Twelve Months Ended 2027

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

KINGSPORT POWER COMPANY

Line No.			Total	Allocator		Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 130)				$9,967,888
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	312,648	DA	1.00000	$ 312,648
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				$ -
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				$ 9,655,240

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)		-	DA	1.00000	$ -
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)					
7	Annual Rate	((ln 1 - ln 95)/((ln 42) x 100))				17.59%
8	Monthly Rate	(ln 7 / 12)				1.47%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)					
10	Annual Rate	((ln 1 - ln 95 - ln 100) /((ln 42) x 100))				14.67%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)					
12	Annual Rate	((ln 1 - ln 95 - ln 100 - ln 125 - ln 126) /((ln 42) x 100))				4.55%
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 75 Below	11,244
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)	11,244

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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	Production	(Worksheet A ln 14.(b))	-	NA	0.00000	-
20	Less: Production ARO (Enter Negative)	(Worksheet A ln 14.(c))	-	NA	0.00000	-
21	Transmission	(Worksheet A ln 14.(d) & TCOS Ln 134)	68,558,772	DA		68,558,772
22	Less: Transmission ARO (Enter Negative)	(Worksheet A ln 14.(e))	-	TP	1.00000	-
23	Distribution	(Worksheet A ln 14.(f))	297,490,959	NA	0.00000	-
24	Less: Distribution ARO (Enter Negative)	(Worksheet A ln 14.(g))	-	NA	0.00000	-
25	General Plant	(Worksheet A ln 14.(h))	30,055,649	W/S	0.12399	3,726,565
26	Less: General Plant ARO (Enter Negative)	(Worksheet A ln 14.(i))	-	W/S	0.12399	-
27	Intangible Plant	(Worksheet A ln 14.(j))	781	W/S	0.12399	97
27a	Energy Storage	(Worksheet A ln 14.(k))	-	ES	1.00000	-
27b	Less: Energy Storage ARO (Enter Negative)	(Worksheet A ln 14.(l))	-	ES	1.00000	-
28	TOTAL GROSS PLANT	(sum lns 19 to 27)	396,106,161	**GP**	**0.182490**	72,285,434
				GTD=	**0.18729**	
29	ACCUMULATED DEPRECIATION AND AMORTIZATION					
30	Production	(Worksheet A ln 28.(b))	-	NA	0.00000	-
31	Less: Production ARO (Enter Negative)	(Worksheet A ln 28.(c))	-	NA	0.00000	-
32	Transmission	(Worksheet A ln 28.(d) & ln 43.(c))	11,882,118	**TP1=**	1.00000	11,882,118
33	Less: Transmission ARO (Enter Negative)	(Worksheet A ln 28.(e))	-	**TP1=**	1.00000	-
34	Distribution	(Worksheet A ln 28.(f))	100,151,355	NA	0.00000	-
35	Less: Distribution ARO (Enter Negative)	(Worksheet A ln 28.(g))	-	NA	0.00000	-
36	General Plant	(Worksheet A ln 28.(h))	8,177,243	W/S	0.12399	1,013,887
37	Less: General Plant ARO (Enter Negative)	(Worksheet A ln 28.(i))	-	W/S	0.12399	-
38	Intangible Plant	(Worksheet A ln 28.(j))	(9,906)	W/S	0.12399	(1,228)
38a	Energy Storage	(Worksheet A ln 28.(k))	-	ES	1.00000	-
38b	Less: Energy Storage ARO (Enter Negative)	(Worksheet A ln 28.(l))	-	ES	1.00000	-
39	TOTAL ACCUMULATED DEPRECIATION	(sum lns 30 to 38)	120,200,810			12,894,776
40	NET PLANT IN SERVICE					
41	Production	(ln 19 + ln 20 - ln 30 - ln 31)	-			-
42	Transmission	(ln 21 + ln 22 - ln 32 - ln 33)	56,676,654			56,676,654
43	Distribution	(ln 23 + ln 24 - ln 34 - ln 35)	197,339,604			-
44	General Plant	(ln 25 + ln 26 - ln 36 - ln 37)	21,878,406			2,712,678
45	Intangible Plant	(ln 27 - ln 38)	10,687			1,325
45a	Energy Storage	(ln 27a + ln 27b - ln 38a - ln 38b)	-			-
46	TOTAL NET PLANT IN SERVICE	(sum lns 41 to 45)	275,905,351	**NP**	**0.215257**	59,390,657
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
48	Account No. 281.1 (enter negative)	(Worksheet B, ln 2 & ln 5.E)	-	NA		-
49	Account No. 282.1 (enter negative)	(Worksheet B, ln 7 & ln 10.E)	(30,057,279)	DA		(6,684,988)
50	Account No. 283.1 (enter negative)	(Worksheet B, ln 12 & ln 15.E)	(7,810,973)	DA		(984,433)
51	Account No. 190.1	(Worksheet B, ln 17 & ln 20.E)	10,736,459	DA		9,683,713
52	Account No. 255 (enter negative)	(Worksheet B, ln 24 & ln 25.E)	-	DA		-
53	TOTAL ADJUSTMENTS	(sum lns 48 to 52)	(27,131,793)			2,014,292
54	PLANT HELD FOR FUTURE USE	(Worksheet A ln 44.(e) & ln 45.(e))	-	DA		-
55	REGULATORY ASSETS	(Worksheet A ln 51.(e))	-	DA		-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A ln 54.(e))	-	W/S	0.12399	-
57	WORKING CAPITAL	(Note E)				
58	Cash Working Capital	(1/8 * ln 78)	80,954			80,954
59	Transmission Materials & Supplies	(Worksheet C, ln 2.(F))	-	TP	1.00000	-
59a	Energy Storage Materials & Supplies (Note BB)	(Worksheet C, ln 2a.(F))	-	ES	1.00000	-
60	A&G Materials & Supplies	(Worksheet C, ln 3.(F))	-	W/S	0.12399	-
61	Stores Expense	(Worksheet C, ln 4.(F))	1,781	GP	0.18249	325
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, ln 8.G)	7,316,956	W/S	0.12399	907,221
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, ln 8.F)	104,286	GP	0.18249	19,031
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, ln 8.E)	-	DA	1.00000	-
65	Prepayments (Account 165) - Unallocable	(Worksheet C, ln 8.D)	(6,067,769)	NA	0.00000	-
66	TOTAL WORKING CAPITAL	(sum lns 58 to 65)	1,436,208			1,007,531
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, ln 8.B)	-	DA	1.00000	-
68	RATE BASE (sum lns 46, 53, 54, 55, 56, 66, 67)		250,209,767			62,412,480

