

AEPTCo subsidiaries in PJM - Transmission Formula Rate Revenue Requirement  
Including Costs through December 31, 2010  
For charges effective July 1, 2010

Revenue Requirements for Network and Point-to-Point Transmission Service

| Line No.                         |  |                         | AEPTCo subsidiaries in PJM<br>Annual Revenue Requirement | APPALACHIAN TRANSMISSION COMPANY<br>Annual Revenue Requirement | INDIANA MICHIGAN TRANSMISSION COMPANY<br>Annual Revenue Requirement | KENTUCKY TRANSMISSION COMPANY<br>Annual Revenue Requirement | OHIO TRANSMISSION COMPANY<br>Annual Revenue Requirement | WEST VIRGINIA TRANSMISSION COMPANY<br>Annual Revenue Requirement |
|----------------------------------|--|-------------------------|--|--|---|---|---|--|
| <b>A. Network Service</b>        |  |                         |  |  |   |   |   |  |
| 1                                | REVENUE REQUIREMENT (w/o incentives)                               | (TCOS Ln 1)             | \$4,116,657  | \$1,003,533  | \$516,239   | \$35,898  | \$1,781,026   | \$779,962  |
| 2                                | LESS: REVENUE CREDITS  | (TCOS Ln 2)             | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 3                                | CURRENT YEAR AEPTCo ANNUAL TRANSMISSION REVENUE REQUIREMENT (ATRR) | (TCOS Ln 3)             | \$4,116,657  | \$1,003,533  | \$516,239   | \$35,898  | \$1,781,026   | \$779,962  |
| 4                                | LESS: REVENUE REQUIREMENTS INCLUDED IN LINE 1 FOR:                 |                         |  |  |   |   |   |  |
| 5                                | RTEP UPGRADES ATRR (W/O INCENTIVES)                                | (TCOS Ln 4)             | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 6                                | OTHER UPGRADES ATRR (W/O INCENTIVES)                               | (Worksheet J)           | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 7                                | SUBTOTAL   |                         | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 8                                | EXISTING AEPTCo ZONAL ATRR (W/O INCENTIVES)                        | (Ln 3- Ln 7)            | \$4,116,657  | \$1,003,533  | \$516,239   | \$35,898  | \$1,781,026   | \$779,962  |
| 9                                | INCREMENTAL APPROVED INCENTIVE ATRR                                | (Worksheet J)           | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 10                               | EXISTING AEPTCo ZONAL ATRR (W/ INCENTIVES)                         | (Ln 8 + Ln 9)           | \$4,116,657  | \$1,003,533  | \$516,239   | \$35,898  | \$1,781,026   | \$779,962  |
| 11                               | BILLED HISTORICAL YEAR (2009) ACTUAL ATRR                          | Input from 2009 True-up | \$0  |  |   |   |   |  |
| 12                               | BILLED PROJECTED (2009) ATRR FROM PRIOR YEAR                       | Input from Prior Year   | \$0  |  |   |   |   |  |
| 13                               | PRIOR YEAR TRUE-UP   | (Ln 11 - Ln 12)         | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 14                               | INTEREST ON PRIOR YEAR TRUE UP                                     |                         | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 15                               | <b>EXISTING AEPTCo ATRR FOR AEP ZONE OF PJM OATT</b>               | (Ln 10 + Ln 13 + Ln 14) | <b>\$4,116,657</b>                                       | \$1,003,533  | \$516,239   | \$35,898  | \$1,781,026   | \$779,962  |
| <b>B. Point-to-Point Service</b> |  |                         |  |  |   |   |   |  |
| 16                               | 2009 AEP East Zone Network Service Peak Load (1 CP)                |                         |  | 24,421.9   | MW  |   |   |  |
| 17                               | Annual Point-to-Point Rate in \$/MW - Year                         | (Ln 15 / Ln 16)         | \$168.56   |  |   |   |   |  |
| 18                               | Monthly Point-to-Point Rate in \$/MW - Month                       | (Ln 17 / 12)            | \$14.05  |  |   |   |   |  |
| 19                               | Weekly Point-to-Point Rate in \$/MW - Weekly                       | (Ln 18 / 52)            | \$3.24   |  |   |   |   |  |
| 20                               | Daily On-Peak Point-to-Point Rate in \$/MW - Day                   | (Ln 19 / 260)           | \$0.65   |  |   |   |   |  |
| 21                               | Daily Off-Peak Point-to-Point Rate in \$/MW - Day                  | (Ln 20 / 365)           | \$0.46   |  |   |   |   |  |
| 22                               | Hourly On-Peak Point-to-Point Rate in \$/MW - Hour                 | (Ln 21 / 4160)          | \$0.04   |  |   |   |   |  |
| 23                               | Hourly Off-Peak Point-to-Point Rate in \$/MW - Hour                | (Ln 22 / 8760)          | \$0.02   |  |   |   |   |  |
| <b>C. PJM Regional Service</b>   |  |                         |  |  |   |   |   |  |
| 24                               | RTEP UPGRADE ATRR W/O INCENTIVES                                   | (Ln 7)                  | -  | -  | -   | -   | -   | -  |
| 25                               | ADDITIONAL ATRR FOR FERC-APPROVED INCENTIVES ON RTEP               | (Worksheet J)           | -  | -  | -   | -   | -   | -  |
| 26                               | TRUE-UP ADJUSTMENT INCLUDING INTEREST                              |                         | -  | -  | -   | -   | -   | -  |
| 27                               | <b>RTEP ATRR FOR PJM COLLECTION UNDER SCHEDULE 12</b>              |                         | <b>\$ -</b>  | -  | -   | -   | -   | -  |

