

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2009 and Projected Net Plant at Year-End 2010

AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 138)			\$779,962
2	REVENUE CREDITS	(Note A) (Worksheet E)	-	DA 1.00000	\$ -
3	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2)			\$ 779,962

MEMO: The Carrying Charge Calculations on lines 6 to 11 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 4 is included in the total on line 3.

4	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J)		-	DA 1.00000	\$ -
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	((ln 1 - ln 105) / ln 57 x 100)			13.84%
7	Monthly Rate	(ln 6 / 12)			1.15%
8	NET PLANT CARRYING CHARGE ON LINE 6, w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((ln 1 - ln 105 - ln 110 - ln 111) / ln 57 x 100)			13.84%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	((ln 1 - ln 105 - ln 110 - ln 111 - ln 133 - ln 134) / ln 57 x 100)			0.46%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J)				-
13	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
14	Total Load Dispatch & Scheduling (Account 561)	Line 88 Below			-
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				-
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			-

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2009 and Projected Net Plant at Year-End 2010

AEP WEST VIRGINIA TRANSMISSION COMPANY

	(1)	(2)	(3)	(4)	(5)
	Data Sources		TO Total	Allocator	Total
	(See "General Notes")		NOTE C		Transmission
Line No.	RATE BASE CALCULATION				
18	GROSS PLANT IN SERVICE				
18	Production	(Worksheet A In 1.C)	-	NA 0.00000	-
19	Less: Production ARO (Enter Negative)	(Worksheet A In 2.C)	-	NA 0.00000	-
20	Transmission	(Worksheet A In 3.C & Ln 144)	-	DA	-
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.C)	-	TP 1.00000	-
22	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.D)		5,635,000	DA 1.00000	5,635,000
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I, In 22.D)		-	DA 1.00000	-
24	Distribution	(Worksheet A In 5.C)	-	NA 0.00000	-
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.C)	-	NA 0.00000	-
26	General Plant	(Worksheet A In 7.C)	-	W/S 1.00000	-
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	-	W/S 1.00000	-
28	Intangible Plant	(Worksheet A In 9.C)	-	W/S 1.00000	-
29	TOTAL GROSS PLANT	(sum Ins 18 to 28)	5,635,000		5,635,000
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	Production	(Worksheet A In 12.C)	-	NA 0.00000	-
32	Less: Production ARO (Enter Negative)	(Worksheet A In 13.C)	-	NA 0.00000	-
33	Transmission	(Worksheet A In 14.C & 28.C)	-	TP1= 1.00000	-
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	-	TP1= 1.00000	-
35	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.I)		-	DA 1.00000	-
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I In. 24.D)		-	DA 1.00000	-
37	Plus: Additional Transmission Depreciation for 2010 (In 110)		-	TP1 1.00000	-
38	Plus: Additional General & Intangible Depreciation for 2010 (In 113 + In 114)		-	W/S 1.00000	-
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I In 23.D)		-	DA 1.00000	-
40	Distribution	(Worksheet A In 16.C)	-	NA 0.00000	-
41	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.C)	-	NA 0.00000	-
42	General Plant	(Worksheet A In 18.C)	-	W/S 1.00000	-
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	-	W/S 1.00000	-
44	Intangible Plant	(Worksheet A In 20.C)	-	W/S 1.00000	-
45	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 31 to 44)	-		-
46	NET PLANT IN SERVICE				
47	Production	(In 18 + In 19 - In 31 - In 32)	-		-
48	Transmission	(In 20 + In 21 - In 33 - In 34)	-		-
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		5,635,000		5,635,000
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		-		-
51	Plus: Additional Transmission Depreciation for 2010 (-In 37)		-		-
52	Plus: Additional General & Intangible Depreciation for 2010 (-In 38)		-		-
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		-		-
54	Distribution	(In 24 + In 25 - In 40 - In 41)	-		-
55	General Plant	(In 26 + In 27 - In 42 - In 43)	-		-
56	Intangible Plant	(In 28 - In 44)	-		-
57	TOTAL NET PLANT IN SERVICE	(sum Ins 47 to 56)	5,635,000		5,635,000
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE				
59	Account No. 281.1 (enter negative)	(Note D) (Worksheet B, In 2 & In 5.C)	-	NA	-
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	-	DA	-
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	-	DA	-
62	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	-	DA	-
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	-	DA	-
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	-		-
65	PLANT HELD FOR FUTURE USE				
66		(Worksheet A In 29.C & In 30.C)	-	DA	-
67	These Lines are reserved for future use, should additional rate base items, e.g. CWIP,		-	TP 1.00000	-
68	Regulatory Assets, be approved in a FERC proceeding				
69	REGULATORY ASSETS		77,938	DA	77,938
70	WORKING CAPITAL				
71	Cash Working Capital	(Note E) (1/8 * In 91)	-		-
72	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	-	TP 1.00000	-
73	A&G Materials & Supplies	(Worksheet C, In 3.(D))	-	W/S 1.00000	-
74	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h) 0.00000	-
75	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 6.G)	-	W/S 1.00000	-
76	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 6.F)	-	GP(h) 0.00000	-
77	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 6.E)	-	DA 1.00000	-
78	Prepayments (Account 165) - Unallocable	(Worksheet C, In 6.D)	-	NA 0.00000	-
79	TOTAL WORKING CAPITAL	(sum Ins 71 to 78)	-		-
80	IPP CONTRIBUTIONS FOR CONSTRUCTION				
81		(Note F) (Worksheet D, In 7.B)	-	DA 1.00000	-
81	RATE BASE (sum Ins 57, 64, 65, 69, 79, 80)		5,712,938		5,712,938

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2009 and Projected Net Plant at Year-End 2010

AEP WEST VIRGINIA TRANSMISSION COMPANY

	(1)	(2)	(3)	(4)	(5)
Line No.	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS - CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
82	OPERATION & MAINTENANCE EXPENSE				
82	Production	321.80.b	-		
83	Distribution	322.156.b	-		
84	Customer Related Expense	322.164,171,178.b	-		
85	Regional Marketing Expenses	322.131.b	-		
86	Transmission	321.112.b	-		
87	TOTAL O&M EXPENSES	(sum Ins 82 to 86)	-		
88	Less: Total Account 561	(Note G) 321.84-92.b	-		
89	Less: Account 565	(Note H) 321.96.b	-		
90	Less: State Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
91	Total O&M Allocable to Transmission	(Ins 86 - 88 - 89 - 90)	-	TP 1.00000	-
92	Administrative and General	323.197.b (Note J)	-		
93	Less: Acct. 924, Property Insurance	323.185.b	-		
94	Acct. 928, Reg. Com. Exp.	323.189.b	-		
95	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
96	Acct. 930.2, Misc. Gen. Exp.	323.192.b	-		
97	Balance of A & G	(In 92 - sum In 93 to In 96)	-	W/S 1.00000	-
98	Plus: Acct. 924, Property Insurance	(In 93)	-	GP(h) 0.00000	-
99	Acct. 928 - Transmission Specific	Worksheet F In 11.(E) (Note L)	-	TP 1.00000	-
100	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 27.(E) (Note L)	-	TP 1.00000	-
101	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 33.(E) (Note L)	-	DA 1.00000	-
102	Settlement Approved PBOP Recovery	Worksheet O Ln 9 (B), (Note K & M)	(137)	W/S 1.00000	(137)
103	A & G Subtotal	(sum Ins 97 to 102)	(137)		(137)
104	O & M EXPENSE SUBTOTAL	(In 91 + In 103)	(137)		(137)
105	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA 1.00000	-
106	TOTAL O & M EXPENSE	(In 104 + In 105)	(137)		(137)
107	DEPRECIATION AND AMORTIZATION EXPENSE				
108	Production	336.2-6.f	-	NA 0.00000	-
109	Distribution	336.8.f	-	NA 0.00000	-
110	Transmission	336.7.f	-	TP1 1.00000	-
111	Plus: Transmission Plant-in-Service Additions (Worksheet I In 21.1)		-	DA 1.00000	-
112	Plus: Formation Costs Amortization	(Worksheet A In 36.C)	25,979	TP1 1.00000	25,979
113	General	336.10.f	-	W/S 1.00000	-
114	Intangible	336.1.f	-	W/S 1.00000	-
115	TOTAL DEPRECIATION AND AMORTIZATION	(Lns 108+109+110 +111+112+113+114)	25,979		25,979
116	TAXES OTHER THAN INCOME	(Note N)			
117	Labor Related				
118	Payroll	Worksheet H In 24.(D)	-	W/S 1.00000	-
119	Plant Related				
120	Property	Worksheet H In 24.(C) & In 59.(C)	-	DA	-
121	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	-	NA 0.00000	-
122	Other	Worksheet H In 24.(E)	-	GP(h) 0.00000	-
123	TOTAL OTHER TAXES	(sum Ins 118 to 122)	-		-
124	INCOME TAXES	(Note O)			
125	$T=1 - \frac{((1 - \text{SIT}) * (1 - \text{FIT}))}{(1 - \text{SIT} * \text{FIT} * p)}$		40.69%		
126	$\text{EIT} = \frac{T}{(1-T)} * (1 - (\text{WCLTD}/\text{WACC}))$		45.86%		
127	where WCLTD=(In 162) and WACC = (In 165)				
128	and FIT, SIT & p are as given in Note O.				
129	$\text{GRCF} = 1 / (1 - T)$ = (from In 125)		1.6860		
130	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		-
131	Income Tax Calculation	(In 126 * In 134)	237,099		237,099
132	ITC adjustment	(In 129 * In 130)	-	NP(h) 0.00000	-
133	TOTAL INCOME TAXES	(sum Ins 131 to 132)	237,099		237,099
134	RETURN ON RATE BASE (Rate Base * WACC)	(In 81 * In 165)	517,021		517,021
135	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
136	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
137	Tax Impact on (Gains) / Losses on Sales of Plant Held for Future Use (In 136 * In 126)		-		-
138	TOTAL REVENUE REQUIREMENT	(sum Ins 106, 115, 123, 133, 134, 135, 136, 137)	779,962		779,962

