040 | | | |
| 26 | | | | | | |
| 27 | 9260050 | Total Company Pension Fringe Loading Offset in Forecast | (6,309) | | | Account 9260050 on Forecasted Benefit Amounts Worksheet |
| 28 | | Historic Ratio of Distribution to Total Company Expense | 52.6% | | | Allocation Code: A&G10 |
| 29 | | Distribution Pension Fringe Loading Offset in Forecast | \$ (3,318) | | | |
| 30 | | | | | | |
| 31 | | <u>Test Year Pension Expense</u> | | | | |
| 32 | | | | | | |
| 33 | | 2011 Distribution Expense per Actuarial Report | 6,286 | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Annualize OPEB Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):
 Schedule C-2.1, WP C-3.13a

Schedule C-3.13
 Page 1 of 1
 Witness Responsible:
 H.E. McCoy
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|------------|---|---------|------------------|------------|----------|--|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | Adjust OPEB expense to reflect the most recent actuarial estimates for the test period. | | | | | |
| 3 | | | | | | | |
| 4 | | | | | | | |
| 5 | 92600021 & | OPEB EXPENSE | | | | | |
| 6 | 9260057 | Distribution OPEB Expense in Forecast (Line 24) | 5,339 | | | | |
| 7 | 9230053 | Less: Amount Charged to Capital Projects & Clearing Accounts (Line 28) | (1,627) | | | | |
| 8 | | Net Distribution OPEB Expense in Forecast | | 3,713 | | | |
| 9 | | Ratio of OPEB Expense to Total Accrual (Line 8 / Line 6) | | 69.54% | | | |
| 10 | | | | | | | |
| 11 | | Distribution OPEB Accrual for Test Year Ended 5/31/2011 (Line 32) | 4,724 | | | | |
| 12 | | Percentage of OPEB Accrual Charged to O&M (Line 9) | 69.54% | | | | |
| 13 | | Adjusted Distribution OPEB Expense for TYE 5/31/2011 | | 3,285 | | | |
| 14 | | | | | | | |
| 15 | | Adjustment Amount (Line 13 - Line 8) | | (428) | DISTPLANT | 99.9012% | \$ (428) |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | Supporting Calculations | | | | | |
| 19 | | | | | | | |
| 20 | | Calculation of Forecasted Amounts In Related to Distribution | | | | | |
| 21 | | | | | | | |
| 22 | 92600021 & | Total Company OPEB Expense in Forecast | 12,141 | | | | Net of Accounts 9260021 & 57 on Forecasted Benefit Amounts Worksheet |
| 23 | 9260057 | Historic Ratio of Distribution to Total Company Expense | 44.0% | | | | Allocation Code: A&G10 |
| 24 | | Distribution OPEB Expense in Forecast | | \$ 5,339 | | | |
| 25 | | | | | | | |
| 26 | 9230053 | Total Company OPEB Fringe Loading Offset in Forecast | (2,481) | | | | Account 9260053 on Forecasted Benefit Amounts Worksheet |
| 27 | | Historic Ratio of Distribution to Total Company Expense | 65.6% | | | | Allocation Code: A&G12 |
| 28 | | Distribution OPEB Fringe Loading Offset in Forecast | | \$ (1,627) | | | |
| 29 | | | | | | | |
| 30 | | Test Year OPEB Expense | | | | | |
| 31 | | | | | | | |
| 32 | | 2011 Distribution OPEB Contribution per Actuarial Report | 4,724 | | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Interest on Customer Deposits
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original___Updated___Revised
 Work Paper Reference No(s):
 Schedule B-6, Schedule C-2.1

Schedule C-3.14
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Juris- dictional Amount |
|-------------|--------------|--|--------|---------------------|------------|---------|-------------------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | Adjust customer deposit interest expense to be the rate requested in the filing multiplied by the date certain balance | | | | | |
| 3 | | – the interest expense associated with these deposits is added to operating expense | | | | | |
| 4 | | | | | | | |
| 5 | 4310002 | INTEREST ON CUSTOMER SERVICE DEPOSITS | | | | | |
| 6 | | Date Certain Deposits 8/31/10 (a/c 235) | 26,441 | | | | |
| 7 | | Requested Interest Rate | 3.00% | | | | |
| 8 | | Going Level Interest Expense | 793 | | | | |
| 9 | | Interest Expense Reflected in Cost of Service | 1,193 | | | | |
| 10 | | Adjustment to Interest on Customer Deposits | | (400) | ALLDIST | 100.00% | \$ (400) |
| 11 | | | | | | | |
| 12 | | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Amortize Rate Case Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original___Updated___Revised
Work Paper Reference No(s):
Schedule C-8

Schedule C-3.15
Page 1 of 1
Witness Responsible:
S.J. Dias
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Juris- dictional Amount |
|-------------|--------------|--|--|---------------------|------------|---------|-------------------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To include in the test year - amortization of the estimated rate case expense over three years | | | | | |
| 3 | | | | | | | |
| 4 | 9280003 | Rate Case Amortization | | 51 | ALLDIST | 100.00% | \$ 51 |
| 5 | | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Public Safety Announcement Expense
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original___Updated___Revised
Work Paper Reference No(s):

Schedule C-3.16
Page 1 of 1
Witness Responsible:
S.J. Dias
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|---|--|------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To include Public Safety Announcement expense in the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 9301000 | General Advertising | | 125 | ALLDIST | 100.00% | \$ 125 |
| 5 | | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Annualize Depreciation Expense
For The Twelve Months Ending May 31, 2011

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised ___
Work Paper Reference No(s): WP C-3.xx
WP B-3.2a, WP C-3.17a

Schedule C-3.17
Page 1 of 1
Witness Responsible:
T.E. Mitchell
O.J. Sever
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|------------------|------------|----------|-----------------------|
| | | Account Title | | Code | % | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | | | | | | |
| 2 | | Purpose and Description: | | | | |
| 3 | | To compare the depreciation expense in the test year to the annualized depreciation expense recorded based | | | | |
| 4 | | on the date certain plant balances as of August 31, 2010 | | | | |
| 5 | | | | | | |
| 6 | 4030001 | Depreciation Expense | | | | |
| 7 | | Depreciation Rate Adjustment - Distribution | | | | |
| 8 | | Depreciation Expense Annualized as of | | | | |
| 9 | | August 31, 2010 Plant Balances 62,772 | | | | |
| 10 | | Depreciation Expense for Test Year 63,155 | | | | |
| 11 | | Adjustment to Depreciation Expense on Annualized basis to Test Year | (383) | DISTPLANT | 99.9012% | \$ (383) |
| 12 | | | | | | |
| 13 | | | | | | |
| 14 | | Depreciation Rate Adjustment - General (Distribution only) | | | | |
| 15 | | Depreciation Expense Annualized as of | | | | |
| 16 | | August 31, 2010 Plant Balances 2,683 | | | | |
| 17 | | Depreciation Expense for Test Year 2,716 | | | | |
| 18 | | Adjustment to Depreciation Expense on Annualized basis to Test Year | (33) | DISTPLANT | 99.9012% | \$ (33) |
| 19 | | | | | | |
| 20 | | | | | | |
| 21 | | | (416) | | | \$ (416) |
| 22 | | | | | | |
| 23 | | | | | | |
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| 26 | | | | | | |
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Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Depreciation Rate Adjustment
For The Twelve Months Ending May 31, 2011

Date Prepared: 2/28/2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised
Work Paper Reference No(s): WPC3.xx
WP B-3.2a

Schedule C-3.18
Page 1 of 1
Witness Responsible:
T.E. Mitchell
D.A. Davis
T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Juris- dictional Amount |
|-------------|--------------|---|--------|---------------------|------------|----------|-------------------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | | | | | | |
| 2 | | Purpose and Description: | | | | | |
| 3 | | Adjust depreciation at current approved rates to depreciation rates based on Depreciation Study rates | | | | | |
| 4 | | based on date certain of 08/31/10 | | | | | |
| 5 | | | | | | | |
| 6 | 4030001 | Depreciation Expense | | | | | |
| 7 | | Depreciation Rate Adjustment | | | | | |
| 8 | | Depreciation - Distribution Plant - Current Rates | 62,772 | | | | |
| 9 | | Depreciation - Distribution Plant - Study Rates | 59,684 | | | | |
| 10 | | | | (3,087) | DISTPLANT | 99.9012% | \$ (3,084) |
| 11 | | Deprec - General Plant (Dist Co) - Current Rates | 2,683 | | | | |
| 12 | | Deprec - General Plant (Dist Co) - Study Rates | 2,175 | | | | |
| 13 | | | | (508) | DISTPLANT | 99.9012% | \$ (507) |
| 14 | | | | | | | |
| 15 | | Adjustment for Depreciation on Current and Study Rates | | (3,595) | | | \$ (3,591) |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | | | | | | | |
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| 30 | | | | | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Remove Depreciation Expense for Solar Panels
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original___Updated___Revised
 Work Paper Reference No(s):
 WP B-2.2a, WP B-3.1a

Schedule C-3.19
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|-----------|--|---------------|------------------|------------------|----------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To remove the effect of the Solar Panel Projects from the distribution test year | | | | | |
| 3 | | | | | | | |
| 4 | 4030001 | Depreciation Exp | | (38) | ALLDIST | 100.00% | \$ (38) |
| 5 | | | | | | | |
| 6 | | | | | | | |
| 7 | | | | | | | |
| 8 | | | | | | | |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | | | | | | | |
| 14 | | Supporting Calculations | | | | | |
| 15 | | <u>Summary</u> | | | | | |
| 16 | | Asset Value at 8/31/10 | \$ 531,067.56 | | | | |
| 17 | | Depr Rate | 0.33% | [A] | Amount - \$ | | |
| 18 | | Jun 2010 - Aug 2010 | | | 22,482.83 | Actual | |
| 19 | | Sep 2010 | | | 1,757.39 | Forecast | |
| 20 | | Oct 2010 | | | 1,757.39 | Forecast | |
| 21 | | Nov 2010 | | | 1,757.39 | Forecast | |
| 22 | | Dec 2010 | | | 1,757.39 | Forecast | |
| 23 | | Jan 2011 | | | 1,757.39 | Forecast | |
| 24 | | Feb 2011 | | | 1,757.39 | Forecast | |
| 25 | | Mar 2011 | | | 1,757.39 | Forecast | |
| 26 | | Apr 2011 | | | 1,757.39 | Forecast | |
| 27 | | May 2011 | | | 1,757.39 | Forecast | |
| 28 | | Total | | | <u>38,299.35</u> | | |
| 29 | | | | | | | |
| 30 | [A] | Depreciation rate in forecast as provided by Company witness Sever. | | | | | |

Note: Individual adjustment schedules shall not show effect of federal or state income taxes.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Federal & State Income Taxes
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Work Paper Reference No(s):

Schedule C-4.1

Schedule C-3.20

Page 1 of 1

Witness Responsible:

