For Twelve Months Ended 2020

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

AEP Kentucky Transmission Company

Line No.			Total	Allocator		Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 113)				$14,369,623
2	REVENUE CREDITS	(Worksheet E, ln 8) (Note A)	-	DA	1.00000	$ -
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, ln 9) (Note X)				0
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				$ 14,369,623

MEMO: The Carrying Charge Calculations on lines 7 to 12 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 5 is included in the total on line 4.

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)		4,294,129	DA	1.00000	$ 4,294,129
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)					
7	Annual Rate	((ln 1- ln 80)/((ln 33) x 100))				12.31%
8	Monthly Rate	(ln 7 / 12)				1.03%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)					
10	Annual Rate	((ln 1- ln 80 - ln 83)/((ln 33) x 100))				9.96%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)					
12	Annual Rate	((ln 1 - ln 80 - ln 83 - ln 108 - ln 109) /((ln 33) x 100))				2.37%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)					-
14	**REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES**					
15	Total Load Dispatch & Scheduling (Account 561)	Line 63 Below				106,367
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)					-
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)					-
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)				106,367

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Line No.	(1) RATE BASE CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total NOTE C	(4) Allocator		(5) Total Transmission
	GROSS PLANT IN SERVICE					
19	Transmission	(Worksheet A ln 14.(d) & Ln 117)	124,536,547	DA	1.00000	124,536,547
20	Less: Transmission ARO (Enter Negative)	(Worksheet A ln 14.(e))	-	TP	1.00000	-
21	General Plant	(Worksheet A ln 14.(h))	36,402	W/S	1.00000	36,402
22	Less: General Plant ARO (Enter Negative)	(Worksheet A ln 14.(i))	-	W/S	1.00000	-
23	Intangible Plant	(Worksheet A ln 14.(j))	1,548,710	W/S	1.00000	1,548,710
24	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	126,121,658	**GP=**	**1.000000**	126,121,658
				GTD=	**1.00000**	
25	ACCUMULATED DEPRECIATION AND AMORTIZATION					
26	Transmission	(Worksheet A ln 28.(d) & Ln 43.(b))	7,844,877	**TP1=**	1.00000	7,844,877
27	Less: Transmission ARO (Enter Negative)	(Worksheet A ln 28.(e))	-	**TP1=**	1.00000	-
28	General Plant	(Worksheet A ln 28.(h))	3,529	W/S	1.00000	3,529
29	Less: General Plant ARO (Enter Negative)	(Worksheet A ln 28.(i))	-	W/S	1.00000	-
30	Intangible Plant	(Worksheet A ln 28.(j))	549,370	W/S	1.00000	549,370
31	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	8,397,776			8,397,776
32	NET PLANT IN SERVICE					
33	Transmission	(ln 19 + ln 20 - ln 26 - ln 27)	116,691,669			116,691,669
34	General Plant	(ln 21 + ln 22 - ln 28 - ln 29)	32,873			32,873
35	Intangible Plant	(ln 23 - ln 30)	999,340			999,340
36	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	117,723,882	**NP=**	**1.000000**	117,723,882
37	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
38	Account No. 281.1 (enter negative)	(Worksheet B, ln 2 & ln 5.E)	-	NA		-
39	Account No. 282.1 (enter negative)	(Worksheet B, ln 7 & ln 10.E)	(18,881,419)	DA		(18,881,419)
40	Account No. 283.1 (enter negative)	(Worksheet B, ln 12 & ln 15.E)	(1,139,814)	DA		(1,139,814)
41	Account No. 190.1	(Worksheet B, ln 17 & ln 20.E)	364,545	DA		364,545
42	Account No. 255 (enter negative)	(Worksheet B, ln 24 & ln 25.E)	-	DA		-
43	TOTAL ADJUSTMENTS	(sum lns 38 to 42)	(19,656,689)			(19,656,689)
44	PLANT HELD FOR FUTURE USE	(Worksheet A ln 44.(e)) ln 45.(e))	-	DA		-
45	REGULATORY ASSETS	(Worksheet A ln 51.(e))	-	DA		-
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y	(Worksheet A ln 54.(e))	-	W/S	1.00000	-
47	WORKING CAPITAL	(Note E)				
48	Cash Working Capital	(1/8 * ln 66)	159,767			159,767
49	Transmission Materials & Supplies	(Worksheet C, ln 2.(F))	-	TP	1.00000	-
50	A&G Materials & Supplies	(Worksheet C, ln 3.(F))	-	W/S	1.00000	-
51	Stores Expense	(Worksheet C, ln 4.(F))	-	GP	1.00000	-
52	Prepayments (Account 165) - Labor Allocated	(Worksheet C, ln 8.(G))	-	W/S	1.00000	-
53	Prepayments (Account 165) - Gross Plant	(Worksheet C, ln 8.(F))	29,858	GP	1.00000	29,858
54	Prepayments (Account 165) - Transmission Only	(Worksheet C, ln 8.(E))	-	DA	1.00000	-
55	Prepayments (Account 165) - Unallocable	(Worksheet C, ln 8.(D))	-	NA	0.00000	-
56	TOTAL WORKING CAPITAL	(sum lns 48 to 55)	189,624			189,624
57	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, ln 8.B)	-	DA	1.00000	-
58	RATE BASE (sum lns 36, 43, 44, 45, 46, 56, 57)		98,256,818			98,256,818

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Transmission Cost of Service Formula Rate
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AEP Kentucky Transmission Company

Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator		(5) Total Transmission
	OPERATION & MAINTENANCE EXPENSE					
59	Customer Related Expense	322 & 323.164,171,178.b	-			
60	Regional Marketing Expenses	322.131.b	-			
61	Transmission	321.112.b	1,384,500			
62	TOTAL O&M EXPENSES	(sum lns 59 to 61)	1,384,500			
63	Less: Total Account 561	(Note G) (Worksheet F, ln 14.C)	106,367			
64	Less: Account 565	(Note H) 321.96.b	-			
65	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, ln 4.C)	-			
66	Total O&M Allocable to Transmission	(lns 61 - 63 - 64 - 65)	1,278,133	TP	1.00000	1,278,133
67	Administrative and General	323.197.b (Notes J & M)	769,900			
68	Less: Acct. 924, Property Insurance	323.185.b	36,284			
69	Acct. 928, Reg. Com. Exp.	323.189.b	3,328			
70	Acct. 930.1, Gen. Advert. Exp.	323.191.b	15			
71	Acct. 930.2, Misc. Gen. Exp.	323.192.b	7,380			
72	Balance of A & G	(ln 67 - sum ln 68 to ln 71)	722,893	W/S	1.00000	722,893
73	Plus: Acct. 924, Property Insurance	(ln 68)	36,284	GP(h)	1.00000	36,284
74	Acct. 928 - Transmission Specific	Worksheet F ln 21.(E) (Note L)	3,499	TP	1.00000	3,499
75	Acct 930.1 - Only safety related ads -Direct	Worksheet F ln 38.(E) (Note L)	-	TP	1.00000	-
76	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F ln 43.(E) (Note L)	(40)	DA	1.00000	(40)
77	PBOP Adjustment	Worksheet O Ln 16.(B), (Note K & M)	26,596	W/S	1.00000	26,596
78	A & G Subtotal	(sum lns 72 to 77)	789,231			789,231
79	O & M EXPENSE SUBTOTAL	(ln 66 + ln 78)	2,067,365			2,067,365
80	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)			DA	1.00000	-
81	TOTAL O & M EXPENSE	(ln 79 + ln 80)	2,067,365			2,067,365
82	DEPRECIATION AND AMORTIZATION EXPENSE					
83	Transmission	336.7.f	2,751,007	TP1	1.00000	2,751,007
84	General	336.10.f	2,060	W/S	1.00000	2,060
85	Intangible	336.1.f	265,337	W/S	1.00000	265,337
86	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)	3,018,404			3,018,404
87	TAXES OTHER THAN INCOME	(Note N)				
88	Labor Related					
89	Payroll	Worksheet H ln 23.(D)	-	W/S	1.00000	-
90	Plant Related					
91	Property	Worksheet H-p2 ln 3.(C) & ln 3.(G)	435,207	DA	1.00000	435,207
92	Gross Receipts/Sales & Use	Worksheet H ln 23.(F)	-	NA	0.00000	-
93	Other	Worksheet H ln 23.(E)	175	GP	1.00000	175
94	TOTAL OTHER TAXES	(sum lns 89 to 93)	435,382			435,382
95	INCOME TAXES	(Note O)				
96	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		24.95%			
97	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		24.56%			
98	where WCLTD=(ln 136) and WACC = (ln 139)					
99	and FIT, SIT & p are as given in Note O.					
100	GRCF=1 / (1 - T) = (from ln 96)		1.3324			
101	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	-			
102	Excess Deferred Income Tax	(Note T)	15,100	NP(h)	1.00000	15,100
103	Tax Effect of Permanent and Flow-Through Differences	(Note T)	23,855	NP(h)	1.00000	23,855
104	Income Tax Calculation	(ln 97 * ln 109)	1,734,430			1,734,430
105	ITC adjustment	(ln 100 * ln 101)	-	NP(h)	1.00000	-
106	Excess Deferred Income Tax	(ln 100 * ln 102)	20,120			20,120
107	Tax Effect of Permanent and Flow-Through Differences	(ln 100 * ln 103)	31,786			31,786
108	TOTAL INCOME TAXES	(sum lns 104 to 107)	1,786,335			1,786,335
109	RETURN ON RATE BASE (Rate Base*WACC)	(ln 58 * ln 139)	7,062,137			7,062,137
110	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F)	(Worksheet D, ln 2.(B))	-	DA	1.00000	-
111	(Gains) / Losses on Sales of Plant Held for Future Use	(Worksheet N, ln 4, Cols. ((F) & (H))	-			-
112	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use	(ln 111 * ln97)	-			-
113	TOTAL REVENUE REQUIREMENT (sum lns 81, 86, 94, 108, 109, 110, 111, 112)		14,369,623			14,369,623