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2009 and Projected Net Plant at Year-End 2010

AEP WEST VIRGINIA TRANSMISSION 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.
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.
- C Transmission Plant balances in this study are projected as of December 31, 2010. Other ratebase amounts are as of December 31, 2009.
- 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 flow throughs 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 RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 91. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 88.
2) AEP transmission equalization transfers, as shown on line 89
3) The impact of state regulatory deferrals and amortizations, as shown on line 90
4) All A&G Expenses, as shown on line 103.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 80 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 135.
- G Removes the expense booked to transmission account 561 included in the development of OATT ancillary services rates.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 91. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on line 105 to determine the total O&M collected in the formula. The amounts on line 105 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11.
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense.
- J General Plant and Administrative & General expenses may be functionalized based on allocators other than the W/S allocator. Full documentation must be provided.
- K These deductions from Worksheet O on lines 10 through 13 are to remove from the cost of service the expenses recorded by the company for Post-employment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. 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. Recoverable PBOP expense of \$0.134 per dollar of labor expense is based on the AEP System 2009 total PBOP cost divided by the total direct labor cost. The calculation of the recoverable amount is shown on WS-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 130) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.
- | | | |
|------------------|-------|---|
| Inputs Required: | FIT = | 35.00% |
| | SIT= | 8.75% (State Income Tax Rate or Composite SIT. Worksheet G)) |
| | p = | 0.00% (percent of federal income tax deductible for state purposes) |
- 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 153) / long term debt (ln 162). Preferred Stock cost rate = preferred dividends (ln 154) / preferred outstanding (ln 163). Common Stock cost rate (ROE) = 12.1%. It includes an additional 50 basis points for PJM RTO membership.

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2009 with Year-End Rate Base Balances

AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.			Total	Allocator	Transmission Amount
166	REVENUE REQUIREMENT (w/o incentives)	(In 303)			\$25,842
167	REVENUE CREDITS	(Note A) (Worksheet E)	-	DA 1.00000	\$ -
168	REVENUE REQUIREMENT For All Company Facilities	(In 166 less In 167)			\$ 25,842

MEMO: The Carrying Charge Calculations on lines 171 to 176 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 169 is included in the total on line 168.

169	Not applicable on this template				
170	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
171	Annual Rate	((In 166 - In 270) / In 222 x 100)			0.00%
172	Monthly Rate	(In 171 / 12)			0.00%
173	NET PLANT CARRYING CHARGE ON LINE 171 , w/o depreciation or ROE incentives (Note B)				
174	Annual Rate	((In 166 - In 270 - In 280) / In 222 x 100)			0.00%
175	NET PLANT CARRYING CHARGE ON LINE 174, w/o Return, income taxes or ROE incentives (Note B)				
176	Annual Rate	((In 166 - In 270 - In 280 - In 298 - In 299) / In 222 x 100)			0.00%
177	Not applicable on this template				
178	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
179	Total Load Dispatch & Scheduling (Account 561)	Line 253 Below			-
180	Less: Load Disptach - Scheduling, System Control and Dispatch Services (321.88.b)				
181	Less: Load Disptach - Reliability, Planning & Standards Development Services (321.92.b)				
182	Total 561 Internally Developed Costs	(Line 179 - Line 180 - Line 181)			-

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2009 with Year-End Rate Base Balances

AEP WEST VIRGINIA TRANSMISSION COMPANY

	(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.	GROSS PLANT IN SERVICE				
183	Production	(Worksheet A In 1.C)	-	NA 0.00000	-
184	Less: Production ARO (Enter Negative)	(Worksheet A In 2.C)	-	NA 0.00000	-
185	Transmission	(Worksheet A In 3.C & Ln 305)	-	DA	-
186	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.C)	-	TP 1.00000	-
187	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA 0.00000	N/A
188	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA 0.00000	N/A
189	Distribution	(Worksheet A In 5.C)	-	NA 0.00000	-
190	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.C)	-	NA 0.00000	-
191	General Plant	(Worksheet A In 7.C)	-	W/S 1.00000	-
192	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	-	W/S 1.00000	-
193	Intangible Plant	(Worksheet A In 9.C)	-	W/S 1.00000	-
194	TOTAL GROSS PLANT	(sum Ins 183 to 193)	-	GP(h)= 0.00000 GTD= -	-
195	ACCUMULATED DEPRECIATION AND AMORTIZATION				
196	Production	(Worksheet A In 12.C)	-	NA 0.00000	-
197	Less: Production ARO (Enter Negative)	(Worksheet A In 13.C)	-	NA 0.00000	-
198	Transmission	(Worksheet A In 14.C & 28.C)	-	TP1= 1.00000	-
199	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	-	TP1= 1.00000	-
200	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA 1.00000	N/A
201	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA 1.00000	N/A
202	Plus: Additional Transmission Depreciation for 2010 (In 275)		N/A	TP1 1.00000	N/A
203	Plus: Additional General & Intangible Depreciation for 2010 (In 274 + In 275)		N/A	W/S 1.00000	N/A
204	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA 1.00000	N/A
205	Distribution	(Worksheet A In 16.C)	-	NA 0.00000	-
206	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.C)	-	NA 0.00000	-
207	General Plant	(Worksheet A In 18.C)	-	W/S 1.00000	-
208	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	-	W/S 1.00000	-
209	Intangible Plant	(Worksheet A In 20.C)	-	W/S 1.00000	-
210	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 196 to 209)	-		-
211	NET PLANT IN SERVICE				
212	Production	(In 183 + In 184 - In 196 - In 197)	-		-
213	Transmission	(In 185 + In 186 - In 198 - In 199)	-		-
214	Plus: Transmission Plant-in-Service Additions (In 187 - In 200)		N/A		N/A
215	Plus: Additional Trans Plant on Transferred Assets (In 188 - In 201)		N/A		N/A
216	Plus: Additional Transmission Depreciation for 2010 (-In 202)		N/A		N/A
217	Plus: Additional General & Intangible Depreciation for 2010 (-In 203)		N/A		N/A
218	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 204)		N/A		N/A
219	Distribution	(In 189 + In 190 - In 205 - In 206)	-		-
220	General Plant	(In 191 + In 192 - In 207 - In 208)	-		-
221	Intangible Plant	(In 193 - In 209)	-		-
222	TOTAL NET PLANT IN SERVICE	(sum Ins 212 to 221)	-	NP(h)= 0.00000	-
223	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
224	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.C)	-	NA	-
225	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	-	DA	-
226	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	-	DA	-
227	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	-	DA	-
228	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	-	DA	-
229	TOTAL ADJUSTMENTS	(sum Ins 224 to 228)	-		-
230	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	-	DA	-
231	These Lines are reserved for future use, should additional rate base items, e.g. CWIP, Regulatory Assets, be approved in a FERC proceeding	(Worksheet A In 31.C)	-	TP 1.00000	-
232					
233					
234	REGULATORY ASSETS	(Worksheet A In 32. (C))	103,917	DA	103,917
235	WORKING CAPITAL	(Note E)			
236	Cash Working Capital	(1/8 * In 256)	-		-
237	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	-	TP 1.00000	-
238	A&G Materials & Supplies	(Worksheet C, In 3.(D))	-	W/S 1.00000	-
239	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h) 0.00000	-
240	Prepayments (Account 165) - Labor Allocated	(Worksheet D, In 6.G)	-	W/S 1.00000	-
241	Prepayments (Account 165) - Gross Plant	(Worksheet D, In 6.F)	-	GP(h) 0.00000	-
242	Prepayments (Account 165) - Transmission Only	(Worksheet D, In 6.E)	-	DA 1.00000	-
243	Prepayments (Account 165) - Unallocable	(Worksheet D, In 6.D)	-	NA 0.00000	-
244	TOTAL WORKING CAPITAL	(sum Ins 236 to 243)	-		-
245	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA 1.00000	-
246	RATE BASE (sum Ins 222, 229, 230, 234, 244, 245)		103,917		103,917