J.B. Bartsch

T.A. Caudill

| Line No. | Acct. No. | Purpose and Description | | Total Adjustment | Allocation | | Jurisdictional Amount |
|----------|---------------|---|--|------------------|------------|---------|-----------------------|
| | | Account Title | | | Code | % | |
| (A) | (B) | (C) | | (D) | (E) | (F) | (G) |
| 1 | | Purpose and Description: | | | | | |
| 2 | | To Adjust State, Local and Federal Income Tax Expense for impacts | | | | | |
| 3 | | related to Going-Level Adjustments | | | | | |
| 4 | | | | | | | |
| 5 | | | | | | | |
| 6 | 409.1 | Current State & Local Income Tax Expense | | (387) | DIRECT | 100.00% | \$ (387) |
| 7 | | | | | | | |
| 8 | 410.1 & 411.1 | Deferred State & Local Income Tax Expense | | (0) | DIRECT | 100.00% | \$ (0) |
| 9 | | | | | | | |
| 10 | | | | | | | |
| 11 | | | | | | | |
| 12 | | | | | | | |
| 13 | 409.1 | Current Federal Income Tax Expense | | (7,560) | DIRECT | 100.00% | \$ (7,560) |
| 14 | | | | | | | |
| 15 | 410.1 & 411.1 | Deferred Federal Income Tax Expense | | (250) | DIRECT | 100.00% | \$ (250) |
| 16 | | | | | | | |
| 17 | 411.4 & 411.5 | Deferred Investment Tax Credit Expense | | - | DIRECT | 100.00% | \$ 0 |
| 18 | | | | | | | |
| 19 | | | | | | | |
| 20 | | | | | | | |
| 21 | | | | | | | |
| 22 | | | | | | | |
| 23 | | | | | | | |
| 24 | | | | | | | |
| 25 | | | | | | | |
| 26 | | | | | | | |
| 27 | | | | | | | |
| 28 | | | | | | | |
| 29 | | | | | | | |
| 30 | | | | | | | |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Adjusted Jurisdictional Income Taxes
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):
 Schedule C-4.1, WP C-4.1a thru q

Schedule C-4
 Page 1 of 2
 Witness Responsible:
 J.B. Bartsch

| Line No. | Description | At Current Rates | | | At Proposed Rates | |
|----------|--|------------------|--------------------------|-------------|----------------------|------------|
| | | Unadjusted | Schedule C-3 Adjustments | Adjusted | Proforma Adjustments | Proforma |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 1 | Operating Income Before State & Local Income Taxes | \$ 81,655 | \$ (22,107) | \$ 59,548 | \$ 59,208 | \$ 118,756 |
| 2 | Current State & Local Income Tax Expense | 200 | (387) | (187) | 1,042 | 855 |
| 3 | Operating Income Before Federal Income Taxes | 81,455 | (21,720) | 59,735 | 58,166 | 117,901 |
| 4 | Reconciling Items: | | | | | |
| | Interest Charges (Synchronization) | (24,706) | 114 | (24,591) | 0 | (24,591) |
| | Schedule M Reconciling Items: | | | | | |
| 5 | Tax Accelerated Depreciation | 84,749 | 0 | 84,749 | 0 | 84,749 |
| 6 | Book Depreciation | 70,149 | (4,271) | 65,878 | 0 | 65,878 |
| 7 | Excess of Tax Over Book Depreciation | (14,600) | (4,271) | (18,871) | 0 | (18,871) |
| 8 | Other Reconciling Items | (32,517) | 4,278 | (28,239) | 0 | (28,239) |
| 9 | Total Schedule M Reconciling Items | (47,117) | 7 | (47,110) | 0 | (47,110) |
| 10 | Federal Taxable Income | \$ 9,633 | \$ (21,599) | \$ (11,966) | \$ 58,166 | \$ 46,199 |
| | Federal, State, Local Income Taxes: | | | | | |
| 11 | Federal @ 35% Statutory Rate | | | | | |
| 12 | State & Local @ Various Effective Tax Rates | | | | | |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Adjusted Jurisdictional Income Taxes
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated

Type of Filing: ☒ Original ☐ Updated ☐ Revised

Work Paper Reference No(s):

Schedule C-4.1, WP C-4.1a thru q

Schedule C-4

Page 2 of 2

Witness Responsible:

J.B. Bartsch

| Line No. | Description | At Current Rates | | | At Proposed Rates | |
|----------|---|------------------|--------------------------|----------------|----------------------|---------------|
| | | Unadjusted | Schedule C-3 Adjustments | Adjusted | Proforma Adjustments | Proforma |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| 13 | Current Federal Income Tax @ Statutory Rates | \$ 3,371 | \$ (7,560) | \$ (4,189) | \$ 20,358 | \$ 16,170 |
| 14 | Adjustments | 0 | 0 | 0 | 0 | 0 |
| 15 | Current Federal Income Tax Expense | <u>3,371</u> | <u>(7,560)</u> | <u>(4,189)</u> | <u>20,358</u> | <u>16,170</u> |
| | Deferred Income Tax Expense (Net): | | | | | |
| 16 | Depreciation Related | 9,630 | 1,247 | 10,877 | 0 | 10,877 |
| 17 | Excess DFIT Reversal - Depreciation | (37) | 0 | (37) | 0 | (37) |
| 18 | Other Temporary Differences | 6,662 | (1,497) | 5,164 | 0 | 5,164 |
| 19 | Total Deferred Federal Income Taxes (Net) | <u>16,254</u> | <u>(250)</u> | <u>16,004</u> | <u>0</u> | <u>16,004</u> |
| 20 | Amortization of Deferred Investment Tax Credits | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| 21 | Total Federal Income Tax Expense | <u>19,625</u> | <u>(7,810)</u> | <u>11,815</u> | <u>20,358</u> | <u>32,173</u> |
| 22 | Current State & Local Income Tax Expense | 200 | (387) | (187) | 1,042 | 855 |
| 23 | Deferred State & Local Income Tax Expense | <u>122</u> | <u>(0)</u> | <u>122</u> | <u>0</u> | <u>122</u> |
| 24 | Total State & Local Income Tax Expense | <u>323</u> | <u>(387)</u> | <u>(64)</u> | <u>1,042</u> | <u>978</u> |
| 25 | Total Income Tax Expense | <u>19,948</u> | <u>(8,197)</u> | <u>11,751</u> | <u>21,400</u> | <u>33,151</u> |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Development of Jurisdictional Income Taxes Before Adjustments
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original___Updated___Revised
 Work Paper Reference No(s):
 WP C-4.1a thru q

Schedule C-4.1
 Page 1 of 2
 Witness Responsible:
 J.B. Bartsch

| Line No. | Account Title | Total Utility | Allocation % | Jurisdiction | Allocation Code/ Explanation |
|----------|---|---------------|--------------|--------------|------------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) |
| 1 | Operating Income Before State & Local Income Taxes | \$ 638,225 | | \$ 81,655 | DIRECT |
| 2 | Current State & Local Income Tax Expense | 350 | | 200 | DIRECT |
| 3 | Operating Income Before Federal Income Taxes | 637,875 | | 81,455 | DIRECT |
| 4 | Reconciling Items: Interest Charges | (157,117) | | (24,706) | DIRECT |
| 5 | Schedule M Reconciling Items: Tax Accelerated Depreciation | 434,387 | | 84,749 | DIRECT |
| 6 | Book Depreciation | 352,970 | | 70,149 | DIRECT |
| 7 | Excess of Tax Over Book Depreciation | (81,417) | | (14,600) | DIRECT |
| 8 | Other Reconciling Items | (315,713) | | (32,517) | DIRECT |
| 9 | Total Schedule M Reconciling Items | (397,130) | | (47,117) | DIRECT |
| 10 | Federal Taxable Income | \$ 83,628 | | \$ 9,633 | DIRECT |
| 11 | Federal, State, Local Income Taxes: Federal @ 35% Statutory Rate | | | | |
| 12 | State & Local @ Various Effective Tax Rates | | | | |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Development of Jurisdictional Income Taxes Before Adjustments
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated

Type of Filing: ► Original ___ Updated ___ Revised

Work Paper Reference No(s):

WP C-4.1a thru q

Schedule C-4.1

Page 2 of 2

Witness Responsible:

J.B. Bartsch

| Line No. | Account Title | Total Utility (1) | Allocation % (2) | Jurisdiction (3) | Allocation Code/ Explanation (4) |
|----------|---|----------------------|---------------------|---------------------|--|
| (A) | (B) | (C) | (D) | (E) | (F) |
| 13 | Current Federal Income Tax @ Statutory Rates | \$ 29,270 | | \$ 3,371 | DIRECT |
| 14 | Adjustments | (16,433) | | 0 | DIRECT |
| 15 | Current Federal Income Tax Expense | <u>12,837</u> | | <u>3,371</u> | DIRECT |
| | Deferred Income Tax Expense (Net): | | | | |
| 16 | Depreciation Related | 61,842 | | 9,630 | DIRECT |
| 17 | Excess DFIT Reversal - Depreciation | (114) | | (37) | DIRECT |
| 18 | Other Temporary Differences | 84,171 | | 6,662 | DIRECT |
| 19 | Total Deferred Federal Income Taxes (Net) | <u>145,900</u> | | <u>16,254</u> | DIRECT |
| 20 | Amortization of Deferred Investment Tax Credits | <u>(226)</u> | | <u>0</u> | DIRECT |
| 21 | Total Federal Income Tax Expense | <u>158,510</u> | | <u>19,625</u> | DIRECT |
| 22 | Current State & Local Income Tax Expense | 350 | | 200 | DIRECT |
| 23 | Deferred State & Local Income Tax Expense | <u>3,531</u> | | <u>122</u> | DIRECT |
| 24 | Total State & Local Income Tax Expense | <u>3,881</u> | | <u>323</u> | DIRECT |
| 25 | Total Income Tax Expense | <u>162,391</u> | | <u>19,948</u> | DIRECT |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Social and Service Club Dues
For The Twelve Months Ending May 31, 2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ►Original___Updated___Revised
Work Paper Reference No(s):

Schedule C-5
Page 1 of 1
Witness Responsible:
Not Applicable

| Line No. | Acct. No. | Social Organization/ Service Club | Total Utility | Allocation % | Jurisdiction |
|-------------|--------------|--------------------------------------|------------------|-----------------|--------------|
| (A) | (B) | (C) | (D) | (E) | (F) |

No social and/or service club dues are included in test year operating expenses.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Charitable Contributions
For The Twelve Months Ending May 31, 2011

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ►Original___Updated___Revised
Work Paper Reference No(s):

Schedule C-6
Page 1 of 1
Witness Responsible:
Not Applicable

| Line No. | Acct. No. | Charitable Organization | Total Utility | Allocation % | Jurisdictional Adjustment |
|-------------|--------------|-------------------------|------------------|-----------------|------------------------------|
| (A) | (B) | (C) | (D) | (E) | (F) |

No charitable contributions are included in test year operating expenses

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Customer Service and Informational, Sales, and
General Advertising Expense*
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):
 Schedule C-2.1

