

Twelve Months Ended 2017

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

WHEELING POWER COMPANY

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 130)				\$15,011,823
			Total	Allocator		
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	2,870,261	DA	1.00000	\$ 2,870,261
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				\$ -
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)				\$ 12,141,562

MEMO: The Carrying Charge Calculations on lines 7 to 12 below are used in calculating project revenue requirements billed through PJM Schedule 12, Transmission Enhancement Charges. The total non-incentive revenue requirements for these projects shown on line 5 is included in the total on line 4.

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)	144,808	DA	1.00000	\$ 144,808
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	((In 1 - In 95)/((In 42) x 100))			14.12%
8	Monthly Rate	(In 7 / 12)			1.18%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	((In 1 - In 95 - In 100) /((In 42) x 100))			12.10%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	((In 1 - In 95 - In 100 - In 125 - In 126) /((In 42) x 100))			2.95%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				
14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
15	Total Load Dispatch & Scheduling (Account 561)	Line 75 Below			1,008,857
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				731,654
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				230,486
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			46,717

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	(1)	(2)	(3)	(4)	(5)
	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>
Line No.					
19	GROSS PLANT IN SERVICE				
20	Production	(Worksheet A In 14.(b))	1,011,533,924	NA	0.00000
21	Less: Production ARO (Enter Negative)	(Worksheet A In 14.(c))	(5,673,637)	NA	0.00000
22	Transmission	(Worksheet A In 14.(d) & TCOS Ln 134)	144,556,865	DA	
23	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP	0.93369
24	Distribution	(Worksheet A In 14.(f))	174,861,104	NA	0.00000
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.(g))	-	NA	0.00000
26	General Plant	(Worksheet A In 14.(h))	5,793,246	W/S	0.02529
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	(151,295)	W/S	0.02529
28	Intangible Plant	(Worksheet A In 14.(j))	4,332,085	W/S	0.02529
29	TOTAL GROSS PLANT	(sum Ins 19 to 27)	1,335,252,291	GP	0.101272
30	ACCUMULATED DEPRECIATION AND AMORTIZATION			GTD=	0.42256
31	Production	(Worksheet A In 28.(b))	373,155,449	NA	0.00000
32	Less: Production ARO (Enter Negative)	(Worksheet A In 28.(c))	(2,367,257)	NA	0.00000
33	Transmission	(Worksheet A In 28.(d) & In 43.(c))	34,184,131	TP1=	0.83725
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1=	0.83725
35	Distribution	(Worksheet A In 28.(f))	48,335,093	NA	0.00000
36	Less: Distribution ARO (Enter Negative)	(Worksheet A In 28.(g))	-	NA	0.00000
37	General Plant	(Worksheet A In 28.(h))	2,806,571	W/S	0.02529
38	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	(30,996)	W/S	0.02529
39	Intangible Plant	(Worksheet A In 28.(j))	1,881,554	W/S	0.02529
40	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 30 to 38)	457,964,544		
41	NET PLANT IN SERVICE				
42	Production	(In 19 + In 20 - In 30 - In 31)	635,072,095		-
43	Transmission	(In 21 + In 22 - In 32 - In 33)	110,372,735		106,350,959
44	Distribution	(In 23 + In 24 - In 34 - In 35)	126,526,011		-
45	General Plant	(In 25 + In 26 - In 36 - In 37)	2,866,375		72,485
46	Intangible Plant	(In 27 - In 38)	2,450,531		61,969
47	TOTAL NET PLANT IN SERVICE	(sum Ins 41 to 45)	877,287,746	NP	0.121380
48	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
49	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	(54,975,911)	NA	-
50	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(154,647,245)	DA	(25,591,873)
51	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(29,505,902)	DA	(492,036)
52	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	10,537,454	DA	1,048,641
53	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(60)	DA	(16)
54	TOTAL ADJUSTMENTS	(sum Ins 48 to 52)	(228,591,665)		(25,035,284)
55	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e) & In 45.(e))	-	DA	-
56	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA	-
57	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))	(11,908)	W/S	0.02529
58	WORKING CAPITAL	(Note E)			
59	Cash Working Capital	(1/8 * In 78)	132,177		123,412
60	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	(2,993)	TP	0.93369
61	A&G Materials & Supplies	(Worksheet C, In 3.(F))	532	W/S	0.02529
62	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.10127
63	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	8,383,504	W/S	0.02529
64	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	425,653	GP	0.10127
65	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000
66	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(7,894,142)	NA	0.00000
67	TOTAL WORKING CAPITAL	(sum Ins 58 to 65)	1,044,731		375,742
68	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA	1.00000
69	RATE BASE (sum Ins 46, 53, 54, 55, 56, 66, 67)		649,728,905		81,825,570

AEP East Companies
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WHEELING POWER COMPANY

	(1)	(2)	(3)	(4)	(5)
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
Line					
No.	OPERATION & MAINTENANCE EXPENSE				
69	Production	321.80.b	148,647,176		
70	Distribution	322.156.b	9,025,317		
71	Customer Related Expense	322 & 323.164,171,178.b	3,320,783		
72	Regional Marketing Expenses	322.131.b	725,745		
73	Transmission	321.112.b	32,442,093		
74	TOTAL O&M EXPENSES	(sum Ins 69 to 73)	194,161,114		
75	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	1,008,857		
76	Less: Account 565	(Note H) 321.96.b	30,375,823		
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
78	Total O&M Allocable to Transmission	(Ins 73 - 75 - 76 - 77)	1,057,413	TP	0.93369987,299
79	Administrative and General	323.197.b (Notes J and M)	8,397,771		
80	Less: Acct. 924, Property Insurance	323.185.b	296,710		
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(408,149)		
82	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
83	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(26,923)		
84	Acct. 928, Reg. Com. Exp.	323.189.b	27,155		
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	3,876		
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	437,399		
87	Balance of A & G	(In 79 - sum In 80 to In 86)	8,067,703	W/S	0.02529204,017
88	Plus: Acct. 924, Property Insurance	(In 80)	296,710	GP	0.1012730,048
89	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	5,484	TP	0.933695,120
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	-	TP	0.93369-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 46.(E) (Note L)	449	DA	1.00000449
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	(1,842,161)	W/S	0.02529(46,585)
93	A & G Subtotal	(sum Ins 87 to 92)	6,528,185		193,050
94	O & M EXPENSE SUBTOTAL	(In 78 + In 93)	7,585,598		1,180,350
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)			DA	1.00000-
96	TOTAL O & M EXPENSE	(In 94 + In 95)	7,585,598		1,180,350
97	DEPRECIATION AND AMORTIZATION EXPENSE				
98	Production	336.2-6.f	28,153,291	NA	0.00000-
99	Distribution	336.8.f	6,506,636	NA	0.00000-
100	Transmission	336.7.f	2,559,599	TP1	0.837252,143,035
101	General	336.10.f	84,377	W/S	0.025292,134
102	Intangible	336.1.f	847,317	W/S	0.0252921,427
103	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 98+99+100+101+102) (Note N)	38,151,220		2,166,596
104	TAXES OTHER THAN INCOME				
105	Labor Related				
106	Payroll	Worksheet H In 24.(D)	974,115	W/S	0.0252924,634
107	Plant Related				
108	Property	Worksheet H-1 In 3.(C) & 3.(G)	6,731,752	DA	
109	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	8,179,347	NA	0.00000-
110	Other	Worksheet H In 24.(E)	1,166,536	GP	0.10127118,138
111	TOTAL OTHER TAXES	(sum Ins 106 to 110)	17,051,750		1,929,930
112	INCOME TAXES	(Note O)			
113	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		39.21%		
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		51.92%		
115	where WCLTD=(In 154) and WACC = (In 157)				
116	and FIT, SIT & p are as given in Note O.				
117	GRCF=1 / (1 - T) = (from In 113)		1.6451		
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
119	Excess Deferred Income Tax	(Note U)	634	DA	(2)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	1,078,541	DA	72,984
121	Income Tax Calculation	(In 114 * In 126)	26,091,008		3,285,850
122	ITC adjustment	(In 117 * In 118)	-	GP	0.10127-
123	Excess Deferred Income Tax	(In 117 * In 119)	1,043		(3)
124	Tax Effect of Permanent and Flow-Through Differences	(In 117 * In 120)	1,774,266		120,063
125	TOTAL INCOME TAXES	(sum Ins 121 to 124)	27,866,317		3,405,910
126	RETURN ON RATE BASE (Rate Base*WACC)	(In 68 * In 157)	50,255,177		6,329,037
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	1.00000-
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 128 * In114)		-		-
130	TOTAL REVENUE REQUIREMENT		140,910,063		15,011,823
	(sum Ins 96, 103, 111, 125, 126, 127, 128, 129)				