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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					
69	Production	321.80.b	168,323,308			
70	Distribution	322.156.b	10,790,045			
71	Customer Related Expense	322 & 323.164,171,178.b	1,760,743			
72	Regional Marketing Expenses	322.131.b	-			
73	Transmission	321.112.b	1,342,059			
74	TOTAL O&M EXPENSES	(sum lns 69 to 73)	182,216,156			
75	Less: Total Account 561	(Note G) (Worksheet F, ln 14.C)	11,244			
76	Less: Account 565	(Note H) 321.96.b	683,186			
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, ln 4.C)	-			
78	Total O&M Allocable to Transmission	(lns 73 - 75 - 76 - 77)	647,629	TP	1.00000	647,629
79	Administrative and General	323.197.b (Notes J and M)	3,197,248			
80	Less: Acct. 924, Property Insurance	323.185.b	160,667			
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(308,000)			
82	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-			
83	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(81,136)			
84	Acct. 928, Reg. Com. Exp.	323.189.b	1,073,672			
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-			
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	216,066			
87	Balance of A & G	(ln 79 - sum ln 80 to ln 86)	2,135,980	W/S	0.12399	264,838
87a	Energy Storage	322.131.16.b	-	ES	1.00000	-
88	Plus: Acct. 924, Property Insurance	(ln 80)	160,667	GP	0.18249	29,320
89	Acct. 928 - Transmission Specific	Worksheet F ln 21.(E) (Note L)	313	TP	1.00000	313
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F ln 38.(E) (Note L)	-	TP	1.00000	-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F ln 44.(E) (Note L)	101,815	DA	1.00000	101,815
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	(1,881,241)	W/S	0.12399	(233,253)
93	A & G Subtotal	(sum lns 87 to 92)	517,535			163,034
94	O & M EXPENSE SUBTOTAL	(ln 78 + ln 93)	1,165,164			810,663
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	1.00000	-
96	TOTAL O & M EXPENSE	(ln 94 + ln 95)	1,165,164			810,663
97	DEPRECIATION AND AMORTIZATION EXPENSE					
98	Production	336.2-6.f	-	NA	0.00000	-
99	Distribution	336.8.f	9,560,634	NA	0.00000	-
100	Transmission	336.7.f	1,654,496	TP1	1.00000	1,654,496
101	General	336.10.f	2,191,276	W/S	0.12399	271,694
102	Intangible	336.1.f	-	W/S	0.12399	-
102a	Energy Storage	336.9.1b	-	ES	1.00000	-
103	TOTAL DEPRECIATION AND AMORTIZATI0N	(Ln 98+99+ 100+101+102+102a)	13,406,406			1,926,190
104	TAXES OTHER THAN INCOME	(Note N)				
105	Labor Related					
106	Payroll	Worksheet H ln 24.(D)	178,658	W/S	0.12399	22,152
107	Plant Related					
108	Property	Worksheet H ln 24.(C)	2,042,936	DA		455,824
109	Gross Receipts/Sales & Use	Worksheet H ln 24.(F)	5,994,240	NA	0.00000	-
110	Other	Worksheet H ln 24.(E)	5,570,321	GP	0.18249	1,016,528
111	TOTAL OTHER TAXES	(sum lns 106 to 110)	13,786,155			1,494,504
112	INCOME TAXES	(Note O)				
113	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		26.13%			
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		26.63%			
115	where WCLTD=(ln 154) and WACC = (ln 157)					
116	and FIT, SIT & p are as given in Note O.					
117	GRCF=1 / (1 - T) = (from ln 113)		1.3537			
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	-			
119	Excess Deferred Income Tax	(Note U)	(203,995)	DA		(89,538)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	56,623	DA		10,946
121	Income Tax Calculation	(ln 114 * ln 126)	4,925,549			1,228,632
122	ITC adjustment	(ln 117 * ln 118)	-	GP	0.18249	-
123	Excess Deferred Income Tax	(ln 117 * ln 119)	(276,143)			(121,205)
124	Tax Effect of Permanent and Flow-Through Differences	(ln 117 * ln 120)	76,650			14,817
125	TOTAL INCOME TAXES	(sum lns 121 to 124)	4,726,056			1,122,244
126	RETURN ON RATE BASE (Rate Base*WACC)	(ln 68 * ln 157)	18,498,541			4,614,288
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, ln 2.(B))		-	DA	1.00000	-
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, ln 4, Cols. ((F) & (H))		-			-
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (ln 128 * ln114)		-			-
130	TOTAL REVENUE REQUIREMENT (sum lns 96, 103, 111, 125, 126, 127, 128, 129)		51,582,322			9,967,888