Schedule C-7
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Acct. No. | Description of Expenses | Labor | Non-Labor | Jurisdictional |
|----------|-----------|---|-----------------|------------------|------------------|
| (A) | (B) | (C) | (D) | (E) | (F) |
| 1 | | <u>CUSTOMER SERVICE AND INFORMATIONAL EXPENSES</u> | | | |
| 2 | 9070000 | Supervision | \$ 3 | \$ 1,607 | \$ 1,610 |
| 3 | 9080000 | Customer Assistance | 1,203 | 9,872 | 11,075 |
| 4 | 9090000 | Informational and Instructional Expenses | 0 | 368 | 368 |
| 5 | 9100000 | Miscellaneous Customer Service & Informational Exp. | 1 | 1 | 2 |
| 6 | | Total Customer Service & Informational Expenses | <u>\$ 1,208</u> | <u>\$ 11,847</u> | <u>\$ 13,055</u> |
| 7 | | <u>SALES EXPENSES</u> | | | |
| 8 | 9110000 | Supervision | \$ 0 | \$ 110 | \$ 110 |
| 9 | 9120000 | Demonstrating and Selling Expenses | 0 | 1 | 1 |
| 10 | 9130000 | Advertising Expenses | 0 | 0 | 0 |
| 11 | 9160000 | Miscellaneous Selling Expenses | 0 | 6 | 6 |
| 12 | | Total Sales Expenses | <u>\$ -</u> | <u>\$ 118</u> | <u>\$ 118</u> |
| 13 | | <u>GENERAL ADVERTISING EXPENSES</u> | | | |
| 14 | 9301000 | General Advertising Expenses | \$ 0 | \$ 1,341 | \$ 1,341 |
| 15 | 9302000 | Miscellaneous General Expenses | 0 | 2,406 | 2,406 |
| 16 | 9302007 | Associated Business Development Expenses | 11 | 582 | 593 |
| 17 | | Total General Advertising Expenses | <u>\$ 11</u> | <u>\$ 4,329</u> | <u>\$ 4,340</u> |

* This schedule applies to electric and gas companies only.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Rate Case Expense (Jurisdiction)
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-8
 Page 1 of 1
 Witness Responsible:
 S.J. Dias

| Comparison of Projected Expenses Associated with the Current Case to Prior Rate Cases | | | | | | |
|---|------------------------|-------------------------------|---------------------------------|------------------------------|--------------------------------|-------------------------------------|
| Item of Expense | Current Case Estimated | Most Recent Prior Case Actual | Most Recent Prior Case Estimate | Next Most Recent Case Actual | Next Most Recent Case Estimate | Justification of Significant Change |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) |
| Legal | \$ 125 | | | | | |
| Accounting | | | | | | |
| Rate of Return Studies | 28 | | | | | |
| Cost of Service Studies | | | | | | |
| Other Major Rate Case Expenses (List & Specify) | | | | | | |
| Total | <u>\$ 153</u> | <u>\$ 519 *</u> | <u>\$ 545 *</u> | <u>\$ 487 *</u> | <u>\$ 527 *</u> | |

| Schedule of Rate Case Expense Amortization | | | | | |
|--|-------------------------------|-----------------------------|--------------------------------|------------------------------------|---|
| Rate Case | Total Expense to be Amortized | Opinion/ Order Date | Authorized Amortization Period | Amount Amortized/ Expensed to Date | Expenses Included in Unadjusted Test Year Expense |
| (H) | (I) | (J) | (K) | (L) | (M) |
| Current (Estimated) | \$ 153 | | | \$ - | \$ - |
| Most Recent | \$ 519 | 94-996-EL-AIR 03/23/1995 | 4 years | \$ 519 | - |
| Next Most Recent | \$ 487 | 85-726-EL-AIR 07/10/1986 | 2 years | \$ 487 | - |
| | | | | | <u>\$ - (1)</u> |

(1) Represents rate case expense included on Schedule C-2.

* Breakdown by category not available.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Operation and Maintenance Payroll Costs
For The Twelve Months Ending May 31, 2011
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ►Original___Updated___Revised
 Work Paper Reference No(s):
 Schedule C-9.1, Schedule C-2.1, WP C-2.1a thru e, Schedule C-3.9 thru C-3.13

Schedule C-9
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever
 T.A. Caudill
 H.E. McCoy

| Operation and Maintenance Expense | | | | | | | |
|-----------------------------------|---------------------------------------|--------------------------|------------------------------|--------------|---------------------------|-------------|-------------------------|
| Line No. | Description | Total Company Unadjusted | Allocation Code/ Description | Allocation % | Jurisdictional Unadjusted | Adjustments | Jurisdictional Adjusted |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | Payroll Costs: | | | | | | |
| 2 | Labor | \$ 114,195 | DIRECT | 30.4577% | \$ 34,781 | \$ 654 | \$ 35,436 |
| 3 | | | | | | | |
| 4 | Employee Benefits | | | | | | |
| 5 | Pension | \$ 8,701 | DIRECT | 19.7698% | \$ 1,720 | \$ 425 | \$ 2,145 |
| 6 | OPEB | \$ 9,660 | DIRECT | 38.3974% | \$ 3,709 | \$ (428) | \$ 3,282 |
| 7 | Savings Plan Contribution | \$ 6,324 | A&G8 | 25.2650% | \$ 1,598 | \$ 26 | \$ 1,624 |
| 8 | Other Employee Benefits | \$ 8,776 | A&G8 | 25.2650% | \$ 2,217 | \$ 0 | \$ 2,217 |
| 9 | Total Benefits | \$ 33,461 | | | \$ 9,244 | \$ 24 | \$ 9,268 |
| 10 | | | | | | | |
| 11 | Payroll Taxes (F.I.C.A.) | \$ 10,023 | OTHTAX3 | 27.3837% | \$ 2,745 | \$ 48 | \$ 2,793 |
| 12 | Other Payroll Taxes | \$ 121 | OTHTAX3 | 27.3837% | \$ 33 | \$ 0 | \$ 33 |
| 13 | Total Payroll Taxes | \$ 10,143 | | | \$ 2,778 | \$ 48 | \$ 2,826 |
| 14 | | | | | | | |
| 15 | Total Payroll Costs | \$ 157,800 | | | \$ 46,803 | \$ 726 | \$ 47,529 |
| 16 | | | | | | | |
| 17 | Severance Costs: | | | | | | |
| 18 | Labor - Severance | \$ 14,824 | DISTPLANT | 99.9012% | \$ 14,810 | \$ (9,746) | \$ 5,064 |
| 19 | Savings Plan Contribution - Severance | \$ 1 | DISTPLANT | 99.9012% | \$ 1 | \$ (0) | \$ 0 |
| 20 | Other Employee Benefits - Severance | \$ 145 | DISTPLANT | 99.9012% | \$ 145 | \$ (96) | \$ 49 |
| 21 | Payroll Taxes (F.I.C.A.) - Severance | \$ 600 | DISTPLANT | 99.9012% | \$ 600 | \$ (400) | \$ 200 |
| 22 | Total Payroll Costs - Severance | \$ 15,570 | | | \$ 15,555 | \$ (10,242) | \$ 5,313 |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Total Company Payroll Analysis
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2010
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):

Schedule C-9.1
 Page 1 of 7
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. |
|----------|--|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 5/31/2011 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 3,348,525 | 3,546,066 | 3,559,461 | 3,720,320 | 3,703,283 | 3,082,338 |
| 3 | Overtime Hours | 596,279 | 516,818 | 532,749 | 672,539 | 570,396 | 485,447 |
| 4 | Total Manhours | <u>3,944,804</u> | <u>4,062,884</u> | <u>4,092,210</u> | <u>4,392,859</u> | <u>4,273,679</u> | <u>3,567,786</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | 17.81% | 14.57% | 14.97% | 18.08% | 15.40% | 15.75% |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 116,812 | 126,611 | 132,364 | 140,150 | 148,019 | 137,027 |
| 8 | Overtime Dollars | 25,449 | 23,044 | 25,643 | 31,699 | 28,575 | 24,531 |
| 9 | Total Labor Dollars | <u>142,261</u> | <u>149,655</u> | <u>158,006</u> | <u>171,848</u> | <u>176,593</u> | <u>161,559</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | 21.79% | 18.20% | 19.37% | 22.62% | 19.30% | 17.90% |
| 11 | O&M Labor Dollars | 101,622 | 108,988 | 113,304 | 125,965 | 129,722 | 114,195 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>71.43%</u> | <u>72.83%</u> | <u>71.71%</u> | <u>73.30%</u> | <u>73.46%</u> | <u>70.68%</u> |
| 13 | Total Employee Benefits | 42,586 | 38,709 | 47,972 | 51,347 | 71,616 | 69,042 |
| 14 | Employee Benefits Expensed | 24,920 | 20,296 | 31,219 | 34,727 | 51,725 | 45,564 |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>58.52%</u> | <u>52.43%</u> | <u>65.08%</u> | <u>67.63%</u> | <u>72.23%</u> | <u>65.99%</u> |
| 16 | Total Payroll Taxes | 13,316 | 12,689 | 13,401 | 14,706 | 13,064 | 15,502 |
| 17 | Payroll Taxes Expensed | 9,262 | 8,473 | 8,841 | 10,172 | 8,507 | 11,108 |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>69.55%</u> | <u>66.78%</u> | <u>65.97%</u> | <u>69.17%</u> | <u>65.12%</u> | <u>71.65%</u> |
| 19 | Average Employee Levels | 1,939 | 2,033 | 2,051 | 2,087 | 2,095 | 1,926 |
| 20 | Year End Employee Levels | 1,984 | 2,059 | 2,061 | 2,101 | 2,062 | 2,007 |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Distribution Payroll Analysis
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2010
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
Type of Filing: ► Original ___ Updated ___ Revised
Work Paper Reference No(s):

Schedule C-9.1
Page 2 of 7
Witness Responsible:
T.E. Mitchell
O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. |
|----------|--|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 5/31/2011 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 1,549,331 | 1,589,645 | 1,565,417 | 1,607,550 | 1,581,548 | 1,226,702 |
| 3 | Overtime Hours | 280,540 | 178,116 | 151,278 | 273,843 | 207,229 | 135,564 |
| 4 | Total Manhours | <u>1,829,871</u> | <u>1,767,761</u> | <u>1,716,695</u> | <u>1,881,393</u> | <u>1,788,777</u> | <u>1,362,267</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | <u>18.11%</u> | <u>11.20%</u> | <u>9.66%</u> | <u>17.03%</u> | <u>13.10%</u> | <u>11.05%</u> |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 45,868 | 48,185 | 49,131 | 50,711 | 51,850 | 52,549 |
| 8 | Overtime Dollars | 10,912 | 7,180 | 6,249 | 10,857 | 9,053 | 7,127 |
| 9 | Total Labor Dollars | <u>56,781</u> | <u>55,365</u> | <u>55,380</u> | <u>61,568</u> | <u>60,903</u> | <u>59,676</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | <u>23.79%</u> | <u>14.90%</u> | <u>12.72%</u> | <u>21.41%</u> | <u>17.46%</u> | <u>13.56%</u> |
| 11 | O&M Labor Dollars | 31,827 | 32,054 | 31,993 | 36,951 | 35,717 | 34,781 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>56.05%</u> | <u>57.90%</u> | <u>57.77%</u> | <u>60.02%</u> | <u>58.65%</u> | <u>58.28%</u> |
| 13 | Total Employee Benefits | 17,524 | 19,402 | 17,424 | 18,880 | 24,866 | 29,688 |
| 14 | Employee Benefits Expensed | 6,762 | 8,325 | 8,347 | 9,773 | 13,561 | 15,935 |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>38.59%</u> | <u>42.91%</u> | <u>47.91%</u> | <u>51.76%</u> | <u>54.54%</u> | <u>53.67%</u> |
| 16 | Total Payroll Taxes | 5,241 | 4,676 | 4,623 | 5,306 | 4,526 | 6,283 |
| 17 | Payroll Taxes Expensed | 2,777 | 2,247 | 2,216 | 2,900 | 2,097 | 3,680 |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>52.98%</u> | <u>48.05%</u> | <u>47.95%</u> | <u>54.66%</u> | <u>46.33%</u> | <u>58.57%</u> |
| 19 | Average Employee Levels | 895 | 910 | 903 | 915 | 901 | 795 |
| 20 | Year End Employee Levels | 902 | 913 | 902 | 922 | 882 | 850 |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Distribution Payroll Analysis - Exempt
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2010
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ►Original___Updated___Revised
 Work Paper Reference No(s):
 WP C-9.1a