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WHEELING POWER COMPANY

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
131	Total transmission plant	(In 21)							144,556,865	
132	Less transmission plant excluded from PJM Tariff (Worksheet A, In 42, Col. (d)) (Note P)								-	
133	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 42, Col. (b)) (Note Q)								9,585,100	
134	Transmission plant included in PJM Tariff	(In 131 - In 132 - In 133)							134,971,765	
135	Percent of transmission plant in PJM Tariff	(In 134 / In 131)						TP=	0.93369	
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)								
137	Production	354.20.b	Direct Payroll	Payroll Billed from	Total					
138	Transmission	354.21.b	10,658,500	AEP Service Corp. 5,221	10,663,721	NA	0.00000		-	
139	Regional Market Expenses	354.22.b	0	381,417	381,417	TP	0.93369		356,126	
140	Distribution	354.23.b	0	0	-	NA	0.00000		-	
141	Other (Excludes A&G)	354.24,25,26.b	1,889,199	353,012	2,242,211	NA	0.00000		-	
142	Total	(sum Ins 137 to 141)	417,799	377,582	795,381	NA	0.00000		-	
			12,965,498	1,117,232	14,082,730				356,126	
143	Transmission related amount							W/S=	0.02529	
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$	
145	Long Term Interest	(Worksheet M, In. 37, col. (d))							11,530,636	
146	Preferred Dividends	(Worksheet M, In. 71)							-	
147	Development of Common Stock:									
148	Proprietary Capital	(Worksheet M, In. 14, col. (b))							414,017,908	
149	Less: Preferred Stock	(Worksheet M, In. 14, col. (c))							-	
150	Less: Account 216.1	(Worksheet M, In. 14, col. (d))							-	
151	Less: Account 219	(Worksheet M, In. 14, col. (e))							162,442	
152	Common Stock	(In 148 - In 149 - In 150 - In 151)							413,855,466	
153								Cost		
154	Long Term Debt (Note T) Worksheet M, In 28, col. (g), In 38, col. (d))		\$	%			(Note S)	Weighted		
155	Preferred Stock (In 149)		350,000,000	45.82%			3.29%	0.0151		
156	Common Stock (In 152)		-	0.00%			-	0.0000		
157	Total (Sum Ins 154 to 156)		413,855,466	54.18%			11.49%	0.0623		
			763,855,466					WACC=	0.0773	

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Transmission Cost of Service Formula Rate
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WHEELING POWER COMPANY

Letter

Notes

General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
7) If AEP East companies have any directly assigned transmission facilities, the revenue credits in the AEP East formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based.
See Worksheet E for details.
- B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet Q and any over under recovery will be filed and posted as part of the informational filing.
- C Transmission Plant Balances in this study are projected or actual average beginning of year end of year balances.
- D The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flowthrough and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section1.167(l)-(h)(6)(ii). RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. The company will not include the ADIT portion of deferred hedge gains and losses in rate base. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 78. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 75.
2) Costs of Transmission of Electricity by Others, as described in Note H.
3) The impact of state regulatory deferrals and amortizations, as shown on line 77
4) All A&G Expenses, as shown on line 93.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 67 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 127.
- G Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 78. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such cost is added back on line 95 to determine the total O&M collected in the formula. The amounts on line 95 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.
The addbacks on line 95 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.
The company records referenced on line 95 is the WHEELING POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K These deductions on lines 81 through 83 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L Expenses recorded in FERC Accounts 928 (Regulatory Commission Expense), 930.1 (Safety Related Advertising) and 930.2 (Miscellaneous General Expenses) that are not directly related to or properly allocable to transmission service will be removed from the TCOS. If AEP includes any expenses booked to these accounts in future ATRR updates, AEP must provide supporting information demonstrating that the underlying activities are directly related to providing transmission service. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (ln 118) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required:
FIT = 35.00%
SIT= 6.48% (State Income Tax Rate or Composite SIT. Worksheet G))
p = 0.00% (percent of federal income tax deductible for state purposes)
The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable.
If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = Long-Term Interest (ln 145) / Long-Term Debt (ln 154). Preferred Stock cost rate = preferred dividends (ln 146) / preferred outstanding (ln 155). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO Membership. The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains and Losses are computed on Worksheet M.The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.
- T The Long Term Debt balance for I&M includes the accumulated balance of principle and related interest for Spent Nuclear Fuel Disposal Costs collected prior to April 7, 1983. This total balance of \$265,249,280 at 12/31/12 is not included in the balance in line 154 above. The cost rates for long-term debt shall include interest expense and related periodic expenses (such as remarketing and letter of credit fees) as recorded in FERC Account 427 or 430, amortization of issuance costs (including insurance) and discounts as recorded in FERC Account 428, issuance premiums as recorded in FERC Account 429 and losses or gains on reacquired debt as recorded in FERC Accounts 428.1 or 429.1, respectively. The cost rates for preferred stock (if applicable) shall include the dividends.
- U Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
- V Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.
- W The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- X Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
- Y The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
WHEELING POWER COMPANY

		Gross Plant In Service								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	1,008,689,150	5,673,637	143,223,066	-	170,113,471	-	5,680,451	151,295	4,034,792
2	January									
3	February									
4	March									
5	April									
6	May									
7	June									
8	July									
9	August									
10	September									
11	October									
12	November									
13	December of Rate Year	1,014,378,698	5,673,637	145,890,664	-	179,608,736	-	5,906,040	151,295	4,629,377
14	Average of the Beginning and End Year Balances	1,011,533,924	5,673,637	144,556,865	-	174,861,104	-	5,793,246	151,295	4,332,085

		Accumulated Depreciation								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, Ins 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 26, Col. (b)	Company Records (Included in total in Column (f))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
15	December Prior to Rate Year	360,748,646	2,281,153	33,156,570	-	46,534,611	-	2,786,505	26,786	1,743,946
16	January									
17	February									
18	March									
19	April									
20	May									
21	June									
22	July									
23	August									
24	September									
25	October									
26	November									
27	December of Rate Year	385,562,252	2,453,361	35,211,691	-	50,135,574	-	2,826,637	35,205	2,019,161
28	Average of the Beginning and End Year Balances	373,155,449	2,367,257	34,184,131	-	48,335,093	-	2,806,571	30,996	1,881,554

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c) Company Records (included in total in column (b) of accumulated depreciation above)	Excluded Plant - Plant In Service (d) Company Records	Excluded Plant - Accumulated Depreciation (e) Company Records
(Note A)		Company Records (included in total in column (d) of gross plant above)			
29	December Prior to Rate Year	9,585,100	5,482,216	-	-
30	January				
31	February				
32	March				
33	April				
34	May				
35	June				
36	July				
37	August				
38	September				
39	October				
40	November				
41	December of Rate Year	9,585,100	5,644,434	-	-
42	Average of the Beginning and End Year Balances	9,585,100	5,563,325	-	-

43 Transmission Accum Depreciation net of GSU 28,620,806

Plant Held For Future Use		Source of Data	Balance @ December 31, 2017 (c)	Balance @ December 31, 2016 (d)	Average Balance for 2017 (e)
44	Plant Held For Future Use (a)	FF1, page 214, In 47, Col. (d) (b)	-	-	-
45	Transmission Plant Held For Future Use (Included in total on line 44)	Company Records - Note 1	-	-	-

Regulatory Assets and Liabilities Approved for Recovery In Ratebase					
Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.					
46					-
47					-
48					-
49					-
50					-
51	Total Regulatory Deferrals Included in Ratebase		-	-	-

