

AEP EAST Companies Transmission Formula Rate Revenue Requirement  
Utilizing FERC Form 1 Data  
For rates effective July 1, 2009

AEP Zone Transmission Service Revenue Requirement

Line No.			AEP Annual Revenue Requirement	APCo Annual Revenue Requirement	CSP Annual Revenue Requirement	I&M Annual Revenue Requirement	KPCo Annual Revenue Requirement	KNG Annual Revenue Requirement	OPCo Annual Revenue Requirement	WPCo Annual Revenue Requirement
<b>A. Network Service</b>										
1	REVENUE REQUIREMENT (w/o incentives)	(TCOS Ln 1)	\$648,070,371	\$186,656,208	\$147,936,234	\$90,015,389	\$51,642,512	\$2,558,237	\$166,366,835	\$2,894,955
2	LESS: REVENUE CREDITS	(TCOS Ln 2)	\$31,538,913	\$13,076,923	\$8,057,824	\$3,281,616	\$1,005,221	\$76,961	\$4,864,700	\$1,175,667
3	CURRENT YEAR ZONE 1 AEP NETWORK SERVICE REVENUE REQUIREMENT	(TCOS Ln 3)	\$616,531,458	\$173,579,285	\$139,878,410	\$86,733,773	\$50,637,291	\$2,481,276	\$161,502,135	\$1,719,288
4	LESS: REVENUE REQUIREMENTS INCLUDED IN LINE 1 FOR:									
5	RTEP UPGRADES (W/O INCENTIVES)	(TCOS Ln 4)	\$3,146,714	\$2,251,918	\$0	\$0	\$0	\$0	\$894,796	\$0
6	OTHER ZONAL UPGRADES (W/O INCENTIVES)	(Worksheet J)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	SUBTOTAL		\$3,146,714	\$2,251,918	\$0	\$0	\$0	\$0	\$894,796	\$0
8	EXISTING ZONAL ATRR (W/O INCENTIVES)	(Ln 3- Ln 7)	\$613,384,744	\$171,327,367	\$139,878,410	\$86,733,773	\$50,637,291	\$2,481,276	\$160,607,339	\$1,719,288
9	INCENTIVE REVENUE REQUIREMENT FOR ZONAL PROJECTS	(Worksheet J)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	EXISTING ZONAL ATRR (W/ INCENTIVES)	(Ln 8 + Ln 9)	\$613,384,744	\$171,327,367	\$139,878,410	\$86,733,773	\$50,637,291	\$2,481,276	\$160,607,339	\$1,719,288
11	BILLED HISTORICAL YEAR (2009) ACTUAL ATRR	Input from 2009 True-up	\$0							
12	BILLED PROJECTED (2009) ATRR FROM PRIOR YEAR	Input from Prior Year	\$0							
13	PRIOR YEAR TRUE-UP	(Ln 11 - Ln 12)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14	INTEREST ON PRIOR YEAR TRUE UP		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	<b>EXISTING ZONAL ATRR FOR PJM OATT</b>	<b>(Ln 10 + Ln 13 + Ln 14)</b>	<b>\$613,384,744</b>	<b>\$171,327,367</b>	<b>\$139,878,410</b>	<b>\$86,733,773</b>	<b>\$50,637,291</b>	<b>\$2,481,276</b>	<b>\$160,607,339</b>	<b>\$1,719,288</b>
<b>B. Point-to-Point Service</b>										
16	2008 AEP East Zone Network Service Peak Load			24,206.9 MW						
17	Annual Point-to-Point Rate in \$/kW - Year	(Ln 15 / Ln 16)	\$25,339.25							
18	Monthly Point-to-Point Rate in \$/kW - Month	(Ln 17 / 12)	\$2,111.60							
19	Weekly Point-to-Point Rate in \$/kW - Weekly	(Ln 18 / 52)	\$487.29							
20	Daily On-Peak Point-to-Point Rate in \$/kW - Day	(Ln 19 / 260)	\$97.46							
21	Daily Off-Peak Point-to-Point Rate in \$/kW - Day	(Ln 20 / 365)	\$69.42							
22	Hourly On-Peak Point-to-Point Rate in \$/kW - Hour	(Ln 21 / 4160)	\$6.09							
23	Hourly Off-Peak Point-to-Point Rate in \$/kW - Hour	(Ln 22 / 8760)	\$2.89							
<b>C. PJM Regional Service</b>										
24	RTEP UPGRADE ATRR W/O INCENTIVES	(Ln 7)	3,146,714	2,251,918	-	-	-	-	894,796	-
25	ADDITIONAL ATRR FOR FERC-APPROVED INCENTIVES ON RTEP	(Worksheet J)	-	-	-	-	-	-	-	-
26	<b>RTEP ATRR FOR PJM COLLECTION UNDER SCHEDULE 12</b>		<b>\$ 3,146,714</b>	<b>2,251,918</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>894,796</b>	<b>-</b>

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AEP Transmission Schedule 1A Revenue Requirements

Line No.		AEP Annual Revenue Requirement	APCo Annual Revenue Requirement	CSP Annual Revenue Requirement	I&M Annual Revenue Requirement	KPCo Annual Revenue Requirement	KNG Annual Revenue Requirement	OPCo Annual Revenue Requirement	WPCo Annual Revenue Requirement
<b>A. Schedule 1A ARR</b>									
1	Total Load Dispatch & Scheduling (Account 561) (TCOS Line 14)	\$31,876,600	\$10,449,906	\$5,167,007	\$4,586,660	\$2,218,840	\$46,135	\$9,339,810	\$68,242
2	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)	\$16,591,561	\$5,600,457	\$3,266,714	\$2,680,249	\$1,181,168	\$0	\$3,862,973	\$0
3	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.6)	\$2,873,952	\$968,844	\$565,696	\$463,820	\$205,033	\$0	\$670,559	\$0
4	Total 561 Internally Developed Costs (Ln 1 - Ln 2 - Ln 3)	\$12,411,087	\$3,880,605	\$1,334,597	\$1,442,591	\$832,639	\$46,135	\$4,806,278	\$68,242
5	Less: PTP Service Credit	\$2,184,615	\$714,723	\$418,877	\$403,201	\$151,734		\$496,080	
6	EXISTING ZONAL ARR (Ln 4 - Ln 5)	\$10,226,471	\$3,165,882	\$915,720	\$1,039,390	\$680,905	\$46,135	\$4,310,197	\$68,242
7	BILLED HISTORICAL YEAR (2008) ACTUAL ARR	\$0							
8	BILLED PROJECTED (2008) ARR FROM PRIOR YEAR	\$0							
9	PRIOR YEAR TRUE-UP (Ln 7 - Ln 8)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	INTEREST ON PRIOR YEAR TRUE UP	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11	<b>Net Schedule 1A Revenue Requirement for Zone</b>	<b>\$10,226,471</b>	<b>\$3,165,882</b>	<b>\$915,720</b>	<b>\$1,039,390</b>	<b>\$680,905</b>	<b>\$46,135</b>	<b>\$4,310,197</b>	<b>\$68,242</b>
<b>B. Schedule 1A Rate Calculations</b>									
12	2008 AEP East Zone Annual MWh		143,922,872 MWh						
13	AEP Zone Rate for Schedule 1A Service. (Line 11 / Line 12)			\$0.0711					