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2009 with Year-End Rate Base Balances

AEP WEST VIRGINIA TRANSMISSION 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				
247	Production	321.80.b	-		
248	Distribution	322.156.b	-		
249	Customer Related Expense	322.164,171,178.b	-		
250	Regional Marketing Expenses	322.131.b	-		
251	Transmission	321.112.b	-		
252	TOTAL O&M EXPENSES	(sum Ins 247 to 251)	-		
253	Less: Total Account 561	(Note G) 321.84-92.b	-		
254	Less: Account 565	(Note H) 321.96.b	-		
255	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, ln 4.C)	-		
256	Total O&M Allocable to Transmission	(Ins 251 - 253 - 254 - 255)	-	TP 1.00000	-
257	Administrative and General	323.197.b (Note J)	-		
258	Less: Acct. 924, Property Insurance	323.185.b	-		
259	Acct. 928, Reg. Com. Exp.	323.189.b	-		
260	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
261	Acct. 930.2, Misc. Gen. Exp.	323.192.b	-		
262	Balance of A & G	(ln 257 - sum ln 258 to ln 261)	-	W/S 1.00000	-
263	Plus: Acct. 924, Property Insurance	(ln 258)	-	GP(h) 0.00000	-
264	Acct. 928 - Transmission Specific	Worksheet F ln 11.(E) (Note L)	-	TP 1.00000	-
265	Acct 930.1 - Only safety related ads -Direct	Worksheet F ln 27.(E) (Note L)	-	TP 1.00000	-
266	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F ln 33.(E) (Note L)	-	DA 1.00000	-
267	Settlement Approved PBOP Recovery	Worksheet O Ln 9 (B), (Note K & M)	(137)	W/S 1.00000	(137)
268	A & G Subtotal	(sum Ins 262 to 267)	(137)		(137)
269	O & M EXPENSE SUBTOTAL	(ln 256 + ln 268)	(137)		(137)
270	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)			DA 1.00000	-
271	TOTAL O & M EXPENSE	(ln 269 + ln 270)	(137)		(137)
272	DEPRECIATION AND AMORTIZATION EXPENSE				
273	Production	336.2-6.f	-	NA 0.00000	-
274	Distribution	336.8.f	-	NA 0.00000	-
275	Transmission	336.7.f	-	TP1 1.00000	-
276	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
277	Plus: Formation Costs Amortization	(Worksheet A ln 36.C)	25,979	TP1 1.00000	25,979
278	General	336.10.f	-	W/S 1.00000	-
279	Intangible	336.1.f	-	W/S 1.00000	-
280	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 273+274+ 275+276+277+278+279)	25,979		25,979
281	TAXES OTHER THAN INCOME	(Note N)			
282	Labor Related				
283	Payroll	Worksheet H ln 24.(D)	-	W/S 1.00000	-
284	Plant Related				
285	Property	Worksheet H ln 24.(C) & ln 59.(C)	-	DA	0
286	Gross Receipts/Sales & Use	Worksheet H ln 24.(F)	-	NA 0.00000	-
287	Other	Worksheet H ln 24.(E)	-	GP(h) 0.00000	-
288	TOTAL OTHER TAXES	(sum Ins 283 to 287)	-		-
289	INCOME TAXES	(Note O)			
290	$T=1 - \frac{((1 - \text{SIT}) * (1 - \text{FIT}))}{(1 - \text{SIT} * \text{FIT} * p)}$		40.69%		
291	$\text{EIT} = (T/(1-T)) * (1 - (\text{WCLTD}/\text{WACC}))$		0.00%		
292	where WCLTD=(ln 327) and WACC = (ln 330)				
293	and FIT, SIT & p are as given in Note O.				
294	$\text{GRCF} = 1 / (1 - T)$ = (from ln 290)		1.6860		
295	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	-		
296	Income Tax Calculation	(ln 291 * ln 299)	-		-
297	ITC adjustment	(ln 294 * ln 295)	-	NP(h) 0.00000	-
298	TOTAL INCOME TAXES	(sum Ins 296 to 297)	-		-
299	RETURN ON RATE BASE (Rate Base*WACC)	(ln 246 * ln 330)	-		-
300	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, ln 2.(B))		-	DA 1.00000	-
301	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, ln 4, Cols. ((F) & (H))		-		-
302	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (ln 301 * ln 291)		-		-
303	TOTAL REVENUE REQUIREMENT	(sum Ins 271, 280, 288, 298, 299, 300, 301, 302)	25,842		25,842

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2009 with Year-End Rate Base Balances

AEP WEST VIRGINIA TRANSMISSION COMPANY

SUPPORTING CALCULATIONS

In									
No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF								
304	Total transmission plant	(In 185)						-	
305	Less transmission plant excluded from PJM Tariff (Note P)							-	
306	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C)) (Note Q)							-	
307	Transmission plant included in PJM Tariff	(In 304 - In 305 - In 306)						-	
308	Percent of transmission plant in PJM Tariff	(In 307 / In 304)					TP=	0.00000	
309	WAGES & SALARY ALLOCATOR (W/S)	(Note R)							
			Direct Payroll	Payroll Billed from AEP	Total				
310	Production	354.20.b	0	0	0	NA	0.00000	-	
311	Transmission	354.21.b	0	0	0	TP	1.00000	-	
312	Regional Market Expenses	354.22.b	0	0	0	NA	0.00000	-	
313	Distribution	354.23.b	0	0	0	NA	0.00000	-	
314	Other (Excludes A&G)	354.24,25,26.b	0	0	0	NA	0.00000	-	
315	Total	(sum Ins 310 to 314)	0	0	0			-	
316	Transmission related amount						W/S=	1.00000	
317	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$	
318	Long Term Interest	(Worksheet L, In. 32, col. (D))						-	
319	Preferred Dividends	(Worksheet L, In. 37, col. (D))						-	
320	Development of Common Stock:							-	
321	Proprietary Capital	(FF1 p 112, Ln 16.c)						-	
322	Less: Preferred Stock	(FF1 p 112, Ln 3.c)						-	
323	Less: Account 216.1	(FF1 p 112, Ln 12 .c)						-	
324	Less: Account 219	(FF1 p 112, Ln 15.c)						-	
325	Common Stock	(In 321 - In 322 - In 323 - In 324)						-	
326		\$							
			Capital Structure Weighting				Cost		
327	Long Term Debt Worksheet L, In 32, col. (B))	-	Actual			(Note S)	Weighted		
328	Preferred Stock (In 322)	-		0.00%		-		0.0000	
329	Common Stock (In 325)	-		0.00%		12.10%		0.0000	
330	Total (Sum Ins 327 to 329)	-		0.00%			WACC=	0.0000	

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2009 with Year-End Rate Base Balances

AEP WEST VIRGINIA TRANSMISSION COMPANY

<u>Letter</u>	<u>Notes</u>
	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. 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.
C	Transmission Plant balances in this study are projected as of December 31, 2010. Other ratebase amounts are as of December 31, 2009.
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 flow throughs 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 RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
E	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 256. It excludes: 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 253. 2) AEP transmission equalization transfers, as shown on line 254 3) The impact of state regulatory deferrals and amortizations, as shown on line 255 4) All A&G Expenses, as shown on line 268.
F	Consistent with Paragraph 657 of Order 2003-A, the amount on line 245 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 300.
G	Removes the expense booked to transmission account 561 included in the development of OATT ancillary services rates.
H	Removes cost of transmission service provided by others to determine the basis of cash working capital on line 256. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on line 270 to determine the total O&M collected in the formula. The amount on line 270 are also excluded in the calculation of the FCR percentage calculated on lines 170 through 176.
I	Removes the impact of state regulatory deferrals or their amortization from O&M expense.
J	General Plant and Administrative & General expenses may be functionalized based on allocators other than the W/S allocator. Full documentation must be provided.
K	These deductions from Worksheet O on lines 10 through 13 are to remove from the cost of service the expenses recorded by the company for Post-employment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
L	Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. 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. Recoverable PBOP expense of \$0.134 per dollar of labor expense is based on the AEP System 2009 total PBOP cost divided by the total direct labor cost. The calculation of the recoverable amount is shown on WS-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) (In 295) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0. Inputs Required: FIT = 35.00% SIT= 8.75% (State Income Tax Rate or Composite SIT. Worksheet G)) p = 0.00% (percent of federal income tax deductible for state purposes)
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 (In 318) / long term debt (In 327). Preferred Stock cost rate = preferred dividends (In 319) / preferred outstanding (In 328). Common Stock cost rate (ROE) = 12.1%. It includes an additional 50 basis points for PJM RTO membership.