Schedule C-9.1
 Page 3 of 7
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. |
|----------|--|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 5/31/2011 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 222,804 | 232,771 | 232,508 | 240,647 | 234,521 | 162,062 |
| 3 | Overtime Hours | 12,650 | 6,624 | 4,082 | 10,127 | 7,254 | 1,734 |
| 4 | Total Manhours | <u>235,454</u> | <u>239,395</u> | <u>236,590</u> | <u>250,774</u> | <u>241,775</u> | <u>163,796</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | 5.68% | 2.85% | 1.76% | 4.21% | 3.09% | 1.07% |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 8,642 | 9,036 | 9,609 | 9,982 | 10,003 | 12,151 |
| 8 | Overtime Dollars | 432 | 227 | 137 | 344 | 261 | 140 |
| 9 | Total Labor Dollars | <u>9,075</u> | <u>9,263</u> | <u>9,746</u> | <u>10,326</u> | <u>10,264</u> | <u>12,291</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | 5.00% | 2.51% | 1.42% | 3.45% | 2.60% | 1.15% |
| 11 | O&M Labor Dollars | 4,966 | 4,909 | 5,172 | 5,602 | 5,593 | 7,654 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>54.72%</u> | <u>53.00%</u> | <u>53.06%</u> | <u>54.25%</u> | <u>54.49%</u> | <u>62.28%</u> |
| 13 | Total Employee Benefits | * | * | * | * | * | * |
| 14 | Employee Benefits Expensed | * | * | * | * | * | * |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 16 | Total Payroll Taxes | * | * | * | * | * | * |
| 17 | Payroll Taxes Expensed | * | * | * | * | * | * |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 19 | Average Employee Levels | 122 | 124 | 128 | 129 | 126 | * |
| 20 | Year End Employee Levels | 122 | 132 | 126 | 132 | 122 | * |

* Not Available in this detail

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Distribution Payroll Analysis - Nonexempt
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2010
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WP C-9.1b

Schedule C-9.1
 Page 4 of 7
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. 5/31/2011 |
|----------|--|---------------------------------|------------------|------------------|------------------|------------------|-----------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 966,274 | 992,828 | 977,731 | 990,473 | 972,712 | 786,453 |
| 3 | Overtime Hours | 215,249 | 140,506 | 123,824 | 213,240 | 160,480 | 119,351 |
| 4 | Total Manhours | <u>1,181,523</u> | <u>1,133,334</u> | <u>1,101,555</u> | <u>1,203,713</u> | <u>1,133,192</u> | <u>905,804</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | <u>22.28%</u> | <u>14.15%</u> | <u>12.66%</u> | <u>21.53%</u> | <u>16.50%</u> | <u>15.18%</u> |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 26,225 | 27,511 | 28,009 | 28,526 | 29,292 | 28,830 |
| 8 | Overtime Dollars | 8,180 | 5,577 | 5,045 | 8,298 | 6,913 | 6,204 |
| 9 | Total Labor Dollars | <u>34,405</u> | <u>33,088</u> | <u>33,055</u> | <u>36,824</u> | <u>36,206</u> | <u>35,033</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | <u>31.19%</u> | <u>20.27%</u> | <u>18.01%</u> | <u>29.09%</u> | <u>23.60%</u> | <u>21.52%</u> |
| 11 | O&M Labor Dollars | 21,283 | 21,241 | 21,291 | 24,646 | 23,564 | 21,461 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>61.86%</u> | <u>64.19%</u> | <u>64.41%</u> | <u>66.93%</u> | <u>65.08%</u> | <u>61.26%</u> |
| 13 | Total Employee Benefits | * | * | * | * | * | * |
| 14 | Employee Benefits Expensed | * | * | * | * | * | * |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 16 | Total Payroll Taxes | * | * | * | * | * | * |
| 17 | Payroll Taxes Expensed | * | * | * | * | * | * |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 19 | Average Employee Levels | 564 | 575 | 570 | 573 | 562 | * |
| 20 | Year End Employee Levels | 564 | 574 | 571 | 573 | 548 | * |

* Not Available in this detail

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Distribution Payroll Analysis - Salaried Nonexempt
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2010
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WP C-9.1c

Schedule C-9.1
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 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. 5/31/2011 |
|----------|--|---------------------------------|----------------|----------------|----------------|----------------|-----------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 360,253 | 364,046 | 355,178 | 376,430 | 374,315 | 278,187 |
| 3 | Overtime Hours | 52,641 | 30,986 | 23,372 | 50,476 | 39,495 | 14,479 |
| 4 | Total Manhours | <u>412,894</u> | <u>395,032</u> | <u>378,550</u> | <u>426,906</u> | <u>413,810</u> | <u>292,666</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | 14.61% | 8.51% | 6.58% | 13.41% | 10.55% | 5.20% |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 11,000 | 11,638 | 11,513 | 12,202 | 12,554 | 11,568 |
| 8 | Overtime Dollars | 2,301 | 1,377 | 1,067 | 2,215 | 1,879 | 783 |
| 9 | Total Labor Dollars | <u>13,301</u> | <u>13,014</u> | <u>12,580</u> | <u>14,417</u> | <u>14,434</u> | <u>12,352</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | 20.91% | 11.83% | 9.27% | 18.15% | 14.97% | 6.77% |
| 11 | O&M Labor Dollars | 5,579 | 5,904 | 5,531 | 6,703 | 6,560 | 5,666 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>41.94%</u> | <u>45.36%</u> | <u>43.97%</u> | <u>46.49%</u> | <u>45.45%</u> | <u>45.87%</u> |
| 13 | Total Employee Benefits | * | * | * | * | * | * |
| 14 | Employee Benefits Expensed | * | * | * | * | * | * |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 16 | Total Payroll Taxes | * | * | * | * | * | * |
| 17 | Payroll Taxes Expensed | * | * | * | * | * | * |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> | <u>*</u> |
| 19 | Average Employee Levels | 209 | 211 | 205 | 213 | 213 | * |
| 20 | Year End Employee Levels | 216 | 207 | 205 | 217 | 212 | * |

* Not Available in this detail

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Transmission Payroll Analysis
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2010
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WP C-9.1d

Schedule C-9.1
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 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. |
|----------|--|---------------------------------|----------------|----------------|----------------|----------------|----------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 5/31/2011 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 348,411 | 400,319 | 407,930 | 420,755 | 409,990 | 398,422 |
| 3 | Overtime Hours | 43,769 | 41,931 | 40,687 | 55,642 | 48,608 | 28,891 |
| 4 | Total Manhours | <u>392,180</u> | <u>442,250</u> | <u>448,617</u> | <u>476,397</u> | <u>458,598</u> | <u>427,313</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | 12.56% | 10.47% | 9.97% | 13.22% | 11.86% | 7.25% |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 11,893 | 13,320 | 13,803 | 14,196 | 14,621 | 13,013 |
| 8 | Overtime Dollars | 1,797 | 1,679 | 1,669 | 2,281 | 2,055 | 1,098 |
| 9 | Total Labor Dollars | <u>13,690</u> | <u>14,999</u> | <u>15,471</u> | <u>16,477</u> | <u>16,676</u> | <u>14,111</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | 15.11% | 12.61% | 12.09% | 16.07% | 14.05% | 8.44% |
| 11 | O&M Labor Dollars | 8,418 | 8,731 | 8,286 | 9,016 | 8,862 | 6,840 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>61.49%</u> | <u>58.21%</u> | <u>53.56%</u> | <u>54.72%</u> | <u>53.14%</u> | <u>48.47%</u> |
| 13 | Total Employee Benefits | 4,614 | 4,672 | 4,486 | 4,444 | 5,864 | 6,365 |
| 14 | Employee Benefits Expensed | 1,410 | 1,153 | 1,103 | 1,192 | 2,209 | 2,383 |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>30.56%</u> | <u>24.67%</u> | <u>24.60%</u> | <u>26.83%</u> | <u>37.66%</u> | <u>37.43%</u> |
| 16 | Total Payroll Taxes | 1,275 | 1,257 | 1,323 | 1,374 | 1,256 | 1,492 |
| 17 | Payroll Taxes Expensed | 801 | 701 | 678 | 751 | 625 | 912 |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>62.84%</u> | <u>55.80%</u> | <u>51.27%</u> | <u>54.69%</u> | <u>49.76%</u> | <u>61.10%</u> |
| 19 | Average Employee Levels | 204 | 225 | 232 | 234 | 229 | 205 |
| 20 | Year End Employee Levels | 212 | 230 | 232 | 233 | 225 | 190 |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Generation Payroll Analysis
by Employee Classifications/Payroll Distribution
For The Twelve Months Ending May 31, 2010
(\$000)

Data: 3 MOS Actual & 9 MOS Estimated
 Type of Filing: ► Original ___ Updated ___ Revised
 Work Paper Reference No(s):
 WP C-9.1e

