



American Electric Power
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Washington, DC 20004
AEP.com

February 22, 2011

Honorable Kimberly D Bose
Secretary
Federal Energy Regulatory Commission
888 First St., N.E.
Washington D.C. 20426

**Monique Rowtham-
Kennedy**
Senior Counsel -
Regulatory Services
(202) 383-3436
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Re: American Electric Power Service Corporation
Docket No. ER11-____-000

Dear Secretary Bose:

I. Introduction

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. § 824d, American Electric Power Service Corporation (“AEPSC”), on behalf of its affiliates, Public Service Company of Oklahoma (“PSO”) and Southwestern Electric Power Company (“SWEPCO”) (AEPSC, PSO and SWEPCO are collectively referred to herein as “AEP” or “Companies”) hereby submits the following tariff records:

- Third Restated And Amended Public Service Company of Oklahoma FERC Rate Schedule No. 346 and Southwestern Electric Power Company FERC Rate Schedule No. 347 -- Third Restated And Amended Transmission Coordination Agreement Between Public Service Company of Oklahoma, Southwestern Electric Power Company And American Electric Power Service Corporation (the “Amended TCA”).

Pursuant to Section 35.7 of the Commission's regulations,¹ the contents of this filing are being submitted as part of an XML filing package that conforms with the Commission's instructions. AEP submits this tariff record as a whole document in .pdf format along with the attachments listed below in the eTariff system. AEP respectfully requests that the Commission waive its usual minimum notice requirements, and any other requirements of its rules and regulations with which this filing may not comply, and accept this tariff record to be effective as of the first day of the month after the Commission issues a final, non-appealable order accepting the Agreement for filing.

II. Background

AEP is a multi-state electric utility holding company system, whose operating companies provide electric service to approximately five million customers in parts of eleven states. PSO and SWEPCO are AEP operating companies that operate generation, transmission and distribution facilities in the Southwest Power Pool ("SPP") and are engaged in the business of transmitting and selling electric power to the general public, to other entities, and to other electric utilities. The PSO and SWEPCO footprint includes areas in Oklahoma, Louisiana, Arkansas and the non-ERCOT portion of Texas. AEPSC provides management and professional services at cost to these companies and others in the AEP System.

AEP was a registered holding company system under the Public Utility Holding Company Act of 1935 (PUHCA 1935) which, until its repeal in 2005, required such systems to be planned and operated on an integrated basis, *i.e.*, as a single system. Integrated planning and operation of the AEP System has been carried out under a number of "pooling" agreements under which the AEP operating companies pool or combine their power supply and delivery facilities to achieve the benefits of an integrated system. PSO and SWEPCO were formerly part of the Central and South West Corporation ("CSW") system which also included West Texas Utilities (now AEP Texas North Company or "TNC") and Central Power and Light Company (now AEP Texas Central or "TCC"). PSO, SWEPCO, TNC and TCC became part of the AEP system as a result of a merger approved in 2000.² CSW was also a registered holding company under PUHCA 1935 and had its own generation and transmission pooling agreements.

A. Description of the Existing Agreement

The Transmission Coordination Agreement ("TCA") is an agreement dated as of January 1, 1997 as amended between PSO, SWEPCO, and West Texas Utilities under which the Companies agree to fulfill their responsibilities under the Open Access

¹ 18 C.F.R. § 35.7 (2010).

² *American Electric Power Company, Central and South West Corporation*, 90 F.E.R.C. P61,242 (2000)

Transmission Tariff (“OATT”) through a centralized tariff administrator. Under the TCA the tariff administrator would, among other things, receive revenues from transmission customers and then allocate that revenue to PSO and SWEPCO pursuant to stated allocation ratios set forth in the TCA. The TCA allocation percentages represent the individual company portion of the total revenue requirement for both point-to-point and network transmission service. The Companies shall share Transmission Service revenues obtained from the use of transmission facilities that comprise the Transmission System in accordance with Schedule A to this Agreement. Transmission Service revenues are those revenues received for service provided under the OATT.

B. Reasons for Amending the Agreement

The modification is needed to align the allocation of transmission revenues with the FERC approved SPP formula rate pursuant to which PSO and SWEPCO annually update their revenue requirements for transmission service under the SPP OATT. See *American Elec. Power Serv. Corp.*, 121 FERC ¶ 61,245 (2007); *American Elec. Power Serv. Corp.*, 127 FERC ¶ 61,292 (2009)

III. Description of the Proposed Amendments

The revenue the Companies receive pursuant to Section 6.4 of this Agreement for service provided in the SPP by the Transmission Provider under the SPP OATT, other than revenues received pursuant to Sections 26 (Stranded Cost Recovery), 27 (Compensation for New Facilities and Redispatch Costs), and 34.4 (Redispatch Charge), will be allocated among the Companies based on the ratios determined in accordance with Schedule B and Schedule C, of this agreement.

The Companies utilize a FERC approved formula rate process contained in the SPP OATT to determine their revenue requirements and set rates for transmission service in the SPP. The revenue requirements resulting from such process will be used in the determination of the Companies’ Transmission Revenue Requirement Ratios. Each Company’s transmission revenue requirement ratio for the allocation of revenue received under the SPP Tariff in any month shall be a fraction, the numerator of which is the Company’s then effective Annual Transmission Revenue Requirement for zonal and regional transmission service pursuant to the Formula Rate (herein called the Company Transmission Revenue Requirement) and the denominator of which is the sum of the Transmission Revenue Requirement for both of the Companies (PSO and SWEPCO). The Formula Rate also provides for an annual adjustment of Transmission Service charges to transmission service customers to reconcile such charges to actual transmission revenue requirements (“Actual T Costs”) for the previous year. Consistent with such reconciliation of charges and Actual Costs, the Companies shall at such time also compare the transmission service revenues allocated to each Company during the relevant prior period to the Actual T Costs of each Company, and make such adjustment in the revenues allocated between them as is necessary to reconcile the allocation of transmission revenues and Actual T Costs for such prior period. These reconciliations

will only affect accounts in the month recorded, unless prior period restatements are required by law or generally accepted accounting principles.

Additionally, this amendment removes West Texas Utilities as a member of the agreement in recognition of its transfer of facilities to SWEPCo. Accordingly, a notice of termination of West Texas Utilities Company, FERC Rate Schedule No. 348 will be filed separately.

IV. Proposed Effective Date

The Companies request that the Commission approve the Amended TCA, to become effective on the first day of the month following authorization by the appropriate regulatory authority. However, for the purposes of eTariff filing, the Companies have selected May 1, 2011 as the effective date. Additionally, in accordance with this provision, AEP requests that the proposed changes not become effective until the first day of the month after the Commission issues a final, non-appealable order accepting the Agreement for filing. In other words, AEP requests that if the instant filing is set for settlement or hearing, the effective date be delayed until resolution of such settlement or hearing.

AEP requests waiver of the notice provisions in the Commission's regulations, and any other regulation as necessary to allow the effective date sought herein. A similar proposal was accepted by the Commission in connection with a filing in 2009 of amendments to the Transmission Agreement among members of AEP's East System in Docket No. ER09-1279.

