

AEP EAST Companies Transmission Formula Rate Revenue Requirement
Utilizing FERC Form 1 Data
For rates effective July 1, 2010

AEP Zone Transmission Service Revenue Requirement

Line No.			AEP Annual Revenue Requirement	APCo Annual Revenue Requirement	CSP Annual Revenue Requirement	I&M Annual Revenue Requirement	KPCo Annual Revenue Requirement	KNG Annual Revenue Requirement	OPCo Annual Revenue Requirement	WPCo Annual Revenue Requirement
A. Network Service										
1	REVENUE REQUIREMENT (w/o incentives)	(TCOS Ln 1)	\$620,764,422	\$191,656,808	\$144,467,615	\$79,599,351	\$41,178,105	\$2,502,063	\$157,906,817	\$3,453,663
2	LESS: REVENUE CREDITS	(TCOS Ln 2)	\$29,013,826	\$7,451,814	\$9,661,925	\$3,042,204	\$2,434,307	\$167,418	\$4,836,598	\$1,419,560
3	CURRENT YEAR ZONE 1 AEP NETWORK SERVICE REVENUE REQUIREMENT	(TCOS Ln 3)	\$591,750,596	\$184,204,994	\$134,805,690	\$76,557,147	\$38,743,798	\$2,334,645	\$153,070,219	\$2,034,103
4	LESS: REVENUE REQUIREMENTS INCLUDED IN LINE 1 FOR:									
5	RTEP UPGRADES (W/O INCENTIVES)	(TCOS Ln 4)	\$4,529,789	\$2,027,403	\$0	\$1,408,114	\$0	\$0	\$1,094,271	\$0
6	OTHER ZONAL UPGRADES (W/O INCENTIVES)	(Worksheet J)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	SUBTOTAL		\$4,529,789	\$2,027,403	\$0	\$1,408,114	\$0	\$0	\$1,094,271	\$0
8	EXISTING ZONAL ATRR (W/O INCENTIVES)	(Ln 3- Ln 7)	\$587,220,808	\$182,177,591	\$134,805,690	\$75,149,032	\$38,743,798	\$2,334,645	\$151,975,948	\$2,034,103
9	INCENTIVE REVENUE REQUIREMENT FOR ZONAL PROJECTS	(Worksheet J)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	EXISTING ZONAL ATRR (W/ INCENTIVES)	(Ln 8 + Ln 9)	\$587,220,808	\$182,177,591	\$134,805,690	\$75,149,032	\$38,743,798	\$2,334,645	\$151,975,948	\$2,034,103
11	BILLED HISTORICAL YEAR (2009) ACTUAL ATRR	Input from 2009 True-up	\$470,610,197	\$162,098,205	\$84,423,728	\$93,061,523	\$32,369,474	\$0	\$98,657,267	\$0
12	BILLED PROJECTED (2009) ATRR FROM PRIOR YEAR	Input from Prior Year	\$505,337,164	\$174,097,086	\$90,651,344	\$99,947,883	\$34,765,620	\$0	\$105,875,231	\$0
13	PRIOR YEAR TRUE-UP	(Ln 11 - Ln 12)	-\$34,726,968	-\$11,998,881	-\$6,227,616	-\$6,886,361	-\$2,396,146	\$0	-\$7,217,964	\$0
14	INTEREST ON PRIOR YEAR TRUE UP		-\$1,564,803	-\$547,223	-\$286,182	-\$280,217	-\$110,256	\$0	-\$340,925	\$0
15	EXISTING ZONAL ATRR FOR PJM OATT	(Ln 10 + Ln 13 + Ln 14)	\$550,929,037	\$169,631,487	\$128,291,892	\$67,982,455	\$36,237,396	\$2,334,645	\$144,417,059	\$2,034,103
B. Point-to-Point Service										
16	2009 AEP East Zone Network Service Peak Load			24,421.9	MW					
17	Annual Point-to-Point Rate in \$/MW - Year	(Ln 15 / Ln 16)	\$22,558.81							
18	Monthly Point-to-Point Rate in \$/MW - Month	(Ln 17 / 12)	\$1,879.90							
19	Weekly Point-to-Point Rate in \$/MW - Weekly	(Ln 17 / 52)	\$433.82							
20	Daily On-Peak Point-to-Point Rate in \$/MW - Day	(Ln 17 / 260)	\$86.76							
21	Daily Off-Peak Point-to-Point Rate in \$/MW - Day	(Ln 17 / 365)	\$61.81							
22	Hourly On-Peak Point-to-Point Rate in \$/MW - Hour	(Ln 17 / 4160)	\$5.42							
23	Hourly Off-Peak Point-to-Point Rate in \$/MW - Hour	(Ln 17 / 8760)	\$2.58							
C. PJM Regional Service										
24	RTEP UPGRADE ATRR W/O INCENTIVES	(Ln 7)	4,529,789	2,027,403	-	1,408,114	-	-	1,094,271	-
25	ADDITIONAL ATRR FOR FERC-APPROVED INCENTIVES ON RTEP	(Worksheet J)	-	-	-	-	-	-	-	-
26	TRUE-UP ADJUSTMENT INCLUDING INTEREST		1,701,077	645,326	-	750,586	-	-	305,165	-
27	RTEP ATRR FOR PJM COLLECTION UNDER SCHEDULE 12		\$ 6,230,866	2,672,729	-	2,158,701	-	-	1,399,436	-