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SUPPORTING CALCULATIONS

In No.									
	TRANSMISSION PLANT INCLUDED IN PJM TARIFF								
114	Total transmission plant	(ln 19)							124,536,547
115	Less transmission plant excluded from PJM Tariff (Worksheet A, ln 42.(d)) (Note P)								-
116	Less transmission plant included in OATT Ancillary Services (Worksheet A, ln 42, Col. (b)) (Note Q)								-
117	Transmission plant included in PJM Tariff	(ln 114 - ln 115 - ln 116)							124,536,547
118	Percent of transmission plant in PJM Tariff	(ln 117 / ln 114)						**TP=**	**1.00000**
				Payroll Billed from					
119	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	AEP Service Corp.	Total				
120	*Line Deliberately Left Blank*								
121	Transmission	354.21.b	-	544,281	544,281	TP	1.00000		544,281
122	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000		-
123	*Line Deliberately Left Blank*								
124	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000		-
125	Total	(sum lns 121, 122, & 124)	-	544,281	544,281				544,281
126	Transmission related amount							**W/S=**	**1.00000**
	Actual (Uncapped) Capital Structure								
127	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								$
128	Long Term Interest	(Worksheet M, ln.36, col.(d))							**2,218,540**
129	Preferred Dividends	(Worksheet M, ln. 45, col.(d))							-
130	Development of Common Stock:								
131	Proprietary Capital	(Worksheet M, ln. 14, col.(b))							60,615,037
132	Less: Preferred Stock	(Worksheet M, ln. 14, col.(c))							-
133	Less: Account 216.1	(Worksheet M, ln. 14, col.(d))							-
134	Less: Account 219	(Worksheet M, ln. 14, col.(e))							-
135	Common Stock	(ln 131 - ln 132 - ln 133 - ln 134)							60,615,037
				Capital Structure Percentages			Cost		
				$	Actual	Cap Limit	(Note S)		Weighted
136	Long Term Debt (Note S) Worksheet M, ln 28, col. (q), ln 37, col. (d))			57,538,462	48.70%	48.70%	3.86%		0.0188
137	Preferred Stock (ln 132)			-	0.00%	0.00%	0.00%		0.0000
138	Common Stock (ln 135)			60,615,037	51.30%	51.30%	10.35%		0.0531
139	Total (Sum lns 136 to 138)			118,153,499	100.00%			**WACC=**	**0.0719**
140	Capital Structure Equity Limit (Note Z)		55.00%						

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AEP Kentucky Transmission 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. 7) If AEP Transmission Companies have any directly assigned transmission facilities, the revenue credits in the formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. 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. Interest will be calculated based on Worksheet R and any over under recovery will be filed and posted as part of the informational filing.
C	Transmission Plant Balances in this study are projected or actual average 13 month balances.
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. In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-l(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing. 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 66. It excludes: 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancilliary Services Revenue, as shown on line 63. 2) Costs of Transmission of Electricity by Others, as described in Note H. 3) The impact of state regulatory deferrals and amortizations, as shown on line 65 4) All A&G Expenses, as shown on line 78.
F	Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 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 110.
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 16 & 17 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 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12. The addbacks on line80 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 line80 is the AEP Kentucky Transmission Company general ledger.
I	Removes the impact of state regulatory deferrals or their amortization from Transmission 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	The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor 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. Recoverable PBOP expense is based on a rate of $(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
N	Includes only FICA, unemployment, highway, property and other assessments. 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 101) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0. Inputs Required: FIT = 21.00% SIT= 5.00% (State Income Tax Rate or Composite SIT. Worksheet G)) p = 0.00% (percent of federal income tax deductible for state purposes)
P	The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable. If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-ochange rate and post-change rate each is in effect. 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 128)/average long term debt (Ln 136). Preferred Stock cost rate = preferred dividends (Ln 129)/preferred outstanding (ln 137). Common Stock cost rate (ROE) = 10.35%, per the Settlement in FERC Docket No. EL17-13. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual 13 month average balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.
T	Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
U	Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All
V	The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
W	AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.
X	Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
Y	The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilites recorded to Accounts 228.1-228.4 from rate base.
Z	Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP Kentucky Transmission Company

Line No	Month (a)	Gross Plant In Service				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5
1	December Prior to Rate Year	123,160,547	-	36,365	-	1,419,674
2	January	124,224,970	-	36,396	-	1,420,687
3	February	124,302,188	-	36,407	-	1,434,337
4	March	124,334,271	-	36,415	-	1,454,664
5	April	124,389,201	-	36,414	-	1,473,242
6	May	124,369,018	-	36,414	-	1,487,550
7	June	124,385,831	-	36,414	-	1,607,184
8	July	124,405,624	-	36,414	-	1,626,291
9	August	124,417,734	-	36,396	-	1,655,742
10	September	124,320,986	-	36,396	-	1,613,292
11	October	124,310,956	-	36,396	-	1,628,421
12	November	124,311,084	-	36,396	-	1,652,377
13	December of Rate Year	128,042,697	-	36,396	-	1,659,770
14	Average of the 13 Monthly Balances	124,536,547	-	36,402	-	1,548,710

Line No	Month (a)	Accumulated Depreciation				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, ln 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, ln 21, Col. (b)
15	December Prior to Rate Year	6,485,001	-	2,499	-	445,386
16	January	6,712,171	-	2,671	-	465,520
17	February	6,941,287	-	2,842	-	485,657
18	March	7,171,605	-	3,014	-	506,016
19	April	7,400,760	-	3,186	-	526,712
20	May	7,599,895	-	3,357	-	547,717
21	June	7,829,296	-	3,529	-	568,961
22	July	8,072,979	-	3,701	-	592,198
23	August	8,302,416	-	3,873	-	615,755
24	September	8,531,870	-	4,044	-	575,003
25	October	8,750,670	-	4,216	-	598,342
26	November	8,979,954	-	4,388	-	621,933
27	December of Rate Year	9,205,501	-	4,559	-	592,611
28	Average of the 13 Monthly Balances	7,844,877	-	3,529	-	549,370

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP Kentucky Transmission Company

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (d) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year	-	-	-	-
30	January	-	-	-	-
31	February	-	-	-	-
32	March	-	-	-	-
33	April	-	-	-	-
34	May	-	-	-	-
35	June	-	-	-	-
36	July	-	-	-	-
37	August	-	-	-	-
38	September	-	-	-	-
39	October	-	-	-	-
40	November	-	-	-	-
41	December of Rate Year	-	-	-	-
42	Average of the 13 Monthly Balances	-	-	-	-

43	Transmission Accumulated Depreciation net of GSU	7,844,877

	Plant Held For Future Use	Source of Data	Balance @ December 31, 2020	Balance @ December 31, 2019	Average Balance for 2020
	(a)	(b)	(c)	(d)	(e)
44	**Plant Held For Future Use**	FF1, page 214, ln 47, Col. (d)	-	-	-
45	**Transmission Plant Held For Future Use (Included in total on line 4**	Company Records - Note 1	-	-	-

Regulatory Assets and Liabilities Approved for Recovery In Ratebase

Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.