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SUPPORTING CALCULATIONS

ln No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF								
131	Total transmission plant	(ln 21)							68,558,772
132	Less transmission plant excluded from PJM Tariff (Worksheet A, ln 42, Col. (d)) (Note P)								-
133	Less transmission plant included in OATT Ancillary Services (Worksheet A, ln 42, Col. (b)) (Note Q)								-
134	Transmission plant included in PJM Tariff	(ln 131 - ln 132 - ln 133)							68,558,772
135	Percent of transmission plant in PJM Tariff	(ln 134 / ln 131)						**TP=**	**1.00000**
135a	ENERGY STORAGE PLANT INCLUDED IN PJM TARIFF								
135b	Total Energy Storage Plant	(page 2, line 27a, column 3)							-
135c	Less Energy Storage Plant excuded from PJM Tariff (Note **AA)**	(Worksheet A ln 42.(f))							0
135d	Energy Storage plant included in PJM Tariff	(line 135b less line 135c)							0
135e	Percentage of Energy Storage plant included in PJM Tariff	(line 135d divided by line 135b)						ES=	**1**
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total				
137	Production	354.20.b	0	0	-	NA	0.00000		-
138	Transmission	354.21.b	2,800	410,371	413,171	TP	1.00000		413,171
139	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000		-
139a	Energy Storage	354.22.1.b	0	0	-	ES	1.00000		-
140	Distribution	354.23.b	1,931,937	271,480	2,203,417	NA	0.00000		-
141	Other (Excludes A&G)	354.24,25,26.b	236,271	479,468	715,739	NA	0.00000		-
142	Total	(sum lns 137 to 141)	2,171,008	1,161,319	3,332,327				413,171
143	Transmission related amount							**W/S=**	**0.12399**

