

AEP East Companies  
 Transmission Cost of Service Formula Rate  
 Utilizing Historic Cost Data for 2010 and Projected Net Plant at Year-End 2011

**WHEELING POWER COMPANY**

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 138)			\$4,982,356
2	REVENUE CREDITS	(Note A) (Worksheet E)	1,344,290	DA 1.00000	\$ 1,344,290
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			<u>\$ 3,638,066</u>

**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	((In 1 - In 105 - In 106)/((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			26.03%
7	Monthly Rate	(In 6 / 12)			2.17%
8	NET PLANT CARRYING CHARGE ON LINE 6, w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((In 1 - In 105 - In 106 - In 111 - In 112)/((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			22.05%
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 106 - In 111 - In 112 - In 133 - In 134)/((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			7.26%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J)				-
13	<b>REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES</b>				
14	Total Load Dispatch & Scheduling (Account 561)	Line 85 Below			86,937
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				0
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				0
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			<u>86,937</u>

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Historic Cost Data for 2010 and Projected Net Plant at Year-End 2011

WHEELING POWER 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.C)	0	NA 0.00000	0
19	Less: Production ARO (Enter Negative)	(Worksheet A In 2.C)	0	NA 0.00000	0
20	Transmission	(Worksheet A In 3.E & Ln 142)	29,949,832	DA	29,949,832
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 143)	0	TP 1.00000	0
22	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.D)		8,077,323	DA 1.00000	8,077,323
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I, In 22.D)		0	DA 1.00000	0
24	Distribution	(Worksheet A In 5.C)	117,381,116	NA 0.00000	0
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.C)	0	NA 0.00000	0
26	General Plant	(Worksheet A In 7.C)	4,913,190	W/S 0.05436	267,104
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	-34,819	W/S 0.05436	(1,893)
28	Intangible Plant	(Worksheet A In 9.C)	1,309,917	W/S 0.05436	71,213
29	TOTAL GROSS PLANT	(sum Ins 18 to 28)	161,596,559		38,363,580
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	Production	(Worksheet A In 12.C)	0	NA 0.00000	0
32	Less: Production ARO (Enter Negative)	(Worksheet A In 13.C)	0	NA 0.00000	0
33	Transmission	(Worksheet A In 14.C & 28.C)	18,123,210	TP1= 1.00000	18,123,210
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	0	TP1= 1.00000	0
35	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.I)		-15,809	DA 1.00000	(15,809)
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I In 24.D)		0	DA 1.00000	0
37	Plus: Additional Transmission Depreciation for 2011 (In 111)		778,118	TP1 1.00000	778,118
38	Plus: Additional General & Intangible Depreciation for 2011 (In 113 + In 114)		272,576	W/S 0.05436	14,819
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I In 23.D)		0	DA 1.00000	0
40	Distribution	(Worksheet A In 16.C)	36,727,450	NA 0.00000	0
41	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.C)	0	NA 0.00000	0
42	General Plant	(Worksheet A In 18.C)	2,477,144	W/S 0.05436	134,669
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	-16,722	W/S 0.05436	(909)
44	Intangible Plant	(Worksheet A In 20.C)	1,231,890	W/S 0.05436	66,971
45	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 31 to 44)	59,577,857		19,101,069
46	NET PLANT IN SERVICE				
47	Production	(In 18 + In 19 - In 31 - In 32)	0		0
48	Transmission	(In 20 + In 21 - In 33 - In 34)	11,826,622		11,826,622
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		8,093,132		8,093,132
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		0		0
51	Plus: Additional Transmission Depreciation for 2011 (-In 37)		(778,118)		(778,118)
52	Plus: Additional General & Intangible Depreciation for 2011 (-In 38)		(272,576)		(14,819)
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		0		0
54	Distribution	(In 24 + In 25 - In 40 - In 41)	80,653,666		0
55	General Plant	(In 26 + In 27 - In 42 - In 43)	2,417,949		131,451
56	Intangible Plant	(In 28 - In 44)	78,027		4,242
57	TOTAL NET PLANT IN SERVICE	(sum Ins 47 to 56)	102,018,702		19,262,511
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
59	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.C)	0	NA	0
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	(14,423,855)	DA	(2,435,859)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(2,347,161)	DA	(267,513)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	4,241,486	DA	2,441,288
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	(87,254)	DA	(28,586)
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	(12,616,784)		(290,670)
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	-	DA	0
66	REGULATORY ASSETS	(Worksheet A In 36. (C))	0	DA	0
67	WORKING CAPITAL	(Note E)			
68	Cash Working Capital	(1/8 * In 88)	109,681		109,681
69	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	171	TP 1.00000	171
70	A&G Materials & Supplies	(Worksheet C, In 3.(D))	1,419	W/S 0.05436	77
71	Stores Expense	(Worksheet C, In 4.(D))	0	GP(h) 0.19728	0
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 6.G)	6,712,379	W/S 0.05436	364,917
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 6.F)	358,187	GP(h) 0.19728	70,663
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 6.E)	0	DA 1.00000	0
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 6.D)	(6,712,379)	NA 0.00000	0
76	TOTAL WORKING CAPITAL	(sum Ins 68 to 75)	469,458		545,508
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA 1.00000	-
78	RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)		89,871,376		19,517,349

AEP East Companies  
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WHEELING POWER COMPANY

Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator	(5) Total Transmission
79	OPERATION & MAINTENANCE EXPENSE				
80	Production	321.80.b	74,134,467		
81	Distribution	322.156.b	9,322,059		
82	Customer Related Expense	322.164,171,178.b	1,934,884		
83	Regional Marketing Expenses	322.131.b	-		
84	Transmission	321.112.b	1,027,800		
85	TOTAL O&M EXPENSES	(sum Ins 79 to 83)	86,419,210		
86	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	86,937		
87	Less: Account 565	(Note H) 321.96.b	-		
88	Less: State Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	63,419		
88	Total O&M Allocable to Transmission	(Ins 83 - 85 - 86 - 87)	877,444	TP 1.00000	877,444
89	Administrative and General	323.197.b (Note J)	2,532,091		
90	Less: Acct. 924, Property Insurance	323.185.b	116,164		
91	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	616,269		
92	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	(163,291)		
93	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	27,135		
94	Acct. 928, Reg. Com. Exp.	323.189.b	-		
95	Acct. 930.1, Gen. Advert. Exp.	323.191.b	8,891		
96	Acct. 930.2, Misc. Gen. Exp.	323.192.b	(9,735)		
97	Balance of A & G	(In 89 - sum In 90 to In 96)	1,936,658	W/S 0.05436	105,286
98	Plus: Acct. 924, Property Insurance	(In 90)	116,164	GP(h) 0.19728	22,917
99	Acct. 928 - Transmission Specific	Worksheet F In 18.(E) (Note L)	-	TP 1.00000	-
100	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 29.(E) (Note L)	-	TP 1.00000	-
101	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 34.(E) (Note L)	709	DA 1.00000	709
102	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 7, (Note M)	459,397	W/S 0.05436	24,975
103	A & G Subtotal	(sum Ins 97 to 102)	2,512,928		153,887
104	O & M EXPENSE SUBTOTAL	(In 88 + In 103)	3,390,372		1,031,331
105	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA 1.00000	-
106	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA 1.00000	-
107	TOTAL O & M EXPENSE	(In 104 + In 105 + In 106)	3,390,372		1,031,331
108	DEPRECIATION AND AMORTIZATION EXPENSE				
109	Production	336.2-6.f	-	NA 0.00000	-
110	Distribution	336.8.f	3,873,967	NA 0.00000	-
111	Transmission	336.7.f	778,118	TP1 1.00000	778,118
112	Plus: Transmission Plant-in-Service Additions (Worksheet I In 21.1)		(15,809)	DA 1.00000	(15,809)
113	General	336.10.f	158,274	W/S 0.05436	8,605
114	Intangible	336.1.f	114,302	W/S 0.05436	6,214
115	TOTAL DEPRECIATION AND AMORTIZATION	(Lns 109+110+111 +112+113+114) (Note N)	4,908,852		777,128
116	TAXES OTHER THAN INCOME				
117	Labor Related				
118	Payroll	Worksheet H In 21.(D)	221,379	W/S 0.05436	12,035
119	Plant Related				
120	Property	Worksheet H In 21.(C) & In 35.(C)	1,558,406	DA	199,293
121	Gross Receipts/Sales & Use	Worksheet H In 21.(F)	4,921,982	NA 0.00000	-
122	Other	Worksheet H In 21.(E)	674,239	GP(h) 0.19728	133,014
123	TOTAL OTHER TAXES	(sum Ins 118 to 122)	7,376,006		344,342
124	INCOME TAXES	(Note O)			
125	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$		40.51%		
126	$EIT=\frac{T}{(1-T)} * (1 - (WCLTD/WACC))$		55.01%		
127	where WCLTD=(In 162) and WACC = (In 165)				
128	and FIT, SIT & p are as given in Note O.				
129	$GRCF=1 / (1 - T)$ = (from In 125)		1.6810		
130	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
131	Income Tax Calculation	(In 127 * In 135)	4,623,732		1,004,135
132	ITC adjustment	(In 129 * In 130)	-	NP(h) 0.12595	-
133	TOTAL INCOME TAXES	(sum Ins 131 to 132)	4,623,732		1,004,135
134	RETURN ON RATE BASE (Rate Base * WACC)	(In 78 * In 165)	8,405,500		1,825,421
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 * In126)		-		-
138	TOTAL REVENUE REQUIREMENT (sum Ins 107, 115, 123, 133, 134, 135, 136, 137)		28,704,461		4,982,356