46	-	-	-	-	-
47	-	-	-	-	-
48	-	-	-	-	-
49	-	-	-	-	-
50	-	-	-	-	-
51	Total Regulatory Deferrals Included in Ratebase		-	-	-

Unfunded Reserves Summary (Company Records)

	Description	Account
52		

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP Kentucky Transmission Company

53a	-	-	-	-	-
53b	-	-	-	-	-
54	Total		-	-	-

NOTE 1: On this worksheet, "Company Records" refers to AEP's property accounting ledger.
NOTE 2: The ratebase should not include the unamoritzed balance of hedging gains or losses.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
AEP Kentucky Transmission Company

Line Number	(A) Description	(B) Source	(C) Balance @ December 31, 2020	(D) Balance @ December 31, 2019	(E) Average Balance for 2020
1	**Account 281**				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	-	-	-
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	**Account 282**				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	19,046,147	18,716,692	18,881,419
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	-	-	-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	-	-	-
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	19,046,147	18,716,692	18,881,419
11	**Account 283**				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	1,316,333	963,294	1,139,814
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	-	-	-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	-	-	-
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	1,316,333	963,294	1,139,814
16	**Account 190**				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	405,021	324,069	364,545
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	-	-	-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	-	-	-
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	405,021	324,069	364,545
21	**Account 255**				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section I.I67(I)-I(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksh

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

AEP Kentucky Transmission Company
SPECIFIED DEFERRED CREDITS - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2020

(DEBIT) CREDIT

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
		PER BOOKS		NON-APPLICABLE/NON-UTILITY		AVERAGE ELECTRIC	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2019			FUNCTIONALIZATION 12/31/2020		
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2019	BALANCE AS OF 12-31-2020	BALANCE AS OF 12-31-2019	BALANCE AS OF 12-31-2020	UTILITY (B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1.00	ACCOUNT 281:														
2.01															
2.02		0	0			0	0	0	0						
2.03															
2.04		0	0	0	0	0									
2.05		0	0	0	0	0									
2.06		0	0	0	0	0									
3	TOTAL ACCOUNT 281	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	ACCOUNT 281 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	ACCOUNT 282:														
5.01	BOOK VS. TAX DEPRECIATION	11,404,534	12,324,316			11,864,425	0	11,864,425	0		11,404,534			12,324,316	
5.02	481 a BONUS DEPRECIATION	1,548,626	1,032,417			1,290,521	0	1,290,521	0		1,548,626			1,032,417	
5.03	TAX DEPRECIATION LOOKBACK	40,190	0			20,095	0	20,095	0		40,190			-	
5.04	GAIN/LOSS ON ACRS/MACRS PROPERTY	(369,970)	(326,435)			(348,202)	0	(348,202)	0		(369,970)			(326,435)	
5.05	ABFUDC	307,178	375,717			341,447	0	341,447	0		307,178			375,717	
5.06	INT EXP CAPITALIZED FOR TAX	(594,244)	(752,185)			(673,214)	0	(673,214)	0		(594,244)			(752,185)	
5.07	BOOK/TAX UNIT OF PROPERTY ADJ	0	62,647			31,324	0	31,324	0		0			62,647	
5.08	TX ACCEL AMORT - CAPITALIZED SOFTWARE	14,657	14,657			14,657	0	14,657	0		14,657			14,657	
5.09	CAPITALIZED SOFTWARE COST-BOOK	204.716	213.043			208.879	0	208.879	0		204.716			213.043	
5.10	REMOVAL CST	1,301	2,235			1,768	0	1,768	0		1,301			2,235	
5.11	EXCESS ADFIT - PROTECTED	5,681,825	5,681,413			5,681,519	0	5,681,519	0		5,681,825			5,681,413	
5.12	EXCESS ADFIT - UNPROTECTED	478,082	418,321			448,201	0	448,201	0		478,082			418,321	
5.13	NON-UTILITY DEFERRED FIT	-	-	0	0	0									
5.14	SFAS 109 FLOW-THRU 282.3	1,124,191	1,318,559	(1,124,191)	(1,318,559)	0									
5.15	SFAS 109 EXCESS DFIT 282.4	(6,159,706)	(6,099,734)	6,159,706	6,099,734	0									
6	TOTAL ACOUNT 282	13,681,177	14,264,972	5,035,515	4,781,175	18,881,420	0	18,881,419	0	0	18,716,692	0	0	19,046,147	0
7	ACCOUNT 282 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0	0	0	0	0

8	ACCOUNT 283:													
9.01	NOL - STATE C/F - DEF STATE TAX ASSET - L/T	(3,631)	0			(1,816)	0	(1,816)	0		(3,631)			-	
9.02	REG ASSET-TRANSCO PRE-FORMATION COSTS	(1,838)	0			(919)	0	(919)	0		(1,838)			-	
9.03	EXCESS ADFIT - UNPROTECTED	(617,774)	(542,701)			(580,237)	0	(580,237)	0		(617,774)			(542,701)	
9.04	NON-UTILITY DEFERRED FIT 283.2	-	-	0	0	0									
9.05	SFAS 109 FLOW-THRU 283.3	298,836	308,411	(298,836)	(308,411)	0									
9.06	SFAS 109 EXCESS DFIT 283.4	575,682	542,701	(575,682)	(542,701)	0									
9.07	SFAS 133 ADIT FED - SFAS 133 NONAFFIL 2830006	-	-	0	0	0									
9.08	ADIT - FED-HDG-CF-INT RATE 2830015	-	-	0	0	0									
10		251,275	308,411	(874,517)	(851,112)	(582,972)	0	(582,972)	0	0	(623,242)	0	0	(542,701)	0
11	DEFD STATE INCOME TAXES	1,586,536	1,859,034			1,722,785	0	1,722,785	0		1,586,536			1,859,034	
11.01	SFAS 109 - DEFD STATE INCOME TAXES	-	-	0	0	0									
12	TOTAL ACCOUNT 283	1,837,812	2,167,446	(874,517)	(851,112)	1,139,813	0	1,139,814	0	0	963,294	0	0	1,316,333	0
13	ACCOUNT 283 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	JURISDICTIONAL AMOUNTS FUNCTIONALIZED														
15	TOTAL COMPANY AMOUNTS FUNCTIONALIZED														
16	REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT														
17	NOTE: POST 1970 ACCUMULATED DEFERRED														
18	INV TAX CRED. (JDITC) IN A/C 255														
18.01		0	0			0	0	0	0						
18.02		0	0			0	0	0	0						
19															
20	TOTAL ACCOUNT 255	0	0	0	0	0	0	0	0	0	0	0	0	0	0

AEP Kentucky Transmission Company
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2020

DEBIT (CREDIT)

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
		PER BOOKS		NON-APPLICABLE/NON-UTILITY		AVERAGE	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2019			FUNCTIONALIZATION 12/31/2020		
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2019	BALANCE AS OF 12-31-2020	BALANCE AS OF 12-31-2019	BALANCE AS OF 12-31-2020	ELECTRIC UTILITY (B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1	ACCOUNT 190:														
2.01	NOL & TAX CREDIT C/F - DEF TAX ASSET	304	466			385	0	385	0		304			466	
2.02	ACCRUED INTEREST-LONG-TERM - FIN 48	0	1			0	0	0	0		-			1	
2.03	PROV POSS REV REFDS	14,403	1,183			7,793	0	7,793	0		14,403			1,183	
2.04	ACCRD COMPANYWIDE INCENTV PLAN	2.105	12.975			7.540	0	7.540	0		2.105			12.975	
2.05	DEFD STATE INCOME TAXES	333,173	390,397			361,785	0	361,785	0		333,173			390,397	
2.06	AMT CREDIT - DEFERRED	125	0			62	0	62	0		125			-	
2.07	NOL-DEFERRED TAX ASSET RECLASS	0	0			0	0	0	0		-			-	
2.08	NON-UTILITY DEFERRED FIT	19,365	8,477	(19,365)	(8,477)	0									
2.09	SFAS 109 FLOW-THRU 190.3	0	0	(0)	(0)	0									
2.10	SFAS 109 EXCESS DFIT 190.4	1,841,671	1,843,888	(1,841,671)	(1,843,888)	0									
2.11	SFAS 133 ADIT FED - SFAS NONAFFIL 1900006	-	-	0	0	0									
2.12	ADIT FED - PENSION OCI NAF 1900009	-	-	0	0	0									
2.13	ADIT-FED-HDG-CF-INT RATE1900015	-	-	0	0	0									
2.14	DEFERRED SIT 1901002	(26,041)	0			(13,020)	0	(13,020)	0		(26,041)			-	
3	TOTAL ACCOUNT 190	2,185,105	2,257,386	(1,861,036)	(1,852,365)	364,545	0	364,545	0	0	324,069	0	0	405,021	0
4	ACCOUNT 190 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0	0	0	0	0