144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)						$
145	Long Term Interest	(Worksheet M, ln. 37, col. (d))					4,743,703
146	Preferred Dividends	(Worksheet M, ln. 71)					-
147	Development of Common Stock:						
148	Proprietary Capital	(Worksheet M, ln. 14, col. (b))					139,616,188
149	Less: Preferred Stock	(Worksheet M, ln. 14, col. (c))					-
150	Less: Account 216.1	(Worksheet M, ln. 14, col. (d))					-
151	Less: Account 219	(Worksheet M, ln. 14, col. (e))					-
152	Common Stock	(ln 148 - ln 149 - ln 150 - ln 151)					139,616,188
				Capital Structure Percentages		Cost	
153			$	%	Cap Limit	(Note S)	Weighted
154	Long Term Debt (Note T) Worksheet M, ln 28, col. (g), ln 38, col. (d))		120,000,000	46.22%	46.22%	3.95%	0.0183
155	Preferred Stock (ln 149)		-	0.00%	0.00%	-	0.0000
156	Common Stock (ln 152)		139,616,188	53.78%	53.78%	10.35%	0.0557
157	Total (Sum lns 154 to 156)		259,616,188			**WACC=**	**0.0739**
158	Capital Structure Equity Limit (Note Z)	55%					

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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 East companies have any directly assigned transmission facilities, the revenue credits in the AEP East 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 Q 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 of 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 flowthrough 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 the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section1.167(l)-l(h)(6)(ii). RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. The company will not include the ADIT portion of deferred hedge gains and losses in rate base. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.
E	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 78. It excludes: 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 75. 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 77 4) All A&G Expenses, as shown on line 93.
F	Consistent with Paragraph 657 of Order 2003-A, the amount on line 67 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 127.
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 78. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such cost is added back on line 95 to determine the total O&M collected in the formula. The amounts on line 95 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12. The addbacks on line 95 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 line 95 is the KINGSPORT POWER 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	These deductions on lines 81 through 83 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
L	Expenses recorded in FERC Accounts 928 (Regulatory Commission Expense), 930.1 (Safety Related Advertising) and 930.2 (Miscellaneouse General Expenses) that are not directly related to or properly allocable to transmission service will be removed from the TCOS. If AEP includes any expenses booked to these accounts in future ATRR updates, AEP must provide supporting information demonstrating that the underlying activities are directly related to providing transmission service. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
M	See note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corportation. The calculation of the recoverable amount for each company is shown on Worksheet O.
N	Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
O	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (ln 118) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0. Inputs Required: FIT = 21.00% SIT= 6.49% (State Income Tax Rate or Composite SIT. Worksheet G)) p = 0.00% (percent of federal income tax deductible for state purposes) 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-change rate and post-change rate each is in effect.
P	Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
Q	Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
R	Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
S	Long Term Debt cost rate = Long-Term Interest (ln 145) / Long-Term Debt (ln 154). Preferred Stock cost rate = preferred dividends (ln 146) / preferred outstanding (ln 155). Common Stock cost rate (ROE) = 10.35%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO Membership. The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of captial are shown on Worksheet M. Eligible Hedging Gains and Losses are computed on Worksheet M.The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.
T	The Long Term Debt balance for I&M includes the accumulated balance of principle and related interest for Spent Nuclear Fuel Disposal Costs collected prior to April 7, 1983. This total balance of $265,249,280 at 12/31/12 is not included in the balance in line 154 above. The cost rates for long-term debt shall include interest expense and related periodic expenses (such as remarketing and letter of credit fees) as recorded in FERC Account 427 or 430, amortization of issuance costs (including insurance) and discounts as recorded in FERC Account 428, issuance premiums as recorded in FERC Account 429 and losses or gains on reacquired debt as recorded in FERC Accounts 428.1 or 429.1, respectively. The cost rates for preferred stock (if applicable) shall include the dividends.
U	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.
V	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 other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.
W	The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
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.
AA	Removes energy storage plant not recovered in transmission rates as demonstrated on supporting workpaper or footnote to the Form 1, if applicable.
BB	Identified in Form 1 as being only energy storage related. The amount reported on Form 1 page 227, line 10.1 is entirely transmission-related unless specified in a footnote to the Form 1.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
KINGSPORT POWER COMPANY