Schedule C-9.1
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 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. |
|----------|--|---------------------------------|------------------|------------------|------------------|------------------|------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 5/31/2011 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | <u>Manhours</u> | | | | | | |
| 2 | Straight-Time Hours | 1,450,783 | 1,556,102 | 1,586,114 | 1,692,015 | 1,711,745 | 1,457,214 |
| 3 | Overtime Hours | 271,970 | 296,771 | 340,784 | 343,054 | 314,559 | 320,992 |
| 4 | Total Manhours | <u>1,722,753</u> | <u>1,852,873</u> | <u>1,926,898</u> | <u>2,035,069</u> | <u>2,026,304</u> | <u>1,778,206</u> |
| 5 | Ratio of Overtime Hours to Straight-Time Hours | 18.75% | 19.07% | 21.49% | 20.27% | 18.38% | 22.03% |
| 6 | <u>Labor Dollars</u> | | | | | | |
| 7 | Straight-Time Dollars | 59,051 | 65,107 | 69,430 | 75,243 | 81,548 | 71,465 |
| 8 | Overtime Dollars | 12,740 | 14,185 | 17,725 | 18,561 | 17,467 | 16,306 |
| 9 | Total Labor Dollars | <u>71,791</u> | <u>79,291</u> | <u>87,155</u> | <u>93,804</u> | <u>99,014</u> | <u>87,771</u> |
| 10 | Ratio of Overtime Dollars to Straight-Time Dollars | 21.57% | 21.79% | 25.53% | 24.67% | 21.42% | 22.82% |
| 11 | O&M Labor Dollars | 61,377 | 68,203 | 73,024 | 79,997 | 85,144 | 72,574 |
| 12 | Ratio of O&M Labor Dollars to Total Labor Dollars | <u>85.49%</u> | <u>86.02%</u> | <u>83.79%</u> | <u>85.28%</u> | <u>85.99%</u> | <u>82.69%</u> |
| 13 | Total Employee Benefits | 20,449 | 14,635 | 26,063 | 28,023 | 40,886 | 32,989 |
| 14 | Employee Benefits Expensed | 16,747 | 10,819 | 21,768 | 23,762 | 35,956 | 27,247 |
| 15 | Ratio of Benefits Expensed to Total Benefits | <u>81.90%</u> | <u>73.93%</u> | <u>83.52%</u> | <u>84.80%</u> | <u>87.94%</u> | <u>82.59%</u> |
| 16 | Total Payroll Taxes | 6,801 | 6,757 | 7,456 | 8,026 | 7,282 | 7,727 |
| 17 | Payroll Taxes Expensed | 5,684 | 5,525 | 5,946 | 6,520 | 5,786 | 6,516 |
| 18 | Ratio of Payroll Taxes Expensed to Total Payroll Taxes | <u>83.59%</u> | <u>81.78%</u> | <u>79.75%</u> | <u>81.24%</u> | <u>79.45%</u> | <u>84.33%</u> |
| 19 | Average Employee Levels | 840 | 898 | 916 | 938 | 965 | 926 |
| 20 | Year End Employee Levels | 870 | 916 | 927 | 946 | 955 | 967 |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Comparative Balance Sheets (Total Company)
As of 08/31/2010 and December 31, 2005-2009
(\$000)

Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-10.1
 Page 1 of 4
 Witness Responsible:
 T.E. Mitchell

| Line No. | Description | Date Certain ¹ 08/31/2010 | Most Recent Five Calendar Years | | | | |
|----------|---|---|---------------------------------|--------------|--------------|--------------|--------------|
| | | | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | UTILITY PLANT | | | | | | |
| 2 | Utility Plant (101-106, 114) (incl. EPIS leased & assoc. reserve) | \$ 9,899,923 | \$ 9,681,248 | \$ 8,179,323 | \$ 7,630,914 | \$ 6,279,590 | \$ 6,046,843 |
| 3 | Construction Work in Progress (107) | 139,577 | 198,843 | 787,180 | 716,640 | 1,339,631 | 690,168 |
| 4 | Total Utility Plant | 10,039,500 | 9,880,091 | 8,966,503 | 8,347,554 | 7,619,221 | 6,737,011 |
| 5 | (Less) Accum. Prov. for Depr., Amort., and Depl. (108, 110, 111, 115) | 3,604,568 | 3,403,633 | 2,941,679 | 2,784,424 | 2,670,392 | 2,594,720 |
| 6 | Net Utility Plant, Before Nuclear Fuel | 6,434,933 | 6,476,458 | 6,024,825 | 5,563,130 | 4,948,828 | 4,142,291 |
| 7 | Nuclear Fuel (120.1-120.4, 120.6) | - | - | - | - | - | - |
| 8 | (Less) Accum. Prov. For Amort. of Nuclear Fuel Assem. (120.5) | - | - | - | - | - | - |
| 9 | Net Nuclear Fuel | - | - | - | - | - | - |
| 10 | Net Utility Plant | 6,434,933 | 6,476,458 | 6,024,825 | 5,563,130 | 4,948,828 | 4,142,291 |
| 11 | OTHER PROPERTY AND INVESTMENTS | | | | | | |
| 12 | Nonutility Property (121) | 11,614 | 11,297 | 53,724 | 11,679 | 11,493 | 11,109 |
| 13 | (Less) Accum. Prov. for Depr. & Amort. (122) | 7,647 | 7,697 | 8,889 | 9,103 | 8,701 | 5,397 |
| 14 | Investments in Associated Companies (123) | 0 | 0 | 0 | 0 | 0 | 0 |
| 15 | Investments in Subsidiary Companies (123.1) | 734 | 734 | 734 | 734 | 734 | 640 |
| 16 | Noncurrent Portion of Allowances | 18,354 | 18,354 | 20,826 | 24,397 | 29,433 | 27,923 |
| 17 | Other Investments (124) | 109,879 | 110,018 | 64,478 | 56,916 | 52,806 | 67,161 |
| 18 | Special Funds (125-129) | 0 | 0 | 0 | 87,709 | 0 | 0 |
| 19 | Long-Term Portion of Derivative Assets (175) | 35,071 | 28,003 | 38,972 | 51,182 | 69,997 | 144,015 |
| 20 | Long-Term Portion of Derivative Assets - Hedges (176) | 0 | 0 | 125 | 152 | 95 | 0 |
| 21 | Total Other Property and Investments | 168,006 | 160,709 | 169,970 | 223,664 | 155,857 | 245,451 |
| 22 | CURRENT AND ACCRUED ASSETS | | | | | | |
| 23 | Cash (131) & Working Funds (135) & TCI (136) | 1,471 | 1,984 | 936 | 1,248 | 1,338 | 974 |
| 24 | Special Deposits (132-134) | 59,081 | 20,266 | 27,506 | 9,094 | 11,741 | 23,081 |
| 25 | Notes Receivable (141) | - | - | 22,833 | 0 | 25 | 25 |
| 26 | Customer Accounts Receivable (142) | 48,530 | 41,467 | 66,393 | 70,848 | 61,543 | 88,958 |
| 27 | Other Accounts Receivable (143) | 6,497 | 19,343 | 25,157 | 35,271 | 26,120 | 51,925 |
| 28 | (Less) Accum. Prov. for Uncollectible Acct.-Credit (144) | 2,703 | 2,665 | 3,667 | 3,396 | 824 | 1,517 |
| 29 | Notes Receivable from Associated Companies (145) | 129,335 | 438,352 | - | - | - | - |
| 30 | Accounts Receivable from Associated Companies (146) | 141,457 | 197,359 | 115,959 | 117,192 | 105,410 | 167,579 |
| 31 | Fuel Stock (151) | 262,801 | 327,109 | 181,786 | 89,601 | 117,179 | 94,913 |
| 32 | Fuel Stock Expense Undistributed (152) | 8,925 | 9,758 | 5,118 | 3,273 | 3,262 | 2,687 |
| 33 | Residuals (Elec.) and Extracted Products (153) | - | - | - | - | - | - |

¹ If date certain actual balance sheet is not available at the date of filing, it shall be provided with the two-month update filing.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Comparative Balance Sheets (Total Company)
As of 08/31/2010 and December 31, 2006-2009
(\$000)

Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):

Schedule C-10.1
 Page 2 of 4
 Witness Responsible:
 T.E. Mitchell

| Line No. | Description | Date Certain ¹ 08/31/2010 | Most Recent Five Calendar Years | | | | |
|----------|---|---|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | | | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 34 | CURRENT AND ACCRUED ASSETS, continued | | | | | | |
| 35 | Plant Material and Operating Supplies (154) | 117,263 | 106,233 | 96,157 | 90,199 | 74,840 | 62,209 |
| 36 | Merchandise (155) | - | - | - | - | - | - |
| 37 | Other Materials and Supplies (156) | - | - | - | - | - | - |
| 38 | Nuclear Materials Held for Sale (157) | - | - | - | - | - | - |
| 39 | Allowances (158.1 and 158.2) | 22,919 | 27,607 | 32,089 | 42,645 | 39,205 | 52,525 |
| 40 | (Less) Noncurrent Portion of Allowances | 18,354 | 18,354 | 20,826 | 24,397 | 29,433 | 27,923 |
| 41 | Stores Expense Undistributed (163) | - | - | - | - | - | - |
| 42 | Prepayments (165) | 7,593 | 3,498 | 10,043 | 16,396 | 64,031 | 175,985 |
| 43 | Interest and Dividends Receivable (171) | 1,287 | 1,342 | 4,508 | - | - | - |
| 44 | Rents Receivable (172) | 827 | 1,374 | 220 | 203 | 195 | 111 |
| 45 | Accrued Utility Revenues (173) | 32,188 | 15,021 | 18,239 | 26,819 | 10,106 | 14,817 |
| 46 | Miscellaneous Current and Accrued Assets (174) | 1,721 | 3 | 3 | 1,639 | 0 | 0 |
| 47 | Derivative Instrument Assets (175) | 79,759 | 76,808 | 88,758 | 96,038 | 150,172 | 252,044 |
| 48 | (Less) Long-Term Portion of Derivative Instrument Assets (175) | 35,071 | 28,003 | 38,972 | 51,182 | 69,997 | 144,015 |
| 49 | Derivative Instrument Assets - Hedges (176) | 46 | 1,242 | 3,631 | 785 | 6,867 | 6,991 |
| 50 | (Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176) | 0 | 0 | 125 | 152 | 95 | 0 |
| 51 | Total Current and Accrued Assets | <u>865,573</u> | <u>1,239,744</u> | <u>635,744</u> | <u>522,123</u> | <u>571,686</u> | <u>821,368</u> |
| 52 | DEFERRED DEBITS | | | | | | |
| 53 | Unamortized Debt Expense (181) | 15,855 | 14,056 | 13,088 | 14,807 | 13,196 | 9,196 |
| 54 | Extraordinary Property Losses (182.1) | - | - | - | - | - | - |
| 55 | Unrecovered Plant and Regulatory Study Costs (182.2) | - | - | - | - | - | - |
| 56 | Other Regulatory Assets (182.3) | 869,756 | 738,637 | 445,237 | 318,489 | 410,838 | 395,921 |
| 57 | Prelim. Survey and Investigation Charges (183) | 38,816 | 38,185 | 37,869 | 37,209 | 33,346 | 0 |
| 58 | PREL. SUR. & INVEST. CHARGES (GAS) (183.1, 183.2) | - | - | - | - | - | - |
| 59 | Clearing Accounts/Temp Facilities (184, 185) | 225 | - | - | - | - | - |
| 60 | Miscellaneous Deferred Debits (186) | 41,270 | 111,218 | 119,530 | 118,280 | 114,507 | 119,208 |
| 61 | Def. Losses from Disposition of Utility Plant (187) | - | - | - | - | - | - |
| 62 | Research, Devel. And Demonstration Expend. (188) | - | - | - | - | - | - |
| 63 | Unamortized Loss on Reacquired Debt (189) | 7,474 | 7,871 | 8,497 | 10,116 | 11,782 | 13,449 |
| 64 | Accumulated Deferred Income Taxes (190) | <u>257,573</u> | <u>270,381</u> | <u>322,089</u> | <u>209,969</u> | <u>183,435</u> | <u>138,837</u> |
| 65 | Total Deferred Debits | <u>1,230,970</u> | <u>1,180,348</u> | <u>946,311</u> | <u>708,870</u> | <u>767,105</u> | <u>676,611</u> |
| 66 | Total Assets and Other Debits | <u>\$ 8,699,481</u> | <u>\$ 9,057,258</u> | <u>\$ 7,776,849</u> | <u>\$ 7,017,787</u> | <u>\$ 6,443,477</u> | <u>\$ 5,885,721</u> |

