

**Formula Rate Update for AEP East
To be Effective June 1, 2010 through June 30, 2010
Docket No ER08-1329
Pursuant to May 3, 2010 FERC ORDER
Granting Interim Rate Relief**

Pursuant to a May 3, 2010 FERC ORDER Granting Interim Rate Relief in Docket No. ER08-1329-000, AEP has recalculated its Annual Transmission Revenue Requirements (ATRR) and is producing an “Interim Annual Update” for the upcoming Interim Rate beginning June 1, 2010 through June 30, 2010. The ATRR file pertaining to the Interim Rate Update is being submitted for posting on the PJM website in PDF format. The file provides the ATRR, AEP Network transmission rate, Schedule 1A rate and Annual transmission revenue requirement for RTEP projects.

AEP network service rate will decrease effective June 1, 2010 from \$25,116.18 per MW per year (\$68.81/MW Day) to \$24,550.54 per MW per year (\$67.26/MW Day) with the AEP annual revenue requirement decreasing from \$613,384,744 to \$599,570,841.

The AEP Schedule 1A rate will remain unchanged at \$.0711 per MWh.

The two RTEP projects **Annual Revenue Requirement** will also change. The ATRR Project b0504 (Hanging Rock) now, \$894,796 will change to \$1,110,758 and Project b0318 (Amos 765/138 kV Transformer) now, \$2,251,918 will change to \$2,172,070 to be collected under PJM Tariff Schedule 12.