Unfunded Reserves Summary (Company Records)					
52	Description	Account			
53a	Accum Prv I/D Workers Comp	2282003	19,074	4,743	11,908
53b					-
54	Total		19,074	4,743	11,908

NOTE 1: On this worksheet, "Company Records" refers to AEP's property accounting ledger.
NOTE 2: The ratebase should not include the unamortized balance of hedging gains or losses.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2017</u>	<u>(D) Balance @ December 31, 2016</u>	<u>(E) Average Balance for 2017</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	52,771,599	57,180,224	54,975,911
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	52,771,599	57,180,224	54,975,911
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	159,788,337	149,506,154	154,647,245
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	1,638,858	1,702,078	1,670,468
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	132,040,376	122,729,433	127,384,905
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	26,109,103	25,074,643	25,591,873
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	30,437,383	28,574,421	29,505,902
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	-	-	-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	29,937,965	28,089,767	29,013,866
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	499,418	484,654	492,036
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	11,067,840	10,007,069	10,537,454
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	2,457,392	2,396,781	2,427,086
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	7,368,177	6,755,278	7,061,727
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	1,242,271	855,010	1,048,641
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	29	91	60
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	29	91	60
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	7	25	16

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section I.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

NOTE 2 ADIT balances should exclude balances related to hedging activity.

(DEBIT) CREDIT

COLUMN A		COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
		PER BOOKS		NON-APPLICABLE/NON-UTILITY		AVERAGE ELECTRIC UTILITY (B+C+D+E)/2	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2016			FUNCTIONALIZATION 12/31/2017		
ACCUMULATED DEFERRED FIT ITEMS		BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017		GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1.00	ACCOUNT 281:														
2.01	TX AMORT POLLUTION CONT EQPT	57,180,224	52,771,599			0	54,975,911	0	0	57,180,224	-	-	52,771,599	-	-
2.02															
2.03	NON-UTILITY DEFERRED FIT	0	0	0	0										
2.04	SFAS 109 FLOW-THRU 281.3	0	0	0	0	0									
2.05	SFAS 109 EXCESS DFIT 281.4	0	(21,108,640)	0	21,108,640	0									
2.06		0	0	0	0	0									
3	TOTAL ACCOUNT 281	57,180,224	31,662,959	0	21,108,640	0	54,975,911	0	0	57,180,224	0	0	52,771,599	0	0
4	ACCOUNT 281 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	ACCOUNT 282:														
5.01	BOOK VS. TAX DEPRECIATION	101,347,260	105,108,720			103,227,990	56,565,576	25,080,278	21,582,135	55,816,538	24,719,754	20,810,968	57,314,615	25,440,802	22,353,303
5.02	CAPD INTEREST - SECTION 481(a) - CHANGE IN METHD	2,429	1,946			2,188	0	1,066	1,122	-	1,184	1,246	-	948	998
5.03	R & D DEDUCTION - SECTION 174	2,539	2,539			2,539	0	2,539	0	-	2,539	-	-	2,539	-
5.04	RELOCATION COST - SECTION 481(a) - CHANGE IN METH	4,043	3,262			3,652	0	0	3,652	-	-	4,043	-	-	3,262
5.05	BK PLANT IN SERVICE-SFAS 143-ARO	1,702,078	1,638,858			1,670,468	1,635,399	36,780	(1,712)	1,665,535	38,150	(1,608)	1,605,263	35,411	(1,815)
5.06	NORMALIZED BASIS DIFFS - TRANSFERRED PLANTS	4,567,395	4,377,089			4,472,242	4,472,242	0	0	4,567,395	-	-	4,377,089	-	-
5.07	DFIT GENERATION PLANT	0	0			0	0	0	0	-	-	-	-	-	-
5.08	GAIN/LOSS ON ACRS/MACRS PROPERTY	3,182,511	5,495,040			4,338,775	2,039,934	240,480	2,058,361	931,192	237,999	2,013,320	3,148,676	242,961	2,103,403
5.09	GAIN/LOSS ON ACRS/MACRS-BK/TX UNIT PROP	469,611	529,141			499,376	499,376	0	0	469,611	-	-	529,141	-	-
5.10	ABFUDC	332,121	403,521			367,821	64,544	82,807	220,469	52,144	82,399	197,578	76,944	83,216	243,361
5.11	BOOK/TAX UNIT OF PROPERTY ADJ	3,899,798	7,022,140			5,460,969	5,317,797	0	143,172	3,899,798	-	-	6,735,796	-	286,344
5.12	BK/TAX UNIT OF PROPERTY ADJ-SEC 481 ADJ	0	3,796,450			1,898,225	0	148,225	1,750,000	-	-	-	296,450	3,500,000	-
5.13	BOOK/TAX UNIT OF PROPERTY ADJ: AGR TRANSFER	8,934,612	9,010,989			8,972,800	8,972,800	0	0	8,934,612	-	-	9,010,989	-	-
5.14	BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ: AGR TRANSFER	24,733,823	21,964,780			23,349,302	23,349,302	0	0	24,733,823	-	-	21,964,780	-	-