V. State Commission Review

In recognition of the interest that the state commissions that regulate PSO and SWEPCO's retail rates have in the proposed filing, AEP has provided advance notice of the planned filing to the state public utility commissions in Texas, Arkansas, Oklahoma and Louisiana. AEP met with those that requested such meetings to present and explain the proposed amendments, including the financial effects. AEP has endeavored to explain the reasons behind its proposal, assure that the state commissions fully understand the proposal and minimize any concerns the commissions may have.

Compliance with the Requirements of 18 C.F.R. § 35.13

In compliance with the requirements of 18 C.F.R. § 35.13, AEP states the following:

A. List of Documents Enclosed – Section 35.13(b)(1)

The following documents are being submitted with this filing:

1. this letter of transmittal;
2. A copy of the Amended TCA in .pdf format for submittal in eTariff as a whole document;
3. Exhibit AEP-101 Blacklined Version of the Amended TCA showing proposed changes;
4. Exhibit AEP-102 Clean Version of the Amended TCA;
5. Exhibit AEP-103 AEP SPP Companies' Summary of Revenue Allocation Impact;
6. Attestation of Richard E. Munczinski; and
7. Certificate of Service and List of Person Served.

B. Proposed Effective Date – Section 35.13 (b)(2)

See Section IV, above

C. Names and Addresses of Persons to Whom a Copy of the Rate Schedule Change Has Been Mailed – Section 35.13(b)(3)

A copy of this filing has been served upon the state commissions of Oklahoma, Arkansas, Louisiana and Texas. In addition, AEP will post this filing on its website at <http://www.aep.com/go/FERCRateScheduleFilings> and will provide a complete copy of this filing, on paper or CD, to any person who requests a copy.

D. Brief Description of the Rate Schedule Change – Section 35.13(b)(4)

Please refer to Sections I, II and III of this transmittal letter for a brief description of the proposed rates.

E. Statement of the Reasons for the Rate Schedule Change – Section 35.13(b)(5)

Please refer to Section I and II of this transmittal letter for a statement of the reasons for the proposed rates.

F. Statement Regarding Whether AEP has Obtained the Requisite Agreement(s) to the Rate Schedule Change or Filing of Rate Schedule – Section 35.13(b)(6)

AEP has obtained the approval of the proposed amendments as required by the existing Agreement. Such approval is indicated by the signatures on the amended TCA.

G. Statement Regarding Inclusion of Any Expenses or Costs in Cost of Service Statements that have been Alleged or Adjudged Illegal, Duplicative, or Unnecessary that are Demonstrably the

**Project of Discriminatory Employment Practices – Section
35.13(b)(7)**

None of the costs or expenses underlying the cost of service have been alleged or adjudged to be illegal, duplicative, or unnecessary demonstrably due to discriminatory employment practices.

**H. Cost of Service Information and Revenue Comparisons –
Sections 35.13 (c) and (d)**

As described in Part II.C of this letter, the proposed amendments will align the allocation of transmission revenues among the Companies with their FERC approved formula rate. Exhibit AEP-103 shows a comparison of revenue allocations under the existing TCA and under the proposed amendments. No specifically assignable facilities have been or will be installed or modified in order to supply service under the proposed amendments.

VI. Request For Waiver

The proposed amendments do not effect the allocation of cost but synchronize the Companies' revenues with the approved SPP formula rate. Furthermore, the amendments do not result in any increase in transmission or related revenues or revenue requirements beyond those already authorized by the Commission. For this reason, AEP believes that the instant filing qualifies for the abbreviated filing requirements allowed by 18 C.F.R. § 35.13 (a) (2) (iii) in cases not involving a rate increase. However, should the Commission believe that a rate increase is involved in this filing, AEP seeks waiver of the cost-of-service statements required by 18 C.F.R. § 35.13 (d). Since the proposal involves a reallocation, rather than an overall increase in costs, AEP believes that the information that will be most helpful to the Commission and stakeholders is a comparison of the financial effects, under a given existing cost of service, of changing the allocation of costs from the existing method to the proposed method. AEP submits that the before and after comparison and comparison of the existing TCA and the proposed amendments set forth in Exhibit AEP-103.

In the event any other waivers are required in connection with this filing, the Commission should grant waivers given the benefits of updating costs and rates consistent with the approved formula rate.

VII. Communications

Communication regarding this matter should be directed to the following individuals:

Honorable Kimberly D. Bose

February 22, 2011

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e-mail: rlpennybaker@aep.com

Respectfully submitted,

/s/ Monique Rowtham-Kennedy

Monique Rowtham-Kennedy

Exhibit AEP-101
Blacklined Version of TCA

THIRD RESTATED AND AMENDED
TRANSMISSION COORDINATION AGREEMENT

Between

**Public Service Company of Oklahoma,
Southwestern Electric Power Company,**

and

American Electric Power Service Corporation

Dated January 1, 1997
Revised as of October 29, 1999
and February 18, 2011

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THIRD RESTATED AND AMENDED
TRANSMISSION COORDINATION AGREEMENT

Between

**Public Service Company of Oklahoma,
Southwestern Electric Power Company,**

and

American Electric Power Service Corporation

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West Texas Utilities Company

This TRANSMISSION COORDINATION AGREEMENT, hereinafter called

"Agreement," as restated and amended is made and entered into as of the 1st day of October,

2010, by and among Public Service Company of Oklahoma ("PSO"), and Southwestern Electric

Power Company ("SWEPCO"), hereinafter referred to as "Company" and jointly as

"Companies" and American Electric Power Service Corporation ("AEPSC").

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WHEREAS, Companies are the owners and operators of interconnected generation, transmission and distribution facilities in the Southwest Power Pool ("SPP") with which they are engaged in the business of transmitting and selling electric power to the general public, to other entities and to other electric utilities; and

WHEREAS, Companies achieve economic benefits for their customers through coordinated planning, operation and maintenance of their transmission facilities in the SPP; and

WHEREAS, Companies entered into this Agreement on January 1, 1997, and subsequently restated and amended this Agreement on October 29, 1999; and

WHEREAS, Companies now wish to restate and amend this Agreement a second time to reflect changes in the wholesale electric market and transmission matters that have occurred since 1999:

NOW, THEREFORE, the Companies and AEPSC mutually agree as follows:

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ARTICLE I

TERM OF AGREEMENT

1.1 Effective Date

This Agreement, ~~as restated and amended,~~ shall become effective ~~after October 1, 2010, and~~ shall continue in force and effect ~~until terminated by written notice by either Company~~ to the other ~~Company~~ and to AEPSC.

1.2 Periodic Review

This Agreement will be reviewed periodically by the Coordinating Committee, as defined herein, to determine whether revisions are necessary to meet changing conditions. In the event that revisions are made by the Companies pursuant to Section 8.5, and after requisite approval or acceptance for filing by the appropriate regulatory authorities, the Coordinating Committee may thereafter, for the purpose of ready reference to a single document, prepare for distribution to the Companies an amended document reflecting all changes in and additions to this Agreement with notations thereon of the date amended.

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ARTICLE II

DEFINITIONS

For purposes of this Agreement, the following definitions shall apply:

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2.1 Agreement shall mean this Transmission Coordination Agreement including all attachments and schedules applying thereto and any amendments made hereafter.

2.2 Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Companies' transmission facilities in accordance with Good Utility Practice, as that term is defined in the Open Access Transmission Tariff.

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2.3 Balancing Area shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied for the purposes specified in the Open Access Transmission Tariff.