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2009 with Average Ratebase Balances

AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 138)			-\$137
2	REVENUE CREDITS	(Note A) (Worksheet E)	-	DA 1.00000	\$ -
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			\$ (137)

MEMO: The Carrying Charge Calculations on lines 6 to 11 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 4 is included in the total on line 3.

4	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet K)		-	DA 1.00000	\$ -
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	((In 1 - In 105) / In 57 x 100)			0.00%
7	Monthly Rate	(In 6 / 12)			0.00%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((In 1 - In 105 - In 115) / In 57 x 100)			0.00%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	((In 1 - In 105 - In 115 - In 133 - In 134) / In 57 x 100)			0.00%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet K)				-
13	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
14	Total Load Dispatch & Scheduling (Account 561)	Line 88 Below			-
15	Less: Load Disptach - Scheduling, System Control and Dispatch Services (321.88.b)				
16	Less: Load Disptach - Reliability, Planning & Standards Development Services (321.92.b)				
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			-

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2009 with Average Ratebase Balances

AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.	(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>
18	GROSS PLANT IN SERVICE				
18	Production	(Worksheet A In 1.E)	-	NA 0.00000	-
19	Less: Production ARO (Enter Negative)	(Worksheet A In 2.E)	-	NA 0.00000	-
20	Transmission	(Worksheet A In 3.E & Ln 141)	-	DA	-
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E)	-	TP 1.00000	-
22	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA 0.00000	N/A
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA 0.00000	N/A
24	Distribution	(Worksheet A In 5.E)	-	NA 0.00000	-
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.E)	-	NA 0.00000	-
26	General Plant	(Worksheet A In 7.E)	-	W/S 1.00000	-
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	-	W/S 1.00000	-
28	Intangible Plant	(Worksheet A In 9.E)	-	W/S 1.00000	-
29	TOTAL GROSS PLANT	(sum Ins 18 to 28)	-	GP(h)= 0.00000 GTD= 0.00000	-
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	Production	(Worksheet A In 12.E)	-	NA 0.00000	-
32	Less: Production ARO (Enter Negative)	(Worksheet A In 13.E)	-	NA 0.00000	-
33	Transmission	(Worksheet A In 14.E & 28.E)	-	TP1= 1.00000	-
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.E)	-	TP1= 1.00000	-
35	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA 1.00000	N/A
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA 1.00000	N/A
37	Plus: Additional Transmission Depreciation for 2010 (In 110)		N/A	TP1 1.00000	N/A
38	Plus: Additional General & Intangible Depreciation for 2010 (In 109 + In 110)		N/A	W/S 1.00000	N/A
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA 1.00000	N/A
40	Distribution	(Worksheet A In 16.E)	-	NA 0.00000	-
41	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.E)	-	NA 0.00000	-
42	General Plant	(Worksheet A In 18.E)	-	W/S 1.00000	-
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	-	W/S 1.00000	-
44	Intangible Plant	(Worksheet A In 20.E)	-	W/S 1.00000	-
45	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 31 to 44)	-		-
46	NET PLANT IN SERVICE				
47	Production	(In 18 + In 19 - In 31 - In 32)	-		-
48	Transmission	(In 20 + In 21 - In 33 - In 34)	-		-
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		N/A		N/A
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		N/A		N/A
51	Plus: Additional Transmission Depreciation for 2010 (-In 37)		N/A		N/A
52	Plus: Additional General & Intangible Depreciation for 2010 (-In 38)		N/A		N/A
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		N/A		N/A
54	Distribution	(In 24 + In 25 - In 40 - In 41)	-		-
55	General Plant	(In 26 + In 27 - In 42 - In 43)	-		-
56	Intangible Plant	(In 28 - In 44)	-		-
57	TOTAL NET PLANT IN SERVICE	(sum Ins 47 to 56)	-	NP(h)= 0.00000	-
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
59	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA	-
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	-	DA	-
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	-	DA	-
62	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	-	DA	-
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA	-
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	-		-
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	-	DA	-
66	These Lines are reserved for future use, should additional rate base items, e.g. CWIP, Regulatory Assets, be approved in a FERC proceeding	(Worksheet A In 31.E)	-	TP 1.00000	-
67					
68					
69	REGULATORY ASSETS	(Worksheet A In 39. (E))	-	DA	-
70	WORKING CAPITAL	(Note E)			
71	Cash Working Capital	(1/8 * In 91)	-		-
72	Transmission Materials & Supplies	(Worksheet C, In 2.F)	-	TP 1.00000	-
73	A&G Materials & Supplies	(Worksheet C, In 3.F)	-	W/S 1.00000	-
74	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h) 0.00000	-
75	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	-	W/S 1.00000	-
76	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	-	GP(h) 0.00000	-
77	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA 1.00000	-
78	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	-	NA 0.00000	-
79	TOTAL WORKING CAPITAL	(sum Ins 71 to 78)	-		-
80	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8 (B))	-	DA 1.00000	-
81	RATE BASE (sum Ins 57, 64, 65, 69, 79, 80)		-		-

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2009 with Average Ratebase Balances

AEP WEST VIRGINIA TRANSMISSION 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				
82	Production	321.80.b	-		
83	Distribution	322.156.b	-		
84	Customer Related Expense	322.164,171,178.b	-		
85	Regional Marketing Expenses	322.131.b	-		
86	Transmission	321.112.b	-		
87	TOTAL O&M EXPENSES	(sum lns 82 to 86)	-		
88	Less: Total Account 561	(Note G) 321.84-92.b	-		
89	Less: Account 565	(Note H) 321.96.b	-		
90	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
91	Total O&M Allocable to Transmission	(lns 86 - 88 - 89 - 90)	-	TP 1.00000	-
92	Administrative and General	323.197.b (Note J)	-		
93	Less: Acct. 924, Property Insurance	323.185.b	-		
94	Acct. 928, Reg. Com. Exp.	323.189.b	-		
95	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
96	Acct. 930.2, Misc. Gen. Exp.	323.192.b	-		
97	Balance of A & G	(In 92 - sum ln 93 to ln 96)	-	W/S 1.00000	-
98	Plus: Acct. 924, Property Insurance	(In 93)	-	GP(h) 0.00000	-
99	Acct. 928 - Transmission Specific	Worksheet F In 11.(E) (Note L)	-	TP 1.00000	-
100	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 27.(E) (Note L)	-	TP 1.00000	-
101	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 33.(E) (Note L)	-	DA 1.00000	-
102	Settlement Approved PBOP Recovery	Worksheet O Ln 9 (B), (Note K & M)	(137)	W/S 1.00000	(137)
103	A & G Subtotal	(sum lns 97 to 102)	(137)		(137)
104	O & M EXPENSE SUBTOTAL	(In 91 + In 103)	(137)		(137)
105	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA 1.00000	-
106	TOTAL O & M EXPENSE	(In 104 + In 105)	(137)		(137)
107	DEPRECIATION AND AMORTIZATION EXPENSE				
108	Production	336.2-6.f	-	NA 0.00000	-
109	Distribution	336.8.f	-	NA 0.00000	-
110	Transmission	336.7.f	-	TP1 1.00000	-
111	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
112	Plus: Formation Costs Amortization	(Worksheet A In 36.C)	-	TP1 1.00000	-
113	General	336.10.f	-	W/S 1.00000	-
114	Intangible	336.1.f	-	W/S 1.00000	-
115	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 108+109+110+111+112+113+114)	-		-
116	TAXES OTHER THAN INCOME	(Note N)			
117	Labor Related				
118	Payroll	Worksheet H In 24.(D)	-	W/S 1.00000	-
119	Plant Related				
120	Property	Worksheet H In 24.(C) & In 59.(C)	-	DA	-
121	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	-	NA 0.00000	-
122	Other	Worksheet H In 24.(E)	-	GP(h) 0.00000	-
123	TOTAL OTHER TAXES	(sum lns 118 to 122)	-		-
124	INCOME TAXES	(Note O)			
125	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$		40.69%		
126	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		0.00%		
127	where WCLTD=(ln 162) and WACC = (ln 165)				
128	and FIT, SIT & p are as given in Note O.				
129	$GRCF=1 / (1 - T) =$ (from ln 125)		1.6860		
130	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	-		
131	Income Tax Calculation	(In 126 * In 134)	-		-
132	ITC adjustment	(In 129 * In 130)	-	NP(h) 0.00000	-
133	TOTAL INCOME TAXES	(sum lns 131 to 132)	-		-
134	RETURN ON RATE BASE (Rate Base*WACC)	(In 81 * In 165)	-		-
135	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
136	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. (F) & (H))		-		-
137	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 136 * In126)		-		-
138	TOTAL REVENUE REQUIREMENT		(137)		(137)
	(sum lns 106, 115, 123, 133, 134, 135, 136, 137)				