5.15	SEC 481 PENS/OPEB ADJUSTMENT	1	1			1	0	5	(4)	-	5	(4)	-	5	(4)
5.16	TX ACCEL AMORT - CAPITALIZED SOFTWARE	0	81,699			40,850	0	6,323	34,527	-	-	-	-	12,646	69,054
5.17	CAPITALIZED RELOCATION COSTS	305,493	335,002			320,247	0	30,150	290,098	-	30,763	274,729	-	29,536	305,466
5.18	EXTRAORDINARY LOSS ON DISP OF PROP	22,441	17,161			19,801	0	0	19,801	-	-	22,441	-	-	17,161
5.19	CAPITALIZED LEASES - A/C 1011 ASSETS	0	0			0	0	0	0	-	-	-	-	-	-
5.20	NON-UTILITY DEFERRED FIT	0	0			0				-	-	-	-	-	-
5.21	SFAS 109 FLOW-THRU 282.3	5,441,316	3,756,133	(5,441,316)	(3,756,133)	0									
5.22	SFAS 109 EXCESS DFIT 282.4	6,466	(64,073,118)	(6,466)	64,073,118	0									
5.23		0	0			0	0	0	0						
6	TOTAL ACCOUNT 282	154,953,936	99,471,352	(5,447,782)	60,316,985	154,647,246	102,916,970	25,628,653	26,101,621	101,070,649	25,112,793	23,322,712	104,763,292	26,144,513	28,880,532
7	ACCOUNT 282 - ARO-Related Deferrals	1,702,078	1,638,858	0	0	1,670,468	1,635,399	36,780	(1,712)	1,665,535	38,150	(1,608)	1,605,263	35,411	(1,815)
8	ACCOUNT 283:														
9.01	ACCRUED BK PENSION EXPENSE	2,163,313	2,123,482			2,143,398	0	297,411	1,845,987	-	294,652	1,868,661	-	300,169	1,823,313
9.02	ACCRUED BK PENSION COSTS - SFAS 158	(2,797,878)	(2,096,330)			(2,447,104)	0	(220,562)	(2,226,542)	-	(222,200)	(2,575,678)	-	(218,925)	(1,877,405)
9.03	SW - UNDER RECOVERY FUEL COST	6,299,933	7,657,683			6,978,808	6,978,808	0	0	6,299,933	-	-	7,657,683	-	-
9.04	PROP TX-STATE 2 OLD METHOD-TX	26,618	0			13,309	13,309	0	0	26,618	-	-	0	-	-
9.05	MTM BK GAIN - A/L - TAX DEFL	(1,727)	537,593			267,933	267,933	0	0	(1,727)	-	-	537,593	-	-
9.06	DEFD RTO EXPENSES	0	0			0	0	0	0	-	-	-	-	-	-
9.07	DEFD STORM DAMAGE	800,495	566,204			683,350	0	0	683,350	-	-	800,495	-	-	566,204
9.08	BOOK > TAX - EMA - A/C 283	891,320	891,320			891,320	891,320	0	0	891,320	-	-	891,320	-	-
9.09	DEFD BK LOSS-NON AFF SALE-EMA	108,000	108,000			108,000	108,000	0	0	108,000	-	-	108,000	-	-
9.10	DEFD TX GAIN - INTERCO SALE - EMA	(218,988)	(218,988)			(218,988)	(218,988)	0	0	(218,988)	-	-	(218,988)	-	-
9.11	DEFD TAX GAIN - EPA AUCTION	(8,301)	(8,301)			(8,301)	(8,301)	0	0	(8,301)	-	-	(8,301)	-	-
9.12	DEFD BOOK GAIN-EPA AUCTION	87,239	87,239			87,239	87,239	0	0	87,239	-	-	87,239	-	-
9.13	REG ASSET-REGULATORY ADJ-MITCHELL PLANT	6,483,971	6,214,738			6,349,355	6,349,355	0	0	6,483,971	-	-	6,214,738	-	-
9.14	REG ASSET-SFAS 143 - ARO	0	0			0	0	0	0	-	-	-	-	-	-
9.15	REG ASSET-SFAS 158 - PENSIONS	2,797,878	2,096,330			2,447,104	0	220,562	2,226,542	-	222,200	2,575,678	-	218,925	1,877,405
9.16	REG ASSET-DEFD SEVERANCE COSTS	41,184	8,237			24,710	0	0	24,710	-	-	41,184	-	-	8,237
9.17	REG ASSET-WV VMP (VEGETATION MGMT) COSTS	0	0			0	0	0	0	-	-	-	-	-	-
9.18	REG ASSET-CARRYING CHARGES-WV VMP	33,945	24,602			29,274	0	0	29,274	-	-	33,945	-	-	24,602
9.19	REG ASSET-DEFD DEPREC-WV VEG MGT PROG	0	5,619			2,810	0	0	2,810	-	-	-	-	-	5,619
9.20	REG ASSET-CAR CHGS-WV VMP-UNREC EQ	0	(7,836)			(3,918)	0	0	(3,918)	-	-	-	-	-	(7,836)
9.21	REG ASSET-WV BASE REVENUES	476,648	193,883			335,265	0	0	335,265	-	-	476,648	-	-	193,883
9.22	REG ASSET-WV BASE REVENUES-CAR CHGS	25,571	8,524			17,047	0	0	17,047	-	-	25,571	-	-	8,524
9.23	REG ASSET-CAR CHGS-WV VMP RESERVE	(18,528)	(9,185)			(13,857)	0	0	(13,857)	-	-	(18,528)	-	-	(9,185)
9.24	REG ASSET-WV EE/DR-COMPANY FUNDED	21,494	59,728			40,611	0	0	40,611	-	-	21,494	-	-	59,728
9.25	REG ASSET-WV PROV SURCREDIT-SPEC CTRCT	(184,520)	0			(92,260)	0	0	(92,260)	-	-	(184,520)	-	-	-
9.26	REG ASSET-WV PROV SURCREDIT-CONTRA	184,520	0			92,260	0	0	92,260	-	-	184,520	-	-	-
9.27	REG ASSET-BASE REV EQUITY CAR CHG-WV	(12,538)	(4,179)			(8,358)	0	0	(8,358)	-	-	(12,538)	-	-	(4,179)
9.28	REG ASSET-CAR CHGS-CAPITAL-WV VMP	0	15,865			7,932	0	0	7,932	-	-	-	-	-	15,865
9.29	BOOK LEASES CAPITALIZED FOR TAX	175,736	180,744			178,240	55,609	1,082	121,549	37,028	1,015	137,693	74,191	1,148	105,404
9.30	CAPITALIZED SOFTWARE COST - BOOK	733,622	802,716			768,169	140,097	187,949	440,122	160,018	183,019	390,585	120,177	192,879	489,660
9.31	POST RETIREMENT BEN - PAYMENT	0	0			0	0	0	0	-	-	-	-	-	-
9.32	DEFD SFAS 106 BOOK COSTS	(0)	(0)			0	0	0	(0)	-	-	(0)	-	-	(0)
9.33	SFAS 106-MEDICARE SUBSIDY-(PPACA)-REG ASSET	108,465	94,907			101,686	0	5,595	96,091	-	5,968	102,497	-	5,222	89,685
9.34	REG ASSET - ACCRUED SFAS 112	(0)	(0)			0	0	0	(0)	-	-	(0)	-	-	(0)
9.35	NON-UTILITY DEFERRED FIT	45,950	27,570	(45,950)	(27,570)	0				-	-	(0)	-	-	(0)
9.36	SFAS 109 FLOW-THRU 283.3	18,524,539	10,242,842	(18,524,539)	(10,242,842)	0									
9.37	SFAS 109 EXCESS DFIT 283.4	0	(3,151,603)	0	3,151,603	0									
9.38	SFAS 133 ADIT FED - SFAS 133 NONAFFIL 2830006	66,038	0	(66,038)	0	0									