Deleted: Company Demand shall mean the demand in megawatts of all retail and¶ wholesale power customers in the SPP on whose behalf the Company, by statute, franchise, regulatory requirement, or contract, has undertaken an obligation to construct and operate its transmission system to meet the reliable electric needs of such customers, integrated over a period of one hour, plus the losses incidental to that service.¶
2.4 Company Peak Demand for a period shall be the highest Company Demand for any hour during the period.¶
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2.4 Coordinating Committee shall mean the organization established pursuant to Section 4.1 of this Agreement and whose duties are more fully set forth herein.

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2.5 Designated Agent shall mean any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer (as that term is defined in the Open Access Transmission Tariff), or the Transmission Customer required under the Open Access Transmission Tariff.

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2.6 Direct Assignment Facilities shall mean facilities or portions of facilities located in the SPP that are constructed by the Companies or its Designated Agent for the sole use or benefit of a particular Transmission Customer requesting service under the Open Access Transmission Tariff.

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2.7 Generating Unit shall mean an electric generator, together with its prime mover and all auxiliary and appurtenant devices and equipment designed to be operated as a unit for the production of electric capacity and energy.

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2.8 Network Integration Transmission Service shall mean the transmission service provided in the SPP under the Open Access Transmission Tariff.

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2.11 . Month shall mean a calendar month consisting of the applicable 24-Hour periods as measured by Central Standard Time.¶
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2.9 Open Access Transmission Tariff shall mean the Open Access Transmission Tariff filed with the Federal Energy Regulatory Commission (FERC or Commission) by the Companies or the SPP or any such successor tariff under which open access transmission service is provided over Company-owned transmission facilities in the SPP, as such tariff may be amended from time to time.

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2.10 Point-to-Point Transmission Service shall mean the reservation and transmission of capacity and energy on either a firm or non-firm basis from the points of receipt to the points of delivery in the SPP under the Open Access Transmission Tariff.

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2.11 Scheduling, System Control and Dispatch Service shall mean the service required to schedule the movement of power through, out of, within, or into a Control Area, as specified in Schedule 1 of the Open Access Transmission Tariff.

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2.12 SPP shall mean the Southwest Power Pool, Inc. or its successor in function.

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2.13 Transmission Customer shall mean any Eligible Customer as defined in the Open Access Transmission Tariff (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the FERC a proposed unexecuted Service Agreement to receive service under the Open Access Transmission Tariff.

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2.14 Transmission Provider shall mean SPP for the provision of Transmission Service under the SPP Open Access Transmission Tariff (“SPP Tariff”) and shall mean the Company for the provision of transmission service under an agreement, tariff or rate schedule other than the SPP Tariff.

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2.15 Transmission Service shall mean Network Integration Transmission Service, or

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Point-to-Point Transmission Service provided under the Open Access Transmission Tariff.

2.16 Transmission System shall mean the facilities owned by the Companies that are

used to provide Transmission Service under the Open Access Transmission Tariff.

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2.17 Transmission System Operator, shall mean the Companies, including AEPSC and

the SPP, that are charged with the coordinated planning, operation and maintenance of the

Transmission System.

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ARTICLE III

OBJECTIVES

3.1 Purposes

The purposes of this Agreement are: (a) to provide the contractual basis for the coordinated planning and operation of the ~~Companies'~~ transmission facilities ~~located~~ in the SPP to achieve optimal economies, consistent with reliable electric service and regulatory and environmental requirements; and (b) to provide the means by which the Companies will allocate among themselves the revenue that they receive for ~~services~~ provided under the Open Access Transmission Tariff.

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ARTICLE IV

COORDINATING COMMITTEE

4.1 Coordinating Committee

The Coordinating Committee is the organization established to oversee planning, construction, operation, and maintenance of the Transmission System. The Coordinating

Committee members shall include one member representing each of the Companies hereto, including AEPSC. The chairperson shall be the member representative of AEPSC.

Coordinating Committee decisions shall be by a majority vote of those present. However, any member not present may vote by proxy. No merchant function employee of the Companies or AEPSC shall be appointed to, or serve on, the Coordinating Committee.

4.2 Responsibilities of the Coordinating Committee

The Coordinating Committee shall be responsible for overseeing:

(a) the Companies and AEPSC in the coordinated planning of the Transmission System, including studies for transmission planning purposes and their interaction with independent system operators and other regional bodies, including Regional Transmission Organizations, that are interested in transmission planning; and

(b) compliance with the terms of the Open Access Transmission Tariff and the rules and regulations of the FERC.

4.3 Delegation and Acceptance of Authority

The Companies hereby delegate to the Coordinating Committee, and the Coordinating Committee hereby accepts, responsibility and authority for the duties listed in this Article and elsewhere in this Agreement.

4.4 Reporting

On an as needed basis, the Coordinating Committee shall provide summary reports of its activities under this Agreement to the transmission and reliability function

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employees of the Companies and AEPSC and shall keep such employees of the Companies and
AEPSC informed of situations or problems that may materially affect the reliability of the
Transmission System. Furthermore, the Coordinating Committee agrees to report to the
transmission and reliability function employees of the Companies and AEPSC in such additional
detail as is requested regarding specific issues or projects under its oversight.

ARTICLE V

PLANNING

5.1 Transmission Planning

The Companies agree that their respective transmission facilities in the SPP shall be planned and developed on the basis that their combined individual systems constitute a coordinated transmission system and that the objective of their planning shall be to maximize the economy, efficiency and reliability of the Transmission System as a whole. In this connection, the Coordinating Committee ~~may~~ from time to time, as it deems appropriate, direct studies for transmission planning purposes.

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ARTICLE VI

TRANSMISSION

6.1 Delegation to the Transmission System Operator

The Companies shall delegate to the Transmission System Operator the responsibility and authority to act as agent on behalf of the Companies for all of the requirements and purposes of the Open Access Transmission Tariff.

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6.2 Transmission Facilities

Each Company shall make its transmission facilities available to SPP for the provision of Transmission Service.

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6.3 Direct Assignment Facilities

Each Company shall make Direct Assignment Facilities available to SPP for the provision of Transmission Service.

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Transmission System Operator as may be required to provide service to a particular¶
Transmission Customer requesting service under

6.4 Transmission Service ~~Related~~ Revenues

(a) The Companies shall share Transmission Service revenues obtained from the use of the transmission facilities that comprise the Transmission System in accordance with Schedule A to this Agreement. Transmission Service revenues are those revenues received for service provided under the Open Access Transmission Tariff. The individual Companies' annual transmission revenue requirements as of the effective date of this Agreement are shown on Schedule B to this Agreement and shall be revised whenever there is a change to the annual transmission revenue requirements in Attachment H to the Open Access Transmission Tariff or a change to the annual transmission revenue requirements underlying the rates set forth in

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Schedules 7 and 8 to the Open Access Transmission Tariff. Future revisions to the methodology of calculating the transmission revenue requirements ratios set forth in Schedule B to this Agreement will be made by the Companies' making an appropriate filing with the Commission,

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if required by law. Such changes in calculation methodology shall become effective as of the date accepted or approved by the FERC, subject to refund if the Commission so orders.

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(b) Revenues received for Ancillary Services shall be allocated among the Companies in accordance with the revenue ratios set forth in Schedule C to this Agreement.