AEP KENTUCKY TRANSMISSION COMPANY, INC.
Worksheet B-3
Excess/ Deficient ADIT Worksheet
For Year Ended December 31, 2019
Debit/(Credit)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
								1/1/2020 Beginning Balances			Balance Sheet Entries		Tax Expense Entries		12/31/2020 Ending Balance		
Line No.	Account (NOTE A)	Description of Account	Protected Unprotected	Tax Rate Change Act	Excess Balance at Remeasurement	Amortization Methodology (NOTE C)	Amotization Period	Excess ADIT Regulatory Offset	Excess ADIT in Utility Deferrals	Balance Sheet Account Reclassifications	182.3	254	410/411 Excess Amortization NOTE C	410/411 Deferred Tax Expense/ (Benefit)	Excess ADIT Regulatory Offset	Excess ADIT in Utility Deferrals	Reference
															Sum of Cols (I) - (O)		
	Deferred Tax Account (NOTE B)																
1a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017				1,841,671				2,217			1,843,888		WS B - 2 Col B/C, ADIT Item 2.10
1b	2821001	ADFIT - Utility Property	Protected	TCJA 2017	(171,531,496)	**ARAM**	**Life of Asset**		(5,681,625)				212			(5,681,413)	
1c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017	-	**10 Years**	**1/2018 - 12/2027**		(478,081)				59,760			(418,321)	WS B - 1 Col N, ADIT Items 5.11 & 5.12
1d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017				5,681,625				(212)			5,681,413		WS B - 1 Col B/C, ADIT Item 5.15
1e	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017				478,084				(59,760)			418,324		
1f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017	2,463,331	**10 Years**	**1/2018 - 12/2027**		617,774				(75,070)			542,704	WS B - 1 Col N, ADIT Item 9.03
1g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017				(575,682)			(42,092)	75,070			(542,704)		WS B - 1 Col B/C, ADIT Item 9.06
1h	**NOTE D**																
	Regulatory Deferral Accounts																
2a	182.3	Regulatory Asset		TCJA 2017				(42,092)			42,092				-		Company Records
2b	254	Regulatory Liability		TCJA 2017				(7,383,606)				(17,315)			(7,400,921)		FERC Form 1 p. 278 Ln. 3 Cols, (b) /(f)
2c	**NOTE D**																
3		Total For Accounting Entires (Sum of Lines 1a through 2b)						0	(5,541,932)	-	-	-	15,098	-	-	(5,557,030)	
													NOTE E				

NOTE A In order to ensure ratebase neutrality, AEP utilizes the fourth digit of its seven digit FERC Tax subaccount numbers to identify balances associated with uitlity operations vs regulatory reporting requirements. A "1" in the fourth digit of a FERC tax account refers to the utility operations balance or entry. Accounts with the "1" designation will be included in the determination of ratebase to be recovered in the formula rate. A "4" in the four place of the account number indicates accounts used to track regulatory accounting requirements. The excess ADIT amounts recorded in accounts with the "4" designation will be contra to the "1" balance, which will ensure that in the formula rate the excess amount will be part of ratebase, but at the total FERC account level the tax asset or liability will be recorded at the current Federal FIT rate. The amounts recored in the "4" will be offset on a net basis in the regulatory asset or liability subaccount established for this purpose.

NOTE B: The amount of the FIT gross up to recorded on regulatory assets and liabilities will be reported on the first line of ADIT accounts provided for each specific change in tax rates.

NOTE C: The ten year amortization period for unprotected excess ADIT is consistent with the period agreed upon by the Company and its customers and approved for the Company's PJM formula rates. *Appalachian Power Company, et al, 166 FERC ¶61,135 (2019).*

NOTE D: In the event of future tax rate changes, additional lines will be inserted as required to reflect any new ADIT or regulatory deferral accounts that may be necessary to track that tax rate change.

NOTE E: The amount of excess amortization entries shown in lines 1a through 1h are shown as a debit or credit to the ADIT account from which it is being amortized. The total in line 3 is the offset as charged to the 410/411 account.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
AEP Kentucky Transmission Company

Materials & Supplies

Line Number		Source	Balance @ December 31, 2020	Balance @ December 31, 2019	Average Balance for 2020
1					
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	0	0	-
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)			-
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)			-

Prepayment Balance Summary (Note 1)

5		Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)
6	Totals as of December 31, 2020	32,856	0	0	32,856	0	32,856
7	Totals as of December 31, 2019	26,859	0	0	26,859	0	26,859
8	**Average Balance**	29,858	-	-	29,858	-	29,858

Prepayments Account 165 - Balance @ 12/31/2020

9	Acc. No.	Description	2020 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	8,851	-		8,851		8,851	
11	165000219	Prepaid Taxes	0	-		-		-	
12	1650006	Other Prepayments	0	-		-		-	
13	165001219	Prepaid Use Taxes	0	-		-		-	
14	1650021	Prepaid Inssurance EIS	8,867	-		8,867		8,867	
15	1650023	Prepaid Lease	15,138	-		15,138		15,138	
16									
17									
18									
19									
20									
21									
22									
23									
24									
25		**Subtotal - Form 1, p 111.57.c**	32,856	0	0	32,856	0	32,856	

Prepayments Account 165 - Balance @ 12/31/ 2019

26	Acc. No.	Description	2019 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
27	1650001	Prepaid Insurance	8,587	-		8,587		8,587	
28	165000219	Prepaid Taxes	0	-		-		-	
29	1650006	Other Prepayments	0	-		-		-	
30	165001219	Prepaid Use Taxes	0	-		-		-	
31	1650021	Prepaid Inssurance EIS	10,149	-		10,149		10,149	
32	1650023	Prepaid Lease	8,123	-		8,123		8,123	
33									
34									
35									
34									
35									
36									
37									
38									
39									
40		**Subtotal - Form 1, p 111.57.d**	26,859	0	0	26,859	0	26,859	

Note 1: Prepayment Balance will not include: (i) federal and state income tax payments made to offset additional tax liabilities resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; (ii) outstanding income tax refunds due to [company] resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; or (iii) prepayments of federal or state income taxes which are attributable to income earned during periods prior to January 1 of the year depicted in the Balance Sheet (as described in USofA Account 236).

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
AEP Kentucky Transmission Company

Line Number	(A) Description	(B) 2020
1	Net Funds from IPP Customers 12/31/2019 (2020 FORM 1, P269)	-
2	Interest Expense (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	Other Adjustments	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2020 (2020 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column ((ln 1 + ln 7)/2)	-

Note 1 On this worksheet Company Records refers to AEP Kentucky Transmission Company's general ledger.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
AEP Kentucky Transmission Company

Line Number	Description	Total Company	Non-Transmission	Transmission
1	**Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)**		-	
2	**Account 451,Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)**		-	
3	**Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)**		-	
4	**Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)**		-	
5	**Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)**	15,091,855	15,091,855	
5a	**Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)**		-	
5b	**Account 457.2, Miscellaneous Revenues (FF1p.300.24.(b); Company Records - Note 1)**		-	
6	**Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))**	15,091,855	15,091,855	-
7	**Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)**		-	
8	**Total Other Operating Revenues To Reduce Revenue Requirement**	15,091,855	15,091,855	-
9	**Facility Credits under PJM OATT Section 30.9**			

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or AEP Kentucky Transmission Company's general ledger. The functional amounts identified as transmission revenue also come from the general ledger.
Note 2 The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
AEP Kentucky Transmission Company

Line Number	(A) Item No.	(B) Description	(C) 2020 Expense	(D) 100% Non-Transmission	(E) 100% Transmission Specific	(F) Explanation
		Regulatory O&M Deferrals & Amortizations				
1						
2						
3						
4		**Total**	-			
		Detail of Account 561 Per FERC Form 1				
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	-			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	87,329			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
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	19,037			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	-			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	-			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	-			
14		**Total of Account 561**	106,367			
		Account 928				
15	9280000	Regulatory Commission Exp	39	39	-	
16	9280001	Regulatory Commission Exp-Adm	(1)	(1)	-	
17	9280002	Regulatory Commission Exp-Case	(209)	(209)	-	
18	9280005	Reg Com Exp-FERC Trans Cases	3,499	-	3,499	
19				-	-	
20				-	-	
21		**Total (FERC Form 1 p.323.189.b)**	3,328	(171)	3,499	
		Account 930.1				
22	9301000	General Advertising Expenses	-	-	-	
23	9301001	Newspaper Advertising Space	1	1	-	
24	9301010	Publicity	6	6	-	
25	9301012	Public Opinion Surveys	-	-	-	
26	9301014	Video Communications	7	7		
27	9301015	Other Corporate Comm Exp	0	0	-	
28				-	-	
29				-	-	
30				-	-	
31				-	-	
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37				-	-	
38		**Total (FERC Form 1 p.323.191.b)**	15	15	-	
		Account 930.2				
39	9302000	Misc General Expenses	6,256	6,256	-	
40	9302003	Corporate & Fiscal Expenses	1,163	1,163	-	
41	9302007	Assoc Business Development Exp	(40)	-	(40)	
42				-	-	
43		**Total (FERC Form 1 p.323.192.b)**	7,379	7,419	(40)	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
AEP Kentucky Transmission Company