9.39			0		0		0		0						
10															

WHEELING POWER COMPANY
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2017

DEBIT (CREDIT)

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
		PER BOOKS		NON-APPLICABLE/NON-UTILITY		AVERAGE ELECTRIC UTILITY	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2016			FUNCTIONALIZATION 12/31/2017		
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	(B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1	ACCOUNT 190:														
2.01	NOL & TAX CREDIT C/F - DEF TAX ASSET	4,708	15,938			10,323	1	4,017	6,305	-	2,324	2,384	2	5,710	10,226
2.02	IGCC REVENUES	516,029	785,262			650,645	650,645	0	0	516,029	-	-	785,262	-	-
2.03	INT EXP CAPITALIZED FOR TAX	852,945	979,050			915,997	109,929	295,960	510,108	94,319	297,346	461,279	125,539	294,574	558,936
2.04	CIAC - BOOK RECEIPTS	1,336,503	1,135,444			1,235,973	0	499,140	736,833	-	525,034	811,468	-	473,246	662,198
2.05	SW OVER RECOVERY OF FUEL	0	0			0	0	0	0	-	-	-	-	-	-
2.06	SW UNDER RECOVERY OF FUEL	0	0			0	0	0	0	-	-	-	-	-	-
2.07	PROVS POSS REV REFDS	0	482,439			241,219	0	241,219	0	-	-	-	-	482,439	-
2.08	PROV WORKER'S COMP	136,847	154,364			145,605	0	(0)	145,605	-	(0)	136,847	-	(0)	154,364
2.09	ACCRUED PSI PLAN EXP	3,295	(0)			1,647	0	0	1,647	-	-	3,295	-	-	(0)
2.10	BK PROV UNCOLL ACCTS	59,584	47,155			53,369	0	0	53,369	-	-	59,584	-	-	47,155
2.11	MARK & SPREAD-DEFL-190-A/L	(49,812)	91,438			20,813	20,813	0	0	(49,812)	-	-	91,438	-	-
2.12	PROV-TRADING CREDIT RISK - A/L	261	68			165	165	0	0	261	-	-	68	-	-
2.13	PROV-FAS 157 - A/L	(1)	0			(1)	(1)	0	0	(1)	-	-	-	-	-
2.14	ACCRD COMPANY INCENT PLAN-ENGAGE TO GAIN	0	0			0	0	0	0	-	-	-	-	-	-
2.15	ACCRD COMPANYWIDE INCENTV PLAN	261,314	192,575			226,945	0	664	226,281	-	1,376	259,939	-	(47)	192,623
2.16	ACCRUED BOOK VACATION PAY	88,639	94,985			91,812	0	(4,156)	95,968	-	(4,156)	92,795	-	(4,156)	99,141
2.17	ACCRUED BK SEVERANCE BENEFITS	0	0			0	0	0	0	-	-	-	-	-	-
2.18	ACCRUED INTEREST-LONG-TERM - FIN 48	143,362	(46,772)			48,295	0	(29,512)	77,807	-	(10)	143,372	-	(59,014)	12,242
2.19	ACCRUED INTEREST-SHORT-TERM - FIN 48	0	755			377	0	19	358	-	-	-	-	38	717
2.20	PROV LOSS-CAR CHG-PURCHASD EMA	127,199	127,199			127,199	127,199	0	0	127,199	-	-	127,199	-	-
2.21	FEDERAL MITIGATION PROGRAMS	189,830	175,713			182,772	182,772	0	0	189,830	-	-	175,713	-	-
2.22	STATE MITIGATION PROGRAMS	(0)	(0)			0	(0)	0	0	(0)	-	-	(0)	-	-
2.23	TAX > BOOK BASIS - EMA-A/C 190	102,286	102,544			102,415	102,415	0	0	102,286	-	-	102,544	-	-
2.24	DEFD TX LOSS-INTERCO SALE-EMA	7,751	7,751			7,751	7,751	0	0	7,751	-	-	7,751	-	-
2.25	ADVANCE RENTAL INC (CUR MO)	32,934	40,385			36,660	0	0	36,660	-	-	32,934	-	-	40,385
2.26	DEFD REV-BONUS LEASE SHORT-TERM	151,047	151,047			151,047	151,047	0	0	151,047	-	-	151,047	-	-
2.27	DEFD REV-BONUS LEASE LONG-TERM	201,397	50,349			125,873	125,873	0	0	201,397	-	-	50,349	-	-
2.28	REG LIAB-UNREAL MTM GAIN-DEFL	(24,168)	349,765			162,798	162,798	0	0	(24,168)	-	-	349,765	-	-
2.29	CAPITALIZED SOFTWARE COSTS-TAX	1,958	461			1,210	(608)	0	1,818	(607)	0	2,565	(609)	0	1,070
2.30	ACCRD SFAS 106 PST RETIRE EXP	(434,875)	(484,807)			(459,841)	0	10,332	(470,174)	-	11,204	(446,080)	-	9,461	(494,268)
2.31	SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	271,336	271,336			271,336	0	20,637	250,699	-	20,637	250,699	-	20,637	250,699
2.32	ACCRD SFAS 112 PST EMPLOY BEN	(0)	(0)			0	0	0	(0)	-	-	(0)	-	-	(0)
2.33	ACCRD BOOK ARO EXPENSE - SFAS 143	2,396,781	2,457,392			2,427,086	2,340,537	39,366	47,184	2,303,903	47,153	45,725	2,377,171	31,579	48,642
2.34	FIN 48 - DEFD STATE INCOME TAXES	(20,180)	(3,537)			(11,859)	0	(1,854)	(10,004)	-	(3,518)	(16,662)	-	(191)	(3,347)
2.35	DEFD STATE INCOME TAXES	3,624,933	3,886,677			3,755,805	3,623,114	9,635	123,056	3,624,933	-	-	3,621,295	19,269	246,112
2.36	ACCRD SIT/FRANCHISE TAX RESERVE	0	0			0	0	0	0	-	-	-	-	-	-
2.37	ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	1,706	1,706			1,706	0	98	1,608	-	98	1,608	-	98	1,608
2.38	ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	24,427	2,093			13,260	0	2,339	10,921	-	4,573	19,854	-	106	1,987
2.39	1991-1996 IRS AUDIT SETTLEMENT	2,369	2,369			2,369	0	0	2,369	-	-	2,369	-	-	2,369
2.40	IRS CAPITALIZATION ADJUSTMENT	(3,435)	(3,435)			(3,435)	0	0	(3,435)	-	-	(3,435)	-	-	(3,435)
2.41	RESTRICTED STOCK PLAN	0	31			15	0	0	15	-	-	-	-	-	31
2.42	AMT CREDIT - DEFERRED	101	101			101	0	101	0	-	101	-	-	101	-
2.43	NON-UTILITY DEFERRED FIT	142,778	85,151	(142,778)	(85,151)	0									
2.44	SFAS 109 FLOW-THRU 190.3	13,660,597	8,311,862	(13,660,597)	(8,311,862)	0									
2.45	SFAS 109 EXCESS DFIT 190.4	(3,482)	23,481,020	3,482	(23,481,020)	0									
2.46	SFAS 133 ADIT FED - Non-UMWA PRW OCI 1900011	133,378	(145,367)	(133,378)	145,367	0									
2.47	ADIT FED - PENSION OCI NAF 1900009	0	0	0	0	0									
2.48		0	0			0	0	0	0						
3	TOTAL ACCOUNT 190	23,940,340	42,800,506	(13,933,271)	(31,732,666)	10,537,452	7,604,450	1,088,006	1,844,998	7,244,365	902,163	1,860,540	7,964,534	1,273,850	1,829,456
4	ACCOUNT 190 - ARO-Related Deferrals	2,396,781	2,457,392	0	0	2,427,086	2,340,537	39,366	47,184	2,303,903	47,153	45,725	2,377,171	31,579	48,642

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
WHEELING POWER COMPANY

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<u>Materials & Supplies</u>								
<u>Line Number</u>	<u>Source</u>	<u>Balance @ December 31, 2017</u>	<u>Balance @ December 31, 2016</u>	<u>Average Balance for 2017</u>				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	(6,440)	454	(2,993)			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	802	262	532			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary (Note 1)

		<u>Average of</u>	<u>Excludable</u>	<u>100%</u>	<u>Transmission</u>	<u>Transmission</u>	<u>Total Included</u>
		<u>YE Balance</u>	<u>Balances</u>	<u>Transmission</u>	<u>Plant</u>	<u>Labor</u>	<u>(E)+(F)+(G)</u>
5				<u>Related</u>	<u>Related</u>	<u>Related</u>	
6	Totals as of December 31, 2017	1,004,199	(7,991,605)	0	505,094	8,490,710	8,995,804
7	Totals as of December 31, 2016	<u>825,832</u>	<u>(7,796,678)</u>		<u>346,212</u>	<u>8,276,298</u>	<u>8,622,510</u>
8	Average Balance	<u>915,016</u>	<u>(7,894,142)</u>	-	<u>425,653</u>	<u>8,383,504</u>	<u>8,809,157</u>

Prepayments Account 165 - Balance @ 12/31/2017

			2017		100%	Transmission	Transmission	Total Included	
9	Acc. No.	Description	YE Balance	Excludable	Transmission	Plant	Labor	in Ratebase	
				Balances	Related	Related	Related	(E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	279,005	-		279,005		279,005	Plant Related Insurance Policies
11	165000217	Prepaid Taxes	499,105	499,105				-	Prepaid Taxes - Distribution
12	165000218	Prepaid Taxes	132,000			132,000		132,000	Property Fees
13	1650005	Prepaid Employee Benefits	0	-				-	Prepaid Benefits-Distribution
14	1650006	Other Prepayments	0	-				-	Prepayments-Other
15	1650010	Prepaid Pension Benefits	7,142,392	-			7,142,392	7,142,392	Prefunded Pension Expense
16	1650014	FAS 158 Qual Contra Asset	(7,142,392)	(7,142,392)				-	SFAS 158 Offset
17	1650016	FAS 112 ASSETS	0	-				-	
18	1650021	Prepaid Insurance - EIS	94,089	-		94,089		94,089	EIS Insurance
19	1650035	PRW Without Med-D Benefits	1,348,318	-			1,348,318	1,348,318	Medical Benefits
20	1650036	PRW for Med-D Benefits	0	-				-	
21	1650037	FAS158 Contra-PRW Exc Med-D	(1,348,318)	(1,348,318)				-	SFAS 158 Offset
22				-	-			-	
23				-	-			-	
24				-		-		-	
25				-				-	
26				-			-	-	
27				-				-	
28				-				-	
29				-	-	-		-	
30				-	-			-	
	Subtotal - Form 1, p 111.57.c		1,004,199	(7,991,605)	0	505,094	8,490,710	8,995,804	