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 Transmission Cost of Service Formula Rate  
 Utilizing Historic Cost Data for 2010 and Projected Net Plant at Year-End 2011

WHEELING POWER COMPANY

SUPPORTING CALCULATIONS

In							
<u>No.</u>	TRANSMISSION PLANT INCLUDED IN PJM TARIFF						
139	Total transmission plant	(In 20)					29,949,832
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)					<u>29,949,832</u>
143	Percent of transmission plant in PJM Tariff	(In 142 / In 139)				<b>TP</b>	<b>1.00000</b>
144	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total		
145	Production	354.20.b	0	0	-	NA	0.00000
146	Transmission	354.21.b	726	204,800	205,526	TP	1.00000
147	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000
148	Distribution	354.23.b	2,443,220	387,425	2,830,645	NA	0.00000
149	Other (Excludes A&G)	354.24,25,26.b	358,141	386,192	744,333	NA	0.00000
150	Total	(sum Ins 145 to 149)	<u>2,802,087</u>	<u>978,417</u>	<u>3,780,504</u>		<u>205,526</u>
151	Transmission related amount					<b>W/S=</b>	<b>0.05436</b>
152	WEIGHTED AVERAGE COST OF CAPITAL (WACC)						<u>\$</u>
153	Long Term Interest	(Worksheet L, In. 35, col. (D))					1,312,500
154	Preferred Dividends	(Worksheet L, In. 40, col. (D))					-
155	<u>Development of Common Stock:</u>						
156	Proprietary Capital	(FF1 p 112, Ln 16.c)					46,210,168
157	Less: Preferred Stock	(FF1 p 112, Ln 3.c)					-
158	Less: Account 216.1	(FF1 p 112, Ln 12.c)					-
159	Less: Account 219	(FF1 p 112, Ln 15.c)					<u>(1,782,906)</u>
160	Common Stock	(In 156 - In 157 - In 158 - In 159)					<u>47,993,074</u>
161			\$	%		Cost (Note S)	Weighted
162	Long Term Debt (Note T) Worksheet L, In 35, col. (B))		<u>25,000,000</u>	<u>34.25%</u>		0.0525	0.0180
163	Preferred Stock (In 157)		-	0.00%		-	0.0000
164	Common Stock (In 160)		<u>47,993,074</u>	<u>65.75%</u>		11.49%	<u>0.0755</u>
165	Total (Sum Ins 162 to 164)		<u>72,993,074</u>			<b>WACC=</b>	<b>0.0935</b>

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 Transmission Cost of Service Formula Rate  
 Utilizing Historic Cost Data for 2010 and Projected Net Plant at Year-End 2011

WHEELING POWER 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, 2011. Other ratebase amounts are as of December 31, 2010.
- 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. The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 88. It excludes:  
 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 85.  
 2) AEP transmission equalization transfers, as shown on line 86  
 3) The impact of state regulatory deferrals and amortizations, as shown on line 87  
 4) All A&G Expenses, as shown on line 103.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 77 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 from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 15 & 16 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 88. 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 lines 105 and 106 to determine the total O&M collected in the formula. The amounts on lines 105 and 106 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11. The addbacks on lines 105 and 106 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity. The company records referenced on lines 105 and 106 is the WHEELING POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K These deductions on lines 91 through 93 are to remove from the cost of service the expenses recorded by the company for Postemployment 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. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the seven operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O, and the process for updating the annual total is documented on Attachment F, Allowable PBOP Expense Formula.
- 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 130) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.  
 Inputs Required: FIT = 35.00%  
 SIT = 8.48% (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) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO membership. In the Projected & Historic templates, the interest expense on long-term debt is the sum of a full year's interest expense at the coupon rate for each issuance outstanding as of December 31 of the historic year. The projected expense for variable rate debt will be based on the effective rate at December 31. These conventions ensure that the expense used in the projection will reflect a full year, similar to the actual expense that will appear in the subsequent true-up of the projection, and minimize the impact on the true-up of using a partial year interest expense. The projection will reflect the actual historic-year expense recorded for issuance expenses, discounts and premiums, and gains or losses on reacquired debt. Eligible hedging gains or losses will be limited to five basis points of the projected capital structure. Details and calculations are shown on Worksheet L.
- T This note only applies to Indiana Michigan Power Company.
- U This note only applies to the true-up template.

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Historic Cost Data for 2010 with Year-End Rate Base Balances

**WHEELING POWER COMPANY**

Line No.			Total	Allocator	Transmission Amount
166	REVENUE REQUIREMENT (w/o incentives)	(In 303)			\$3,939,809
167	REVENUE CREDITS	(Note A) (Worksheet E)	1,344,290	DA 1.00000	\$ 1,344,290
168	REVENUE REQUIREMENT For All Company Facilities	(In 166 less In 167)			<u>\$ 2,595,519</u>

**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 271) / In 213 x 100)			33.31%
172	Monthly Rate	(In 171 / 12)			2.78%
173	NET PLANT CARRYING CHARGE ON LINE 171 , w/o depreciation or ROE incentives (Note B)				
174	Annual Rate	( (In 166 - In 270 - In 271 - In 276) / In 213 x 100)			26.73%
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 271 - In 276 - In 298 - In 299) / In 213 x 100)			11.76%
177	Not applicable on this template				

**178 REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES**

179	Total Load Dispatch & Scheduling (Account 561)	Line 250 Below			86,937
180	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				-
181	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
182	Total 561 Internally Developed Costs	(Line 179 - Line 180 - Line 181)			<u>86,937</u>

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Historic Cost Data for 2010 with Year-End Rate Base Balances

WHEELING POWER COMPANY

Line No.	(1) <u>RATE BASE CALCULATION</u>	(2) <u>Data Sources</u> <u>(See "General Notes")</u>	(3) <u>TO Total</u> <u>NOTE C</u>	(4) <u>Allocator</u>	(5) <u>Total</u> <u>Transmission</u>
183	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.E & Ln 307)	29,949,832	DA	29,949,832
186	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 308)	-	TP	1.00000
187	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	0.00000
188	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	0.00000
189	Distribution	(Worksheet A In 5.C)	117,381,116	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)	4,913,190	W/S	0.05436
192	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	(34,819)	W/S	0.05436
193	Intangible Plant	(Worksheet A In 9.C)	1,309,917	W/S	0.05436
194	TOTAL GROSS PLANT	(sum Ins 183 to 193)	153,519,236	<b>GP(h)=</b>	<b>0.197280</b>
				<b>GTD=</b>	<b>0.20328</b>
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)	18,123,210	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
201	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
202	Plus: Additional Transmission Depreciation for 2011 (In 276)		N/A	TP1	1.00000
203	Plus: Additional General & Intangible Depreciation for 2011 (In 275 + In 276)		N/A	W/S	0.05436
204	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
205	Distribution	(Worksheet A In 16.C)	36,727,450	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)	2,477,144	W/S	0.05436
208	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	(16,722)	W/S	0.05436
209	Intangible Plant	(Worksheet A In 20.C)	1,231,890	W/S	0.05436
210	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 196 to 209)	58,542,972		
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)	11,826,622		11,826,622
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 2011 (-In 202)		N/A		N/A
217	Plus: Additional General & Intangible Depreciation for 2011 (-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)	80,653,666		-
220	General Plant	(In 191 + In 192 - In 207 - In 208)	2,417,949		131,451
221	Intangible Plant	(In 193 - In 209)	78,027		4,242
222	TOTAL NET PLANT IN SERVICE	(sum Ins 212 to 221)	94,976,264	<b>NP(h)=</b>	<b>0.125951</b>
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)	(14,423,855)	DA	(2,435,859)
226	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(2,347,161)	DA	(267,513)
227	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	4,241,486	DA	2,441,288
228	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	(87,254)	DA	(28,586)
229	TOTAL ADJUSTMENTS	(sum Ins 224 to 228)	(12,616,784)		(290,670)
230	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	-	DA	-
231	REGULATORY ASSETS	(Worksheet A In 36. (C))	-	DA	-
232	WORKING CAPITAL	(Note E)			
233	Cash Working Capital	(1/8 * In 253)	109,681		109,681
234	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	171	TP	1.00000
235	A&G Materials & Supplies	(Worksheet C, In 3.(D))	1,419	W/S	0.05436
236	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	0.19728
237	Prepayments (Account 165) - Labor Allocated	(Worksheet D, In 6.G)	6,712,379	W/S	0.05436
238	Prepayments (Account 165) - Gross Plant	(Worksheet D, In 6.F)	358,187	GP(h)	0.19728
239	Prepayments (Account 165) - Transmission Only	(Worksheet D, In 6.E)	-	DA	1.00000
240	Prepayments (Account 165) - Unallocable	(Worksheet D, In 6.D)	(6,712,379)	NA	0.00000
241	TOTAL WORKING CAPITAL	(sum Ins 233 to 240)	469,458		545,508
242	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA	1.00000
243	RATE BASE (sum Ins 222, 229, 230, 231, 241, 242)		82,828,938		12,217,153

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Historic Cost Data for 2010 with Year-End Rate Base Balances