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Future revisions to the revenue ratios set forth in Schedule C to this Agreement will be made by the Companies making an appropriate filing with the FERC, if required by law. Such changes shall become effective as of the date accepted or approved by the Commission, subject to refund if the Commission so orders.

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(c) Revenues received for third-party use of Direct Assignment Facilities shall be distributed to the Company(ies) owning such facilities.

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(d) The distribution to the Companies of revenues received for stranded costs received from third-party customers under the Open Access Transmission Tariff shall be determined on a case-by-case basis and shall be filed with the FERC, if required by law.

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(e) Revenues received for studies performed for the benefit of a Transmission Customer under the Open Access Transmission Tariff shall be credited to the same account as the costs for such studies, and allocated to each Company in proportion to the allocation of such study costs.

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(f) Any transmission service revenue received by a Company for the provision of service under an agreement, tariff or rate schedule other than the Open Access Transmission Tariff, will be kept by the Company that is the party to such agreement, tariff or rate schedule.

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6.5 Payment of Costs for Network Use

Deleted: System, as such number of transmission pole miles is reported in each Company's Form 1 annual report, over the total number of transmission pole miles of the Transmission System.¶ 6.5 Payment of Costs for Network Use¶ The Transmission System Operator shall bill each of the Companies for the amount due to the Transmission System Operator in each Month

The Companies shall comply with the provisions of the Open Access Transmission Tariff relating to payments to the Transmission Provider for their use of Network Integration Transmission Service and Ancillary Services.

6.6 Payment of Costs for Point-to-Point Transmission Service

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(a) The cost of Transmission Service on the Transmission System for third-party
off-system sales by a Company(ies) shall be borne by the selling Company(ies).

(b) The cost of Transmission Service provided by a third-party for off-system
sales by a Company(ies) shall be borne by the selling Company(ies).

(c) The Companies shall comply with the provisions of the Open Access
Transmission Tariff relating to payments to the Transmission Provider for their use of Point-to-
Point Transmission Services.

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ARTICLE VII

ANCILLARY SERVICES

7.1 Ancillary Services

(a) Each Company shall make available Ancillary Services as required to provide
service under the Open Access Transmission Tariff according to the procedures established by
the SPP and the rules and regulations of the FERC.

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(b) Revenues received for Ancillary Services will be allocated between the
Companies in accordance with Section 6.4(b) of this Agreement.

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Open Access Transmission Tariff.¶

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ARTICLE VIII

GENERAL

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8.1 Regulatory Authorization

This Agreement is subject to certain regulatory approvals and the Companies shall diligently seek all necessary regulatory authorization for this Agreement.

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8.2 Effect on Other Agreements

This Agreement shall not modify the obligations of any of the Companies under any agreement between such Company and others not party to this Agreement.

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8.3 Waivers

Any waiver at any time by a Company of its rights with respect to a default by any other Company under this Agreement shall not be deemed a waiver with respect to any subsequent default of similar or different nature.

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8.4 Successors and Assigns; No Third Party Beneficiary

This Agreement shall inure to and be binding upon the successors and assigns of the respective Companies, but shall not be assignable by any of the Companies without the written consent of the other Companies, except upon foreclosure of a mortgage or deed of trust. Nothing expressed or mentioned or to which reference is made in this Agreement is intended or shall be construed to give any person or corporation other than the Companies any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained, expressly or by reference, or any schedule hereto, this Agreement, any such schedule and any and all conditions and provisions hereof and thereof being intended to be and being for the sole exclusive benefit of the Companies, and for the benefit of no other person or corporation.

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8.5 Amendment

This Agreement or such schedules may be changed, amended, modified or supplemented by an instrument in writing executed by all of the Companies and AEPSC subject to any required approval or acceptance for filing by the appropriate regulatory authorities.

Deleted: It is contemplated by the Companies that it may be appropriate from time to time to change, amend, modify or supplement this Agreement or the schedules that are attached to this Agreement, to reflect changes in operating practices or costs of operations or for other reasons.

8.6 No Partnership

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By entering into this Agreement the Companies shall not become partners, and as to each other and to third persons, the Companies shall remain independent parties in all matters relating to this Agreement.

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8.7 Responsibility and Liability

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The liability of the Companies shall be several, not joint or collective. Each Company shall be responsible only for its obligations, and shall be liable only for its proportionate share of the costs and expenses as provided in this Agreement, and any liability resulting herefrom. Each Company will defend, indemnify, and save harmless the other Companies hereto from and against any and all liability, loss, costs, damages, and expenses, including reasonable attorney's fees, caused by or growing out of the gross negligence, willful misconduct, or breach of this Agreement by such indemnifying Company.

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Attest:¶
¶

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IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be executed and attested by its duly authorized officers.

Deleted: Secretary AEP – Texas State President¶

¶
PUBLIC SERVICE COMPANY OF OKLAHOMA¶
Attest:¶
¶

PUBLIC SERVICE COMPANY OF OKLAHOMA

By: _____
J. Stuart Solomon
President and Chief Operating Officer

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SOUTHWESTERN ELECTRIC POWER COMPANY

By: _____
Venita McCellon-Allen
President and Chief Operating Officer

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¶
SOUTHWESTERN ELECTRIC POWER¶
COMPANY¶
Attest:¶
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AMERICAN ELECTRIC POWER SERVICE CORPORATION

By: _____

Michael Heyeck

Senior Vice President – Transmission

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AMERICAN ELECTRIC POWER SERVICE¶
CORPORATION¶
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Secretary

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SCHEDULE A

ALLOCATION OF TRANSMISSION REVENUES

1. Allocation of Transmission Revenues

The revenue the Companies receive pursuant to Section 6.4 of this Agreement for service provided in the SPP by the Transmission Provider under the Open Access Transmission Tariff, other than revenues received pursuant to Sections 26 (Stranded Cost Recovery), 27 (Compensation for New Facilities and Redispatch Costs), and 34.4 (Redispatch Charge), will be allocated among the Companies based on the ratios determined in accordance with Schedule B and Schedule C (Sections 6.4a and 6.4b), respectively of this agreement.

Deleted: Public Service Company of Oklahoma, FERC Rate Schedule No. 346¶
Southwestern Electric Power Company, FERC Rate Schedule No. 347¶
West Texas Utilities Company, FERC Rate Schedule No. 348¶
Superseding CSW Operating Companies Rate Schedule FERC No. 4¶
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Deleted:) thereof and for System and Facilities Studies made pursuant to

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Issued on: May 15, 2002¶
Filed to comply with order of the Federal Energy Regulatory Commission,¶
Docket Nos. ER02-371-003, *et al.*, issued April 15, 2002, 99 FERC ¶ 61,071 (2002)

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SCHEDULE B

ANNUAL TRANSMISSION REVENUE REQUIREMENTS RATIOS

The Companies utilize a FERC approved formula rate process contained in Attachment H to the SPP Tariff to determine their revenue requirements and set rates for transmission service in the SPP. The revenue requirements resulting from such process will be used in the determination of the Companies' Transmission Revenue Requirement Ratios. A Company's transmission revenue requirement ratio for the allocation of revenue received under the SPP Tariff in any month shall be a fraction, the numerator of which is the Company's then effective Annual Transmission Revenue Requirement for zonal and regional transmission service pursuant to the Formula Rate (herein called the Company Transmission Revenue Requirement) and the denominator of which is the sum of the Company Transmission Revenue Requirement for all of the Companies. The Formula Rate also provides for an annual adjustment of Transmission Service charges to transmission service customers to reconcile such charges to actual transmission revenue requirements (Actual T Costs) for the previous year. Consistent with such reconciliation of charges and Actual T Costs, the Companies shall at such time also compare the transmission service revenues allocated to each Company during the relevant prior period to the Actual T Costs of each Company, and make such adjustment in the revenues allocated between them as is necessary to reconcile the allocation of transmission revenues and Actual T Costs for such prior period. These reconciliations will only affect accounts in the month recorded, unless prior period restatements are required by law or generally accepted accounting principles.