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Annual Revenue Requirement for Scheduling, System Control and Dispatch Services - Schedule 1A

| Line No.                                |   | AEPTCo subsidiaries in PJM<br>Annual Revenue Requirement | APPALACHIAN TRANSMISSION COMPANY<br>Annual Revenue Requirement | INDIANA MICHIGAN TRANSMISSION COMPANY<br>Annual Revenue Requirement | KENTUCKY TRANSMISSION COMPANY<br>Annual Revenue Requirement | OHIO TRANSMISSION COMPANY<br>Annual Revenue Requirement | WEST VIRGINIA TRANSMISSION COMPANY<br>Annual Revenue Requirement |
|---|---|--|--|---|---|---|--|
| <b>A. Schedule 1A ARR</b>               |   |  |  |   |   |   |  |
| 1                                       | Total Load Dispatch & Scheduling (Account 561) (TCOS Line 14)                           | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 2                                       | Less: Load Disptach - Scheduling, System Control and Dispatch Services (321.88.b)       | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 3                                       | Less: Load Disptach - Reliability, Planning & Standards Development Services (321.92.6) | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 4                                       | Total 561 Internally Developed Costs (Ln 1 - Ln 2 - Ln 3)                               | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 5                                       | Less: PTP Service Credit  | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 6                                       | EXISTING ZONAL ARR (Ln 4 - Ln 5)  | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 7                                       | BILLED HISTORICAL YEAR (2009) ACTUAL ARR  | \$0  |  |   |   |   |  |
| 8                                       | BILLED PROJECTED (2009) ARR FROM PRIOR YEAR   | \$0  |  |   |   |   |  |
| 9                                       | PRIOR YEAR TRUE-UP (Ln 7 - Ln 8)  | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 10                                      | INTEREST ON PRIOR YEAR TRUE UP  | \$0  | \$0  | \$0   | \$0   | \$0   | \$0  |
| 11                                      | <b>Net Schedule 1A Revenue Requirement for Zone</b>                                     | <b>\$0</b>   | <b>\$0</b>   | <b>\$0</b>  | <b>\$0</b>  | <b>\$0</b>  | <b>\$0</b>   |
| <b>B. Schedule 1A Rate Calculations</b> |   |  |  |   |   |   |  |
| 12                                      | Prior Calendar Year (2009 Est.) AEP East Zone Annual MWh                                |  | 131,471,194  | MWh   |   |   |  |
| 13                                      | AEP Zone Rate for Schedule 1A Service. (Line 11 / Line 12)                              |  | \$0.0000   |   |   |   |  |