WHEELING POWER COMPANY

	(1)	(2)	(3)	(4)	(5)
Line	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
No.	OPERATION & MAINTENANCE EXPENSE				
244	Production	321.80.b	74,134,467		
245	Distribution	322.156.b	9,322,059		
246	Customer Related Expense	322 & 323.164,171,178.b	1,934,884		
247	Regional Marketing Expenses	322.131.b	-		
248	Transmission	321.112.b	1,027,800		
249	TOTAL O&M EXPENSES	(sum Ins 244 to 248)	86,419,210		
250	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	86,937		
251	Less: Account 565	(Note H) 321.96.b	-		
252	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	63,419		
253	Total O&M Allocable to Transmission	(Ins 248 - 250 - 251 - 252)	877,444	TP	1.00000
254	Administrative and General	323.197.b (Note J)	2,532,091		
255	Less: Acct. 924, Property Insurance	323.185.b	116,164		
256	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	616,269		
257	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	(163,291)		
258	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	27,135		
259	Acct. 928, Reg. Com. Exp.	323.189.b	-		
260	Acct. 930.1, Gen. Advert. Exp.	323.191.b	8,891		
261	Acct. 930.2, Misc. Gen. Exp.	323.192.b	(9,735)		
262	Balance of A & G	(In 254 - sum In 255 to In 261)	1,936,658	W/S	0.05436
263	Plus: Acct. 924, Property Insurance	(In 255)	116,164	GP(h)	0.19728
264	Acct. 928 - Transmission Specific	Worksheet F In 18.(E) (Note L)	-	TP	1.00000
265	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 29.(E) (Note L)	-	TP	1.00000
266	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 34.(E) (Note L)	709	DA	1.00000
267	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 7, (Note M)	459,397	W/S	0.05436
268	A & G Subtotal	(sum Ins 262 to 267)	2,512,928		
269	O & M EXPENSE SUBTOTAL	(In 253 + In 268)	3,390,372		
270	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA	1.00000
271	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	1.00000
272	TOTAL O & M EXPENSE	(In 269 + In 270 + In 271)	3,390,372		
273	DEPRECIATION AND AMORTIZATION EXPENSE				
274	Production	336.2-6.f	-	NA	0.00000
275	Distribution	336.8.f	3,873,967	NA	0.00000
276	Transmission	336.7.f	778,118	TP1	1.00000
277	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
278	General	336.10.f	158,274	W/S	0.05436
279	Intangible	336.1.f	114,302	W/S	0.05436
280	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 274+275+276+277+278+279)	4,924,661		
281	TAXES OTHER THAN INCOME	(Note N)			
282	Labor Related				
283	Payroll	Worksheet H In 21.(D)	221,379	W/S	0.05436
284	Plant Related				
285	Property	Worksheet H In 21.(C) & In 35.(C)	1,558,406	DA	0.00000
286	Gross Receipts/Sales & Use	Worksheet H In 21.(F)	4,921,982	NA	0.00000
287	Other	Worksheet H In 21.(E)	674,239	GP(h)	0.19728
288	TOTAL OTHER TAXES	(sum Ins 283 to 287)	7,376,006		
289	INCOME TAXES	(Note O)			
290	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\}$		40.51%		
291	$EIT=(T/(1-T)) * (1-(WCLTD/WACC))$		55.01%		
292	where WCLTD=(In 327) and WACC = (In 330)				
293	and FIT, SIT & p are as given in Note O.				
294	$GRCF=1 / (1 - T) = (from In 290)$		1.6810		
295	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
296	Income Tax Calculation	(In 291 * In 299)	4,261,410		
297	ITC adjustment	(In 294 * In 295)	-	NP(h)	0.12595
298	TOTAL INCOME TAXES	(sum Ins 296 to 297)	4,261,410		
299	RETURN ON RATE BASE (Rate Base*WACC)	(In 243 * In 330)	7,746,834		
300	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	1.00000
301	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		
302	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 301 * In291)		-		
303	TOTAL REVENUE REQUIREMENT	(sum Ins 272, 280, 288, 298, 299, 300, 301, 302)	27,699,283		
					3,939,809

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Historic Cost Data for 2010 with Year-End Rate Base Balances

WHEELING POWER COMPANY

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
304	Total transmission plant	(In 185)						29,949,832
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)						29,949,832
308	Percent of transmission plant in PJM Tariff	(In 307 / In 304)						<b>TP= 1.0000</b>
309	WAGES & SALARY ALLOCATOR (W/S)	(Note R)						
			Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
310	Production	354.20.b	0	0	-	NA	0.00000	-
311	Transmission	354.21.b	726	204,800	205,526	TP	1.00000	205,526
312	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000	-
313	Distribution	354.23.b	2,443,220	387,425	2,830,645	NA	0.00000	-
314	Other (Excludes A&G)	354.24,25,26.b	358,141	386,192	744,333	NA	0.00000	-
315	Total	(sum Ins 310 to 314)	2,802,087	978,417	3,780,504			205,526
316	Transmission related amount							<b>W/S= 0.05436</b>
317	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
318	Long Term Interest	(Worksheet L, In. 35, col. (D))						1,312,500
319	Preferred Dividends	(Worksheet L, In. 40, col. (D))						-
320	Development of Common Stock:							
321	Proprietary Capital	(FF1 p 112, Ln 16.c)						46,210,168
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)						(1,782,906)
325	Common Stock	(In 321 - In 322 - In 323 - In 324)						47,993,074
326			\$	%			Cost (Note S)	Weighted
327	Long Term Debt (Note T) Worksheet L, In 35, col. (B))		25,000,000	34.25%			0.0525	0.0180
328	Preferred Stock (In 322)		-	0.00%			-	0.0000
329	Common Stock (In 325)		47,993,074	65.75%			11.49%	0.0755
330	Total (Sum Ins 327 to 329)		72,993,074				<b>WACC=</b>	<b>0.0935</b>

AEP East Companies  
 Transmission Cost of Service Formula Rate  
 Utilizing Historic Cost Data for 2010 with Year-End Rate Base Balances

WHEELING POWER 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 historic as of December 31, 2010.
- 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. The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 253. It excludes:  
 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 250.  
 2) AEP transmission equalization transfers, as shown on line 251  
 3) The impact of state regulatory deferrals and amortizations, as shown on line 252  
 4) All A&G Expenses, as shown on line 268.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 242 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 from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 180 & 181 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 253. 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 lines 270 and 271 to determine the total O&M collected in the formula. The amounts on lines 270 and 271 are also excluded in the calculation of the FCR percentage calculated on lines 170 through 176. The addbacks on lines 270 and 271 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity. The company records referenced on lines 270 and 271 is the WHEELING POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K These deductions on lines 256 through 258 are to remove from the cost of service the expenses recorded by the company for Postemployment 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. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the seven operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O, and the process for updating the annual total is documented on Attachment F, Allowable PBOP Expense Formula.
- 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 = 8.48% (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) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for remaining a member of the PJM RTO.
- In the Projected & Historic templates, the interest expense on long-term debt is the sum of a full year's interest expense at the coupon rate for each issuance outstanding as of December 31 of the historic year. The projected expense for variable rate debt will be based on the effective rate at December 31. These conventions ensure that the expense used in the projection will reflect a full year, similar to the actual expense that will appear in the subsequent true-up of the projection, and minimize the impact on the true-up of using a partial year interest expense. The projection will reflect the actual historic-year expense recorded for issuance expenses, discounts and premiums, and gains or losses on reacquired debt. Eligible hedging gains or losses will be limited to five basis points of the projected capital structure. Details and calculations are shown on Worksheet L.
- T This note only applies to Indiana Michigan Power Company.
- U This note only applies to the true-up template.

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Actual Cost Data for 2010 with Average Ratebase Balances

**WHEELING POWER COMPANY**

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 138)			\$3,959,641
2	REVENUE CREDITS	(Note A) (Worksheet E)	1,344,290	DA 1.00000	\$ 1,344,290
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			<u>\$ 2,615,351</u>

**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 106) / In 48 x 100)			32.48%
7	Monthly Rate	(In 6 / 12)			2.71%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	( (In 1 - In 105 - In 106 - In 111) / In 48 x 100)			26.10%
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 106 - In 111 - In 133 - In 134) / In 48 x 100)			11.42%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet K)				-
13	<b>REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES</b>				
14	Total Load Dispatch & Scheduling (Account 561)	Line 85 Below			86,937
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)			<u>86,937</u>

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Actual Cost Data for 2010 with Average Ratebase Balances