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Southwestern Electric Power Company, FERC Rate Schedule No. 347¶
West Texas Utilities Company, FERC Rate Schedule No. 348¶
Superseding CSW Operating Companies Rate Schedule FERC No. 4¶

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SCHEDULE B¶
ANNUAL TRANSMISSION REVENUE REQUIREMENTS RATIOS¶
From time to time the Coordinating Committee will calculate for each of the Companies its Transmission Revenue Requirements Ratios set forth below. A Company's Transmission Revenue Requirements Ratio for revenue received under Part III of the Open Access Transmission

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Deleted: revenue requirement that is used to calculate the Annual Transmission Revenue Requirements underlying the rates set forth for the AEP West Zone – SPP on Schedules 7 and 8 to the Open Access Transmission Tariff and the denominator of which is the sum of the Company Revenue Requirements for all of the Companies.¶

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Allocation Ratio for Revenue Received Under Part II and Part III of the Open Access Transmission Tariff for service in the SPP.¶ ... [9]

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Filed to comply with order of the¶ ... [10]

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SCHEDULE C

ALLOCATION OF ANCILLARY SERVICE REVENUES

The revenues received from the Transmission Provider pursuant to Schedules 1 through 6 under the Open Access Transmission Tariff shall be allocated among the Companies as set forth below.

(a) The Companies utilize a FERC approved formula rate process contained in Attachment H to the SPP Tariff to determine their revenue requirements and set rates for System Scheduling, System Control and Dispatch Service ("Dispatch Service") in the SPP. The revenue requirements resulting from such process will be used in the determination of the Companies' Dispatch Service revenue requirement ratios. A Company's Dispatch Service revenue requirement ratio for the allocation of revenue received under the SPP Tariff in any month shall be a fraction, the numerator of which is the Company's then effective Annual Dispatch Service Revenue Requirement pursuant to the Formula Rate (herein called the Company Dispatch Service Revenue Requirement) and the denominator of which is the sum of the Company Dispatch Service Revenue Requirement for all of the Companies. To the extent the Formula Rate also provides for an annual adjustment of Dispatch Service charges to transmission customers to reconcile such charges to actual Dispatch Service revenue requirements (Actual Dispatch Costs) for the previous year and consistent with any such reconciliation of charges and Actual Dispatch Costs, the Companies shall at such time also compare the Dispatch Service revenues allocated to each Company during the relevant prior period to the Actual Dispatch Costs of each Company, and make such adjustment in the revenues allocated between them as is necessary to reconcile the allocation of Dispatch Service revenues and Actual Dispatch Costs for such prior period. These reconciliations will only affect accounts in the month recorded, unless prior period restatements are required by law or generally accepted accounting principles.

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West Texas Utilities Company, FERC Rate Schedule No. 348¶
Superseding CSW Operating Companies Rate Schedule FERC No. 4¶

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PSO . . . 49.23%¶
SWEPCO . . . 50.63%¶
WTU . . . 0.14%¶
(b) Revenues received from System Reactive Supply and Voltage Control from Generation Sources Service (AEP West Zone –

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Filed to comply with order of the Federal Energy Regulatory Commission,¶
Docket Nos. ER02-371-003, et al., issued April 15, 2002, 99 FERC ¶ 61,071 (2002)

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(b) Revenues received from System Reactive Supply and Voltage Control from Generation Sources Service in the SPP under Schedule 2 of the Open Access Transmission Tariff will be directly assigned to the owner of the generating unit(s) dispatched for such purpose in accordance with the SPP Tariff.

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Southwestern Electric Power Company, FERC Rate Schedule No. 347¶
West Texas Utilities Company, FERC Rate Schedule No. 348¶
Superseding CSW Operating Companies Rate Schedule FERC No. 4¶

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SWEPCO . . . 60.47%¶
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(c) Revenues received from System Regulation and Frequency Response Service in the SPP under Schedule 3 of the Open Access Transmission Tariff will be allocated between PSO and SWEPCO based on the following ratios:

(c) Revenues received from System Regulation and Frequency Response Service (AEP West Zone – SPP)

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PSO	40.00%
SWEPCO	60.00%

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(d) Revenues received for and energy exchanged as part of System Energy Imbalance Service rendered under Schedule 4 or 4-A will be allocated pursuant to the Restated and Amended Operating Agreement Among Public Service Company of Oklahoma, Southwestern Electric Power Company, and American Electric Power Service Corporation.

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(e) Revenues received from System Operating Reserve - Spinning Reserve Service (SPP) under Schedule 5 and from System Operating Reserve - Supplemental Reserve Service under Schedule 6 for load served in the PSO/SWEPCO Balancing Area will be allocated between PSO and SWEPCO based on the following ratios:

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PSO	35.91%
SWEPCO	64.09%

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Exhibit AEP-102
Clean Version of the Amended TCA

**THIRD RESTATED AND AMENDED
TRANSMISSION COORDINATION AGREEMENT**

Between

**Public Service Company of Oklahoma,
Southwestern Electric Power Company**

and

American Electric Power Service Corporation

**Dated January 1, 1997
Revised as of October 29, 1999
and February 18, 2011**

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**THIRD RESTATED AND AMENDED
TRANSMISSION COORDINATION AGREEMENT**

Between

**Public Service Company of Oklahoma,
Southwestern Electric Power Company**

and

American Electric Power Service Corporation

This TRANSMISSION COORDINATION AGREEMENT, hereinafter called "Agreement," as restated and amended is made and entered into as of the 1st day of October, 2010, by and among Public Service Company of Oklahoma ("PSO"), and Southwestern Electric Power Company ("SWEPCO"), hereinafter referred to as "Company" and jointly as "Companies," and American Electric Power Service Corporation ("AEPSC").

WHEREAS, Companies are the owners and operators of interconnected generation, transmission and distribution facilities in the Southwest Power Pool ("SPP") with which they are engaged in the business of transmitting and selling electric power to the general public, to other entities and to other electric utilities; and

WHEREAS, Companies achieve economic benefits for their customers through coordinated planning, operation and maintenance of their transmission facilities in the SPP; and

WHEREAS, Companies entered into this Agreement on January 1, 1997, and subsequently restated and amended this Agreement on October 29, 1999; and

WHEREAS, Companies now wish to restate and amend this Agreement a second time to reflect changes in the wholesale electric market and transmission matters that have occurred since 1999:

NOW, THEREFORE, the Companies and AEPSC mutually agree as follows:

ARTICLE I

TERM OF AGREEMENT

1.1 Effective Date

This Agreement, as restated and amended, shall become effective after October 1, 2010, and shall continue in force and effect until terminated by written notice by either Company to the other Company and to AEPSC.