1	Kentucky State Tax Rate	5.00%	
	Apportionment Factor - Note 1	100.00%	
	Effective State Tax Rate		5.00%
2	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
3	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
4	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
5	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		5.00%

Note 1 Apportionment Factors are determined as part of the Company's annual tax return for that jurisdiction.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H page 1 Supporting Taxes Other than Income
AEP Kentucky Transmission Company

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	**Revenue Taxes**					
2	Gross Receipts Tax	-				-
3	**Real Estate and Personal Property Taxes**					
4	Real and Personal Property - Kentucky	435,207	435,207			
5	Real and Personal Property -	-	-			
6	Real and Personal Property -	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	**Payroll Taxes**					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	*Line Deliberately Left Blank*					
13	State Severance Taxes	-				-
14	**Miscellaneous Taxes**					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	175			175	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis	435,382	435,207	-	175	-

(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

		Lines 24-58 Column (B) Deliberately Left Blank	Transmission	Lines 24-58 Column (D) Deliberately Left Blank	General	Total
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	116,691,669	-	32,873	116,724,542
	KENTUCKY JURISDICTION					
25	Percentage of Plant in KENTUCKY JURISDICTION		100.00%		100.00%	
26	Net Plant in KENTUCKY JURISDICTION (Ln 24 * Ln 25)	-	116,691,669	-	32,873	116,724,542
27	Less: Net Value of Exempted Generation Plant					
28	Taxable Property Basis (Ln 26 - Ln 27)	-	116,691,669	-	32,873	116,724,542
29	Relative Valuation Factor					-
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-	
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33	Weighted KENTUCKY JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%	100.00%	
	_____ JURISDICTION					
35	Net Plant in _____ JURISDICTION (Ln 24 - Ln 26)	-	-	-	-	-
36	Less: Net Value Exempted Generation Plant					
37	Taxable Property Basis	-	-	-	-	-
38	Relative Valuation Factor					
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-	
40	General Plant Allocator (Ln 39 / (Total - General Plant)	0.00%	100.00%	0.00%	100.00%	
41	Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-	
42	Weighted _____ JURISDICTION Plant (Ln 39 + 41)	-	-	-	-	-
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%	0.00%	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H page 2 Form 1 Source Reference of Company Amounts on WS H
AEP Kentucky Transmission 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	**Revenue Taxes**			
2	Gross Receipts Tax	-		

	(A) "Real Estate and Personal Propety Tax Detail Annual Tax Expenses by Type (Note 1)"	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
3	**Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)**		435,207				435,207
4	Real and Personal Property - Kentucky		435,207				435,207
		2017		31	P. 263 Ln. 16(i)	100.00%	31
		2018		37,076	P. 263 Ln. 17(i)	100.00%	37,076
		2019		398,100	P. 263 Ln. 18(i)	100.00%	398,100
							-
							-
							-
5	Real and Personal Property -		-				-
				-			-
							-
							-
							-
							-
6	Real and Personal Property -		-				-
							-
							-
7	Real and Personal Property - Other Jurisdictions		-				-
							-

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
8	**Payroll Taxes**			
9	Federal Insurance Contribution (FICA)	-		
10	Federal Unemployment Tax	-		
11	State Unemployment Insurance	-		
12	*Line Left Deliberately Blank*			
13	State Severance Taxes	-		
14	**Miscellaneous Taxes**			
15	State Business & Occupation Tax	-		
16	State Public Service Commission Fees	-		
17	State Franchise Taxes	175		
			-	
			175	P.263 ln 11 (i)
18	State Lic/Registration Fee	-		
19	Misc. State and Local Tax	-		
20	Sales & Use	-		
			-	
21	Federal Excise Tax	-		
22	Michigan Single Business Tax	-		
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	435,382	435,382	

Note 1: The taxes assessed on each transmission company can differ from year to year and between transmission 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 transmission 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.(c) of the Ferc Form 1.

Note 2: The transmission functional amounts for any Real Estate and Property taxes listed on pages 263 of the FERC Form 1 will be allocated using the transmission functional allocator calculated for each state in Worksheet H of the applicable year that the taxes were assesed. Real and Personal Property - Other Jurisdictions will be allocated using the Gross Plant Allocator from the applicable year..

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet I RESERVED
AEP Kentucky Transmission Company

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
AEP Kentucky Transmission 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 (TCOS, ln 138)			10.35%
Project ROE Incentive Adder			0
ROE with additional 0 basis point incentive			10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the True-Up TCOS, lns 136 through 138)			
	%	Cost	Weighted cost
Long Term Debt	48.70%	3.86%	1.878%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	51.30%	10.35%	5.310%
		R =	7.187%

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

Rate Base (True-Up TCOS, ln 58)	98,256,818
R (fom A. above)	7.187%
Return (Rate Base x R)	7,062,137

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

Return (from B. above)	7,062,137
Effective Tax Rate (TCOS, ln 97)	24.56%
Income Tax Calculation (Return x CIT)	1,734,430
ITC Adjustment	-
Excess Deferred Income Tax	20,120
Tax Affect of Permanent Differences	31,786
Income Taxes	1,786,335

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 (TCOS, ln 1)	14,369,623
Lease Payments (TCOS, Lns 80)	-
Return (TCOS, ln 109)	7,062,137
Income Taxes (TCOS, ln 108)	1,786,335
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	5,521,151

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	5,521,151
Return (from I.B. above)	7,062,137
Income Taxes (from I.C. above)	1,786,335
Annual Revenue Requirement, with 0 Basis Point ROE increase	14,369,623
Depreciation (TCOS, ln 83)	2,751,007
Annual Rev. Req, w/ 0 Basis Point ROE increase, less Depreciation	11,618,616

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

Net Transmission Plant (Projected TCOS, ln 33)	116,691,669
Annual Revenue Requirement, with 0 Basis Point ROE increase	14,369,623
FCR with 0 Basis Point increase in ROE	12.31%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	11,618,616
FCR with 0 Basis Point ROE increase, less Depreciation	9.96%
FCR less Depreciation (TCOS, ln 10)	9.96%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2020 TCOS, ln 19	124,536,547
Annual Depreciation and Amortization Expense (TCOS, ln 83)	2,751,007
Composite Depreciation Rate	2.21%
Depreciable Life for Composite Depreciation Rate	45.27
Average Life in Whole Years	45

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS

TRUE-UP YEAR	Rev Require	W Incentives	Incentive Amounts
As Projected in Prior Year WS J	$ 4,517,756	$ 4,517,756	$ -
Actual After True-up	$ 4,294,129	$ 4,294,129	$ -
True-up of ARR For 2020	(223,627)	(223,627)	-

Note 1: Until AEP Kentucky Transmission Company establishes Transmission plant in service the depreciation expense component of the carrying charge will be calculated as in the Operating Company formula approved in Docket No. ER08-1329. The calculation for AEP Kentucky Transmission Company is shown on Worksheet P.

AEP Kentucky Transmission Company Worksheet K - ATRR TRUE-UP 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. (e.g. ER05-925-000)

Project Description: b1495 (Add an additional 765/345 kV transformer at Baker Station)

2020	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	4,517,756	4,517,756	-
Prior Yr True-Up	4,294,129	4,294,129	-
True-Up Adjustment	(223,627)	(223,627)	-

Details			
Investment	38,021,786	Current Year	2020
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	9.96%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	9.96%
CIAC (Yes or No)	No	Annual Depreciation Expense	844,929