WHEELING POWER COMPANY

Line No.	(1) <b>RATE BASE CALCULATION</b>	(2) <b>Data Sources (See "General Notes")</b>	(3) <b>TO Total NOTE C</b>	(4) <b>Allocator</b>	(5) <b>Total Transmission</b>
	<b>GROSS PLANT IN SERVICE</b>				
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 142)	29,845,006	DA	29,845,006
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 143)	-	TP	1.00000
22	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	0.00000
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	0.00000
24	Distribution	(Worksheet A In 5.E)	115,511,659	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)	4,910,686	W/S	0.05436
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	(34,819)	W/S	0.05436
28	Intangible Plant	(Worksheet A In 9.E)	1,279,983	W/S	0.05436
29	<b>TOTAL GROSS PLANT</b>	(sum Ins 18 to 28)	<b>151,512,513</b>	<b>GP(h)=</b>	<b>0.19919</b>
				<b>GTD=</b>	<b>0.00000</b>
	<b>ACCUMULATED DEPRECIATION AND AMORTIZATION</b>				
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)	17,654,582	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
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
37	Plus: Additional Transmission Depreciation for 2011 (In 111)		N/A	TP1	1.00000
38	Plus: Additional General & Intangible Depreciation for 2011 (In 110 + In 111)		N/A	W/S	0.05436
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
40	Distribution	(Worksheet A In 16.E)	35,661,878	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)	2,401,739	W/S	0.05436
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	(16,305)	W/S	0.05436
44	Intangible Plant	(Worksheet A In 20.E)	1,219,062	W/S	0.05436
45	<b>TOTAL ACCUMULATED DEPRECIATION</b>	(sum Ins 31 to 44)	<b>56,920,956</b>		<b>17,850,539</b>
	<b>NET PLANT IN SERVICE</b>				
46	Production	(In 18 + In 19 - In 31 - In 32)	-		-
48	Transmission	(In 20 + In 21 - In 33 - In 34)	12,190,424		12,190,424
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 2011 (-In 37)		N/A		N/A
52	Plus: Additional General & Intangible Depreciation for 2011 (-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)	79,849,781		-
55	General Plant	(In 26 + In 27 - In 42 - In 43)	2,490,432		135,392
56	Intangible Plant	(In 28 - In 44)	60,921		3,312
57	<b>TOTAL NET PLANT IN SERVICE</b>	(sum Ins 47 to 56)	<b>94,591,557</b>	<b>NP(h)=</b>	<b>0.13034</b>
					<b>12,329,127</b>
	<b>DEFERRED TAX ADJUSTMENTS TO RATE BASE</b>				
58	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)	(12,868,397)	DA	(2,041,523)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(2,372,307)	DA	(267,980)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	3,720,734	DA	1,887,358
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(102,303)	DA	(33,510)
64	<b>TOTAL ADJUSTMENTS</b>	(sum Ins 59 to 63)	<b>(11,622,273)</b>		<b>(455,654)</b>
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	-	DA	-
66	REGULATORY ASSETS	(Worksheet A In 36. (E))	-	DA	-
	<b>WORKING CAPITAL</b>				
67	Cash Working Capital	(Note E)	109,681		109,681
69	Transmission Materials & Supplies	(Worksheet C, In 2.F)	162	TP	1.00000
70	A&G Materials & Supplies	(Worksheet C, In 3.F)	1,426	W/S	0.05436
71	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	0.19919
72	Prepayments (Account 185) - Labor Allocated	(Worksheet C, In 8.G)	6,693,655	W/S	0.05436
73	Prepayments (Account 185) - Gross Plant	(Worksheet C, In 8.F)	318,216	GP(h)	0.19919
74	Prepayments (Account 185) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000
75	Prepayments (Account 185) - Unallocable	(Worksheet C, In 8.D)	(6,693,655)	NA	0.00000
76	<b>TOTAL WORKING CAPITAL</b>	(sum Ins 68 to 75)	<b>429,484</b>		<b>537,203</b>
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8 (B))	-	DA	1.00000
78	<b>RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)</b>		<b>83,398,768</b>		<b>12,410,677</b>

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Actual Cost Data for 2010 with Average Ratebase Balances

WHEELING POWER COMPANY

Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator	(5) Total Transmission
	<b>OPERATION &amp; MAINTENANCE EXPENSE</b>				
79	Production	321.80.b	74,134,467		
80	Distribution	322.156.b	9,322,059		
81	Customer Related Expense	322.164,171,178.b	1,934,884		
82	Regional Marketing Expenses	322.131.b	-		
83	Transmission	321.112.b	1,027,800		
84	TOTAL O&M EXPENSES	(sum Ins 79 to 83)	86,419,210		
85	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	86,937		
86	Less: Account 565	(Note H) 321.96.b	-		
87	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	63,419		
88	Total O&M Allocable to Transmission	(Ins 83 - 85 - 86 - 87)	877,444	TP 1.00000	877,444
89	Administrative and General	323.197.b (Note J)	2,532,091		
90	Less: Acct. 924, Property Insurance	323.185.b	116,164		
91	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	616,269		
92	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	(163,291)		
93	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	27,135		
94	Acct. 928, Reg. Com. Exp.	323.189.b	-		
95	Acct. 930.1, Gen. Advert. Exp.	323.191.b	8,891		
96	Acct. 930.2, Misc. Gen. Exp.	323.192.b	(9,735)		
97	Balance of A & G	(In 89 - sum In 90 to In 96)	1,936,658	W/S 0.05436	105,286
98	Plus: Acct. 924, Property Insurance	(In 90)	116,164	GP(h) 0.19919	23,139
99	Acct. 928 - Transmission Specific	Worksheet F In 18.(E) (Note L)	-	TP 1.00000	-
100	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 29.(E) (Note L)	-	TP 1.00000	-
101	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 34.(E) (Note L)	709	DA 1.00000	709
102	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 7, (Note M)	459,397	W/S 0.05436	24,975
103	A & G Subtotal	(sum Ins 97 to 102)	2,512,928		154,108
104	O & M EXPENSE SUBTOTAL	(In 88 + In 103)	3,390,372		1,031,552
105	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA 1.00000	-
106	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)	Acct 565 (Company Records) (Note H)	-	DA 1.00000	-
107	TOTAL O & M EXPENSE	(In 104 + In 105 + In 106)	3,390,372		1,031,552
108	<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>				
109	Production	336.2-6.f	-	NA 0.00000	-
110	Distribution	336.8.f	3,873,967	NA 0.00000	-
111	Transmission	336.7.f	778,118	TP1 1.00000	778,118
112	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
113	General	336.10.f	158,274	W/S 0.05436	8,605
114	Intangible	336.1.f	114,302	W/S 0.05436	6,214
115	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 109+110+ 111+112+113+114) (Note N)	4,924,661		792,937
116	<b>TAXES OTHER THAN INCOME</b>				
117	Labor Related				
118	Payroll	Worksheet H In 21.(D)	221,379	W/S 0.05436	12,035
119	Plant Related				
120	Property	Worksheet H In 21.(C) & In 35.(C)	1,558,406	DA 1.00000	199,293
121	Gross Receipts/Sales & Use	Worksheet H In 21.(F)	4,921,982	NA 0.00000	-
122	Other	Worksheet H In 21.(E)	674,239	GP(h) 0.19919	134,301
123	TOTAL OTHER TAXES	(sum Ins 118 to 122)	7,376,006		345,629
124	<b>INCOME TAXES</b>				
125	T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =	(Note O)	40.51%		
126	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		54.75%		
127	where WCLTD=(In 162) and WACC = (In 165) and FIT, SIT & p are as given in Note O.				
129	GRCF=1 / (1 - T) = (from In 125)		1.6810		
130	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
131	Income Tax Calculation	(In 126 * In 134)	4,254,338		633,093
132	ITC adjustment	(In 129 * In 130)	-	NP(h) 0.13034	-
133	TOTAL INCOME TAXES	(sum Ins 131 to 132)	4,254,338		633,093
134	RETURN ON RATE BASE (Rate Base*WACC)	(In 78 * In 165)	7,771,110		1,156,429
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 (sum Ins 107, 115, 123, 133, 134, 135)		27,716,486		3,959,641

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Actual Cost Data for 2010 with Average Ratebase Balances

WHEELING POWER COMPANY

SUPPORTING CALCULATIONS

In										
No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
139	Total transmission plant	(In 20)								29,845,006
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)								29,845,006
143	Percent of transmission plant in PJM Tariff	(In 142 / In 139)							<b>TP</b>	<b>1.00000</b>
144	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total					
145	Production	354.20.b	0	0	-	NA	0.00000			-
146	Transmission	354.21.b	726	204,800	205,526	TP	1.00000			205,526
147	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000			-
148	Distribution	354.23.b	2,443,220	387,425	2,830,645	NA	0.00000			-
149	Other (Excludes A&G)	354.24,25,26.b	358,141	386,192	744,333	NA	0.00000			-
150	Total	(sum Ins 145 to 149)	2,802,087	978,417	3,780,504					205,526
151	Transmission related amount								<b>W/S=</b>	<b>0.05436</b>
152	WEIGHTED AVERAGE COST OF CAPITAL (WACC)									\$
153	Long Term Interest	(Worksheet M, In. 21, col. (E))								1,312,500
154	Preferred Dividends	(Worksheet M, In. 56, col. (E))								-
155	<u>Development of Common Stock:</u>									Average
156	Proprietary Capital	(Worksheet M, In. 1, col. (E))								45,057,510
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))								(1,766,203)
160	Common Stock	(In 156 - In 157 - In 158 - In 159)								46,823,713
161		Average \$								
162	Long Term Debt (Note T) W/S M, In 11, In 22, col. (E))	25,000,000								0.0525
163	Preferred Stock (In 157)	-								0.0000
164	Common Stock (In 160)	46,823,713								11.49%
165	Total (Sum Ins 162 to 164)	71,823,713								<b>WACC=</b> <b>0.0932</b>
166	Capital Structure Equity Limit (Note U)	100.0%								

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Actual Cost Data for 2010 with Average Ratebase Balances

WHEELING POWER 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 reflect the average of the balances at December 31, 2009 and December 31, 2010.
- 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. The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 88. It excludes:  
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 85.  
2) AEP transmission equalization transfers, as shown on line 86  
3) The impact of state regulatory deferrals and amortizations, as shown on line 87  
4) All A&G Expenses, as shown on line 103.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 77 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 from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 15 & 16 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 88. 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 lines 105 and 106 to determine the total O&M collected in the formula. The amounts on lines 105 and 106 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11. The addbacks on lines 105 and 106 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity. The company records referenced on lines 105 and 106 is the WHEELING POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense, applicable only for state regulatory purposes.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K These deductions on lines 91 through 93 are to remove from the cost of service the expenses recorded by the company for Postemployment 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. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the seven operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O, and the process for updating the annual total is documented on Attachment F, Allowable PBOP Expense Formula.
- 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= 8.48% (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) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO membership. Interest expense for the true-up WACC is based on actual expenses for the true-up year. The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the true-up capital structure. Details and calculations of the true-up weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains and Losses are defined in the Formula Protocols in the tariff, and on Worksheet M.
- T This note only applies to Indiana Michigan Power Company.
- U Per Settlement, equity for WHEELING POWER COMPANY is limited to 100% of Capital Structure. If the percentage of equity exceeds the cap, the excess is included in weighted percentage of long term debt in the capital structure. During the period ended December 31, 2011 the equity cap is in effect. During this period, a change in the cap percentage must be approved via a 205 filing with the FERC.