1.2 Periodic Review

This Agreement will be reviewed periodically by the Coordinating Committee, as defined herein, to determine whether revisions are necessary to meet changing conditions. In the event that revisions are made by the Companies pursuant to Section 8.5, and after requisite approval or acceptance for filing by the appropriate regulatory authorities, the Coordinating Committee may thereafter, for the purpose of ready reference to a single document, prepare for distribution to the Companies an amended document reflecting all changes in and additions to this Agreement with notations thereon of the date amended.

ARTICLE II

DEFINITIONS

For purposes of this Agreement, the following definitions shall apply:

2.1 Agreement shall mean this Transmission Coordination Agreement including all attachments and schedules applying thereto and any amendments made hereafter.

2.2 Ancillary Services shall mean those services that are necessary to support the transmission of capacity and energy from resources to loads while maintaining reliable operation of the Companies' transmission facilities in accordance with Good Utility Practice, as that term is defined in the Open Access Transmission Tariff.

2.3 Balancing Area shall mean an electric power system or combination of electric power systems to which a common automatic generation control scheme is applied for the purposes specified in the Open Access Transmission Tariff.

2.4 Coordinating Committee shall mean the organization established pursuant to Section 4.1 of this Agreement and whose duties are more fully set forth herein.

2.5 Designated Agent shall mean any entity that performs actions or functions on behalf of the Transmission Provider, an Eligible Customer (as that term is defined in the Open Access Transmission Tariff), or the Transmission Customer required under the Open Access Transmission Tariff.

2.6 Direct Assignment Facilities shall mean facilities or portions of facilities located in the SPP that are constructed by the Companies or its Designated Agent for the sole use or benefit of a particular Transmission Customer requesting service under the Open Access Transmission Tariff.

2.7 Generating Unit shall mean an electric generator, together with its prime mover and all auxiliary and appurtenant devices and equipment designed to be operated as a unit for the production of electric capacity and energy.

2.8 Network Integration Transmission Service shall mean the transmission service provided in the SPP under the Open Access Transmission Tariff.

2.9 Open Access Transmission Tariff shall mean the Open Access Transmission Tariff filed with the Federal Energy Regulatory Commission (FERC or Commission) by the Companies or the SPP or any such successor tariff under which open access transmission service is provided over Company-owned transmission facilities in the SPP, as such tariff may be amended from time to time.

2.10 Point-to-Point Transmission Service shall mean the reservation and transmission of capacity and energy on either a firm or non-firm basis from the points of receipt to the points of delivery in the SPP under the Open Access Transmission Tariff.

2.11 Scheduling, System Control and Dispatch Service shall mean the service required to schedule the movement of power through, out of, within, or into a Control Area, as specified in Schedule 1 of the Open Access Transmission Tariff.

2.12 SPP shall mean the Southwest Power Pool, Inc. or its successor in function.

2.13 Transmission Customer shall mean any Eligible Customer as defined in the Open Access Transmission Tariff (or its Designated Agent) that (i) executes a Service Agreement, or (ii) requests in writing that the Transmission Provider file with the FERC a proposed unexecuted Service Agreement to receive service under the Open Access Transmission Tariff.

2.14 Transmission Provider shall mean SPP for the provision of Transmission Service under the SPP Open Access Transmission Tariff (“SPP Tariff”) and shall mean the Company for the provision of transmission service under an agreement, tariff or rate schedule other than the SPP Tariff.

2.15 Transmission Service shall mean Network Integration Transmission Service, or Point-to-Point Transmission Service provided under the Open Access Transmission Tariff.

2.16 Transmission System shall mean the facilities owned by the Companies that are used to provide Transmission Service under the Open Access Transmission Tariff.

2.17 Transmission System Operator shall mean the Companies, including AEPSC and the SPP, that are charged with the coordinated planning, operation and maintenance of the Transmission System.

ARTICLE III
OBJECTIVES

3.1 Purposes

The purposes of this Agreement are: (a) to provide the contractual basis for the coordinated planning and operation of the Companies' transmission facilities located in the SPP to achieve optimal economies, consistent with reliable electric service and regulatory and environmental requirements; and (b) to provide the means by which the Companies will allocate among themselves the revenue that they receive for services provided under the Open Access Transmission Tariff.

ARTICLE IV

COORDINATING COMMITTEE

4.1 Coordinating Committee

The Coordinating Committee is the organization established to oversee planning, construction, operation, and maintenance of the Transmission System. The Coordinating Committee members shall include one member representing each of the Companies hereto, including AEPSC. The chairperson shall be the member representative of AEPSC. Coordinating Committee decisions shall be by a majority vote of those present. However, any member not present may vote by proxy. No merchant function employee of the Companies or AEPSC shall be appointed to, or serve on, the Coordinating Committee.

4.2 Responsibilities of the Coordinating Committee

The Coordinating Committee shall be responsible for overseeing:

- (a) the Companies and AEPSC in the coordinated planning of the Transmission System, including studies for transmission planning purposes and their interaction with independent system operators and other regional bodies, including Regional Transmission Organizations, that are interested in transmission planning; and
- (b) compliance with the terms of the Open Access Transmission Tariff and the rules and regulations of the FERC.

4.3 Delegation and Acceptance of Authority

The Companies hereby delegate to the Coordinating Committee, and the Coordinating Committee hereby accepts, responsibility and authority for the duties listed in this Article and elsewhere in this Agreement.

4.4 Reporting

On an as needed basis, the Coordinating Committee shall provide summary reports of its activities under this Agreement to the transmission and reliability function

employees of the Companies and AEPSC and shall keep such employees of the Companies and AEPSC informed of situations or problems that may materially affect the reliability of the Transmission System. Furthermore, the Coordinating Committee agrees to report to the transmission and reliability function employees of the Companies and AEPSC in such additional detail as is requested regarding specific issues or projects under its oversight.

ARTICLE V

PLANNING

5.1 Transmission Planning

The Companies agree that their respective transmission facilities in the SPP shall be planned and developed on the basis that their combined individual systems constitute a coordinated transmission system and that the objective of their planning shall be to maximize the economy, efficiency and reliability of the Transmission System as a whole. In this connection, the Coordinating Committee may from time to time, as it deems appropriate, direct studies for transmission planning purposes.

ARTICLE VI
TRANSMISSION

6.1 Delegation to the Transmission System Operator

The Companies shall delegate to the Transmission System Operator the responsibility and authority to act as agent on behalf of the Companies for all of the requirements and purposes of the Open Access Transmission Tariff.

6.2 Transmission Facilities

Each Company shall make its transmission facilities available to SPP for the provision of Transmission Service.

6.3 Direct Assignment Facilities

Each Company shall make Direct Assignment Facilities available to SPP for the provision of Transmission Service.