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2009 with Average Ratebase Balances

AEP WEST VIRGINIA TRANSMISSION COMPANY

SUPPORTING CALCULATIONS

In								
<u>No.</u>	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
139	Total transmission plant	(In 20)					-	
140	Less transmission plant excluded from PJM Tariff (Note P)						-	
141	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C)) (Note Q)						-	
142	Transmission plant included in PJM Tariff	(In 139 - In 140 - In 141)					-	
143	Percent of transmission plant in PJM Tariff	(In 142 / In 139)				TP	0.0000	
144	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from				
145	Production	354.20.b	0	AEP Service Corp.	Total			
146	Transmission	354.21.b	0	0 - NA	0.00000		-	
147	Regional Market Expenses	354.22.b	0	0 - TP	1.00000		-	
148	Distribution	354.23.b	0	0 - NA	0.00000		-	
149	Other (Excludes A&G)	354.24,25,26.b	0	0 - NA	0.00000		-	
150	Total	(sum Ins 145 to 149)	0	0 - 0			-	
151	Transmission related amount					W/S=	1.00000	
152	WEIGHTED AVERAGE COST OF CAPITAL (WACC)						\$	
153	Long Term Interest	(Worksheet M, In. 17, col. (E))					-	
154	Preferred Dividends	(Worksheet M, In. 45, col. (E))					-	
155	<u>Development of Common Stock:</u>					<u>Average</u>		
156	Proprietary Capital	(Worksheet M, In. 1, col. (E))					-	
157	Less: Preferred Stock	(Worksheet M, In. 2, col. (E))					-	
158	Less: Account 216.1	(Worksheet M, In. 3, col. (E))					-	
159	Less: Account 219	(Worksheet M, In. 4, col. (E))					-	
160	Common Stock	(In 156 - In 157 - In 158 - In 159)					-	
161		<u>Average \$</u>		<u>Capital Structure Weighting</u>	Cost	<u>Weighted</u>		
162	Long Term Debt Worksheet L, In 32, col. (B))	-		Actual	(Note S)		0.0000	
163	Preferred Stock (In 157)	-		0.00%	-		0.0000	
164	Common Stock (In 160)	-		0.00%	12.10%		0.0000	
165	Total (Sum Ins 162 to 164)	-				WACC=	0.0000	

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2009 with Average Ratebase Balances

AEP WEST VIRGINIA TRANSMISSION 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.
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.
- C Transmission Plant balances in this study are projected as of December 31, 2010. Other ratebase amounts are as of December 31, 2009.
- 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 flow throughs 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 RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 91. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 88.
2) AEP transmission equalization transfers, as shown on line 89
3) The impact of state regulatory deferrals and amortizations, as shown on line 90
4) All A&G Expenses, as shown on line 103.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 80 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 135.
- G Removes the expense booked to transmission account 561 included in the development of OATT ancillary services rates.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 91. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on line 105 to determine the total O&M collected in the formula. The amounts on line 105 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense. applicable only for state regulatory purposes.
- J Removes the impact of regulatory deferrals or their amortization applicable only for state regulatory purposes.
- K These deductions from Worksheet O on lines 10 through 13 are to remove from the cost of service the expenses recorded by the company for Post-employment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. 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. Recoverable PBOP expense of \$0.134 per dollar of labor expense is based on the AEP System 2009 total PBOP cost divided by the total direct labor cost. The calculation of the recoverable amount is shown on WS-O.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts tax 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) (In 130) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
- | | | | |
|------------------|-------|--------|---|
| Inputs Required: | FIT = | 35.00% | |
| | SIT= | 8.75% | (State Income Tax Rate or Composite SIT. Worksheet G) |
| | p = | 0.00% | (percent of federal income tax deductible for state purposes) |
- 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 (In 153) / long term debt (In 162). Preferred Stock cost rate = preferred dividends (In 154) / preferred outstanding (In 163). Common Stock cost rate (ROE) = 12.1%. It includes an additional 50 basis points for PJM RTO membership.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet A Supporting Plant Balances
AEP WEST VIRGINIA TRANSMISSION COMPANY

Line	(A)	(B)	(C)	(D)	(E)
Number	Rate Base Item & Supporting Balance	Source of Data	Balance @ December 31, 2009	Balance @ December 31, 2008	Average Balance for 2009
NOTE: Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.					
Plant Investment Balances					
1	Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46			-
2	Production Asset Retirement Obligation (ARO)	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44			-
3	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58			-
4	Transmission Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57			-
5	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75			-
6	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74			-
7	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99			-
8	General Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98			-
9	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5			-
10	Total Property Investment Balance	(Sum of Lines: 3, 1, 5, 7, 9)	-	-	-
11	Total ARO Balance (included in total on line 10)	(Sum of Lines: 4, 2, 6, 8)	-	-	-
Accumulated Depreciation & Amortization Balances					
12	Production Accumulated Depreciation	FF1, page 219, Ins 20-24, Col. (b)			-
13	Production ARO Accumulated Depreciation	Company Records			-
14	Transmission Accumulated Depreciation	FF1, page 219, In 25, Col. (b)			-
15	Transmission ARO Accumulated Depreciation	Company Records			-
16	Distribution Accumulated Depreciation	FF1, page 219, In 26, Col. (b)			-
17	Distribution ARO Accumulated Depreciation	Company Records			-
18	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)			-
19	General ARO Accumulated Depreciation	Company Records			-
20	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)			-
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 12, 16, 18, 20)	-	-	-
22	Total ARO Balance (included in total on line 21)	(Sum of Lines: 15, 13, 17, 19)	-	-	-
Generation Step-Up Units					
23	GSU Investment Amount	Company Records			-
24	GSU Accumulated Depreciation	Company Records			-
25	GSU Net Balance	(Line 23 - Line 24)	-	-	-
Transmission Accumulated Depreciation Net of GSU Accumulated Depreciation					
26	Transmission Accumulated Depreciation	(Line 14 Above)	-	-	-
27	Less: GSU Accumulated Depreciation	(Line 24 Above)	-	-	-
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)	-	-	-
Plant Held For Future Use					
29	Plant Held For Future Use	FF1, page 214, In 47, Col. (d)			-
30	Transmission Plant Held For Future	Company Records			-
31	Construction Work In Progress	Company Records	-		-
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.					
32	Beginning Balance of Regulatory Asset		103,917		-
33	Amortization in Months		24		-
34	Monthly Amortization	(line 32 / line 33)	4,330		-
35	Months in Year to be amortized		6		-
36	Amortization Expense in Current Year	(line 34 X line 35)	25,979		-
37	Ending Balance of Regulatory Asset	(line 32 - line 36)	77,938		-
38	Average Balance of Regulatory Asset	(line 32 + line 36)/2	90,927		-
39	Total Regulatory Deferrals Included in Ratebase		77,938		-

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
AEP WEST VIRGINIA TRANSMISSION COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2009</u>	<u>(D) Balance @ December 31, 2009</u>	<u>(E) Average Balance for 2009</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)			-
3	Less: ARO Related Deferrals	Company Records			-
4	Less: Other Excluded Deferrals	Company Records			-
5	Transmission Related Deferrals	Ln 2 - In 3 - In 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)			-
8	Less: ARO Related Deferrals	Company Records			-
9	Less: Other Excluded Deferrals	Company Records			-
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	-	-	-
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)			-
13	Less: ARO Related Deferrals	Company Records			-
14	Less: Other Excluded Deferrals	Company Records			-
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	-	-	-
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)			-
18	Less: ARO Related Deferrals	Company Records			-
19	Less: Other Excluded Deferrals	Company Records			-
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	-	-	-
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)			-
23	Less: Balances Not Qualified for Ratebase	Company Records			-
24	ITC Balances Includeable Ratebase	Ln 22 - In 23	-	-	-
25	Transmission Related Deferrals	Company Records			-

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
AEP WEST VIRGINIA TRANSMISSION COMPANY

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number	Source	Balance @ December 31, 2009	Balance @ December 31, 2009	Average Balance for 2009				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)			-			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)			-			
4	Stores Expense (Undistributed)	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary

	Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)
5						
6	Totals as of December 31, 2009	0	0	0	0	0
7	Totals as of December 31, 2009					
8	Average Balance	-	-	-	-	-