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet A Supporting Plant Balances  
WHEELING POWER COMPANY

Line	(A)	(B)	(C)	(D)	(E)
Number	Rate Base Item & Supporting Balance	Source of Data	Balance @ December 31, 2010	Balance @ December 31, 2009	Average Balance for 2010
<b>NOTE: Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.</b>					
<b>Plant Investment Balances</b>					
1	Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 46	-	-	-
2	Production Asset Retirement Obligation (ARO)	FF1, page 205&204, Col.(g)&(b), lns 15,24,34,44	-	-	-
3	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	29,949,832	29,740,179	29,845,006
4	Transmission Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	-	-	-
5	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 75	117,381,116	113,642,201	115,511,659
6	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 74	-	-	-
7	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	4,913,190	4,908,181	4,910,686
8	General Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	34,819	34,819	34,819
9	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5	1,309,917	1,250,048	1,279,983
10	Total Property Investment Balance	(Sum of Lines: 3, 1, 5, 7, 9)	153,554,055	149,540,609	151,547,332
11	Total ARO Balance (included in total on line 10)	(Sum of Lines: 4, 2, 6, 8)	34,819	34,819	34,819
<b>Accumulated Depreciation &amp; Amortization Balances</b>					
12	Production Accumulated Depreciation	FF1, page 219, lns 20-24, Col. (b)	-	-	-
13	Production ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
14	Transmission Accumulated Depreciation	FF1, page 219, ln 25, Col. (b)	18,123,210	17,185,954	17,654,582
15	Transmission ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
16	Distribution Accumulated Depreciation	FF1, page 219, ln 26, Col. (b)	36,727,450	34,596,305	35,661,878
17	Distribution ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
18	General Accumulated Depreciation	FF1, page 219, ln 28, Col. (b)	2,477,144	2,326,334	2,401,739
19	General ARO Accumulated Depreciation	Company Records - Note 1	16,722	15,887	16,305
20	Intangible Accumulated Amortization	FF1, page 200, ln 21, Col. (b)	1,231,890	1,206,234	1,219,062
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 12, 16, 18, 20)	58,559,694	55,314,827	56,937,261
22	Total ARO Balance (included in total on line 21)	(Sum of Lines: 15, 13, 17, 19)	16,722	15,887	16,305
<b>Generation Step-Up Units</b>					
23	GSU Investment Amount	Company Records - Note 1	-	-	-
24	GSU Accumulated Depreciation	Company Records - Note 1	-	-	-
25	GSU Net Balance	(Line 23 - Line 24)	-	-	-
<b>Transmission Accumulated Depreciation Net of GSU Accumulated Depreciation</b>					
26	Transmission Accumulated Depreciation	(Line 14 Above)	18,123,210	17,185,954	17,654,582
27	Less: GSU Accumulated Depreciation	(Line 24 Above)	-	-	-
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)	18,123,210	17,185,954	17,654,582
<b>Plant Held For Future Use</b>					
29	Plant Held For Future Use	FF1, page 214, ln 47, Col. (d)	-	-	-
30	Transmission Plant Held For Future	Company Records - Note 1	-	-	-
<b>Regulatory Assets and Liabilities Approved for Recovery in Ratebase</b>					
Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.					
31					-
32					-
33					-
34					-
35					-
36	Total Regulatory Deferrals Included in Ratebase		-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's property accounting ledger.

NOTE: The ratebase should not include the unamortized balance of hedging gains or losses.

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet B Supporting ADIT and ITC Balances  
WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2010</u>	<u>(D) Balance @ December 31, 2009</u>	<u>(E) Average Balance for 2010</u>
1	<b><u>Account 281</u></b>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
4	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
5	Transmission Related Deferrals	Ln 2 - In 3 - In 4	-	-	-
6	<b><u>Account 282</u></b>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	14,423,855	11,312,939	12,868,397
8	Less: ARO Related Deferrals	Company Records - Note 1	(409)	(117)	(263)
9	Less: Other Excluded Deferrals	Company Records - Note 1	11,988,405	9,665,870	10,827,138
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	2,435,859	1,647,185	2,041,523
11	<b><u>Account 283</u></b>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	2,347,161	2,397,452	2,372,307
13	Less: ARO Related Deferrals	Company Records - Note 1	(23,185)	(23,185)	(23,185)
14	Less: Other Excluded Deferrals	Company Records - Note 1	2,102,833	2,152,191	2,127,512
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	267,513	268,446	267,980
16	<b><u>Account 190</u></b>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	4,241,486	3,199,981	3,720,734
18	Less: ARO Related Deferrals	Company Records - Note 1	11,222	8,692	9,957
19	Less: Other Excluded Deferrals	Company Records - Note 1	1,788,976	1,857,861	1,823,419
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	2,441,288	1,333,429	1,887,358
21	<b><u>Account 255</u></b>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	87,254	117,351	102,303
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	0	0	-
24	ITC Balances Includeable Ratebase	Ln 22 - In 23	87,254	117,351	102,303
25	Transmission Related Deferrals	Company Records - Note 1	28,586	38,433	33,510

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax accounting ledger.

NOTE 2 ADIT balances should exclude balances related to hedging activity.

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet C Supporting Working Capital Rate Base Adjustments  
WHEELING POWER COMPANY

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<b>Materials &amp; Supplies</b>								
<u>Line Number</u>	<u>Source</u>	<u>Balance @ December 31, 2010</u>	<u>Balance @ December 31, 2009</u>	<u>Average Balance for 2010</u>				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	171	152	162			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	1,419	1,433	1,426			
4	Stores Expense (Undistributed)	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

**Prepayment Balance Summary**

	<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	
5							
6	Totals as of December 31, 2010	358,187	(6,712,379)	0	358,187	6,712,379	7,070,566
7	Totals as of December 31, 2009	278,244	(6,674,930)		278,244	6,674,930	6,953,174
8	<b>Average Balance</b>	<b>318,216</b>	<b>(6,693,655)</b>	<b>-</b>	<b>318,216</b>	<b>6,693,655</b>	<b>7,011,870</b>

**Prepayments Account 165 - Balance @ 12/31/2010**

	<u>2010 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>	
9	<u>Acc. No.</u>	<u>Description</u>						
10	1650001	Prepaid Insurance	31,919	-	31,919	31,919	Plant Related Insurance Policies	
11	165000210	Prepaid Taxes	222,315	-	222,315	222,315	Prepaid Taxes	
12	1650010	Prepaid Pension Benefits	6,712,379			6,712,379	Prefunded Pension Expense	
13	1650014	FAS 158 Qual Contra Asset	(6,712,379)	(6,712,379)		-	SFAS 158 Offset	
14	1650016	FAS 112 ASSETS	0	-		-	SFAS 112 Overfunding Asset	
15	1650021	Prepaid Insurance - EIS	103,953	-	103,953	103,953		
	<b>Subtotal - Form 1, p 111.57.c</b>		<b>358,187</b>	<b>(6,712,379)</b>	<b>0</b>	<b>358,187</b>	<b>6,712,379</b>	<b>7,070,566</b>

**Prepayments Account 165 - Balance @ 12/31/ 2009**

	<u>2009 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>	
16	<u>Acc. No.</u>	<u>Description</u>						
17	1650001	Prepaid Insurance	38,170	-	38,170	38,170	Plant Related Insurance Policies	
18	165000209	Prepaid Taxes	219,200	-	219,200	219,200	Prepaid PSC Fees	
19	1650010	Prepaid Pension Benefits	6,674,930			6,674,930	Prefunded Pension Expense	
20	1650014	FAS 158 Qual Contra Asset	(6,674,930)	(6,674,930)		-	SFAS 158 Offset	
21	1650016	FAS 112 ASSETS	0	0		-	SFAS 112 Overfunding Asset	
	1650021	Prepaid Insurance - EIS	20,874	-	20,874	20,874		
	<b>Subtotal - Form 1, p 111.57.d</b>		<b>278,244</b>	<b>(6,674,930)</b>	<b>0</b>	<b>278,244</b>	<b>6,674,930</b>	<b>6,953,174</b>

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet D Supporting IPP Credits  
WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2010</u>
1	Net Funds from IPP Customers 12/31/2009 (2010 FORM 1, P269, line 24.b)	-
2	Interest Accrual (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2010 (2010 FORM 1, P269, line 24.f)	-
8	Average Balance for Year as Indicated in Column $((\text{In } 1 + \text{In } 7)/2)$	-

Note 1 On this worksheet Company Records refers to WHEELING POWER COMPANY's general ledger.

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet E Supporting Revenue Credits  
WHEELING POWER COMPANY

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non-Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	125,707	125,707	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Record:	12,519	12,519	-
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	1,138,353	1,075,204	63,149
4	Account 4560015, Associated Business Development - (Company Records - Note 1)	35,523	35,523	-
5	Account 456 - Other Electric Revenues - (Company Records - Note 1)	1,539,220	258,079	1,281,141
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	2,851,322	1,507,032	1,344,290
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	2,851,322	1,507,032	1,344,290

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or WHEELING POWER COMPANY's general ledger. The functional amounts identified as transmission revenue also come from the general ledger.