6.4 Transmission Service Related Revenues

(a) The Companies shall share Transmission Service revenues obtained from the use of the transmission facilities that comprise the Transmission System in accordance with **Schedule A** to this Agreement. Transmission Service revenues are those revenues received for service provided under the Open Access Transmission Tariff. The individual Companies' annual transmission revenue requirements as of the effective date of this Agreement are shown on **Schedule B** to this Agreement and shall be revised whenever there is a change to the annual transmission revenue requirements in Attachment H to the Open Access Transmission Tariff or a change to the annual transmission revenue requirements underlying the rates set forth in Schedules 7 and 8 to the Open Access Transmission Tariff. Future revisions to the methodology of calculating the transmission revenue requirements ratios set forth in **Schedule B** to this Agreement will be made by the Companies' making an appropriate filing with the Commission,

if required by law. Such changes in calculation methodology shall become effective as of the date accepted or approved by the FERC, subject to refund if the Commission so orders.

(b) Revenues received for Ancillary Services shall be allocated among the Companies in accordance with the revenue ratios set forth in **Schedule C** to this Agreement. Future revisions to the revenue ratios set forth in **Schedule C** to this Agreement will be made by the Companies' making an appropriate filing with the FERC, if required by law. Such changes shall become effective as of the date accepted or approved by the Commission, subject to refund if the Commission so orders.

(c) Revenues received for third-party use of Direct Assignment Facilities shall be distributed to the Company(ies) owning such facilities.

(d) The distribution to the Companies of revenues received for stranded costs received from third-party customers under the Open Access Transmission Tariff shall be determined on a case-by-case basis and shall be filed with the FERC, if required by law.

(e) Revenues received for studies performed for the benefit of a Transmission Customer under the Open Access Transmission Tariff shall be credited to the same account as the costs for such studies, and allocated to each Company in proportion to the allocation of such study costs.

(f) Any transmission service revenue received by a Company for the provision of service under an agreement, tariff or rate schedule other than the Open Access Transmission Tariff, will be kept by the Company that is the party to such agreement, tariff or rate schedule.

6.5 Payment of Costs for Network Use

The Companies shall comply with the provisions of the Open Access Transmission Tariff relating to payments to the Transmission Provider for their use of Network Integration Transmission Service and Ancillary Services.

6.6 Payment of Costs for Point-to-Point Transmission Service

(a) The cost of Transmission Service on the Transmission System for third-party off-system sales by a Company(ies) shall be borne by the selling Company(ies).

(b) The cost of Transmission Service provided by a third-party for off-system sales by a Company(ies) shall be borne by the selling Company(ies).

(c) The Companies shall comply with the provisions of the Open Access Transmission Tariff relating to payments to the Transmission Provider for their use of Point-to-Point Transmission Services.

ARTICLE VII

ANCILLARY SERVICES

7.1 Ancillary Services

(a) Each Company shall make available Ancillary Services as required to provide service under the Open Access Transmission Tariff according to the procedures established by the SPP and the rules and regulations of the FERC.

(b) Revenues received for Ancillary Services will be allocated between the Companies in accordance with Section 6.4(b) of this Agreement.

ARTICLE VIII

GENERAL

8.1 Regulatory Authorization

This Agreement is subject to certain regulatory approvals and the Companies shall diligently seek all necessary regulatory authorization for this Agreement.

8.2 Effect on Other Agreements

This Agreement shall not modify the obligations of any of the Companies under any agreement between such Company and others not party to this Agreement.

8.3 Waivers

Any waiver at any time by a Company of its rights with respect to a default by any other Company under this Agreement shall not be deemed a waiver with respect to any subsequent default of similar or different nature.

8.4 Successors and Assigns; No Third Party Beneficiary

This Agreement shall inure to and be binding upon the successors and assigns of the respective Companies, but shall not be assignable by any of the Companies without the written consent of the other Companies, except upon foreclosure of a mortgage or deed of trust. Nothing expressed or mentioned or to which reference is made in this Agreement is intended or shall be construed to give any person or corporation other than the Companies any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained, expressly or by reference, or any schedule hereto, this Agreement, any such schedule and any and all conditions and provisions hereof and thereof being intended to be and being for the sole exclusive benefit of the Companies, and for the benefit of no other person or corporation.

8.5 Amendment

This Agreement or such schedules may be changed, amended, modified or supplemented by an instrument in writing executed by all of the Companies and AEPSC subject to any required approval or acceptance for filing by the appropriate regulatory authorities.

8.6 No Partnership

By entering into this Agreement the Companies shall not become partners, and as to each other and to third persons, the Companies shall remain independent parties in all matters relating to this Agreement.

8.7 Responsibility and Liability

The liability of the Companies shall be several, not joint or collective. Each Company shall be responsible only for its obligations, and shall be liable only for its proportionate share of the costs and expenses as provided in this Agreement, and any liability resulting herefrom. Each Company will defend, indemnify, and save harmless the other Companies hereto from and against any and all liability, loss, costs, damages, and expenses, including reasonable attorney's fees, caused by or growing out of the gross negligence, willful misconduct, or breach of this Agreement by such indemnifying Company.

IN WITNESS WHEREOF, the parties to this Agreement have caused this Agreement to be executed and attested by its duly authorized officers.

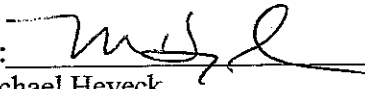
PUBLIC SERVICE COMPANY OF OKLAHOMA

By: J. Stuart Solomon
J. Stuart Solomon
President and Chief Operating Officer

SOUTHWESTERN ELECTRIC POWER
COMPANY

By: Venita McCellen Allen
Venita McCellen Allen
President and Chief Operating Officer

AMERICAN ELECTRIC POWER SERVICE
CORPORATION

By:  _____

Michael Heyeck
Senior Vice President – Transmission

SCHEDULE A

ALLOCATION OF TRANSMISSION REVENUES

1. Allocation of Transmission Revenues

The revenue the Companies receive pursuant to Section 6.4 of this Agreement for service provided in the SPP by the Transmission Provider under the Open Access Transmission Tariff, other than revenues received pursuant to Sections 26 (Stranded Cost Recovery), 27 (Compensation for New Facilities and Redispatch Costs), and 34.4 (Redispatch Charge), will be allocated among the Companies based on the ratios determined in accordance with Schedule B and Schedule C (Sections 6.4a and 6.4b), respectively of this agreement.

SCHEDULE B
ANNUAL TRANSMISSION REVENUE REQUIREMENTS RATIOS

The Companies utilize a FERC approved formula rate process contained in Attachment H to the SPP Tariff to determine their revenue requirements and set rates for transmission service in the SPP. The revenue requirements resulting from such process will be used in the determination of the Companies' Transmission Revenue Requirement Ratios. A Company's transmission revenue requirement ratio for the allocation of revenue received under the SPP Tariff in any month shall be a fraction, the numerator of which is the Company's then effective Annual Transmission Revenue Requirement for zonal and regional transmission service pursuant to the Formula Rate (herein called the Company Transmission Revenue Requirement) and the denominator of which is the sum of the Company Transmission Revenue Requirement for all of the Companies. The Formula Rate also provides for an annual adjustment of Transmission Service charges to transmission service customers to reconcile such charges to actual transmission revenue requirements (Actual T Costs) for the previous year. Consistent with such reconciliation of charges and Actual T Costs, the Companies shall at such time also compare the transmission service revenues allocated to each Company during the relevant prior period to the Actual T Costs of each Company, and make such adjustment in the revenues allocated between them as is necessary to reconcile the allocation of transmission revenues and Actual T Costs for such prior period. These reconciliations will only affect accounts in the month recorded, unless prior period restatements are required by law or generally accepted accounting principles.