Prepayments Account 165 - Balance @ 12/31/2009

Acc. No.	Description	2009 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)
9							
10			-		-		-
11			-				-
12			-				-
13			-				-
14			-				-
15			-				-
16			-				-
17			-				-
18			-				-
19			-				-
Subtotal - Form 1, p 111.57.c		0	0	0	0	0	0

Prepayments Account 165 - Balance @ 12/31/ 2009

Acc. No.	Description	2009 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)
20							
21					0		-
22					0		-
23					0		-
24							-
25			0				-
26			0				-
27			0				-
28			0				-
29						0	-
30			0				-
31			0				-
Subtotal - Form 1, p 111.57.c							

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet D Supporting IPP Credits
AEP WEST VIRGINIA TRANSMISSION COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2009</u>
1	Net Funds from IPP Customers 12/31/2009 (2009 FORM 1, P269, line 24.b)	-
2	Interest Accrual (Company Records)	
3	Revenue Credits to Generators (Company Records)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records)	
6		-
7	Net Funds from IPP Customers 12/31/2009 (2009 FORM 1, P269, line 24.f)	-
8	Average Balance for Year as Indicated in Column ((In 1 + In 7)/2)	-

AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2009 FF1 Balances
 Worksheet E Supporting Revenue Credits
 AEP WEST VIRGINIA TRANSMISSION COMPANY

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non-Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts		-	
2	Account 451, Miscellaneous Service Revenues		-	
3	Account 454, Rent from Electric Property		-	
4	Account 4560015, Associated Business Development		-	
5	Account 456 - Other Electric Revenues		-	
6	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts		-	
7	Total Other Operating Revenues To Reduce Revenue Requirement	-		-

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
AEP WEST VIRGINIA TRANSMISSION COMPANY

<u>Line Number</u>	<u>(A) Item No.</u>	<u>(B) Description</u>	<u>(C) 2009 Expense</u>	<u>(D) 100% Non-Transmission</u>	<u>(E) 100% Transmission Specific</u>	<u>(G) Explanation</u>
Regulatory O&M Deferrals & Amortizations						
1		AEP Formation Costs	-			
2			-			
3			-			
4		Total	<u>0</u>			
Account 928						
5					-	
6					-	
7					-	
8					-	
9					-	
10					-	
11		Total	<u>-</u>	<u>-</u>	<u>-</u>	
Account 930.1						
12					-	
13					-	
14					-	
15					-	
16					-	
17					-	
18					-	
19					-	
20					-	
21					-	
22					-	
23					-	
24					-	
25					-	
26					-	
27		Total	<u>-</u>	<u>-</u>	<u>-</u>	
Account 930.2						
28						
29						
30						
31						
32						
33		Total	<u>-</u>	<u>-</u>	<u>-</u>	

AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2009 FF1 Balances
 Worksheet G Supporting - Development of Composite State Income Tax Rate
 AEP WEST VIRGINIA TRANSMISSION COMPANY

1	West Virginia State Tax Rate	8.75%	
	Apportionment Factor	100.00%	
	Effective State Tax Rate		8.75%
2	_____ Tax Rate	0.00%	
	Apportionment Factor	0.00%	
	Effective State Tax Rate		0.00%
3	_____ Tax Rate	0.00%	
	Apportionment Factor	0.00%	
	Effective State Tax Rate		0.00%
4	_____ Tax Rate	0.00%	
	Apportionment Factor	0.00%	
	Effective State Tax Rate		0.00%
5	_____ Tax Rate	0.00%	
	Apportionment Factor	0.00%	
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		<u><u>8.75%</u></u>

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet H Supporting Taxes Other than Income
AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	List Individual Taxes Here					-
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Jurisdiction #1		-			
5	Real and Personal Property - Jurisdiction #2		-			
6	Real and Personal Property - Jurisdiction #3		-			
7	Real and Personal Property - Other Jurisdictions		-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)			-		
10	Federal Unemployment Tax			-		
11	State Unemployment Insurance			-		
12	Production Taxes					
13	List Individual Taxes Here					-
14						-
15	Miscellaneous Taxes					
16	List Individual Taxes Here					-
17					-	-
18					-	-
19					-	-
20					-	-
21					-	-
22					-	-
23					-	-
24	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	-	-	-	-	-

Functional Property Tax Allocation

	Production	Transmission	Distribution	General	Total
25	Functionalized Net Plant (Hist. TCOS, Lns 212 thru 222)	-	-	-	-
WEST VIRGINIA JURISDICTION					
26	Percentage of Plant in WEST VIRGINIA JURISDICTION				
27	Net Plant in WEST VIRGINIA JURISDICTION (Ln 25 * Ln 26)	-	-	-	-
28	Less: Net Value of Exempted Generation Plant	-	-	-	-
29	Taxable Property Basis (Ln 27 - Ln 28)	-	-	-	-
30	Relative Valuation Factor				
31	Weighted Net Plant (Ln 29 * Ln 30)	-	-	-	-
32	General Plant Allocator (Ln 31 / (Total - General Plant))	0.00%	0.00%	0.00%	-100.00%
33	Functionalized General Plant (Ln 32 * General Plant)	-	-	-	-
34	Weighted WEST VIRGINIA JURISDICTION Plant (Ln 31 + 33)	-	-	-	-
35	Functional Percentage (Ln 34/Total Ln 34)	0.00%	0.00%	0.00%	-
36	Functionalized Expense in WEST VIRGINIA JURISDICTION	-	-	-	-
JURISDICTION					
37	Percentage of Plant in _____ JURISDICTION				
38	Net Plant in _____ JURISDICTION (Ln 25 * Ln 37)	-	-	-	-
39	Less: Net Value of Exempted Generation Plant	-	-	-	-
40	Taxable Property Basis (Ln 38 - Ln 39)	-	-	-	-
41	Relative Valuation Factor				
42	Weighted Net Plant (Ln 40 * Ln 41)	-	-	-	-
43	General Plant Allocator (Ln 42 / (Total - General Plant))	0.00%	0.00%	0.00%	-100.00%
44	Functionalized General Plant (Ln 43 * General Plant)	-	-	-	-
45	Weighted _____ JURISDICTION Plant (Ln 42 + 44)	-	-	-	-
46	Functional Percentage (Ln 45/Total Ln 45)	0.00%	0.00%	0.00%	-
47	Functionalized Expense in _____ JURISDICTION	-	-	-	-
JURISDICTION					
48	Net Plant in _____ JURISDICTION (Ln 25 - Ln 27 - Ln 38)	-	-	-	-
49	Less: Net Value Exempted Generation Plant	-	-	-	-
50	Taxable Property Basis	-	-	-	-
51	Relative Valuation Factor				
52	Weighted Net Plant (Ln 50 * Ln 51)	-	-	-	-
53	General Plant Allocator (Ln 52 / (Total - General Plant))	0.00%	0.00%	0.00%	-100.00%
54	Functionalized General Plant (Ln 54 * General Plant)	-	-	-	-
55	Weighted _____ JURISDICTION Plant (Ln 52 + 54)	-	-	-	-
56	Functional Percentage (Ln 55/Total Ln 55)	0.00%	0.00%	0.00%	-
57	Functionalized Expense in _____ JURISDICTION	-	-	-	-
58	Total Other Jurisdictions: (Line 7 * Net Plant Allocator)	-	-	-	-
59	Total Func. Property Taxes (Sum Lns 36, 47 57, 58)	-	-	-	-

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet I Supporting Transmission Plant in Service Additions
AEP WEST VIRGINIA TRANSMISSION COMPANY

(A) (B) (C) (D) (E) (F) (G) (H) (I)

I. Calculation of Composite Depreciation Rate

1	Transmission Plant @ Beginning of Historic Period (2009) (P.206, ln 58,(b)):	-
2	Transmission Plant @ End of Historic Period (2009) (P.207, ln 58,(g)):	-
3		-
4	Average Balance of Transmission Investment	-
5	Annual Depreciation Expense, Historic TCOS, ln 275	-
6	Composite Depreciation Rate	1.52%
7	Average Life in Whole Years	66

II. Calculation of Property Placed in Service by Month and the Related Depreciation Expense

8	Month in Service	Capitalized Balance	Composite Annual Depreciation Rate	Annual Depreciation	Monthly Depreciation	No. Months Depreciation	First Year Depreciation Expense
9	January	\$ -	1.52%	\$ -	\$ -	11	\$ -
10	February	\$ -	1.52%	\$ -	\$ -	10	\$ -
11	March	\$ -	1.52%	\$ -	\$ -	9	\$ -
12	April	\$ -	1.52%	\$ -	\$ -	8	\$ -
13	May	\$ -	1.52%	\$ -	\$ -	7	\$ -
14	June	\$ -	1.52%	\$ -	\$ -	6	\$ -
15	July	\$ -	1.52%	\$ -	\$ -	5	\$ -
16	August	\$ -	1.52%	\$ -	\$ -	4	\$ -
17	September	\$ -	1.52%	\$ -	\$ -	3	\$ -
18	October	\$ -	1.52%	\$ -	\$ -	2	\$ -
19	November	\$ -	1.52%	\$ -	\$ -	1	\$ -
20	December	\$ 5,635,000	1.52%	\$ 85,652	\$ 7,138	0	\$ -
21	Investment	\$ 5,635,000				Depreciation Expense	\$ -