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2016	38,021,786	422,464	37,599,322	37,810,554	4,187,140	4,187,140	$ -	$ 3,748,292	$ 438,848	$ 3,748,292	$ 438,848	$ -
2017	37,599,322	844,929	36,754,393	37,176,858	4,546,509	4,546,509	$ -	$ 5,097,838	$ (551,329)	$ 5,097,838	$ (551,329)	$ -
2018	36,754,393	844,929	35,909,465	36,331,929	4,462,382	4,462,382	$ -	$ 4,201,672	$ 260,710	$ 4,201,672	$ 260,710	$ -
2019	35,909,465	844,929	35,064,536	35,487,000	4,378,256	4,378,256	$ -	$ 4,412,111	$ (33,855)	$ 4,412,111	$ (33,855)	$ -
2020	35,064,536	844,929	34,219,608	34,642,072	4,294,129	4,294,129	$ -	$ 4,517,756	$ (223,627)	$ 4,517,756	$ (223,627)	$ -
2021	34,219,608	844,929	33,374,679	33,797,143	4,210,002	4,210,002	$ -		$ -		$ -	$ -
2022	33,374,679	844,929	32,529,750	32,952,215	4,125,875	4,125,875	$ -		$ -		$ -	$ -
2023	32,529,750	844,929	31,684,822	32,107,286	4,041,748	4,041,748	$ -		$ -		$ -	$ -
2024	31,684,822	844,929	30,839,893	31,262,358	3,957,621	3,957,621	$ -		$ -		$ -	$ -
2025	30,839,893	844,929	29,994,965	30,417,429	3,873,495	3,873,495	$ -		$ -		$ -	$ -
2026	29,994,965	844,929	29,150,036	29,572,500	3,789,368	3,789,368	$ -		$ -		$ -	$ -
2027	29,150,036	844,929	28,305,107	28,727,572	3,705,241	3,705,241	$ -		$ -		$ -	$ -
2028	28,305,107	844,929	27,460,179	27,882,643	3,621,114	3,621,114	$ -		$ -		$ -	$ -
2029	27,460,179	844,929	26,615,250	27,037,715	3,536,987	3,536,987	$ -		$ -		$ -	$ -
2030	26,615,250	844,929	25,770,322	26,192,786	3,452,860	3,452,860	$ -		$ -		$ -	$ -
2031	25,770,322	844,929	24,925,393	25,347,857	3,368,734	3,368,734	$ -		$ -		$ -	$ -
2032	24,925,393	844,929	24,080,465	24,502,929	3,284,607	3,284,607	$ -		$ -		$ -	$ -
2033	24,080,465	844,929	23,235,536	23,658,000	3,200,480	3,200,480	$ -		$ -		$ -	$ -
2034	23,235,536	844,929	22,390,607	22,813,072	3,116,353	3,116,353	$ -		$ -		$ -	$ -
2035	22,390,607	844,929	21,545,679	21,968,143	3,032,226	3,032,226	$ -		$ -		$ -	$ -
2036	21,545,679	844,929	20,700,750	21,123,215	2,948,099	2,948,099	$ -		$ -		$ -	$ -
2037	20,700,750	844,929	19,855,822	20,278,286	2,863,973	2,863,973	$ -		$ -		$ -	$ -
2038	19,855,822	844,929	19,010,893	19,433,357	2,779,846	2,779,846	$ -		$ -		$ -	$ -
2039	19,010,893	844,929	18,165,964	18,588,429	2,695,719	2,695,719	$ -		$ -		$ -	$ -
2040	18,165,964	844,929	17,321,036	17,743,500	2,611,592	2,611,592	$ -		$ -		$ -	$ -
2041	17,321,036	844,929	16,476,107	16,898,572	2,527,465	2,527,465	$ -		$ -		$ -	$ -
2042	16,476,107	844,929	15,631,179	16,053,643	2,443,338	2,443,338	$ -		$ -		$ -	$ -
2043	15,631,179	844,929	14,786,250	15,208,714	2,359,212	2,359,212	$ -		$ -		$ -	$ -
2044	14,786,250	844,929	13,941,322	14,363,786	2,275,085	2,275,085	$ -		$ -		$ -	$ -
2045	13,941,322	844,929	13,096,393	13,518,857	2,190,958	2,190,958	$ -		$ -		$ -	$ -
2046	13,096,393	844,929	12,251,464	12,673,929	2,106,831	2,106,831	$ -		$ -		$ -	$ -
2047	12,251,464	844,929	11,406,536	11,829,000	2,022,704	2,022,704	$ -		$ -		$ -	$ -
2048	11,406,536	844,929	10,561,607	10,984,072	1,938,577	1,938,577	$ -		$ -		$ -	$ -
2049	10,561,607	844,929	9,716,679	10,139,143	1,854,451	1,854,451	$ -		$ -		$ -	$ -
2050	9,716,679	844,929	8,871,750	9,294,214	1,770,324	1,770,324	$ -		$ -		$ -	$ -
2051	8,871,750	844,929	8,026,822	8,449,286	1,686,197	1,686,197	$ -		$ -		$ -	$ -
2052	8,026,822	844,929	7,181,893	7,604,357	1,602,070	1,602,070	$ -		$ -		$ -	$ -
2053	7,181,893	844,929	6,336,964	6,759,429	1,517,943	1,517,943	$ -		$ -		$ -	$ -
2054	6,336,964	844,929	5,492,036	5,914,500	1,433,816	1,433,816	$ -		$ -		$ -	$ -
2055	5,492,036	844,929	4,647,107	5,069,571	1,349,690	1,349,690	$ -		$ -		$ -	$ -
2056	4,647,107	844,929	3,802,179	4,224,643	1,265,563	1,265,563	$ -		$ -		$ -	$ -
2057	3,802,179	844,929	2,957,250	3,379,714	1,181,436	1,181,436	$ -		$ -		$ -	$ -
2058	2,957,250	844,929	2,112,321	2,534,786	1,097,309	1,097,309	$ -		$ -		$ -	$ -
2059	2,112,321	844,929	1,267,393	1,689,857	1,013,182	1,013,182	$ -		$ -		$ -	$ -
2060	1,267,393	844,929	422,464	844,929	929,055	929,055	$ -		$ -		$ -	$ -
2061	422,464	422,464	-	211,232	443,496	443,496	$ -		$ -		$ -	$ -
2062	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2063	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2064	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2065	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2066	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2067	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2068	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2069	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2070	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2071	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2072	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2073	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2074	-	-	-	-	-	-	$ -		$ -		$ -	$ -
2075	-	-	-	-	-	-	$ -		$ -		$ -	$ -
Project Totals		38,021,786			125,093,059	125,093,059	-					

** 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. This 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.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet L RESERVED
AEP Kentucky Transmission Company

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
AEP Kentucky Transmission Company

		Average Balance of Common Equity				
Line No	Month (a)	Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	60,561,792	-	-	-	60,561,792
2	January	61,072,634	-	-	-	61,072,634
3	February	61,533,251	-	-	-	61,533,251
4	March	62,063,985	-	-	-	62,063,985
5	April	62,547,205	-	-	-	62,547,205
6	May	58,140,353	-	-	-	58,140,353
7	June	58,050,243	-	-	-	58,050,243
8	July	58,595,690	-	-	-	58,595,690
9	August	59,159,054	-	-	-	59,159,054
10	September	59,819,889	-	-	-	59,819,889
11	October	61,521,899	-	-	-	61,521,899
12	November	62,179,109	-	-	-	62,179,109
13	December of Rate Year	62,750,383	-	-	-	62,750,383
14	Average of the 13 Monthly Balances	60,615,037	-	-	-	60,615,037

		Average Balance of Long Term Debt					
Line No	Month (a)	Bonds (b)	Less: Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year	-	-	43,000,000	-	-	43,000,000
16	January	-	-	43,000,000	-	-	43,000,000
17	February	-	-	43,000,000	-	-	43,000,000
18	March	-	-	43,000,000	-	-	43,000,000
19	April	-	-	64,000,000	-	-	64,000,000
20	May	-	-	64,000,000	-	-	64,000,000
21	June	-	-	64,000,000	-	-	64,000,000
22	July	-	-	64,000,000	-	-	64,000,000
23	August	-	-	64,000,000	-	-	64,000,000
24	September	-	-	64,000,000	-	-	64,000,000
25	October	-	-	64,000,000	-	-	64,000,000
26	November	-	-	64,000,000	-	-	64,000,000
27	December of Rate Year	-	-	64,000,000	-	-	64,000,000
28	Average of the 13 Monthly Balances	-	-	57,538,462	-	-	57,538,462

NOTE 1: 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. (Page 257 Column H of the FF1)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
AEP Kentucky Transmission Company

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	**Annual Interest Expense for 2020**						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			2,187,375			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			33,888			
33	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			-			
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			2,723			
35	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)			-			
36	**Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)**			**2,218,540**			
37	**Average Cost of Debt for 2020 (Ln 36/ ln 28 (g))**			**3.86%**			

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

38 AEP Kentucky Transmission Company may not include costs (or gains) related to interest hedging activities.

				Amortization Period	
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	**(Amortization of (Gain)/Loss for 2020**	**Remaining Unamortized Balance**	**Beginning**	**Ending**
39					
40					
41					
42					
43	**Net (Gain)/Loss Hedge Amortization To Be Removed**	-	-	-	-

Development of Cost of Preferred Stock

44	Balance of Preferred Stock (Line 14 (c))	-
45	Dividends on Preferred Stock (Acct 437, FF1 118.29))	
46	Average Cost of Preferred Stock (Ln 45 / ln 44)	#DIV/0!

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
AEP Kentucky Transmission Company

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectiviely. 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.

