### Revenue Requirements for Network and Point-to-Point Transmission Service

#### AEPTCo subsidiaries in PJM - Transmission Formula Rate Revenue Requirement

Including Costs through December 31, 2011

For charges effective July 1, 2012

<table>
<thead>
<tr>
<th>Line No.</th>
<th>Description</th>
<th>AEPTCo subsidiaries in PJM Annual Revenue Requirement</th>
<th>APPALACHIAN TRANSMISSION COMPANY Annual Revenue Requirement</th>
<th>INDIANA MICHIGAN TRANSMISSION COMPANY Annual Revenue Requirement</th>
<th>KENTUCKY TRANSMISSION COMPANY Annual Revenue Requirement</th>
<th>OHIO TRANSMISSION COMPANY Annual Revenue Requirement</th>
<th>WEST VIRGINIA TRANSMISSION COMPANY Annual Revenue Requirement</th>
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<tr>
<td>A. Network Service</td>
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<td>REVENUE REQUIREMENT (w/o incentives)</td>
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<td>PRIOR YEAR TRUE-UP</td>
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#### Notes

1. Line 16 is provided from PJM records.
2. Line 17 is provided from PJM records.
3. Line 18 is provided from PJM records.
4. Line 19 is provided from PJM records.
5. Line 20 is provided from PJM records.
6. Line 21 is provided from PJM records.
7. Line 22 is provided from PJM records.
8. Line 23 is provided from PJM records.
9. Line 24 is provided from PJM records.
10. Line 25 is provided from PJM records.
11. Line 26 is provided from PJM records.

### Additional Information

- **Revenue Requirements for Network and Point-to-Point Transmission Service**
- **AEPTCo subsidiaries in PJM**
- **Appalachian Transmission Company**
- **Indiana Michigan Transmission Company**
- **Kentucky Transmission Company**
- **Ohio Transmission Company**
- **West Virginia Transmission Company**

### Calculations

- **Revenue Requirement (ATRR)**
- **Current Year AEPTCo Annual Transmission Revenue Requirement (ATRR)**
- **Existing AEPTCo Zonal ATRR (W/O Incentsives)**
- **Incremental Approved Incentive ATRR**
- **Existing AEPTCo Zonal ATRR (W/ Incentives)**
- **Billed Historical Year (2011) Actual ATRR**
- **Prior Year True-Up**
- **Interest on Prior Year True Up**
- **Existing AEPTCo ATRR for AEP Zone of PJM OATT**

### Data

- **2011 AEP East Zone Network Service Peak Load (1 CP)**:
  - 24,530.8 MW

### Values

- **Revenue Requirement (ATRR)**
  - AEPTCo subsidiaries in PJM:
    - $30,404,194
  - APPALACHIAN TRANSMISSION COMPANY:
    - $111,736
  - INDIANA MICHIGAN TRANSMISSION COMPANY:
    - $2,787,822
  - KENTUCKY TRANSMISSION COMPANY:
    - $146,026
  - OHIO TRANSMISSION COMPANY:
    - $27,235,255
  - WEST VIRGINIA TRANSMISSION COMPANY:
    - $123,356

- **Current Year AEPTCo Annual Transmission Revenue Requirement (ATRR)**:
  - TCOS Ln 1:
    - $30,404,194
  - TCOS Ln 1:
    - $111,736
  - TCOS Ln 1:
    - $2,787,822
  - TCOS Ln 1:
    - $146,026
  - TCOS Ln 1:
    - $27,235,255
  - TCOS Ln 1:
    - $123,356

- **Existing AEPTCo Zonal ATRR (W/O Incentsives)**:
  - Ln 3- Ln 7:
    - $28,614,363
  - Ln 3- Ln 7:
    - $111,736
  - Ln 3- Ln 7:
    - $2,787,822
  - Ln 3- Ln 7:
    - $146,026
  - Ln 3- Ln 7:
    - $27,235,255
  - Ln 3- Ln 7:
    - $123,356

- **Incremental Approved Incentive ATRR**:
  - Worksheet J:
    - $1,789,831
  - Worksheet J:
    - $0
  - Worksheet J:
    - $655,782

- **Existing AEPTCo Zonal ATRR (W/ Incentives)**:
  - Ln 8 + Ln 9:
    - $28,614,363
  - Ln 8 + Ln 9:
    - $111,736
  - Ln 8 + Ln 9:
    - $2,787,822
  - Ln 8 + Ln 9:
    - $146,026
  - Ln 8 + Ln 9:
    - $27,235,255
  - Ln 8 + Ln 9:
    - $123,356

- **Billed Historical Year (2011) Actual ATRR**:
  - Input from 2011 True-up:
    - $5,835,076
  - Input from Prior Year:
    - $7,629,594
  - Prior Year True-Up:
    - $1,794,518
  - Prior Year True-Up:
    - $409,714

- **Interest on Prior Year True Up**:
  - - $1,134,046
  - - $2,179,762
  - - $239,118

- **Existing AEPTCo ATRR for AEP Zone of PJM OATT**:
  - Ln 10 + Ln 13 + Ln 14:
    - $26,765,400
  - Ln 10 + Ln 13 + Ln 14:
    - $439,515
  - Ln 10 + Ln 13 + Ln 14:
    - $1,968,907
  - Ln 10 + Ln 13 + Ln 14:
    - $116,851
  - Ln 10 + Ln 13 + Ln 14:
    - $23,884,610
  - Ln 10 + Ln 13 + Ln 14:
    - $357,515

- **2011 AEP East Zone Network Service Peak Load (1 CP)**:
  - 24,530.8 MW

### Further Details

- Transfers and other transactions related to transmission services are included in the above calculations.
- Revenue requirements are subject to periodic updates and adjustments.
- Incidents of (W/O INCENTIVES) and (W/ INCENTIVES) are highlighted for clarity.
- Lines 16-27 provide specific calculations for AEPTCo subsidiaries in PJM.
# Schedule 1A ATRR

Including Costs through December 31, 2011

For charges effective July 1, 2012

## Annual Revenue Requirement for Scheduling, System Control and Dispatch Services - Schedule 1A

<table>
<thead>
<tr>
<th>Line No.</th>
<th>AEPTCo subsidiaries in PJM</th>
<th>APPALACHIAN TRANSMISSION COMPANY</th>
<th>INDIANA MICHIGAN TRANSMISSION COMPANY</th>
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<td>Prior Calendar Year (2011 Est.) AEP East Zone Annual MWh</td>
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