Prepayments Account 165 - Balance @ 12/31/ 2016

	<u>2016 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>
31	<u>Acc. No.</u>	<u>Description</u>					
32	1650001	Prepaid Insurance	220,672	-	220,672	220,672	
33	165000216	Prepaid Taxes	470,020	470,020	-	-	
34	165000217	Prepaid Taxes	64,564	-	64,564	64,564	
35	1650005	Prepaid Employee Benefits	9,250	9,250	-	-	
36	1650006	Other Prepayments	350	350	-	-	
37	1650010	Prepayed Pension Benefits	7,192,321	-	-	7,192,321	
38	1650014	FAS 158 Qual Contra Asset	(7,192,321)	(7,192,321)	-	-	
39	1650016	FAS 112 ASSETS	0	-	-	-	
40	1650021	Prepaid Insurance - EIS	60,976	-	60,976	60,976	
41	1650035	PRW without Med-D Benefits	1,083,977	-	-	1,083,977	
42	1650036	PRW for Med-D Benefits	0	-	-	-	
43	1650037	FAS 158 Contra-PRW Exc Med	(1,083,977)	(1,083,977)	-	-	
44			-	-	-	-	
45			-	-	-	-	
46			-	-	-	-	
47			-	-	-	-	
48			-	-	-	-	
49			-	-	-	-	
50			-	-	-	-	
51			-	-	-	-	
52			-	-	-	-	
	Subtotal - Form 1, p 111.57.d		825,832	(7,796,678)	346,212	8,276,298	8,622,510

Note 1: Prepayment Balance will not include: (i) federal and state income tax payments made to offset additional tax liabilities resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; (ii) outstanding income tax refunds due to the company resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; or (iii) prepayments of federal or state income taxes which are attributable to income earned during periods prior to January 1 of the year depicted in the Balance Sheet (as described in USofA Account 236).

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2017</u>
1	Net Funds from IPP Customers 12/31/2016 (2017 FORM 1, P269)	0
2	Interest Accrual (Company Records - Note 1)	0
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2017 (2017 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	-

Note 1 On this worksheet Company Records refers to WHEELING POWER COMPANY's general ledger.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
WHEELING POWER COMPANY

Formula Rate
WPCO WS E Rev Credits
Page 15 of 31

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	170,221	170,221	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	14,777	14,777	-
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	998,954	785,813	213,141
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	71,040	71,040	-
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	5,341,909	2,684,789	2,657,120
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)	-	-	-
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)	-	-	-
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	6,596,901	3,726,640	2,870,261
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	6,596,901	3,726,640	2,870,261

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or WHEELING POWER COMPANY's general ledger. The functional amounts identified as transmission revenue also come from the general ledger.

Note 2 The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)

9 Facility Credits under PJM OATT Section 30.9

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AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
WHEELING POWER COMPANY

	(A)	(B)	(C)	(D)	(E)	(F)
			2017	100%	100%	
Line	Item No.	Description	Expense	Non-Transmission	Transmission	Explanation
Number					Specific	
Regulatory O&M Deferrals & Amortizations						
1		No Applicable Charges for WP				
2						
3						
4		Total	0			
Detail of Account 561 Per FERC Form 1						
5						
6	FF1 p 321.85.b 561.1 - Load Dispatch - Reliability		462			
7	FF1 p 321.86.b 561.2 - Load Dispatch - Monitor & Operate Trans System		33,838			
8	FF1 p 321.87.b 561.3 - Load Dispatch - Trans Service & Scheduling		0			
9	FF1 p 321.88.b 561.4 - Scheduling, System Control & Dispatch		731,654			
10	FF1 p 321.89.b 561.5 - Reliability, Planning and Standards Development		12,416			
11	FF1 p 321.90.b 561.6 - Transmission Service Studies		1			
12	FF1 p 321.91.b 561.7 - Generation Interconnection Studies		0			
13	FF1 p 321.92.b 561.8 - Reliability, Planning and Standards Development Ser		230,486			
14		Total of Account 561	1,008,857			
Account 928						
15	9280000	Regulatory Commission Exp	522	522	-	
16	9280001	Regulatory Commission Exp-Adm	12	12	-	
17	9280002	Regulatory Commission Exp-Case	21,137	21,137		
18	9280005	Reg Com Exp-FERC Trans	5,484	-	5,484	
19				-		
20					-	
21		Total (FERC Form 1 p.323.189.b)	27,155	21,671	5,484	
Account 930.1						
22	9301000	General Advertising Expenses	85	85	-	
23	9301001	Newspaper Advertising Space	1	1	-	
24	9301009	Fairs, Shows and Exhibits	-	-	-	
25	9301010	Dedications, Tours & Openings	90	90	-	
26	9301012	Public Opinion Surveys	2,814	2,814	-	
27	9301013	Movies Slide Films & Speeches	-	-	-	
28	9301014	Video Communications	-	-	-	
29	9301015	Other Corporate Comm Exp	886	886	-	
30				-		
31				-		
32				-		
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37				-	-	
38		Total (FERC Form 1 p.323.191.b)	3,876	3,876	-	
Account 930.2						
39	9302000	Misc General Expenses	408,310	408,310		
40	9302003	Corporate & Fiscal Expenses	4,197	4,197		
41	9302004	Research, Develop&Demonstr Exp	42	42		
42	9302006	Assoc Business Development Materials Sold	-	-		
43	9302007	Assoc Business Development Exp	24,850	24,401	449	
44				-	-	
45				-		
46		Total (FERC Form 1 p.323.192.b)	437,399	436,950	449	

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
WHEELING POWER COMPANY

West Virginia Corporate Income Tax	6.50%	
Apportionment Factor - Note 1	96.90%	
Effective State Tax Rate		6.30%
Illinois Corporation Income Tax	9.50%	
Apportionment Factor - Note 1	1.87%	
Effective State Tax Rate		0.18%
Michigan Income Tax	6.00%	
Apportionment Factor - Note 1	0.07%	
Effective State Tax Rate		0.00%
State #4 Income Tax		
Apportionment Factor - Note 1		
Effective State Tax Rate		0.00%
State #5 Income Tax		
Apportionment Factor - Note 1		
Effective State Tax Rate		0.00%
State #6 Income Tax Rate		
Apportionment Factor - Note 1		
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate		6.48%

Note 1 Apportionment Factors are determined as part of the Company's annual tax return for that jurisdiction.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H Supporting Taxes Other than Income
WHEELING POWER COMPANY

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	<u>Revenue Taxes</u>					
2	Gross Receipts Tax	5,926,051				5,926,051
3	<u>Real Estate and Personal Property Taxes</u>					
4	Real and Personal Property - West Virginia	6,731,752	6,731,752			
5	Real and Personal Property - Virginia	-	-			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	<u>Payroll Taxes</u>					
9	Federal Insurance Contribution (FICA)	943,475		943,475		
10	Federal Unemployment Tax	5,355		5,355		
11	State Unemployment Insurance	25,285		25,285		
12	<u>Production Taxes</u>					
13	State Severance Taxes	-				-
14	<u>Miscellaneous Taxes</u>					
15	List Individual Taxes Here	2,253,296				2,253,296
16		1,165,694			1,165,694	
17		761			761	
18		81			81	
19		-			-	
20		-				-
21		-				-
22		-				-
23						
24	Total Taxes by Allocable Basis	17,051,750	6,731,752	974,115	1,166,536	8,179,347

(Total Company Amount Ties to FFI p.114, Ln 14,(c))

NOTE 1: The detail of each total company number and its source in the FERC Form 1 is shown on WS H-1.

