

Formula Rate Update for

**AEP Appalachian Transmission Company, Inc.
AEP Indiana Michigan Transmission Company, Inc.
AEP Kentucky Transmission Company, Inc.
AEP Ohio Transmission Company, Inc.
AEP West Virginia Transmission Company, Inc.**

**To be Effective July 1, 2011
Docket No ER10-355**

Pursuant to Attachment H-20A (Formula Rate Implementation Protocols) in PJM Tariff, 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 also posted on the PJM website in PDF format along with supporting workpapers. The first file provides the ATRR and rates for Network transmission service and Scheduling System Control and Dispatch Service, Schedule 1A.

AEP network service rate will increase effective July 1, 2011 from \$148.77 per MW per year (\$0.41/MW Day) to \$440.94 per MW per year (\$1.21/MW Day) with the AEP annual revenue requirement increasing from \$3,633,124 to \$10,358,686.

The AEP Transmission Companies’ Schedule 1A rates are not applicable because they are handled via AEP Operating Companies.

Currently there are no RTEP projects to be collected under PJM Tariff Schedule 12.