¹ If date certain actual balance sheet is not available at the date of filing, it shall be provided with the two-month update filing.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Comparative Balance Sheets (Total Company)
As of 08/31/2010 and December 31, 2005-2009
(\$000)

Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-10.1
 Page 3 of 4
 Witness Responsible:
 T.E. Mitchell

| Line No. | Description | Date Certain 08/31/2010 | Most Recent Five Calendar Years | | | | |
|----------|--|----------------------------|---------------------------------|------------------|------------------|------------------|------------------|
| | | | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 67 | PROPRIETARY CAPITAL | | | | | | |
| 68 | Common Stock Issued (201) | \$ 321,201 | \$ 321,201 | \$ 321,201 | \$ 321,201 | \$ 321,201 | \$ 321,201 |
| 69 | Preferred Stock Issued (204) INCLUDES AMOUNT DUE WITHIN ONE YEAR | 16,626 | 16,626 | 16,627 | 16,627 | 16,630 | 16,639 |
| 70 | Premium on Capital Stock (207) | 728 | 728 | 728 | 728 | 728 | 729 |
| 71 | Other Paid-In-Capital (208-211) | 1,122,422 | 1,122,421 | 535,912 | 535,912 | 535,911 | 465,908 |
| 72 | Installments Received on Capital Stock (212) | - | - | - | - | - | - |
| 73 | (Less) Discount on Capital Stock (213) | - | - | - | - | - | - |
| 74 | (Less) Capital Stock Expense (214) | - | - | - | - | - | - |
| 75 | Retained Earnings (215, 215.1, 216) ² | 1,875,169 | 1,901,673 | 1,697,962 | 1,469,717 | 1,207,265 | 979,354 |
| 76 | Unappropriated Undistr. Subsidiary Earnings (216.1) | - | 7,130 | - | - | - | - |
| 77 | Less: Reacquired Capital Stock (217) | - | - | - | - | - | - |
| 78 | Accumulated Other Comprehensive Income (219) | (117,034) | (118,458) | (133,859) | (36,541) | (56,763) | 755 |
| 79 | Total Proprietary Capital | <u>3,219,112</u> | <u>3,251,322</u> | <u>2,438,572</u> | <u>2,307,644</u> | <u>2,024,973</u> | <u>1,784,586</u> |
| 80 | LONG-TERM DEBT | | | | | | |
| 81 | Bonds (221) INCLUDES AMOUNT DUE WITHIN ONE YEAR | (303,000) | - | - | - | - | - |
| 82 | (Less) Reacquired Bonds (222) | - | 303,000 | 85,000 | - | - | - |
| 83 | Advances from Associated Companies (223) | 200,000 | 200,000 | 200,000 | 200,000 | 200,000 | 400,000 |
| 84 | Other Long-Term Debt (224) | 3,076,710 | 3,351,580 | 2,594,450 | 2,302,225 | 1,837,225 | 1,422,225 |
| 85 | Unamortized Premium on Long-Term Debt (225) | - | - | - | - | - | - |
| 86 | Less: Unamortized Discount on Long-Term Debt-Debit (226) | 5,240 | 6,075 | 4,704 | 5,220 | 5,932 | 5,356 |
| 87 | Total Long-Term Debt | <u>2,968,470</u> | <u>3,242,505</u> | <u>2,704,746</u> | <u>2,497,005</u> | <u>2,031,293</u> | <u>1,816,869</u> |
| 88 | OTHER NONCURRENT LIABILITIES | | | | | | |
| 89 | Obligations Under Capital Leases - Noncurrent (227) | 30,155 | 16,926 | 19,604 | 21,062 | 25,996 | 30,750 |
| 90 | Accumulated Provision for Property Insurance (228.1) | - | - | - | - | - | - |
| 91 | Accumulated Provision for Injuries and Damages (228.2) | 2,262 | 2,619 | 3,805 | 8,227 | 9,379 | 21,564 |
| 92 | Accumulated Provision for Pensions and Benefits (228.3) | 245,664 | 260,504 | 277,747 | 73,686 | 97,527 | 18,207 |
| 93 | Accumulated Miscellaneous Operating Provisions (228.4) | 1,360 | 8,757 | 7,266 | 6,925 | 6,860 | 5,759 |
| 94 | Accumulated Provision for Rate Refunds (229) | - | - | - | - | - | - |
| 95 | Long-Term Portion of Derivative Instrument Liabilities | 11,782 | 12,463 | 23,797 | 32,143 | 52,909 | 118,940 |
| 96 | Long-Term Portion of Derivative Instrument Liabilities - Hedges | 188 | 47 | 20 | 91 | 20 | 307 |
| 97 | Asset Retirement Obligations (230) | <u>112,372</u> | <u>94,221</u> | <u>89,316</u> | <u>77,354</u> | <u>71,319</u> | <u>65,558</u> |
| 98 | Total Other Non-Current Liabilities | <u>403,783</u> | <u>395,537</u> | <u>421,555</u> | <u>219,488</u> | <u>264,009</u> | <u>261,084</u> |

¹ If date certain actual balance sheet is not available at the date of filing, it shall be provided with the two-month update filing.

² The following summarizes the significant accounting changes during the periods presented (pre-tax):

2008: Company adopted Emerging Issues Task Force (EITF) 06-10 "Accounting for Collateral Assignment Split-Dollar Life Insurance Arrangements" effective January 1, 2008 with an unfavorable cumulative effect reduction of \$2.9 million.

2007: Company adopted Financial Accounting Standards Board Interpretation No. 48 "Accounting for Uncertainty in Income Taxes" effective January 1, 2007 with an unfavorable adjustment to retained earnings of \$5.4 million.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Comparative Balance Sheets (Total Company)
As of 08/31/2010 and December 31, 2005-2009
(\$000)

Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-10.1
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 Witness Responsible:
 T.E. Mitchell

| Line No. | Description | Date Certain ¹ 08/31/2010 | Most Recent Five Calendar Years | | | | |
|----------|--|---|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | | | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 99 | CURRENT AND ACCRUED LIABILITIES | | | | | | |
| 100 | Notes Payable (231) | - | - | - | - | - | - |
| 101 | Accounts Payable (232) | 166,980 | 182,848 | 193,675 | 141,196 | 250,025 | 210,752 |
| 102 | Notes Payable Associated Companies (233) | - | - | 133,887 | 101,548 | 181,281 | 70,071 |
| 103 | Accounts Payable to Associated Companies (234) | 68,275 | 93,641 | 207,859 | 138,264 | 146,072 | 147,470 |
| 104 | Customer Deposits (235) | 27,824 | 22,409 | 24,333 | 33,615 | 31,465 | 51,209 |
| 105 | Taxes Accrued (236) | (24,221) | 65,111 | 186,717 | 198,575 | 142,429 | 118,809 |
| 106 | Interest Accrued (237) | 46,418 | 50,280 | 46,975 | 41,272 | 32,177 | 33,924 |
| 107 | Dividends Declared (238) | 183 | 61 | 61 | 61 | 61 | 61 |
| 108 | Matured Long-Term Debt (239) | - | - | - | - | - | - |
| 109 | Matured Interest (240) | - | - | - | - | - | - |
| 110 | Taxes Collections Payable (241) | 151 | 1,869 | 209 | 197 | 165 | 150 |
| 111 | Miscellaneous Current and Accrued Liabilities (242) | 50,780 | 56,199 | 74,385 | 65,748 | 68,771 | 63,851 |
| 112 | Obligations Under Capital Leases - Current (243) | 10,848 | 5,756 | 6,863 | 8,016 | 8,970 | 9,174 |
| 113 | Derivative Instrument Liabilities (244) | 29,049 | 34,812 | 52,247 | 72,163 | 125,633 | 220,960 |
| 114 | (Less) Long-Term Portion of Derivative Instrument Liabilities | 11,782 | 12,463 | 23,797 | 32,143 | 52,909 | 118,940 |
| 115 | Derivative Instrument Liabilities - Hedges (245) | 2,460 | 2,089 | 787 | 2,811 | 682 | 7,084 |
| 116 | (Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges | 188 | 47 | 20 | 91 | 20 | 307 |
| 117 | Total Current and Accrued Liabilities | <u>366,777</u> | <u>502,565</u> | <u>904,182</u> | <u>771,230</u> | <u>934,802</u> | <u>814,269</u> |
| 118 | DEFERRED CREDITS | | | | | | |
| 119 | Customer Advances for Construction (252) | - | - | - | - | - | - |
| 120 | Other Regulatory Liabilities (254) | 18,282 | 17,369 | 11,980 | 45,676 | 76,569 | 60,341 |
| 121 | Accumulated DITC (255) | 1,379 | 1,967 | 2,917 | 3,859 | 6,447 | 9,416 |
| 122 | Deferred Gains from Disposition of Utility Plant (256) | - | - | - | - | - | - |
| 123 | Other Deferred Credits (253) | 19,447 | 30,546 | 40,636 | 27,318 | 10,728 | 12,933 |
| 124 | Unamortized Gain on Reacquired Debt (257) | - | - | - | - | - | - |
| 125 | Accumulated DFIT (281-283) | <u>1,702,230</u> | <u>1,615,447</u> | <u>1,252,261</u> | <u>1,145,567</u> | <u>1,094,656</u> | <u>1,126,222</u> |
| 126 | Total Deferred Credits | <u>1,741,338</u> | <u>1,665,329</u> | <u>1,307,794</u> | <u>1,222,421</u> | <u>1,188,400</u> | <u>1,208,913</u> |
| 127 | Total Liabilities and Other Credits | <u>\$ 8,699,481</u> | <u>\$ 9,057,258</u> | <u>\$ 7,776,849</u> | <u>\$ 7,017,787</u> | <u>\$ 6,443,477</u> | <u>\$ 5,885,721</u> |

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OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Comparative Income Statements (Total Company)
2005-2009 and the Twelve Months Ending May 31, 2011
(\$000)

Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):
 WP C-10.2a & b

Schedule C-10.2
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 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Test Yr. 5/31/2011 | Most Recent Five Calendar Years | | | | |
|----------|--|-----------------------|---------------------------------|--------------|--------------|--------------|--------------|
| | | | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 1 | UTILITY OPERATING INCOME | | | | | | |
| 2 | Operating Revenues (400) | \$ 3,163,176 | \$ 3,012,717 | \$ 3,138,790 | \$ 2,855,628 | \$ 2,550,155 | \$ 2,434,058 |
| 3 | Operating Expenses: | | 0 | 0 | 0 | 0 | 0 |
| 4 | Operation Expenses (401) | 1,750,782 | 1,694,785 | 2,003,062 | 1,598,156 | 1,400,945 | 1,343,667 |
| 5 | Maintenance Expenses (402) | 230,245 | 224,439 | 213,431 | 208,675 | 217,853 | 200,476 |
| 6 | Depreciation Expense (403.0+403.1002) | 336,039 | 307,382 | 224,667 | 189,729 | 164,584 | 159,562 |
| 7 | Depreciation Expense for Asset Retirement Costs (403.1001) | 3,376 | 3,514 | 466 | 16,651 | 15,991 | 12,566 |
| 8 | Amort. & Depl. of Utility Plant (404-405) | 13,547 | 20,478 | 18,071 | 16,374 | 16,846 | 16,276 |
| 9 | Amort. of Utility Plant Acq. Adj. (406) | 9 | 13 | 13 | 13 | 13 | 13 |
| 10 | Amort. of Property Losses (407) | - | - | - | - | - | - |
| 11 | Amort. of Conversion Expenses (407) | - | - | - | - | - | - |
| 12 | Regulatory Debits (407.3) | 1,550 | 1,663 | 32,137 | 106,156 | 104,624 | 94,129 |
| 13 | (Less) Regulatory Credits (407.4) | 36 | 49 | 21,530 | 9,003 | 32 | - |
| 14 | Taxes Other Than Income Taxes (408.1) | 210,648 | 193,437 | 191,890 | 192,359 | 191,554 | 189,388 |
| 15 | Income Taxes - Federal (409.1) | 13,734 | (199,647) | 81,042 | 144,132 | 165,537 | 38,079 |
| 16 | - Other (409.1) | 350 | (28,318) | (7,417) | (4,760) | 7,734 | 2,614 |
| 17 | Provision of Deferred Inc. Taxes (410.1) | 172,404 | 653,973 | 284,124 | 238,720 | 144,792 | 309,291 |
| 18 | (Less) Provision for Deferred Income Taxes - Cr. (411.1) | | 260,867 | 240,319 | 225,114 | 190,787 | 239,221 |
| 19 | Investment Tax Credit Adj. - Net (411.4) | (226) | (438) | (440) | (2,026) | (2,320) | (2,493) |
| 20 | (Less) Gains from Disp. of Utility Plant (411.6) | - | - | - | - | 72 | - |
| 21 | Losses from Disp. of Utility Plant (411.7) | - | - | - | - | 72 | - |
| 22 | (Less) Gains from Disposition of Allowances (411.8) | (385) | 35,944 | 16,969 | 7,557 | 13,029 | 5,807 |
| 23 | Losses from Disposition of Allowances (411.9) | - | 4,129 | 6,486 | 15,285 | 12,460 | 11,217 |
| 24 | Accretion Expense (411.10) | 15,040 | 7,905 | 5,757 | 5,357 | 4,949 | 3,665 |
| 25 | Total Utility Operating Expenses | 2,724,872 | 2,586,456 | 2,774,471 | 2,483,147 | 2,241,715 | 2,133,423 |
| 26 | Net Utility Operating Income | 438,304 | 426,261 | 364,319 | 372,480 | 308,440 | 300,635 |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Comparative Income Statements (Total Company)
2005-2009 and the Twelve Months Ending May 31, 2011
(\$000)

Type of Filing: ►Original___Updated___Revised
 Work Paper Reference No(s):
 WP C-10.2a & b

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 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Test Yr. | Most Recent Five Calendar Years | | | | |
|----------|--|-----------|---------------------------------|---------|---------|---------|---------|
| | | 5/31/2011 | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 27 | OTHER INCOME and DEDUCTIONS | | | | | | |
| 28 | Other Income | | | | | | |
| 29 | Nonutility Operating Income | | | | | | |
| 30 | Rev. from Merchandising, Jobbing & Contract Work (415) | - | - | - | - | - | - |
| 31 | (Less) Costs & Exp. of Merch., Jobbing & Contr. Work (416) | - | - | - | - | 6 | - |
| 32 | Revenues from Nonutility Operations (417) | 35,479 | 32,391 | 31,855 | 31,534 | 27,032 | 24,248 |
| 33 | (Less) Expenses of Nonutility Operations (417.1) | 36,952 | 33,977 | 32,656 | 30,525 | 32,515 | 28,473 |
| 34 | Nonoperating Rental Income (418) | 257 | (259) | 149 | 255 | 530 | 647 |
| 35 | Equity in Earnings of Subsidiary Companies (418.1) | - | 7,130 | - | - | - | - |
| 36 | Interest and Dividend Income (419) | 4,249 | 1,436 | 6,475 | 1,351 | 2,353 | 3,307 |
| 37 | Allowance for Other Funds Used During Constr. (419.1) | 2,590 | 2,712 | 3,073 | 2,311 | 2,556 | 1,441 |
| 38 | Miscellaneous Nonoperating Income (421) | 29,607 | 14,799 | 19,342 | 17,705 | 192,159 | 262,909 |
| 39 | Gain on Disposition of Property (421.1) | 11,000 | 515 | 2,716 | 2 | (2,803) | 3,252 |
| 40 | Total Other Income | 46,231 | 24,747 | 30,954 | 22,632 | 189,305 | 267,330 |
| 41 | Other Income Deductions: | | | | | | |
| 42 | Loss on Disposition of Property (421.2) | - | 138 | 21 | 124 | 718 | 971 |
| 43 | Miscellaneous Amortization (425) | - | - | - | - | 17 | 20 |
| 44 | Miscellaneous Income Deductions (426.1-426.5) | 12,165 | 16,439 | 21,802 | 22,539 | 200,274 | 220,981 |
| 45 | Total Other Income Deductions | 12,165 | 16,578 | 21,822 | 22,664 | 201,010 | 221,973 |
| 46 | Taxes Applicable to Other Income and Deductions | | | | | | |
| 47 | Taxes Other Than Income Taxes (408.2) | 648 | 873 | 843 | 990 | 624 | 624 |
| 48 | Income Taxes - Federal (409.2) | 12,740 | 8,120 | (1,204) | (4,506) | (8,175) | 27,816 |
| 49 | Income Taxes - Other (409.2) | 830 | 619 | 426 | 68 | 105 | - |
| 50 | Provision for Deferred Inc. Taxes (410.2) | 366 | 3,703 | 6,181 | 17,338 | 22,139 | 29,261 |
| 51 | (Less) Provision for Deferred Income Taxes - Cr. (411.2) | 2,912 | 14,015 | 7,268 | 14,706 | 20,142 | 39,739 |
| 52 | Investment Tax Credit Adj. - Net (411.5) | (512) | (512) | (502) | (562) | (649) | (630) |
| 53 | (Less) Investment Tax Credits (420) | - | - | - | - | - | - |
| 54 | Total Taxes on Other Inc. and Ded. | 11,159 | (1,212) | (1,524) | (1,378) | (6,097) | 17,332 |
| 55 | Net Other Income and Deductions | 22,908 | 9,382 | 10,655 | 1,346 | (5,608) | 28,025 |

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Comparative Income Statements (Total Company)
2005-2009 and the Twelve Months Ending May 31, 2011
(\$000)

Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):
 WP C-10.2a & b

Schedule C-10.2
 Page 3 of 3
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Test Yr. 5/31/2011 | Most Recent Five Calendar Years | | | | |
|----------|---|-----------------------|---------------------------------|------------|------------|------------|------------|
| (A) | (B) | (C) | 2009 | 2008 | 2007 | 2006 | 2005 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| 56 | INTEREST CHARGES | | | | | | |
| 57 | Interest on Long-Term Debt (427) | 138,229 | 119,079 | 123,541 | 118,628 | 89,693 | 86,259 |
| 58 | Amort. of Debt Discount and Expense (428) | 2,645 | 3,355 | 2,211 | 2,194 | 1,757 | 1,554 |
| 59 | Amort. of Loss on Reacquired Debt (428.1) | 590 | 627 | 1,618 | 1,667 | 1,667 | 1,574 |
| 60 | (Less) Amort. of Premium on Debt - Credit (429) | - | - | - | - | - | - |
| 61 | (Less) Amort. of Gain on Reacquired Debt -Cr. (429.1) | - | - | - | - | - | - |
| 62 | Interest on Debt to Assoc. Companies (430) | 10,504 | 13,052 | 35,021 | 18,230 | 17,515 | 1,335 |
| 63 | Other Interest Expense (431) | 5,150 | 3,495 | 6,729 | 1,184 | 6,452 | 3,917 |
| 64 | (Less) Allow. for Borrowed Funds Used During Constr. -Cr. (432) | 3,214 | 10,538 | 25,269 | 36,641 | 42,733 | 16,399 |
| 65 | Net Interest Charges | 153,903 | 129,070 | 143,852 | 105,262 | 74,351 | 78,241 |
| 66 | Income Before Extraordinary Items | 307,309 | 306,573 | 231,123 | 268,564 | 228,481 | 250,419 |
| | | | 0 | 0 | 0 | 0 | 0 |
| 67 | EXTRAORDINARY ITEMS | | | | | | |
| 68 | Extraordinary Income (434) | - | - | - | - | 251 | - |
| 69 | (Less) Extraordinary Deductions (435) ¹ | - | - | - | - | - | 7,039 |
| 70 | Net Extraordinary Items | - | - | - | - | 251 | (7,039) |
| 71 | Income Taxes - Federal and Other (409.3) | - | - | - | - | 89 | (2,464) |
| 72 | Extraordinary Items After Taxes | - | - | - | - | 162 | (4,575) |
| 73 | Net Income | 307,309 | 306,573 | 231,123 | 268,564 | 228,643 | 245,844 |
| | | | 0 | 0 | 0 | 0 | 0 |
| 74 | (LESS) PREFERRED DIVIDEND | 732 | 732 | 732 | 732 | 732 | 907 |
| 75 | Available for Common | \$ 306,577 | \$ 305,841 | \$ 230,391 | \$ 267,832 | \$ 227,911 | \$ 244,938 |

¹ The following summarizes the significant accounting changes during the periods presented (pre-tax):

2005: Company adopted Financial Accounting Standards Board Interpretation No. 47 "Accounting for Conditional Asset Retirement Obligations" during the fourth quarter of 2005 and recorded an unfavorable extraordinary item related to asbestos removal for nonregulated operations of \$7 million.