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses  
WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Item No.</u>	<u>(B) Description</u>	<u>(C) 2010 Expense</u>	<u>(D) 100% Non-Transmission</u>	<u>(E) 100% Transmission Specific</u>	<u>(F) Explanation</u>
<b>Regulatory O&amp;M Deferrals &amp; Amortizations</b>						
1	5700005	Maint Station-Reliability-Df	63,419			
2						
3						
4		<b>Total</b>	<b>63,419</b>			
<b>Detail of Account 561 Per FERC Form 1</b>						
5	FF1 p 321.84.b	561 - Load Dispatching	0			
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	2,116			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	75,964			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	3			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	0			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	8,854			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	0			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	0			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Servi	0			
14		<b>Total of Account 561</b>	<b>86,937</b>			
<b>Account 928</b>						
15	9280000	Regulatory Commission Exp	-	-	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	Regulatory Commission Exp-Case
17	9280002	Regulatory Commission Exp-Case	-	-	-	Regulatory Commission Exp-Case
18		<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Account 930.1</b>						
19	9301000	General Advertising Expenses	-	-	-	
20	9301001	Newspaper Advertising Space	65	65	-	
21	9301007	Special Adv Space & Prod Exp	-	-	-	
22	9301008	Direct Mail and Handouts	-	-	-	
23	9301009	Fairs, Shows, and Exhibits	5	5	-	
24	9301010	Publicity	108	108	-	
25	9301011	Dedications, Tours, & Openings	2	2	-	
26	9301012	Public Opinion Surveys	5,970	5,970	-	
27	9301014	Video Communications	3	3	-	
28	9301015	Other Corporate Comm Exp	2,738	2,738	-	
29		<b>Total</b>	<b>8,891</b>	<b>8,891</b>	<b>-</b>	
<b>Account 930.2</b>						
30	9302000	Misc General Expenses	-28,331	-28,331		
31	9302003	Corporate & Fiscal Expenses	883	883		
32	9302004	Research, Develop&Demonstr Exp	3,072	3,072		
33	9302007	Assoc Business Development Exp	14,640	13,931	709	
34		<b>Total</b>	<b>(9,736)</b>	<b>(10,445)</b>	<b>709</b>	

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet G Supporting - Development of Composite State Income Tax Rate  
WHEELING POWER COMPANY

West Virginia Corporate Income Tax	8.50%	
Apportionment Factor - Note 2	99.82%	
Effective State Tax Rate		8.48%
State Income Tax Rate - Ohio	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate		<u>8.48%</u>

Note 1 The Ohio State Income Tax is being phased-out prorata over a 5 year period from 2005 through 2009. The taxable portion of income is 20% in 2009. The phase-out factors can be found in the Ohio Revised Code at 5733.01(G)2(a)(v). This tax has been replaced with a Commercial Activites Tax that is included in Schedule H and H-1.

Note 2 Apportionment Factors are determined as part of the Company's annual tax return for that jurisdiction.

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet H Supporting Taxes Other than Income  
WHEELING POWER COMPANY

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
		NOTE 1				
1	<b>Revenue Taxes</b>					
2	Gross Receipts Tax	3,082,797				3,082,797
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - West Virginia	1,558,406	1,558,406			
5	Real and Personal Property - Other	0	-			
6	<b>Payroll Taxes</b>					
7	Federal Insurance Contribution (FICA )	214,617		214,617		
8	Federal Unemployment Tax	1,672		1,672		
9	State Unemployment Insurance	5,090		5,090		
10	<b>Production Taxes</b>					
11	State Severance Taxes	-				-
12	<b>Miscellaneous Taxes</b>					
13	State Business & Occupation Tax	1,838,386				1,838,386
14	State Public Service Commission Fees	486,718			486,718	
15	State Franchise Taxes	187,390			187,390	
16	State Lic/Registration Fee	131			131	
17	Misc. State and Local Tax	-			-	
18	Sales & Use	799			-	799
19	Federal Excise Tax	-			-	-
20	Michigan Single Business Tax	-			-	-
21	Total Taxes by Allocable Basis	<u>7,376,006</u>	<u>1,558,406</u>	<u>221,379</u>	<u>674,239</u>	<u>4,921,982</u>

(Total Company Amount Ties to FFI p.114, Ln 14,(c))

NOTE 1: The detail of each total company number and its source in the FERC Form 1 is shown on WS H-1.

Functional Property Tax Allocation						
	Production	Transmission	Distribution	General	Total	
22	Functionalized Net Plant (Hist. TCOS, Lns 212 thru 222)	-	11,826,622	80,653,666	2,417,949	94,898,237
<b>WEST VIRGINIA JURISDICTION</b>						
23	Percentage of Plant in WEST VIRGINIA JURISDICTION		100.00%	100.00%	100.00%	
24	Net Plant in WEST VIRGINIA JURISDICTION (Ln 22 * Ln 23)	-	11,826,622	80,653,666	2,417,949	94,898,237
25	Less: Net Value of Exempted Generation Plant	-	-	-	-	-
26	Taxable Property Basis (Ln 24 - Ln 25)	-	11,826,622	80,653,666	2,417,949	94,898,237
27	Relative Valuation Factor		100%	100%	100%	
28	Weighted Net Plant (Ln 26 * Ln 27)	-	11,826,622	80,653,666	2,417,949	
29	General Plant Allocator (Ln 28 / (Total - General Plant))	0.00%	12.79%	87.21%	-100.00%	
30	Functionalized General Plant (Ln 29 * General Plant)	-	309,214	2,108,735	(2,417,949)	-
31	Weighted WEST VIRGINIA JURISDICTION Plant (Ln 28 + 30)	-	12,135,836	82,762,401	-	94,898,237
32	Functional Percentage (Ln 31/Total Ln 31)	0.00%	12.79%	87.21%		
33	Functionalized Expense in WEST VIRGINIA JURISDICTION	-	199,293	1,359,113		1,558,406
34	Total Other Jurisdictions: (Line 5 * Net Plant Allocator)		-			-
35	Total Func. Property Taxes (Sum Lns 33, 34)	-	199,293	1,359,113		1,558,406

AEP East Companies  
Cost of Service Formula Rate Using 2008 FF1 Balances  
Worksheet H-1 Form 1 Source Reference of Company Amounts on WS H  
WHEELING POWER COMPANY

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
1	<b>Revenue Taxes</b>			
2	Gross Receipts Tax	3,082,797	151	P.263 ln 36 (i)
			3,082,646	P.263 ln 37 (i)
3	<b>Real Estate and Personal Property Taxes</b>			
4	Real and Personal Property - West Virginia	1,558,406	747,946	P.263 ln 26 (i)
			795,468	P.263 ln 27 (i)
			4,012	P.263 ln 31 (i)
			10,980	P.263 ln 32 (i)
5	Real and Personal Property - Ohio	-		
6	<b>Payroll Taxes</b>			
7	Federal Insurance Contribution (FICA )	214,617	214,617	P.263 ln 4 (i)
8	Federal Unemployment Tax	1,672	1,672	P.263 ln 5 (i)
9	State Unemployment Insurance	5,090	5,090	P.263 ln 40 (i)
10	<b>Production Taxes</b>			
11	State Severance Taxes	-		
12	<b>Miscellaneous Taxes</b>			
13	State Business & Occupation Tax	1,838,386	1,838,386	P.263.1 ln 8 (i)
14	State Public Service Commission Fees	486,718	217,599	P.263 ln 39 (i)
			269,119	P.263 ln 38 (i)
15	State Franchise Taxes	187,390	171,390	P.263 ln 23 (i)
			4,000	P.263 ln 24 (i)
			6,000	P.263.1 ln 9 (i)
			6,000	P.263.1 ln 10 (i)
16	State Lic/Registration Fee	131	131	P.263.1 ln 2 (i)
17	Misc. State and Local Tax	-		
18	Sales & Use	799	139	P.263 ln 34 (i)
			660	P.263 ln 35 (i)
19	Federal Excise Tax	-		
20	Michigan Single Business Tax	-		
21	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	7,376,006	7,376,006	

Note 1: The taxes assessed on each operating company can differ from year to year and between operating companies by both the type of taxes and the states in which they were assessed. Therefore, for each company, the types and jurisdictions of tax expense recorded on this page could differ from the same page in the same company's prior year template or from this page in other operating companies' current year templates. For each update, this sheet will be revised to ensure that the total activity recorded hereon equals the total reported in account 408.1 on P. 114, Ln 14 of the Ferc Form 1.

**AEP East Companies**  
**Cost of Service Formula Rate Using 2010 FF1 Balances**  
**Worksheet I Supporting Transmission Plant in Service Additions**  
**WHEELING POWER COMPANY**

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

**I. Calculation of Composite Depreciation Rate**

1	Transmission Plant @ Beginning of Historic Period (2010) (P.206, In 58,(b)):	29,740,179
2	Transmission Plant @ End of Historic Period (2010) (P.207, In 58,(g)):	29,949,832
3		<hr/>
4	Average Balance of Transmission Investment	59,690,011
5	Annual Depreciation Expense, Historic TCOS, In 276	29,845,006
6	Composite Depreciation Rate	778,118
7	Round to 2.61% to Reflect a Composite Life of 38 Years	2.61%

**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	\$ (623,044)	2.61%	\$ (16,261)	\$ (1,355)	11	\$ (14,905)
10	February	\$ 421,662	2.61%	\$ 11,005	\$ 917	10	\$ 9,170
11	March	\$ (112,404)	2.61%	\$ (2,934)	\$ (244)	9	\$ (2,196)
12	April	\$ (623,031)	2.61%	\$ (16,261)	\$ (1,355)	8	\$ (10,840)
13	May	\$ (623,016)	2.61%	\$ (16,261)	\$ (1,355)	7	\$ (9,485)
14	June	\$ (623,047)	2.61%	\$ (16,262)	\$ (1,355)	6	\$ (8,130)
15	July	\$ (623,303)	2.61%	\$ (16,268)	\$ (1,356)	5	\$ (6,780)
16	August	\$ 22,668	2.61%	\$ 592	\$ 49	4	\$ 196
17	September	\$ 22,722	2.61%	\$ 593	\$ 49	3	\$ 147
18	October	\$ 3,375,919	2.61%	\$ 88,111	\$ 7,343	2	\$ 14,686
19	November	\$ 5,667,831	2.61%	\$ 147,930	\$ 12,328	1	\$ 12,328
20	December	\$ 1,794,367	2.61%	\$ 46,833	\$ 3,903	0	\$ -
21	Investment	<hr/> <hr/> \$ 8,077,323				Depreciation Expense	<hr/> <hr/> \$ (15,809)