Functional Property Tax Allocation

		Production	Transmsission	Distribution	General	Total
25	Functionalized Net Plant (TCOS, Lns 41 thru 46)	635,072,095	110,372,735	126,526,011	2,866,375	874,837,215
	WEST VIRGINIA JURISDICTION					
26	Percentage of Plant in WEST VIRGINIA JURISDICTION	100.00%	100.00%	99.96%	96.71%	
27	Net Plant in WEST VIRGINIA JURISDICTION (Ln 25 * Ln 26)	635,072,095	110,372,735	126,475,401	2,772,071	874,692,301
28	Less: Net Value of Exempted Generation Plant	471,884,844				
29	Taxable Property Basis (Ln 27 - Ln 28)	163,187,251	110,372,735	126,475,401	2,772,071	402,807,457
30	Relative Valuation Factor	100%	100%	100%	100%	
31	Weighted Net Plant (Ln 29 * Ln 30)	163,187,251	110,372,735	126,475,401	2,772,071	
32	General Plant Allocator (Ln 31 / (Total - General Plant))	40.79%	27.59%	31.62%	-100.00%	
33	Functionalized General Plant (Ln 32 * General Plant)	1,130,817	764,835	876,420	(2,772,071)	-
34	Weighted WEST VIRGINIA JURISDICTION Plant (Ln 31 + 33)	164,318,068	111,137,570	127,351,821	0	402,807,457
35	Functional Percentage (Ln 34/Total Ln 34)	40.79%	27.59%	31.62%		
	STATE JURISDICTION #2					
36	Percentage of Plant in STATE JURISDICTION #2					
37	Net Plant in STATE JURISDICTION #2 (Ln 25 * Ln 36)	-	-	-	-	-
38	Less: Net Value of Exempted Generation Plant	-				
39	Taxable Property Basis (Ln 37 - Ln 38)	-	-	-	-	-
40	Relative Valuation Factor					
41	Weighted Net Plant (Ln 39 * Ln 40)	-	-	-	-	
42	General Plant Allocator (Ln 41 / (Total - General Plant))	0.00%	0.00%	0.00%	-100.00%	
43	Functionalized General Plant (Ln 42 * General Plant)	-	-	-	-	-
44	Weighted STATE JURISDICTION #2 Plant (Ln 41 + 43)	-	-	-	-	-
45	Functional Percentage (Ln 44/Total Ln 44)	#DIV/0!	#DIV/0!	#DIV/0!		
	STATE JURISDICTION #3					
46	Net Plant in STATE JURISDICTION #3 (Ln 25 - Ln 27 - Ln 37)	-	-	50,610	94,304	144,914
47	Less: Net Value Exempted Generation Plant					
48	Taxable Property Basis	-	-	50,610	94,304	144,914
49	Relative Valuation Factor					
50	Weighted Net Plant (Ln 48 * Ln 49)	-	-	-	-	
51	General Plant Allocator (Ln 50 / (Total - General Plant))	0.00%	0.00%	0.00%	-100.00%	
52	Functionalized General Plant (Ln 52 * General Plant)	-	-	-	-	-
53	Weighted STATE JURISDICTION #3 Plant (Ln 50 + 52)	-	-	-	-	-
54	Functional Percentage (Ln 53/Total Ln 53)	#DIV/0!	#DIV/0!	#DIV/0!		

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H-1 Form 1 Source Reference of Company Amounts on WS H
WHEELING POWER COMPANY

	(A)	(B)	(C)	(D)
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference

1	Revenue Taxes			
2	Gross Receipts Tax	5,926,051		
			5,918,397	P.263 ln 35 (i)
			2,481	P.263.1 ln 10 (i)
			5,173	P.263.1 ln 11 (i)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Real Estate and Personal Propety Tax Detail	Tax Year	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Tax Year Factor (Note 2)	Transmission Function (Note 2)
	Annual Tax Expenses by Type (Note 1)						

3	Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)		6,731,752				1,787,159
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4	Real and Personal Property - West Virginia		6,731,752				1,787,159
		2015		3,388,579	P.263 ln 24 (i)	26.37%	893,446
		2016		3,330,759	P.263 ln 25 (i)	26.73%	890,309
		2016		2,418	P.263 ln 28 (i)	26.73%	646
		2017		9,996	P.263 ln 29 (i)	27.59%	2,758

							-
							-
							-
							-
							-

5	Real and Personal Property - Other Jurisdictions		-				-
							-
							-
							-
							-
							-
							-
							-

6	Real and Personal Property - Other Jurisdictions		-				-
							-
							-
							-
							-
							-

7	Real and Personal Property - Other Jurisdictions		-				-
							-
							-
							-

	(A)	(B)	(C)	(D)
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference

8	Payroll Taxes			
9	Federal Insurance Contribution (FICA)	943,475		
			943,475	P.263 ln 5 (i)
10	Federal Unemployment Tax	5,355		
			5,355	P.263 ln 6 (i)
11	State Unemployment Insurance	25,285		
			25,285	P.263 ln 37 (i)
12	Production Taxes	-		
13	State Severance Taxes			

14	Miscellaneous Taxes			
15	Muni Business & Occupation Tax	2,253,296		
			2,253,296	P.263.1 ln 7 (i)
			-	

16	State Public Service Commission Fees	1,165,694		
			470,020	P.263 ln 39 (i)
			695,674	P.263 ln 40 (i)

17	State Franchise Taxes	761		
			761	P.263 ln 22 (i)

18	State Lic/Registration Fee	81		
			25	P.263.1 ln 3 (i)
			56	P.263.1 ln 8 (i)

19	Misc. State and Local Tax	-		

20	Sales & Use	-		

21	Federal Excise Tax	-		

22	Michigan Single Business Tax	-		

23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	17,051,750	17,051,750	
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Note 1: The taxes assessed on each operating company can differ from year to year and between operating companies by both the type of taxes and the states in which they were assessed. Therefore, for each company, the types and jurisdictions of tax expense recorded on this page could differ from the same page in the same company's prior year template or from this page in other operating companies' current year templates. For each update, this sheet will be revised to ensure that the total activity recorded hereon equals the total reported in account 408.1 on P. 114, Ln 14.(c) of the Ferc Form 1.

Note 2: The transmission functional amounts for any Real Estate and Property taxes listed on pages 263 of the FERC Form 1 will be allocated using the transmission functional allocator calculated for each state in Worksheet H of the applicable year that the taxes were assessed. Real and Personal Property - Other Jurisdictions will be allocated using the Gross Plant Allocator from the applicable year.

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
WHEELING POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
WHEELING POWER COMPANY

I. Calculate Return and Income Taxes with 0 basis point ROE increase for Projects Qualified for Regional Billing.

A. Determine 'R' with hypothetical 0 basis point increase in ROE for Identified Projects

ROE w/o incentives (TCOS, ln 156)			11.49%
Project ROE Incentive Adder			0
ROE with additional 0 basis point incentive			11.49%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through156)			
	%	Cost	Weighted cost
Long Term Debt	45.82%	3.29%	1.510%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	54.18%	11.49%	6.225%
		R =	7.735%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR	2017	Rev Require	W Incentives	Incentive Amounts
As Projected in Prior Year WS J	\$	154,474	\$	154,474 \$
Actual after True-up	\$	144,808	\$	144,808 \$
True-up of ARR For 2017		(9,666)		(9,666) -

B. Determine Return using 'R' with hypothetical 0 basis point ROE increase for Identified Projects.

Rate Base (TCOS, ln 68)	81,825,570
R (from A. above)	7.735%
Return (Rate Base x R)	6,329,037

C. Determine Income Taxes using Return with hypothetical 0 basis point ROE increase for Identified Projects.

Return (from B. above)	6,329,037
Effective Tax Rate (TCOS, ln 114)	51.92%
Income Tax Calculation (Return x CIT)	3,285,850
ITC Adjustment	-
Excess Deferred Income Tax	(3)
Tax Affect of Permanent Differences	120,063
Income Taxes	3,405,910

II. Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical 0 basis point ROE increase.

A. Determine Annual Revenue Requirement less return and Income Taxes.

Annual Revenue Requirement (TCOS, ln 1)	15,011,823
Lease Payments (TCOS, ln 95)	-
Return (TCOS, ln 126)	6,329,037
Income Taxes (TCOS, ln 125)	3,405,910
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	5,276,876

B. Determine Annual Revenue Requirement with hypothetical 0 basis point increase in ROE.

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	5,276,876
Return (from I.B. above)	6,329,037
Income Taxes (from I.C. above)	3,405,910
Annual Revenue Requirement, with 0 Basis Point ROE increase	15,011,823
Depreciation (TCOS, ln 100)	2,143,035
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	12,868,788

C. Determine FCR with hypothetical 0 basis point ROE increase.

Net Transmission Plant (TCOS, ln 42)	106,350,959
Annual Revenue Requirement, with 0 Basis Point ROE increase	15,011,823
FCR with 0 Basis Point increase in ROE	14.12%
Annual Rev. Req. w / 0 Basis Point ROE increase, less Dep.	12,868,788
FCR with 0 Basis Point ROE increase, less Depreciation	12.10%
FCR less Depreciation (TCOS, ln 10)	12.10%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2017 (TCOS, ln 21)	134,971,765
Annual Depreciation and Amortization Expense (TCOS, ln 100)	2,143,035
Composite Depreciation Rate	1.59%
Depreciable Life for Composite Depreciation Rate	62.98
Round to nearest whole year	63

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description:

RTEP ID: b1864.2 (West Bellaire-Brues 138 kV Circuit)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
LIFE OF THE PROJECT.