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AEP Transmission Schedule 1A Revenue Requirements

Line No.		AEP Annual Revenue Requirement	APCo Annual Revenue Requirement	CSP Annual Revenue Requirement	I&M Annual Revenue Requirement	KPCo Annual Revenue Requirement	KNG Annual Revenue Requirement	OPCo Annual Revenue Requirement	WPCo Annual Revenue Requirement
A. Schedule 1A ARR									
1	Total Load Dispatch & Scheduling (Account 561) (TCOS Line 14)	\$30,462,563	\$10,271,824	\$4,820,077	\$4,342,170	\$2,102,150	\$46,506	\$8,806,009	\$73,827
2	Less: Load Disptach - Scheduling, System Control and Dispatch Services (321.88.b)	\$15,046,398	\$5,355,294	\$2,853,695	\$2,348,093	\$1,089,485	\$0	\$3,399,831	\$0
3	Less: Load Disptach - Reliability, Planning & Standards Development Services (321.92.6)	\$2,833,002	\$1,011,205	\$535,808	\$442,226	\$205,436	\$0	\$638,327	\$0
4	Total 561 Internally Developed Costs (Ln 1 - Ln 2 - Ln 3)	\$12,583,163	\$3,905,325	\$1,430,574	\$1,551,851	\$807,229	\$46,506	\$4,767,851	\$73,827
5	Less: PTP Service Credit	\$1,399,947	\$486,226	\$256,625	\$250,501	\$98,532		\$308,064	
6	EXISTING ZONAL ARR (Ln 4 - Ln 5)	\$11,183,216	\$3,419,099	\$1,173,949	\$1,301,350	\$708,697	\$46,506	\$4,459,787	\$73,827
7	BILLED HISTORICAL YEAR (2009) ACTUAL ARR	\$9,059,250	\$3,108,349	\$1,612,374	\$1,846,370	\$614,436	\$0	\$1,877,721	\$0
8	BILLED PROJECTED (2009) ARR FROM PRIOR YEAR	\$6,952,994	\$2,388,482	\$1,237,354	\$1,418,530	\$472,175	\$0	\$1,436,454	\$0
9	PRIOR YEAR TRUE-UP (Ln 7 - Ln 8)	\$2,106,256	\$719,867	\$375,020	\$427,840	\$142,261	\$0	\$441,267	\$0
10	INTEREST ON PRIOR YEAR TRUE UP	\$108,812	\$38,052	\$19,900	\$19,486	\$7,667	\$0	\$23,707	\$0
11	Net Schedule 1A Revenue Requirement for Zone	\$13,398,284	\$4,177,019	\$1,568,870	\$1,748,676	\$858,625	\$46,506	\$4,924,761	\$73,827
B. Schedule 1A Rate Calculations									
12	2009 AEP East Zone Annual MWh		131,471,194	MWh					
13	AEP Zone Rate for Schedule 1A Service.		(Line 11 / Line 12)	\$0.1019					