**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 2009**

	<u>Estimated Cost</u> <u>(000's)</u>	<u>Month in Service</u>
25 <b>Major Zonal Projects</b>		
26 N/A	\$0	Multiple
27	<hr/> Subtotal \$0	
28 <b>PJM Socialized/Beneficiary Allocated Regional Projects</b>		
29 N/A	\$0	
30	<hr/> Subtotal \$0	

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones  
WHEELING POWER 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)			11.49%
Project ROE Incentive Adder			<==ROE Adder Cannot Exceed 125 Basis Points
ROE with additional basis point incentive			11.49% <== ROE Including Incentives Cannot Exceed 12.74% Until July 1, 2012
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	34.25%	5.25%	1.798%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	65.75%	11.49%	7.555%
		R =	9.353%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
PROJECTED YEAR	Rev Require	W Incentives	Incentive Amounts
2011	-	-	\$ -

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

Rate Base (Projected TCOS, In 78)	19,517,349
R (from A. above)	9.353%
Return (Rate Base x R)	1,825,421

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

Return (from B. above)	1,825,421
Effective Tax Rate (Projected TCOS, In 126)	55.01%
Income Tax Calculation (Return x CIT)	1,004,135
ITC Adjustment	-
Income Taxes	1,004,135

**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)	4,982,356
T.E.A. & Lease Payments (Projected TCOS, Lns 105 & 106)	-
Return (Projected TCOS, In 134)	1,825,421
Income Taxes (Projected TCOS, In 133)	1,004,135
Annual Revenue Requirement, Less TEA Charges, Return and Taxes	2,152,800

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	2,152,800
Return (from I.B. above)	1,825,421
Income Taxes (from I.C. above)	1,004,135
Annual Revenue Requirement, with Basis Point ROE increase	4,982,356
Depreciation (Projected TCOS, In 111)	778,118
Annual Rev. Req, w/ Basis Point ROE increase, less Depreciation	4,204,238

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

Net Transmission Plant (Projected TCOS, In 48)	11,826,622
Annual Revenue Requirement, with Basis Point ROE increase	4,982,356
FCR with Basis Point increase in ROE	42.13%
Annual Rev. Req, w / Basis Point ROE increase, less Dep.	4,204,238
FCR with Basis Point ROE increase, less Depreciation	35.55%
FCR less Depreciation (Projected TCOS, In 9)	22.05%
Incremental FCR with Basis Point ROE increase, less Depreciation	13.50%

**III. Calculation of Composite Depreciation Rate**

Transmission Plant @ Beginning of Historic Period (2010) (P.206, In 58,(b)):	29,740,179
Transmission Plant @ End of Historic Period (2010) (P.207, In 58,(g)):	29,949,832
Subtotal	59,690,011
Average Transmission Plant Balance for 2010	29,845,006
Annual Depreciation Rate (Projected TCOS, In 111)	778,118
Composite Depreciation Rate	2.61%
Depreciable Life for Composite Depreciation Rate	38.36
Round to nearest whole year	38

WPCo 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

Facilities receiving incentives accepted by FERC in Docket No. [redacted] (e.g. ER05-925-000)

Project Description: [redacted]

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

Details	
Investment	Current Year 2010
Service Year (yyyy)	2010 ROE increase accepted by FERC (Basis Points) -
Service Month (1-12)	1 FCR w/o incentives, less depreciation 22.05%
Useful life	38 FCR w/incentives approved for these facilities, less dep. 22.05%
CIAC (Yes or No)	No Annual Depreciation Expense -

**CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS**  
CUMULATIVE 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 **
2010	-	-	-	-	-	\$ -		
2011	-	-	-	-	-	\$ -		
2012	-	-	-	-	-	\$ -		
2013	-	-	-	-	-	\$ -		
2014	-	-	-	-	-	\$ -		
2015	-	-	-	-	-	\$ -		
2016	-	-	-	-	-	\$ -		
2017	-	-	-	-	-	\$ -		
2018	-	-	-	-	-	\$ -		
2019	-	-	-	-	-	\$ -		
2020	-	-	-	-	-	\$ -		
2021	-	-	-	-	-	\$ -		
2022	-	-	-	-	-	\$ -		
2023	-	-	-	-	-	\$ -		
2024	-	-	-	-	-	\$ -		
2025	-	-	-	-	-	\$ -		
2026	-	-	-	-	-	\$ -		
2027	-	-	-	-	-	\$ -		
2028	-	-	-	-	-	\$ -		
2029	-	-	-	-	-	\$ -		
2030	-	-	-	-	-	\$ -		
2031	-	-	-	-	-	\$ -		
2032	-	-	-	-	-	\$ -		
2033	-	-	-	-	-	\$ -		
2034	-	-	-	-	-	\$ -		
2035	-	-	-	-	-	\$ -		
2036	-	-	-	-	-	\$ -		
2037	-	-	-	-	-	\$ -		
2038	-	-	-	-	-	\$ -		
2039	-	-	-	-	-	\$ -		
2040	-	-	-	-	-	\$ -		
2041	-	-	-	-	-	\$ -		
2042	-	-	-	-	-	\$ -		
2043	-	-	-	-	-	\$ -		
2044	-	-	-	-	-	\$ -		
2045	-	-	-	-	-	\$ -		
2046	-	-	-	-	-	\$ -		
2047	-	-	-	-	-	\$ -		
2048	-	-	-	-	-	\$ -		
2049	-	-	-	-	-	\$ -		
2050	-	-	-	-	-	\$ -		
2051	-	-	-	-	-	\$ -		
2052	-	-	-	-	-	\$ -		
2053	-	-	-	-	-	\$ -		
2054	-	-	-	-	-	\$ -		
2055	-	-	-	-	-	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
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. TI 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.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones  
WHEELING POWER 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, In 164)			11.49%
Project ROE Incentive Adder		0	<=ROE Adder Cannot Exceed 100 Basis Points
ROE with additional 0 basis point incentive			11.49% <= ROE Including Incentives Cannot Exceed 12.5% Until July 1, 2012
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the True-Up TCOS, Ins 162 through 164)			
	%	Cost	Weighted cost
Long Term Debt	34.81%	5.25%	1.827%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	65.19%	11.49%	7.491%
		R =	9.318%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS			
TRUE-UP YEAR	2010	Rev Require	Incentive Amounts
As Projected in Prior Year WS J			\$ -
Actual after True-up	\$ -	\$ -	\$ -
True-up of ARR For 2010	-	-	-

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

Rate Base (True-Up TCOS, In 78)	12,410,677
R (from A. above)	9.318%
Return (Rate Base x R)	1,156,429

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

Return (from B. above)	1,156,429
Effective Tax Rate (True-Up TCOS, In 126)	54.75%
Income Tax Calculation (Return x CIT)	633,093
ITC Adjustment	-
Income Taxes	633,093

**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, In 1)	3,959,641
T.E.A. & Lease Payments (True-Up TCOS, Lns 105 & 106)	-
Return (True-Up TCOS, In 134)	1,156,429
Income Taxes (True-Up TCOS, In 133)	633,093
Annual Revenue Requirement, Less TEA Charges, Return and Taxes	2,170,118

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	2,170,118
Return (from I.B. above)	1,156,429
Income Taxes (from I.C. above)	633,093
Annual Revenue Requirement, with 0 Basis Point ROE increase	3,959,641
Depreciation (True-Up TCOS, In 111)	778,118
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	3,181,523

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

Net Transmission Plant (True-Up TCOS, In 48)	12,190,424
Annual Revenue Requirement, with 0 Basis Point ROE increase	3,959,641
FCR with 0 Basis Point increase in ROE	32.48%
Annual Rev. Req. w / 0 Basis Point ROE increase, less Dep.	3,181,523
FCR with 0 Basis Point ROE increase, less Depreciation	26.10%
FCR less Depreciation (True-Up TCOS, In 9)	26.10%
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, In 58.(b)):	29,740,179
Transmission Plant @ End of Historic Period (P.207, In 58.(g)):	29,949,832
Subtotal	59,690,011
Average Transmission Plant Balance for	29,845,006
Annual Depreciation Rate (True-Up TCOS, In 111)	778,118
Composite Depreciation Rate	2.61%
Depreciable Life for Composite Depreciation Rate	38.36
Round to nearest whole year	38



AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet L Supporting Projected Cost of Debt  
WHEELING POWER COMPANY