III. Plant Transferred

22	\$ -	<== This input area is for original cost plant
23	\$ -	<== This input area is for accumulated depreciation that may be associated with capital expenditures. It would have an impact if a company had assets transferred from a subsidiary.
24 (Ln 7 * Ln 22)	\$ -	<== This input area is for additional Depreciation Expense

IV. List of Major Projects Expected to be In-Service in 2010

	<u>Estimated Cost</u> <u>(000's)</u>	<u>Month in Service</u>
25 Major Projects		
26 CULLODEN: Replace 800 kV CB A2 ,B1	\$5,635,000	December 1, 2010
27		
28		
29		
30		
31	Subtotal	5,635,000
32		
33 PJM Socialized/Beneficiary Allocated Regional Projects		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47		
48	Subtotal	-
49 Total Projects in Service	<u>\$5,635,000</u>	

AEP/TCO subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
AEP WEST VIRGINIA TRANSMISSION COMPANY

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

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

ROE w/o incentives (Projected TCOS, In 164)			12.10%
Project ROE Incentive Adder			
ROE with additional basis point incentive			12.10%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the Projected TCOS, Ins 162 through 164)			
	%	Cost	Weighted cost
Long Term Debt	50.00%	6.00%	3.000%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	50.00%	12.10%	6.050%
		R =	9.050%

PROJECTED YEAR	SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS		
	Rev Require	W Incentives	Incentive Amounts
2010	-	-	-

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

Rate Base (Projected TCOS, In 81)	5,712,938
R (from A. above)	9.050%
Return (Rate Base x R)	517,021

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

Return (from B. above)	517,021
Effective Tax Rate (Projected TCOS, In 126)	45.86%
Income Tax Calculation (Return x CIT)	237,099
ITC Adjustment	-
Income Taxes	237,099

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

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

Annual Revenue Requirement (Projected TCOS, In 1)	779,962
Lease Payments (Projected TCOS, Ln & 105)	-
Return (Projected TCOS, In 134)	517,021
Income Taxes (Projected TCOS, In 133)	237,099
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	25,842

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	25,842
Return (from I.B. above)	517,021
Income Taxes (from I.C. above)	237,099
Annual Revenue Requirement, with Basis Point ROE increase	779,962
Depreciation & Amortization (Projected TCOS, In 115)	25,979
Annual Rev. Req, w/ Basis Point ROE increase, less Depreciation	753,983

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (Projected TCOS, In 57)	5,635,000
Annual Revenue Requirement, with Basis Point ROE increase	779,962
FCR with Basis Point increase in ROE	13.84%
Annual Rev. Req, w / Basis Point ROE increase, less Dep.	753,983
FCR with Basis Point ROE increase, less Depreciation	13.38%
FCR less Depreciation (Projected TCOS, In 9)	13.84%
Incremental FCR with Basis Point ROE increase, less Depreciation	0.46%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Historic Period (2009) (P.206, In 58,(b)):	-
Transmission Plant @ End of Historic Period (2009) (P.207, In 58,(g)):	-
Subtotal	-
Average Transmission Plant Balance for 2009	-
Annual Depreciation Rate (Projected TCOS, In 110)	-
Composite Depreciation Rate	1.52%
Depreciable Life for Composite Depreciation Rate	65.79
Average Life in Whole Years	66

TransCo Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

2,141,655
1,885,657
255,998

Facilities receiving incentives accepted by FERC in Docket No. [redacted] (e.g. ER10-925-000)

Project Description: [redacted]

Current Projected Year ARR	-
Current Projected Year ARR w/ Incentive	-
Current Projected Year Incentive ARR	-

Details		2010
Investment	-	Current Year
Service Year (yyyy)	0	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	-	FCR w/o incentives
Project Useful life	66	FCR w/o incentives, or depreciation
CIAC Amount	0	Annual Depreciation Rate
		FCR including Project Depreciation
		Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives**	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives**
0	-	-	-	-	-	\$ -		
1	-	-	-	-	-	\$ -		
2	-	-	-	-	-	\$ -		
3	-	-	-	-	-	\$ -		
4	-	-	-	-	-	\$ -		
5	-	-	-	-	-	\$ -		
6	-	-	-	-	-	\$ -		
7	-	-	-	-	-	\$ -		
8	-	-	-	-	-	\$ -		
9	-	-	-	-	-	\$ -		
10	-	-	-	-	-	\$ -		
11	-	-	-	-	-	\$ -		
12	-	-	-	-	-	\$ -		
13	-	-	-	-	-	\$ -		
14	-	-	-	-	-	\$ -		
15	-	-	-	-	-	\$ -		
16	-	-	-	-	-	\$ -		
17	-	-	-	-	-	\$ -		
18	-	-	-	-	-	\$ -		
19	-	-	-	-	-	\$ -		
20	-	-	-	-	-	\$ -		
21	-	-	-	-	-	\$ -		
22	-	-	-	-	-	\$ -		
23	-	-	-	-	-	\$ -		
24	-	-	-	-	-	\$ -		
25	-	-	-	-	-	\$ -		
26	-	-	-	-	-	\$ -		
27	-	-	-	-	-	\$ -		
28	-	-	-	-	-	\$ -		
29	-	-	-	-	-	\$ -		
30	-	-	-	-	-	\$ -		
31	-	-	-	-	-	\$ -		
32	-	-	-	-	-	\$ -		
33	-	-	-	-	-	\$ -		
34	-	-	-	-	-	\$ -		
35	-	-	-	-	-	\$ -		
36	-	-	-	-	-	\$ -		
37	-	-	-	-	-	\$ -		
38	-	-	-	-	-	\$ -		
39	-	-	-	-	-	\$ -		
40	-	-	-	-	-	\$ -		
41	-	-	-	-	-	\$ -		
42	-	-	-	-	-	\$ -		
43	-	-	-	-	-	\$ -		
44	-	-	-	-	-	\$ -		
45	-	-	-	-	-	\$ -		
46	-	-	-	-	-	\$ -		
47	-	-	-	-	-	\$ -		
48	-	-	-	-	-	\$ -		
49	-	-	-	-	-	\$ -		
50	-	-	-	-	-	\$ -		
51	-	-	-	-	-	\$ -		
52	-	-	-	-	-	\$ -		
53	-	-	-	-	-	\$ -		
54	-	-	-	-	-	\$ -		
55	-	-	-	-	-	\$ -		
56	-	-	-	-	-	\$ -		
57	-	-	-	-	-	\$ -		
58	-	-	-	-	-	\$ -		
59	-	-	-	-	-	\$ -		
Project Totals	-	-	-	-	-	\$ -		

** This is the total amount that needs to be reported to PJM for billing to all regions.
 ## 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.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
AEP WEST VIRGINIA TRANSMISSION 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 (True-Up TCOS, ln 164)			12.10%
Project ROE Incentive Adde			0
ROE with additional 0 basis point incentive			12.10%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the True-Up TCOS, lns 162 through 164)			
	%	Cost	Weighted cost
Long Term Debt	0.00%	0.00%	0.000%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	0.00%	12.10%	0.000%
		R =	0.000%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS			
TRUE-UP YEAR	2009	Rev Require	Incentive Amounts
As Projected in Prior Year IWS J			\$ -
Actual after True-up	\$ -	\$ -	\$ -
True-up of ARR For 2009	-	-	-

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

Rate Base (True-Up TCOS, ln 81)	-
R (from A. above)	0.000%
Return (Rate Base x R)	-

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

Return (from B. above)	-
Effective Tax Rate (True-Up TCOS, ln 126)	0.00%
Income Tax Calculation (Return x CIT)	-
ITC Adjustment	-
Income Taxes	-

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 (True-Up TCOS, ln 1)	(137)
Lease Payments (True-Up TCOS, Ln 105)	-
Return (True-Up TCOS, ln 134)	-
Income Taxes (True-Up TCOS, ln 133)	-
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	(137)

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

Annual Revenue Requirement, Less Lease Payments, Return and T:	(137)
Return (from I.B. above)	-
Income Taxes (from I.C. above)	-
Annual Revenue Requirement, with 0 Basis Point ROE increase	(137)
Depreciation (True-Up TCOS, ln 110)	-
Annual Rev. Req, w/ 0 Basis Point ROE increase, less Depreciation	(137)