SCHEDULE C**ALLOCATION OF ANCILLARY SERVICE REVENUES**

The revenues received from the Transmission Provider pursuant to Schedules 1 through 6 under the Open Access Transmission Tariff shall be allocated among the Companies as set forth below.

(a) The Companies utilize a FERC approved formula rate process contained in Attachment H to the SPP Tariff to determine their revenue requirements and set rates for System Scheduling, System Control and Dispatch Service (“Dispatch Service”) in the SPP. The revenue requirements resulting from such process will be used in the determination of the Companies’ Dispatch Service revenue requirement ratios. A Company's Dispatch Service revenue requirement ratio for the allocation of revenue received under the SPP Tariff in any month shall be a fraction, the numerator of which is the Company's then effective Annual Dispatch Service Revenue Requirement pursuant to the Formula Rate (herein called the Company Dispatch Service Revenue Requirement) and the denominator of which is the sum of the Company Dispatch Service Revenue Requirement for all of the Companies. To the extent the Formula Rate also provides for an annual adjustment of Dispatch Service charges to transmission customers to reconcile such charges to actual Dispatch Service revenue requirements (Actual Dispatch Costs) for the previous year and consistent with any such reconciliation of charges and Actual Dispatch Costs, the Companies shall at such time also compare the Dispatch Service revenues allocated to each Company during the relevant prior period to the Actual Dispatch Costs of each Company, and make such adjustment in the revenues allocated between them as is necessary to reconcile the allocation of Dispatch Service revenues and Actual Dispatch Costs for such prior period. These reconciliations will only affect accounts in the month recorded, unless prior period restatements are required by law or generally accepted accounting principles.

(b) Revenues received from System Reactive Supply and Voltage Control from Generation Sources Service in the SPP under Schedule 2 of the Open Access Transmission Tariff will be directly assigned to the owner of the generating unit(s) dispatched for such purpose in accordance with the SPP Tariff.

(c) Revenues received from System Regulation and Frequency Response Service in the SPP under Schedule 3 of the Open Access Transmission Tariff will be allocated between PSO and SWEPCO based on the following ratios:

PSO	40.00%
SWEPCO	60.00%

(d) Revenues received for and energy exchanged as part of System Energy Imbalance Service rendered under Schedule 4 or 4-A will be allocated pursuant to the Restated and Amended Operating Agreement Among Public Service Company of Oklahoma, Southwestern Electric Power Company, and American Electric Power Service Corporation.

(e) Revenues received from System Operating Reserve - Spinning Reserve Service (SPP) under Schedule 5 and from System Operating Reserve - Supplemental Reserve Service under Schedule 6 for load served in the PSO/SWEPCO Balancing Area will be allocated between PSO and SWEPCO based on the following ratios:

PSO	35.91%
SWEPCO	64.09%

Exhibit AEP-103
AEP SPP Companies' Summary of Revenue Allocation Impact

AEP SPP Companies'
Summary of Revenue Allocation Impact
of Synchronizing the TCA
with Actual Revenue Requirements

OATT Transmission Service Revenue	True-Up* Year	ATRR (True-Up) per Formula Rate, \$ & Allocation Ratios per "Proposed" TCA			Trans. Revenue Allocation Ratios per "Present" TCA		Trans. Revenue Share per "Present" TCA, \$		Transmission Revenue Allocation had Proposed TCA been in Effect, \$	
		Total	PSO	SWEPCO	PSO	SWEPCO	PSO	SWEPCO	PSO	SWEPCO
	2008	142,718,357	60,724,169 42.548%	81,994,188 57.452%	42.12112%	57.87888%	60,114,570	82,603,787	609,599	(609,599)
	2009	138,507,533	56,928,517 41.101%	81,579,016 58.899%	42.12112%	57.87888%	58,340,924	80,166,609	(1,412,407)	1,412,407

* Trans. service revenue allocation ratios derived from prior year True-Up ATRR calculated in each year's FR Annual Update.

(802,809) 802,809

OATT Schedule 1	Update** Year	Scheduling ARR per Formula Rate, \$ & Allocation Ratios per "Proposed" TCA			Scheduling (Dispatch Svc) Revenue Allocation Ratios per Present TCA		Scheduling (Dispatch Svc) Revenue Allocation Shares per Present TCA, \$		Scheduling (Dispatch Svc) Revenue Allocation had Proposed TCA been in Effect, \$	
		Total	PSO	SWEPCO	PSO	SWEPCO	PSO	SWEPCO	PSO	SWEPCO
	2008	3,619,171	1,766,259 48.803%	1,852,912 51.197%	49.23%	50.77%	1,781,718	1,837,453	(15,459)	15,459
	2009	4,365,437	2,038,342 46.693%	2,327,095 53.307%	49.23%	50.77%	2,149,105	2,216,332	(110,763)	110,763
	2010	5,027,704	2,349,028 46.722%	2,678,676 53.278%	49.23%	50.77%	2,475,139	2,552,565	(126,111)	126,111

** Schedule 1 allocation ratios derived from the Sched. 1 ARR calculated in each year's FR Annual Update.

(252,332) 252,332

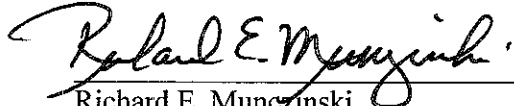
Attestation of
Richard E. Munczinski

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

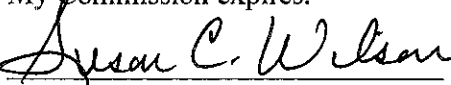
America Electric Power Service Corporation on)
Behalf of:) Docket No. ERI1-___-000
)
Public Service Company of Oklahoma,)
and)
Southwestern Electric Power Company)

ATTESTATION

I, the undersigned, being duly sworn, depose and say, under penalty of perjury, that, to the best of my knowledge, information and belief, the statements and supporting data submitted herewith are true, accurate, and current representations of the books, budgets, or other corporate documents of Public Service Company of Oklahoma and Southwestern Electric Power Company.


Richard E. Munczinski
Senior Vice President
Regulatory Services

Subscribed and sworn to before me this
18 day of Feb, 2011

My Commission expires: April 5, 2011

Notary Public



SUSAN C. WILSON
Notary Public, State of Ohio
My Commission Expires April 5, 2011

Certificate of Service and
List of Persons Served

Service List

Arkansas Public Service
Commission
1000 Center Building
Little Rock, Arkansas 72201

Louisiana Public Service
Commission
P O Box 91154
Baton Rouge, Louisiana 70821

Oklahoma Corporate Commission
Jim Thorpe Office Building
P O Box 52000
Oklahoma City, OK 73152-2000

Texas Public Utility Commission
1701 North Congress Avenue
Austin, TX 78711-3326

CERTIFICATE OF SERVICE

I hereby certify that I have this day arranged for service of the foregoing documents on each party on the official service list compiled by the Secretary in this proceeding.

/s/ Monique Rowtham-Kennedy
Monique Rowtham-Kennedy
American Electric Power Service Corporation
801 Pennsylvania Avenue, N.W.
Suite 320
Washington, D.C. 20004-2684
Telephone: 202-383-3436
Fax: 202-383-3459

February 22, 2011