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Calculation of Post-employment Benefits Other than Pensions Expenses Allocable to Transmission Service
Worksheet O - PBOP Support
AEP Kentucky Transmission Company

PBOP	(A)		(B)
1	**Calculation of PBOP Expenses**		
2	**AEP System PBOP Rate**		
3	Total AEP System PBOP expenses		-$109,892,067
4	Base Year relating to retired personnel		$0
5	Amount allocated on Labor		-$109,892,067
6	Total AEP System Direct Labor Expense		$1,489,637,636
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)		-$0.074
8	Currently Approved PBOP Rate		-$0.043
9	Base PBOP TransCo labor expensed in current year		520,984
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)		-$22,402
11	Direct PBOP Expense per Actuarial Report		$0
12	Additional PBOP Ledger Entry (From Company Records)		$0
13	Medicare Credit		$0
14	PBOP Expenses From AEP Affiliates (From Company Records)		-$48,998
15	Actual PBOP Expense	(Sum Lines 11-14)	-$48,998
16	PBOP Adjustment	Line 10 less Line 15	$26,596

Note: PBOP Expense will be calculated in accordance with the settlement in Docket ER10-355.

As part of the annual update process, AEP will provide to transmission customers and include in its informational filing an independently prepared actuarial report that includes a ten (10) year forecast of PBOP expenses. During the annual update process conducted for rate year 2018 and every four years thereafter, Worksheet O will be used to determine whether the PBOP allowance rate ($PBOP per $Direct O&M Labor) should be adjusted going forward for the next four years. If the annual actuarial report issued during the year of any PBOP rate review projects PBOP costs during the next four years that, when allocated to the AEP Transmission Companies based on their projected direct labor expenses over that same projected four-year period, absent a change in the PBOP Rate, will likely cause the AEP East Transmission Companies to over or under collect their cumulative PBOP expenses by more than 20% of the projected next four year's total PBOP expense, taking into account the net over or under collection of such expenses during the previous four years, the PBOP rate shall be adjusted. In order to determine whether continued use of the then approved PBOP rate is likely to result in the AEP Companies' incurrence of a cumulative allowance of PBOP costs under the formula rate will result in a cumulative over or under-recoery of actual PBOP expenses exceeding 20% over the subsequent four year period, Worksheet O will be used to determine (a) the level of cumulative over or under collections of PBOP expense during the time since the PBOP allowance rate was last set, including carrying costs based on the weighted average cost of capital each year from the formula rate actual transmission cost-of-service (b) the cumulative net present value of projected PBOP costs during the next four years as estimated by the then current actuarial report, assuming a discount rate equal to the actual transmission cost of service average cost of capital for the immediately prior calendar year and (c) the cumulative net present value of continued collections over the next four years based on the projected AEP Transmission Companies direct labor expenses and the then effective PBOP allowance rate assuming a discount rate equal to the prior year weighted average cost of capital. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance rate used in the formula rate calculation shall be changed to the value that will cause the projected result of (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years, (a)+(b)-(c), is less than 20% of (b), then the PBOP Rate will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP Rate stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEPTCo subsidiaries in PJM

Worksheet - P

DEPRECIATION RATES

FOR TRANSMISSION PLANT PROPERTY ACCOUNTS

EFFECTIVE AS OF July 1, 2015

AEP Kentucky Transmission Company

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductor	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%

Note: Per the Settlement in Docket No. ER10-355, Appendix A.1.2, AEP KENTUCKY TRANSMISSION COMPANY shall use the depreciation rates shown above by FERC Account until such time as the FERC approves new depreciation rates pusuant to a Section 205 or 206 filing to change rates.

Composite Depreciation Rate	KPCO	TOTAL
T-Plant (FF1 206.58.g)	438,744,866	438,744,866
T-Plant (FF1 206.58.b)	431,804,417	431,804,417
Average (Ln 1+ Ln 2)/2	435,274,642	435,274,642
Depreciation (FF1 336.7.f)	7,420,678	7,420,678
Composite Depreciation (Ln 3 / Ln 4)		**1.70%**

Note: AEP KENTUCKY TRANSMISSION COMPANY shall initially use the composite depreciation rate for kpco shown above to estimate depreciation expense for transmission projects in Worksheets I, J and K until a composite depreciation rate based on transmission plant in service and depreciation expenses recorded by AEP KENTUCKY TRANSMISSION COMPANY for its own transmission facilities can be calculated in AEP KENTUCKY TRANSMISSION COMPANY's the first Annual Update including a True-Up TCOS.

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Capital Structure @ December 31, 2020
Worksheet Q Page 1

Line		Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
Development of Long Term Debt Balances at Year End								
1	Bonds (112.18.c&d)							-
2	Less: Reacquired Bonds (112.19.c&d)							-
3	LT Advances from Assoc. Companies (112.20.c&d)							-
4	Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund							-
5	Less: Fair Value Hedges (See Note on Ln 7 below)							-
6	**Total Long Term Debt Balance**	-	-	-	-	-	-	-
7	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. (page 257, Column H of the FF1)							
Development of Long Term Debt Interest Expense								
8	Interest on Long Term Debt (256-257.33.i)							-
9	Amort of Debt Discount & Expense (117.63.c)							-
10	Amort of Loss on Reacquired Debt (117.64.c)							-
11	Less: Amort of Premium on Debt (117.65.c)							-
12	Less: Amort of Gain on Reacquired Debt (117.66.c)							-
13	Less: Hedge Interest on pp 256-257(i)							-
14	**LTD Interest Expense**	-	-	-	-	-	-	-
Development of Cost of Preferred Stock and Preferred Dividends								
15	Dividend Rate (p. 250-251. 7.a)							
16	Par Value (p. 250-251. 8.c)							
17	Shares Outstanding (p.250-251. 8.e)							
18	Monetary Value (Ln 16 * Ln 17)	-	-	-	-	-	-	-
19	Dividend Amount (Ln 15 * Ln 18)	-	-	-	-	-	-	-
20	Dividend Rate (p. 250-251. 7.a)							
21	Par Value (p. 250-251. 8.c)							
22	Shares Outstanding (p.250-251. 8.e)							
23	Monetary Value (Ln 21 * Ln 22)	-	-	-	-	-	-	-
24	Dividend Amount (Ln 20 * Ln 23)	-	-	-	-	-	-	-
25	Dividend Rate (p. 250-251. 7.a)							
26	Par Value (p. 250-251. 8.c)							
27	Shares Outstanding (p.250-251. 8.e)							
28	Monetary Value (Ln 26 * Ln 27)	-	-	-	-	-	-	-
29	Dividend Amount (Ln 25 * Ln 28)	-	-	-	-	-	-	-
30	Dividend Rate (p. 250-251. 7.a)							
31	Par Value (p. 250-251. 8.c)							
32	Shares Outstanding (p.250-251. 8.e)							
33	Monetary Value (Ln 31 * Ln 32)	-	-	-	-	-	-	-
34	Dividend Amount (Ln 30 * Ln 33)	-	-	-	-	-	-	-
35	**Preferred Stock (Lns 18, 23, 28,33)**	-	-	-	-	-	-	-
36	**Preferred Dividends (Lns 19, 24, 29,34)**	-	-	-	-	-	-	-
Development of Common Equity								
37	Proprietary Capital (112.16.c)							-
38	Less: Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
39	Less: Account 216.1 (112.12.c)							-
40	Less: Account 219.1 (112.15.c)							-
41	**Balance of Common Equity**	-	-	-	-	-	-	-
Calculation of Capital Shares								
42	Long Term Debt (Ln 6 Above)	-	-	-	-	-	-	-
43	Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
44	Common Equity (Ln 41 Above)	-	-	-	-	-	-	-
45	Total Company Structure	-	-	-	-	-	-	-
46	LTD Capital Shares (Ln 42 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
47	Preferred Stock Capital Shares (Ln 43 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
48	Common Equity Capital Shares (Ln 44 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
49	**Reserved**							
50	**Reserved**							
51	**Reserved**							
52	**Reserved**							
Calculation of Capital Cost Rate								
53	LTD Capital Cost Rate (Ln 14 / Ln 6)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
54	Preferred Stock Capital Cost Rate (Ln 36 / Ln 35)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55	Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
Calculation of Weighted Capital Cost Rate								
56	LTD Weighted Capital Cost Rate (Ln 46 * Ln 53)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
57	Preferred Stock Capital Cost Rate (Ln 47 * Ln 54)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
58	Common Equity Capital Cost Rate (Ln 48 * Ln 55)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
59	**Total Company Structure**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Capital Structure @ December 31, 2019
Worksheet Q Page 2