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

Net Transmission Plant (True-Up TCOS, ln 48)	-
Annual Revenue Requirement, with 0 Basis Point ROE increase	(137)
FCR with 0 Basis Point increase in ROE	0.00%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	(137)
FCR with 0 Basis Point ROE increase, less Depreciation	0.00%
FCR less Depreciation (True-Up TCOS, ln 9)	0.00%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Historic Period () (P.206, ln 58.(b)):	-
Transmission Plant @ End of Historic Period () (P.207, ln 58.(g)):	-
Subtotal	-
Average Transmission Plant Balance for 2009	-
Annual Depreciation Rate (True-Up TCOS, ln 110)	-
Composite Depreciation Rate	0.00%
Depreciable Life for Composite Depreciation Rate	-
Average Life in Whole Years	-

TransCo Worksheet K - ATRR TRUE-UP Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED] (e.g. ER10-925-000)

Project Description:

2009	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details		2009
Investment	-	
Service Year (yyyy)	0	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)		FCR w/o incentives #DIV/0!
		FCR w/o incentives, or depreciation #DIV/0!
Project Useful life	-	Annual Depreciation Rate 0.00%
		FCR including Project Depreciation #DIV/0!
CIAC Amount	0	Annual Depreciation Expense -

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:
 CUMMULATIVE 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.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #	RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
0	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
1	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
2	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
3	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
4	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
5	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
6	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
7	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
8	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
9	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
10	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
11	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
12	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
13	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
14	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
15	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
16	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
17	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
18	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
19	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
20	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
21	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
22	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
23	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
24	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
25	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
26	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
27	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
28	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
29	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
30	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
31	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
32	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
33	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
34	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
35	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
36	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
37	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
38	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
39	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
40	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
41	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
42	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
43	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
44	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
45	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
46	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
47	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
48	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
49	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
50	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
51	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
52	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
53	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
54	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
55	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
56	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
57	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
58	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
59	-	-	-	-	#DIV/0!	-	#DIV/0!	\$ -	-	\$ -	-	\$ -
Project Totals					#DIV/0!	-	#DIV/0!	\$ -		\$ -		\$ -

** This is the total amount that needs to be reported to PJM for billing to all regions.

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.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet L Supporting Projected Cost of Debt
AEP WEST VIRGINIA TRANSMISSION COMPANY

Calculation of Interest Expense Based on Outstanding Debt at Year End

<u>Line Number</u>	<u>(A) Issuance</u>	<u>(B) Principle Amount</u>	<u>(C) Interest Rate</u>	<u>(D) Annual Expense</u>	<u>(E) Notes</u>
1	Long Term Debt (FF1.p. 256-257.h)				
2					-
3					
4	Installment Purchase Contracts (FF1.p. 256-257.h, a, & i)				
5					-
6					-
7					-
8					-
9					-
10					-
11					-
12					-
13					-
14					-
15					-
16					-
17					-
18					-
19					-
20					-
21					-
22					-
23					-
24			0.000%		
25	<u>Issuance Discount, Premium, & Expenses:</u>				
26	Financial Hedges & Auction Fees	FF1.p. 256 & 257.Lines Described as Hedges or Fees			
27	Amort of Debt Discount and Expenses	FF1.p. 117.63.c			
28	Amor of Debt Premimums (Enter Negative)	FF1.p. 117.65.c			-
29	<u>Reacquired Debt:</u>				
30	Amortization of Loss	FF1.p. 117.64.c			
31	Amortization of Gain	FF1.p. 117.66.c			-
32	Total Interest on Long Term Debt	-	0.000%	-	
33	Preferred Stock (FF1.p. 250-251)	Preferred Shares Outstanding			
34					-
35					-
36					-
37	Dividends on Preferred Stock	-	0.000%	-	

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
AEP WEST VIRGINIA TRANSMISSION COMPANY

Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital Based on Average of Balances At 2009 And 2009

(A)	(B)	(C)	(D)	(E)
Line		Balances @ 12/31/2009	Balances @ 12/31/2009	Average
Development of Average Balance of Common Equity				
1	Proprietary Capital (112.16.c&d)			-
2	Less Preferred Stock (Ln 52 Below)	0	-	-
3	Less Account 216.1 (112.12.c&d)			-
4	Less Account 219.1 (112.15.c&d)			-
5	Average Balance of Common Equity			-

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

6	Bonds (112.18.c&d)			-
7	Less: Reacquired Bonds (112.19.c&d)			-
8	LT Advances from Assoc. Companies (112.20.c&d)			-
9	Senior Unsecured Notes (112.21.c&d)			-
10	Less: Fair Value Hedges (See Note on Ln 12 below)			-
11	Total Average Debt			-

12 NOTE: 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.

13 Annual Interest Expense for 2009

14	Interest on Long Term Debt (256-257.33.i)			-
15	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 14 and shown in Ln 33 below.			-
16	Amort of Debt Discount & Expense (117.63.c)			-
17	Amort of Loss on Reacquired Debt (117.64.c)			-
18	Less: Amort of Premium on Debt (117.65.c)			-
19	Less: Amort of Gain on Reacquired Debt (117.66.c)			-
20	Total Interest Expense (Ln 14 + Ln 16 + Ln 17 - Ln 18 - Ln 19)			-

21 Average Cost of Debt for 2009 (Ln 21/Ln 11) 0.00%

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

22 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. 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.

	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for	Less Excludable Amounts (See NOTE on Line 22)	Net Includable Hedge Amount	Amortization Period	
					Remaining Unamortized Balance	Beginning Ending
23				-		
24				-		
25				-		
26				-		
27				-		
28				-		
29				-		
30				-		
31				-		
32				-		
33	Total Hedge Amortization			-		
34	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 23 to 32)			-		
35	Total Average Capital Structure Balance for ____ (True-UP TCOS, Ln 165)			-		
36	Recoverable Hedge Amortization (Ln 34)			-		

Development of Cost of Preferred Stock

Preferred Stock	Average
37 0% Series - Dividend Rate (p. 250-251. 8.a)	
38 0% Series - Par Value (p. 250-251. 8.c)	
39 0% Series - Shares O/S (p.250-251. 8.e)	
40 0% Series - Monetary Value (Ln 38 * Ln 39)	
41 0% Series - Dividend Amount (Ln 37 * Ln 40)	
42 0% Series - Dividend Rate (p. 250-251.a)	
43 0% Series - Par Value (p. 250-251.c)	
44 0% Series - Shares O/S (p.250-251. e)	
45 0% Series - Monetary Value (Ln 43 * Ln 44)	
46 0% Series - Dividend Amount (Ln 42 * Ln 45)	
47 0% Series - Dividend Rate (p. 250-251.a)	
48 0% Series - Par Value (p. 250-251.c)	
49 0% Series - Shares O/S (p.250-251.e)	
50 0% Series - Monetary Value (Ln 48 * Ln 49)	
51 0% Series - Dividend Amount (Ln 47 * Ln 50)	
52 Balance of Preferred Stock (Lns 40, 45, 50)	
53 Dividends on Preferred Stock (Lns 41, 46, 51)	
54 Average Cost of Preferred Stock (Ln 53/52)	0.00%

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2009 FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
AEP WEST VIRGINIA TRANSMISSION COMPANY

Note: Gain or loss on plant held for future use will be functionalized 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

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
Line	Date	Property Description	Function (T) or (G) T = Transmission G = General	Basis	Proceeds	(Gain) / Loss	Functional Allocator	Functionalized Proceeds (Gain) / Loss
1						-	0.000%	-
2						-	0.000%	-
3						-	0.000%	-
4				Net (Gain) or Loss for 2009		<u>-</u>		<u>-</u>

AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2009 FF1 Balances
 Calculation of Post-employment Benefits Other than Pensions Expenses Allocable to Transmission Service
 Worksheet O - PBOP Support
 AEP WEST VIRGINIA TRANSMISSION COMPANY

PBOP	(A)	(B)
1	<u>Calculation of PBOP Expenses</u>	
2	<u>AEP TransCo - AEP Service Corp Employees</u>	
3	Total PBOP expenses	\$175,004,650
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	\$175,004,650
6	Labor dollars	\$1,305,947,156
7	Cost per labor dollar	\$0.134
8	Base PBOP TransCo labor expensed current year	0
9	Allowable TransCo PBOP Expense for current year	\$0
10	Direct PBOP Expense per Actuarial Report	\$0
11	Additional PBOP Ledger Entry (From Company Records)	\$0
12	Medicare Expense	\$0
13	PBOP Expenses From AEP Service Corporation (from Company Records)	\$137
14	Actual PBOP Expense (Sum Lines 10-13)	\$137
15	PBOP Adjustment Line 14 less Line 9	-\$137