[illegible]

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet L Reserved for Future Use
WHEELING POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
WHEELING POWER COMPANY

		Average Balance of Common Equity				
Line No	Month (a)	Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
(Note A)		(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	412,839,052	-	-	(125,061)	412,964,113
2	January					
3	February					
4	March					
5	April					
6	May					
7	June					
8	July					
9	August					
10	September					
11	October					
12	November					
13	December of Rate Year	415,196,764	-	-	449,945	414,746,819
14	Average of the Beginning and End Year Balances	414,017,908	-	-	162,442	413,855,466

		Average Balance of Long Term Debt					
Line No	Month (a)	Acct 221 Bonds (b)	Less: Acct 222 Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
(Note A)		(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year	-	-	-	350,000,000	-	350,000,000
16	January						
17	February						
18	March						
19	April						
20	May						
21	June						
22	July						
23	August						
24	September						
25	October						
26	November						
27	December of Rate Year	-	-	-	350,000,000	-	350,000,000
28	Average of the Beginning and End Year Balances	-	-	-	350,000,000	-	350,000,000

NOTE 1: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (Page 257 Column H of the FF1)

Development of Cost of Long Term Debt Based on Average Outstanding Balance

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2017						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			11,295,356			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.			-			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			-			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			235,280			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			-			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			-			
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)			-			
37	Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)			11,530,636			
38	Average Cost of Debt for 2017 (Ln 37/ Ln 28 (g))			3.29%			

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

39 NOTE: The net amount of hedging gains or losses recorded in account 427 to be recovered in this formula rate should be limited to the effective portion of pre-issuance cash flow hedges that are amortized over the life of the underlying debt issuances. The recovery of a net loss or passback of a net gain will be limited to five basis points of the total Capital Structure. Amounts related to the ineffective portion of pre-issuance hedges, cash settlements of fair value hedges issued on Long Term Debt, post-issuance cash flow hedges, and cash flow hedges of variable rate debt issuances are not recoverable in this formula and are to be recorded in the "Excludable" column below.

					Amortization Period		
HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)		Total Hedge (Gain)/Loss for 2017	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Beginning	Ending
40				-			
41				-			
42				-			
43				-			
44				-			
45				-			
46				-			
47				-			
48				-			
49				-			
50	Total Hedge Amortization			-			
51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			-			
52	Total Average Capital Structure Balance for 2017 (TCOS, Ln 157)			763,855,466			
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
54	Limit of Recoverable Amount			381,928			
55	Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			-			

Development of Cost of Preferred Stock

<u>Preferred Stock</u>			<u>Average</u>	
56	4.125% Series - 100 - Dividend Rate (p. 250-251)	4.125%	4.125%	
57	4.125% Series - 100 - Par Value (p. 250-251)	\$ 100.00	\$ 100.00	
58	4.125% Series - 100 - Shares O/S (p.250-251)	-	-	
59	4.125% Series - 100 - Monetary Value (Ln 57 * Ln 58)	-	-	-
60	4.125% Series - 100 - Dividend Amount (Ln 56 * Ln 59)	-	-	-
61	4.12% Series - 100 - Dividend Rate (p. 250-251)	4.120%	4.120%	

62 4.12% Series - 100 - Par Value (p. 250-251)	\$	100.00	\$	100.00	
63 4.12% Series - 100 - Shares O/S (p.250-251)		-		-	
64 4.12% Series - 100 - Monetary Value (Ln 62 * Ln 63)		-		-	-
65 4.12% Series - 100 - Dividend Amount (Ln 61 * Ln 64)		-		-	-
66 4.56% Series - 100 - Dividend Rate (p. 250-251)		4.560%		4.560%	
67 4.56% Series - 100 - Par Value (p. 250-251)	\$	100.00	\$	100.00	
68 4.56% Series - 100 - Shares O/S (p.250-251)		-		-	
69 4.56% Series - 100 - Monetary Value (Ln 67 * Ln 68)		-		-	-
70 4.56% Series - 100 - Dividend Amount (Ln 66 * Ln 69)		-		-	-
71 Balance of Preferred Stock (Lns 59, 64, 69)		-		-	- Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)
72 Dividends on Preferred Stock (Lns 60, 65, 70)		-		-	
73 Average Cost of Preferred Stock (Ln 72/71)		0.00%		0.00%	0.00%

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
WHEELING POWER COMPANY

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectively. Sales will be funtionalized based on the description of that asset. Sales of transmission assets will be direct assigned; sales of general assets will be functionalized on labor. Sales of plant held for future use related to generation or distribution will not be included in the formula.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line	Date	Property Description	Function (T) or (G) T = Transmission G = General	Basis	Proceeds	(Gain) / Loss	Functional Allocator	Functionalized Proceeds (Gain) / Loss	FERC Account
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4				Net (Gain) or Loss for 2017		-		-	

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet O - Calculation of Postemployment Benefits Other than Pensions Expenses Allocable to Transmission Service
WHEELING POWER COMPANY

1 Total AEP East Operating Company PBOP Settlement Amount (127,041,505)

Allocation of PBOP Settlement Amount for 2017

		Total Company Amount						
Line#	Company	Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 2017	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * -127041505	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
2	APCo	(10,786,934)	35.95%	(45,673,479)	8.501%	(917,029)	(3,882,836)	2,965,807
3	I&M	(8,341,369)	27.80%	(35,318,595)	3.875%	(323,253)	(1,368,701)	1,045,448
4	KPCo	(2,497,070)	8.32%	(10,572,965)	7.390%	(184,544)	(781,386)	596,842
5	KNGP	(238,736)	0.80%	(1,010,844)	10.505%	(25,079)	(106,188)	81,109
6	OPCo	(7,704,846)	25.68%	(32,623,461)	11.590%	(892,964)	(3,780,944)	2,887,979
7	WPCo	(435,072)	1.45%	(1,842,161)	2.529%	(11,002)	(46,585)	35,583
8	Sum of Lines 2 to 7	(30,004,027)		(127,041,505)		(2,353,871)	(9,966,640)	7,612,769

Detail of Actual PBOP Expenses to be Removed in Cost of Service

	APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report	(10,200,682)	(7,960,375)	(2,383,555)	(210,469)	(6,946,810)	(266,258)	(27,968,149)
10 Additional PBOP Ledger Entries (from Company Records)	222,743	181,345	119,014	(2,018)	(67,394)	(141,891)	
11 Medicare Subsidy	-	-	-	-	-	-	-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(9,977,939)	(7,779,030)	(2,264,541)	(212,487)	(7,014,204)	(408,149)	(27,656,349)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(808,995)	(562,339)	(232,529)	(26,249)	(690,642)	(26,923)	(2,347,678)
14 Company PBOP Expense (Ln 12 + Ln 13)	(10,786,934)	(8,341,369)	(2,497,070)	(238,736)	(7,704,846)	(435,072)	(30,004,027)

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the actual formula rate; (b) the cumulative net present value of projected PBOP costs during the next four years, as estimated by the then current actuarial report, assuming a discount rate equal to the actual formula rate weighted average cost of capital for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowacance will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 06/1/2015
FOR SINGLE JURISDICTION COMPANIES
WHEELING POWER COMPANY

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Structures & Improvements	352.0	0.69%
Station Equipment	353.0	1.70%
Towers & Fixtures	354.0	0.04%
Poles & Fixtures	355.0	2.65%
Overhead Conductors	356.0	1.12%
Underground Conduit	357.0	2.00%
Underground Conductors	358.0	5.00%
Trails & Roads	359.0	-

Note 1: Rates Approved in WV Public Service Commission Case No. 14-1151-E-D.

General Note:

AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.