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Revenue Statistics - Total Company
Actual 2005-2009 and Projected 2011-2015
and the Twelve Months Ending May 31, 2011

Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-11.1
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 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. | Five Projected Calendar Years | | | | |
|----------|--|---------------------------------|---------------------|---------------------|---------------------|---------------------|-------------------------|-------------------------------|---------------------|---------------------|---------------------|---------------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 12 Mo. Ending 5/31/2011 | 2011 | 2012 | 2013 | 2014 | 2015 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
| 1 | Revenue by customer class (\$000): | | | | | | | | | | | |
| 2 | Residential | \$ 503,833 | \$ 542,406 | \$ 592,125 | \$ 602,994 | \$ 637,838 | \$ 774,286 | \$ 780,825 | \$ 858,168 | \$ 848,605 | \$ 898,248 | \$ 890,316 |
| 3 | Commercial | 324,925 | 356,769 | 385,622 | 402,310 | 424,982 | 483,474 | 501,792 | 565,077 | 548,901 | 588,258 | 589,575 |
| 4 | Industrial | 561,564 | 536,864 | 630,293 | 696,298 | 609,902 | 701,389 | 750,815 | 986,909 | 1,034,551 | 1,152,466 | 1,163,734 |
| 5 | Other | 8,568 | 9,004 | 9,258 | 9,440 | 10,140 | 11,611 | 12,259 | 12,555 | 12,117 | 12,610 | 12,504 |
| 6 | Total Retail | <u>\$ 1,398,890</u> | <u>\$ 1,445,143</u> | <u>\$ 1,617,298</u> | <u>\$ 1,711,042</u> | <u>\$ 1,682,862</u> | <u>\$ 1,970,759</u> | <u>\$ 2,045,691</u> | <u>\$ 2,422,709</u> | <u>\$ 2,444,174</u> | <u>\$ 2,651,582</u> | <u>\$ 2,656,129</u> |
| 7 | YEAR END Number of customers by class: | | | | | | | | | | | |
| 8 | Residential | 609,759 | 610,488 | 610,293 | 609,739 | 607,861 | 606,100 | 608,178 | 608,300 | 609,679 | 611,159 | 612,588 |
| 9 | Commercial | 89,948 | 91,255 | 91,665 | 92,499 | 92,662 | 93,050 | 93,379 | 93,970 | 94,859 | 95,709 | 96,441 |
| 10 | Industrial | 7,423 | 7,371 | 7,290 | 7,283 | 7,200 | 7,121 | 7,151 | 7,108 | 7,064 | 7,017 | 6,969 |
| 11 | Other | 2,594 | 2,596 | 2,573 | 2,539 | 2,544 | 2,537 | 2,523 | 2,540 | 2,553 | 2,554 | 2,553 |
| 12 | Total Retail | <u>709,724</u> | <u>711,710</u> | <u>711,821</u> | <u>712,060</u> | <u>710,267</u> | <u>708,808</u> | <u>711,231</u> | <u>711,918</u> | <u>714,155</u> | <u>716,439</u> | <u>718,561</u> |
| 13 | AVERAGE Number of customers by class: | | | | | | | | | | | |
| 14 | Residential | 608,872 | 609,476 | 609,974 | 609,365 | 607,807 | 606,266 | 606,734 | 607,468 | 608,350 | 609,830 | 611,279 |
| 15 | Commercial | 89,845 | 90,732 | 91,523 | 92,205 | 92,568 | 93,123 | 93,123 | 93,587 | 94,383 | 95,267 | 96,041 |
| 16 | Industrial | 7,487 | 7,401 | 7,320 | 7,311 | 7,243 | 7,154 | 7,142 | 7,100 | 7,057 | 7,011 | 6,964 |
| 17 | Other | 2,621 | 2,606 | 2,589 | 2,567 | 2,543 | 2,534 | 2,533 | 2,533 | 2,550 | 2,554 | 2,553 |
| 18 | Total Retail | <u>708,825</u> | <u>710,215</u> | <u>711,406</u> | <u>711,448</u> | <u>710,161</u> | <u>709,078</u> | <u>709,532</u> | <u>710,688</u> | <u>712,340</u> | <u>714,662</u> | <u>716,837</u> |
| 19 | AVERAGE Revenue per customer: | | | | | | | | | | | |
| 20 | Residential | \$ 827 | \$ 890 | \$ 971 | \$ 990 | \$ 1,049 | \$ 1,277 | \$ 1,287 | \$ 1,413 | \$ 1,395 | \$ 1,473 | \$ 1,456 |
| 21 | Commercial | \$ 3,617 | \$ 3,932 | \$ 4,213 | \$ 4,363 | \$ 4,591 | \$ 5,192 | \$ 5,388 | \$ 6,038 | \$ 5,816 | \$ 6,175 | \$ 6,139 |
| 22 | Industrial | \$ 75,005 | \$ 72,553 | \$ 86,106 | \$ 95,240 | \$ 84,206 | \$ 98,037 | \$ 105,127 | \$ 139,001 | \$ 146,599 | \$ 164,380 | \$ 167,107 |

Schedule C-11.2
Page 1 of 1
Witness Responsible:
T.E. Mitchell
O.J. Sever

[illegible]

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Sales Statistics - Total Company
Actual 2005-2009 and Projected 2011-2015
and the Twelve Months Ending May 31, 2011

Type of Filing: ► Original ___ Updated ___ Revised ___
 Work Paper Reference No(s):

Schedule C-11.3
Page 1 of 1
Witness Responsible:
T.E. Mitchell
O.J. Sever

| Line No. | Description | Most Recent Five Calendar Years | | | | | Test Yr. | Five Projected Calendar Years | | | | |
|----------|--|---------------------------------|----------------|----------------|----------------|----------------|-------------------------|-------------------------------|----------------|----------------|----------------|----------------|
| | | 2005 | 2006 | 2007 | 2008 | 2009 | 12 Mo. Ending 5/31/2011 | 2011 | 2012 | 2013 | 2014 | 2015 |
| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
| 1 | GWH Sales by customer class: | | | | | | | | | | | |
| 2 | Residential | 7,679 | 7207.804 | 7674.434 | 7,528 | 7,339 | 7,765 | 7,494 | 7,349 | 7,267 | 7,187 | 7,112 |
| 3 | Commercial | 5,824 | 5650.407 | 6019.559 | 5,824 | 5,686 | 5,785 | 5,694 | 5,780 | 5,791 | 5,785 | 5,790 |
| 4 | Industrial | 15,343 | 12321.062 | 13951.533 | 14,441 | 11,834 | 12,977 | 13,008 | 13,264 | 13,431 | 13,503 | 13,530 |
| 5 | Other | 84 | 82.809 | 82.215 | 79 | 77 | 76 | 76 | 76 | 75 | 75 | 74 |
| 6 | Total Retail | <u>28,929</u> | <u>25,262</u> | <u>27,728</u> | <u>27,872</u> | <u>24,936</u> | <u>26,603</u> | <u>26,273</u> | <u>26,469</u> | <u>26,564</u> | <u>26,550</u> | <u>26,506</u> |
| 7 | YEAR END Number of customers by class: | | | | | | | | | | | |
| 8 | Residential | 609,759 | 610,488 | 610,293 | 609,739 | 607,861 | 606,100 | 608,178 | 608,300 | 609,679 | 611,159 | 612,598 |
| 9 | Commercial | 89,948 | 91,255 | 91,665 | 92,499 | 92,662 | 93,050 | 93,379 | 93,970 | 94,859 | 95,709 | 96,441 |
| 10 | Industrial | 7,423 | 7,371 | 7,290 | 7,283 | 7,200 | 7,121 | 7,151 | 7,108 | 7,064 | 7,017 | 6,969 |
| 11 | Other | 2,594 | 2,596 | 2,573 | 2,539 | 2,544 | 2,537 | 2,523 | 2,540 | 2,553 | 2,554 | 2,553 |
| 12 | Total Retail | <u>709,724</u> | <u>711,710</u> | <u>711,821</u> | <u>712,060</u> | <u>710,267</u> | <u>708,808</u> | <u>711,231</u> | <u>711,918</u> | <u>714,155</u> | <u>716,439</u> | <u>718,561</u> |
| 13 | AVERAGE Number of customers by class: | | | | | | | | | | | |
| 14 | Residential | 608,872 | 609,476 | 609,974 | 609,365 | 607,807 | 606,266 | 606,734 | 607,468 | 608,350 | 609,830 | 611,279 |
| 15 | Commercial | 89,845 | 90,732 | 91,523 | 92,205 | 92,568 | 93,123 | 93,123 | 93,587 | 94,383 | 95,267 | 96,041 |
| 16 | Industrial | 7,487 | 7,401 | 7,320 | 7,311 | 7,243 | 7,154 | 7,142 | 7,100 | 7,057 | 7,011 | 6,964 |
| 17 | Other | 2,621 | 2,606 | 2,589 | 2,567 | 2,543 | 2,534 | 2,533 | 2,533 | 2,550 | 2,554 | 2,553 |
| 18 | Total Retail | <u>708,825</u> | <u>710,215</u> | <u>711,406</u> | <u>711,448</u> | <u>710,161</u> | <u>709,078</u> | <u>709,532</u> | <u>710,688</u> | <u>712,340</u> | <u>714,662</u> | <u>716,837</u> |
| 19 | AVERAGE kWh Sales per customer: | | | | | | | | | | | |
| 20 | Residential | 12,612 | 11,826 | 12,582 | 12,354 | 12,075 | 12,808 | 12,352 | 12,099 | 11,945 | 11,785 | 11,634 |
| 21 | Commercial | 64,821 | 62,276 | 65,771 | 63,161 | 61,423 | 62,119 | 61,144 | 61,762 | 61,356 | 60,722 | 60,292 |
| 22 | Industrial | 2,049,221 | 1,664,783 | 1,905,947 | 1,975,265 | 1,633,886 | 1,813,845 | 1,821,383 | 1,868,164 | 1,903,154 | 1,926,028 | 1,942,876 |

Schedule C-11.4
Page 1 of 1
Witness Responsible:
T.E. Mitchell
O.J. Sever

[illegible]

OHIO POWER COMPANY
Case No. 11-352-EL-AIR
Analysis of Reserve for Uncollectible Accounts
2007-2009 and the Twelve Months Ending May 31, 2011
(\$000)

Type of Filing: ☒ Original ☐ Updated ☐ Revised
 Work Paper Reference No(s):

Schedule C-12
 Page 1 of 1
 Witness Responsible:
 T.E. Mitchell
 O.J. Sever

| Line No. (A) | Description (B) | Most Recent Three Calendar Years | | | Test Yr. 12 Mo. Ending 5/31/2011 (F) |
|--------------------|---|----------------------------------|-------------|-------------|---|
| | | 2007 (C) | 2008 (D) | 2009 (E) | |
| 1 | Reserve at Beginning of Year | 824 | 3,396 | 3,586 | 2,666 |
| 2 | Current Year's Provision | 2,666 | 191 | 16 | 36 |
| 3 | Recoveries | - | - | (933) | [a] - |
| 4 | Amount Charged Against Reserve | 94 | 1 | 4 | - |
| 5 | Reserve at End of Year | 3,396 | 3,586 | 2,665 | 2,703 |
| 6 | Net Write Off Ratio [(4)-(3)]/(5) | 2.77% | 0.03% | 35.16% | |
| 7 | Uncollectible Expense/Provision Ratio (2)/(5) | 78.50% | 5.33% | 0.60% | 1.33% |

If lines (6) and (7) differ, provide the reasons for the difference.

The difference in the ratios is primarily due to differences in timing for when provision expenses and actual recoveries and/or write-offs are recorded. Write-offs for Miscellaneous Receivables do not occur in the 144 account.

[a] 2009 reclass to Long-term Liability

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in

Case No(s). 16-1852-EL-SSO, 16-1853-EL-AAM

Summary: Text Supplemental Direct Testimony of Matthew White electronically filed by Ms. Rebekah J Glover on behalf of Retail Energy Supply Association