**Calculation of Projected Interest Expense Based on Outstanding Debt at Year End**

<u>Line Number</u>	<u>(A) Issuance</u>	<u>(B) Principle Outstanding</u>	<u>(C) Interest Rate</u>	<u>(D) Annual Expense (See Note S on Projected Template)</u>	<u>(E) Notes</u>
1	<b>Long Term Debt (FF1.p. 256-257.h)</b>				
2	Advances From Associated Co.	25,000,000	5.250%	1,312,500	
3					
4	<b>Installment Purchase Contracts (FF1.p. 256-257.h, a)</b>				
5	N/A for Wheeling Power Company				
6					-
7					-
8					-
9					-
10					-
11					-
12					-
13					-
14					-
15					-
16					-
17					-
18					-
19					-
20					-
21					-
22					-
23					-
24					-
25					-
26					-
27	<b>Issuance Discount, Premium, &amp; Expenses:</b>				
28	Auction Fees	FF1.p. 256 & 257.Lines Described as Fees			-
29	Allowable Hedge Amortization (See Ln 45 Below)				-
30	Amort of Debt Discount and Expenses	FF1.p. 117.63.c			-
31	Amort of Debt Premimums (Enter Negative)	FF1.p. 117.65.c			-
32	<b>Reacquired Debt:</b>				
33	Amortization of Loss	FF1.p. 117.64.c			-
34	Amortization of Gain	FF1.p. 117.66.c			-
35	<b>Total Interest on Long Term Debt</b>	25,000,000	5.25%	1,312,500	
36	<b>Preferred Stock (FF1.p. 250-251)</b>				
37	<b>Preferred Shares Outstanding</b>				
38	None	-	0.00%		-
39					-
40	<b>Dividends on Preferred Stock</b>	-			-
41	Net Total Hedge Gains and Losses (WS M, Ln 35, (E))				
42	Total Projected Capital Structure Balance for 2011 (Projected TCOS, Ln 165)			72,993,074	
43	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005	
44	Limit of Recoverable Amount			36,497	
45	<b>Recoverable Hedge Amortization (Lesser of Ln 41 or Ln 44)</b>				-

AEP East Companies  
Transmission Cost of Service Formula Rate  
WHEELING POWER COMPANY

**Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital Based on Average of Balances At 12/31/2009 & 12/31/2010**

(A)	(B)	(C)	(D)	(E)
Line		Balances @ 12/31/2010	Balances @ 12/31/2009	Average
<b>Development of Average Balance of Common Equity</b>				
1	Proprietary Capital (112.16.c&d)	46,210,168	43,904,852	45,057,510
2	Less Preferred Stock (Ln 55 Below)	0	-	-
3	Less Account 216.1 (112.12.c&d)	0	0	0
4	Less Account 219.1 (112.15.c&d)	-1,782,906	-1,749,500	-1,766,203
5	<b>Average Balance of Common Equity</b>	47,993,074	46,654,352	46,823,713

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

6	Bonds (112.18.c&d)	0	0	0
7	Less: Reacquired Bonds (112.19.c&d)	0	0	0
8	LT Advances from Assoc. Companies (112.20.c&d)	25,000,000	25,000,000	25,000,000
9	Senior Unsecured Notes (112.21.c&d)	0	0	0
10	Less: Fair Value Hedges (See Note on Ln 12 below)	0	0	0
11	<b>Total Average Debt</b>	25,000,000	25,000,000	25,000,000

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. (Column H of the FF1)

**13 Annual Interest Expense for 2010**

14	Interest on Long Term Debt (256-257.33.i)			1,312,500
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 34 below.			-
16	Plus: Allowed Hedge Recovery From Ln 39 below.			-
17	Amort of Debt Discount & Expense (117.63.c)			-
18	Amort of Loss on Reacquired Debt (117.64.c)			-
19	Less: Amort of Premium on Debt (117.65.c)			-
20	Less: Amort of Gain on Reacquired Debt (117.66.c)			-
21	<b>Total Interest Expense (Ln 14 + Ln 17 + Ln 18 - Ln 19 - Ln 20)</b>			1,312,500
22	<b>Average Cost of Debt for 2010 (Ln 21/Ln 11)</b>			5.25%

**CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES**

23 **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. The recovery of a net loss or passback of a net gain will be limited to five basis points of the total Capital Structure. 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 2010	Less Excludable Amounts (See NOTE on Line 23)	Net Includable Hedge Amount	Amortization Period		
				Remaining Unamortized Balance	Beginning	Ending
24 Senior Unsecured Notes	0	-	-			
25 Senior Unsecured Notes	0	-	-			
26 Senior Unsecured Notes	0	-	-			
27 Senior Unsecured Notes	0	-	-			
28 Senior Unsecured Notes	0	-	-			
29 Senior Unsecured Notes	0	-	-			
30 Senior Unsecured Notes	0	-	-			
31 Senior Unsecured Notes	0	-	-			
32 Senior Unsecured Notes	0	-	-			
33 Senior Unsecured Notes	0	-	-			
34 Total Hedge Amortization	-	-	-			
35 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 24 to 33)			-			
36 Total Average Capital Structure Balance for 2010 (True-UP TCOS, Ln 165)			71,823,713			
37 Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
38 Limit of Recoverable Amount			35,912			
39 Recoverable Hedge Amortization (Lesser of Ln 35 or Ln 38)			-			

**Development of Cost of Preferred Stock**

Preferred Stock			Average
40 0% Series - 0 - Dividend Rate (p. 250-251. 7 & 10.a)	0.00%	0.00%	
41 0% Series - 0 - Par Value (p. 250-251. 8.c)	\$ -	\$ -	
42 0% Series - 0 - Shares O/S (p.250-251. 8 & 11.e)	-	-	
43 0% Series - 0 - Monetary Value (Ln 41 * Ln 42)	-	-	
44 0% Series - 0 - Dividend Amount (Ln 40 * Ln 43)	-	-	
45 0% Series - - Dividend Rate (p. 250-251.a)			
46 0% Series - - Par Value (p. 250-251.c)			
47 0% Series - - Shares O/S (p.250-251. e)			
48 0% Series - - Monetary Value (Ln 46 * Ln 47)			
49 0% Series - - Dividend Amount (Ln 45 * Ln 48)			
50 0% Series - - Dividend Rate (p. 250-251.a)			
51 0% Series - - Par Value (p. 250-251.c)			
52 0% Series - - Shares O/S (p.250-251.e)			
53 0% Series - - Monetary Value (Ln 51 * Ln 52)			
54 0% Series - - Dividend Amount (Ln 50 * Ln 53)			
55 Balance of Preferred Stock (Lns 43, 48, 53)	-	-	-
56 Dividends on Preferred Stock (Lns 44, 49, 54)	-	-	-
57 Average Cost of Preferred Stock (Ln 56/55)	0.00%	0.00%	

- Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)

**AEP East Companies**  
**Cost of Service Formula Rate Using 2010 FF1 Balances**  
**Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use**  
**WHEELING POWER COMPANY**

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectively. Sales will be funtionalized 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 formula.

Line	(A) Date	(B) Property Description	(C) Function (T) or (G) T = Transmission G = General	(D) Basis	(E) Proceeds	(F) (Gain) / Loss	(G) Functional Allocator	(H) Functionalized Proceeds (Gain) / Loss	(I) FERC Account
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4					Net (Gain) or Loss for 2010	- =		- =	

AEP East Companies  
Cost of Service Formula Rate Using 2010 FF1 Balances  
Worksheet O - Calculation of Postemployment Benefits Other than Pensions Expenses Allocable to Transmission Service  
WHEELING POWER COMPANY

Total AEP East Operating Company PBOP Settlement Amount 48,100,000

**Allocation of PBOP Settlement Amount for 2010**

Line#	Company	Total Company Amount						
		Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOP Recovery Allowance	Labor Allocator for 2010	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * 48100000	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
1	APCo	13,207,032	26.27%	12,637,155	7.489%	989,110	946,430	42,680
2	CSP	7,759,634	15.44%	7,424,809	5.961%	462,523	442,566	19,958
3	I&M	13,602,157	27.06%	13,015,230	5.208%	708,440	677,872	30,569
4	KPCo	2,592,156	5.16%	2,480,306	9.956%	258,065	246,930	11,135
5	KNGP	386,298	0.77%	369,629	8.357%	32,284	30,891	1,393
6	OPCo	12,241,700	24.35%	11,713,476	9.182%	1,123,972	1,075,473	48,499
7	WPCo	480,113	0.96%	459,397	5.436%	26,101	24,975	1,126
8	<b>Sum of Lines 1 to 7</b>	50,269,090		48,100,000		3,600,497	3,445,137	155,360

**Detail of Actual PBOP Expenses to be Removed in Cost of Service**

	APCo	CSP	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report	20,529,721	9,778,864	16,755,046	3,346,838	482,787	16,248,955	616,268	67,758,479
10 Additional PBOP Ledger Entries (from Company Records)	(2,695,814)	-	534,099	(1)	1	(443,953)	1	
11 Medicare Subsidy	(5,735,375)	(2,596,761)	(4,476,103)	(954,918)	(128,004)	(4,530,395)	(163,291)	(18,584,847)
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	12,098,532	7,182,103	12,813,042	2,391,919	354,784	11,274,607	452,978	46,567,965
13 PBOP Expenses From AEP Service Corporation (from Company Records)	1,108,500	577,531	789,115	200,237	31,514	967,093	27,135	3,701,125
14 Company PBOP Expense (Ln 12 + Ln 13)	13,207,032	7,759,634	13,602,157	2,592,156	386,298	12,241,700	480,113	50,269,090

AEP EAST COMPANIES  
PJM FORMULA RATE  
WORKSHEET P - TRANSMISSION DEPRECIATION RATES  
EFFECTIVE AS OF 1/1/2009  
FOR SINGLE JURISDICTION COMPANIES  
WHEELING POWER COMPANY

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b><i>TRANSMISSION PLANT</i></b>		
Structures & Improvements	352.0	2.70%
Station Equipment	353.0	2.70%
Towers & Fixtures	354.0	2.70%
Poles & Fixtures	355.0	2.70%
Overhead Conductors	356.0	2.70%
Underground Conduit	357.0	2.70%
Underground Conductors	358.0	2.70%
Trails & Roads	359.0	2.70%

Note 1: Rates Approved in WV Public Service Commission Case No. PSC 90-243-E-42T.

**General Note:**

Per the terms of the settlement in this case, AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.