

Formula Rate Update for AEP East subsidiaries in PJM

**To be Effective July 1, 2011 through June 30, 2012
Docket No ER08-1329**

Pursuant to PJM OATT Attachment H-14A (Formula Rate Implementation Protocols), AEP has calculated its Annual Transmission Revenue Requirements (ATRR) to produce the “Annual Update” for the Rate Year beginning July 1, 2011 through June 30, 2012. All the files pertaining to the Annual Update are to be posted on the PJM website in PDF format. The first file provides the ATRR and rates for Network transmission service and Scheduling System Control and Dispatch Service (Schedule 1A), and the annual transmission revenue requirement for RTEP projects (Schedule 12). An informational filing will also be submitted to the FERC.

AEP network service rate will increase effective July 1, 2011 from \$22,558.81 per MW per year to \$28,183.77 per MW per year with the AEP annual revenue requirement increasing from \$550,929,037 to \$662,101,689.

The AEP Schedule 1A rate decreased from \$.1019 per MWh to \$.0918 per MWh.

An annual revenue requirement of \$5,890,993 for three RTEP projects (including true-up and interest) is to be collected under PJM Tariff Schedule 12. The RTEP Projects include:

1. b0504 (Hanging Rock) of \$1,486,724
2. b0318 (Amos 765/138 kV Transformer) of \$2,052,886
3. b0839 (Twin Branch) of \$2,351,382