Line		Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
Development of Long Term Debt Balances at Year End								
60	Bonds (112.18.c&d)							-
61	Less: Reacquired Bonds (112.19.c&d)							-
62	LT Advances from Assoc. Companies (112.20.c&d)							-
63	Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund							-
64	Less: Fair Value Hedges (See Note on Ln 66 below)							-
65	**Total Long Term Debt Balance**	-	-	-	-	-	-	-
66	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. (p. 257, Column H of the FF1)							
Development of Long Term Debt Interest Expense								
67	Interest on Long Term Debt (256-257.33.i)							-
68	Amort of Debt Discount & Expense (117.63.c)							-
69	Amort of Loss on Reacquired Debt (117.64.c)							-
70	Less: Amort of Premium on Debt (117.65.c)							-
71	Less: Amort of Gain on Reacquired Debt (117.66.c)							-
72	Less: Hedge Interest on pp 256-257(i)							-
73	**LTD Interest Expense**	-	-	-	-	-	-	-
Development of Cost of Preferred Stock and Preferred Dividends								
74	Dividend Rate (p. 250-251. 7.a)							
75	Par Value (p. 250-251. 8.c)							
76	Shares Outstanding (p.250-251. 8.e)							
77	Monetary Value (Ln 75 * Ln 76)	-	-	-	-	-	-	-
78	Dividend Amount (Ln 74 * Ln 77)	-	-	-	-	-	-	-
79	Dividend Rate (p. 250-251. 7.a)							
80	Par Value (p. 250-251. 8.c)							
81	Shares Outstanding (p.250-251. 8.e)							
82	Monetary Value (Ln 80 * Ln 81)	-	-	-	-	-	-	-
83	Dividend Amount (Ln 79 * Ln 82)	-	-	-	-	-	-	-
84	Dividend Rate (p. 250-251. 7.a)							
85	Par Value (p. 250-251. 8.c)							
86	Shares Outstanding (p.250-251. 8.e)							
87	Monetary Value (Ln 85 * Ln 86)	-	-	-	-	-	-	-
88	Dividend Amount (Ln 84 * Ln 87)	-	-	-	-	-	-	-
89	Dividend Rate (p. 250-251. 7.a)							
90	Par Value (p. 250-251. 8.c)							
91	Shares Outstanding (p.250-251. 8.e)							
92	Monetary Value (Ln 90 * Ln 91)	-	-	-	-	-	-	-
93	Dividend Amount (Ln 89 * Ln 92)	-	-	-	-	-	-	-
94	**Preferred Stock (Lns 77, 82, 87,92)**	-	-	-	-	-	-	-
95	**Preferred Dividends (Lns 78, 83, 88,93)**	-	-	-	-	-	-	-
Development of Common Equity								
96	Proprietary Capital (112.16.c)							-
97	Less: Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
98	Less: Account 216.1 (112.12.c)							-
99	Less: Account 219.1 (112.15.c)							-
100	**Balance of Common Equity**	-	-	-	-	-	-	-
Calculation of Capital Shares								
101	Long Term Debt (Ln 65 Above)	-	-	-	-	-	-	-
102	Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
103	Common Equity (Ln 100 Above)	-	-	-	-	-	-	-
104	Total Company Structure	-	-	-	-	-	-	-
105	LTD Capital Shares (Ln 101 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
106	Preferred Stock Capital Shares (Ln 102 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
107	Common Equity Capital Shares (Ln 103 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
108	**Reserved**							
109	**Reserved**							
110	**Reserved**							
111	**Reserved**							
Calculation of Capital Cost Rate								
112	LTD Capital Cost Rate (Ln 73 / Ln 65)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
113	Preferred Stock Capital Cost Rate (Ln 95 / Ln 94)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
114	Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
Calculation of Weighted Capital Cost Rate								
115	LTD Weighted Capital Cost Rate (Ln 105 * Ln 112)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
116	Preferred Stock Capital Cost Rate (Ln 106 * Ln 113)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
117	Common Equity Capital Cost Rate (Ln 107 * Ln 114)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
118	**Total Company Structure**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Average Capital Structure
Worksheet Q Page 3

Line		Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
Development of Average Long Term Debt								
119	Average Bonds (Ln 1 + Ln 60) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
120	Less: Average Reacquired Bonds (Ln 2 + Ln 61) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
121	Average LT Advances from Assoc. Companies (Ln 3 + Ln 62) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
122	Average Senior Unsecured Notes (Ln 4 + Ln 63) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
123	Less: Average Fair Value Hedges (See Note on Ln 125 below)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
124	**Average Balance of Long Term Debt**	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
125	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. (p. 257, Column H of the FF1)							
Development of Long Term Debt Interest Expense								
126	Interest on Long Term Debt (256-257.33.i)	-	-	-	-	-	-	-
127	Amort of Debt Discount & Expense (117.63.c)	-	-	-	-	-	-	-
128	Amort of Loss on Reacquired Debt (117.64.c)	-	-	-	-	-	-	-
129	Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
130	Less: Amort of Gain on Reacquired Debt (117.66.c)	-	-	-	-	-	-	-
131	Less: Hedge Interest on pp 256-257(i)	-	-	-	-	-	-	-
132	**LTD Interest Expense**	-	-	-	-	-	-	-
Cost of Preferred Stock and Preferred Dividends								
133	Average Balance of Preferred Stock (Ln 35 + Ln 94) / 2	-	-	-	-	-	-	-
134	Preferred Dividends (Ln 36)	-	-	-	-	-	-	-
Development of Average Common Equity								
135	Average Proprietary Capital (Ln 37 + Ln 96) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
136	Less: Average Preferred Stock (Ln 133 Above)	-	-	-	-	-	-	-
137	Less: Average Account 216.1 (Ln 39 + Ln 98) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
138	Less: Average Account 219.1 (Ln 40 + Ln 99) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
139	**Average Balance of Common Equity**	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Calculation of Capital Shares								
140	Average Balance of Long Term Debt (Ln 124 Above)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
141	Average Balance of Preferred Stock (Ln 133 Above)	-	-	-	-	-	-	-
142	Average Balance of Common Equity (Ln 139 Above)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
143	Average of Total Company Structure	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
144	Average Balance of LTD Capital Shares (Ln 140 / Ln 143)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
145	Average Balance of Preferred Stock Capital Shares (Ln 141 / Ln 143)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
146	Average Balance of Common Equity Capital Shares (Ln 142 / Ln 143)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
147	**Reserved**							
148	**Reserved**							
149	**Reserved**							
150	**Reserved**							
Calculation of Capital Cost Rate								
151	LTD Capital Cost Rate (Ln 132 / Ln 124)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
152	Preferred Stock Capital Cost Rate (Ln 134 / Ln 133)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
153	Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
Calculation of Weighted Capital Cost Rate								
154	LTD Weighted Capital Cost Rate (Ln 144 * Ln 151)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
155	Preferred Stock Capital Cost Rate (Ln 145 * Ln 152)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
156	Common Equity Capital Cost Rate (Ln 146 * Ln 153)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
157	**ACTUAL WEIGHTED AVG COST OF CAPITAL**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**	**#DIV/0!**

AEPTCo Subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet R - True-up With Interest

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019		2018 Forecasted Revenue Requirement For Year 2018		True-up Adjustment Over (Under) Recovery
$0	-	$0	=	$0

Interest Rate on Amount of Refunds or Surcharges (Note 1)		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
			0.3420%				

An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorate over 2020

Calculation of Interest					Monthly		
January	Year 2018	-	0.3420%	12	-		-
February	Year 2018	-	0.3420%	11	-		-
March	Year 2018	-	0.3420%	10	-		-
April	Year 2018	-	0.3420%	9	-		-
May	Year 2018	-	0.3420%	8	-		-
June	Year 2018	-	0.3420%	7	-		-
July	Year 2018	-	0.3420%	6	-		-
August	Year 2018	-	0.3420%	5	-		-
September	Year 2018	-	0.3420%	4	-		-
October	Year 2018	-	0.3420%	3	-		-
November	Year 2018	-	0.3420%	2	-		-
December	Year 2018	-	0.3420%	1	-		-
					-		-
					Annual		
January through December	Year 2019	-	0.3420%	12	-		-
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly		
January	Year 2020	-	0.3420%		-	-	-
February	Year 2020	-	0.3420%		-	-	-
March	Year 2020	-	0.3420%		-	-	-
April	Year 2020	-	0.3420%		-	-	-
May	Year 2020	-	0.3420%		-	-	-
June	Year 2020	-	0.3420%		-	-	-
July	Year 2020	-	0.3420%		-	-	-
August	Year 2020	-	0.3420%		-	-	-
September	Year 2020	-	0.3420%		-	-	-
October	Year 2020	-	0.3420%		-	-	-
November	Year 2020	-	0.3420%		-	-	-
December	Year 2020	-	0.3420%		-	-	-
					-		

True-Up Adjustment with Interest	-
Less Over (Under) Recovery	-
Total Interest	-

Note 1: The interest rate to be applied to the over recovery or under recovery amounts will be determined using the average monthly FERC interest rate (as determined pursuant to 18 C.F.R. Section 35.19a) for the twenty (20) months from the beginning of the rate year being trued-up through August 31 of the following year.