Line No	Month (a)	Gross Plant In Service										
		Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)	Energy Storage (k)	Energy Storage ARO (l)
	(Note A)	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 46	FF1, page 205&204, Col.(g)&(b), lns 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	Acct 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 84.14	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 84.13
1	December Prior to Rate Year			67,989,684		290,944,361		28,736,835		781		
2	January			68,041,297		291,882,695		29,096,574		781		
3	February			68,078,883		292,892,806		29,418,467		781		
4	March			68,061,917		293,412,903		29,679,411		781		
5	April			68,079,969		295,671,089		29,933,430		781		
6	May			68,224,733		296,791,823		30,184,379		781		
7	June			68,332,106		297,742,247		29,846,127		781		
8	July			68,547,616		298,912,597		30,087,642		781		
9	August			68,742,330		300,061,373		30,308,558		781		
10	September			68,952,220		300,456,075		30,521,757		781		
11	October			69,141,580		301,529,631		30,733,445		781		
12	November			69,324,553		303,133,053		30,945,763		781		
13	December of Rate Year			69,747,153		303,951,811		31,231,049		781		
14	Average of the 13 Monthly Balances	-	-	68,558,772	-	297,490,959	-	30,055,649	-	781	-	-

Line No	Month (a)	Accumulated Depreciation										
		Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)	Energy Storage (k)	Energy Storage ARO (l)
	(Note A)	FF1, page 219, lns 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, ln 26, Col. (b)	Company Records (Included in total in Column (f))	FF1, page 219, ln 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, ln 21, Col. (b)	FF1, page 219, ln 27.1, Col. (b)	Company Records (Included in total in Column (f))
15	December Prior to Rate Year			11,572,710		97,167,809		7,685,896		(5,834)		
16	January			11,637,759		97,774,585		7,811,589		(6,521)		
17	February			11,702,924		98,388,029		7,940,283		(7,106)		
18	March			11,736,494		98,544,505		8,071,649		(7,773)		
19	April			11,801,256		99,154,024		8,205,401		(8,397)		
20	May			11,866,061		99,772,343		8,341,436		(9,002)		
21	June			11,878,751		100,154,197		7,915,837		(9,756)		
22	July			11,943,345		100,778,567		8,047,457		(10,360)		
23	August			12,008,404		101,405,825		8,181,261		(11,118)		
24	September			11,988,213		101,310,258		8,317,146		(11,884)		
25	October			12,052,903		101,935,014		8,454,989		(12,824)		
26	November			12,118,003		102,566,181		8,594,760		(13,615)		
27	December of Rate Year			12,160,712		103,016,278		8,736,451		(14,590)		
28	Average of the 13 Monthly Balances	-	-	11,882,118	-	100,151,355	-	8,177,243	-	(9,906)	-	-

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)	Excluded Energy Storage Plant - Plant In Service (f)	Excluded Energy Storage Plant - Accumulated Depreciation (g)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (b) of accumulated depreciation above)	Company Records	Company Records	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 Accum Depreciation net of GSU 11,882,118

	Plant Held For Future Use	Source of Data	Balance @ December 31, 2027	Balance @ December 31, 2026	Average Balance for 2027
	(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 44)**	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					
53a	Accum Prv I/D Worker's Com	2282000	-	-	-
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.

Privileged and Confidential
Subject to FERC Rules 602 and 606

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
KINGSPORT POWER COMPANY

Line Number	(A) Description	(B) Source	(C) Balance @ December 31, 2027	(D) Balance @ December 31, 2026	(E) Average Balance for 2027
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)	30,710,451	29,404,107	30,057,279
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)	23,957,771	22,786,810	23,372,291
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	6,752,679	6,617,297	6,684,988
11	**Account 283**				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	7,980,713	7,641,234	7,810,973
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)	6,974,887	6,678,194	6,826,540
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	1,005,826	963,040	984,433
16	**Account 190**				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	10,882,789	10,590,130	10,736,459
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)	1,081,461	1,024,031	1,052,746
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	9,801,328	9,566,098	9,683,713
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 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(l)-I(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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

KINGSPORT POWER COMPANY
SPECIFIED DEFERRED CREDITS - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2027

(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 12/31/2026			FUNCTIONALIZATION 12/31/2027		
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2026	BALANCE AS OF 12-31-2027	BALANCE AS OF 12-31-2026	BALANCE AS OF 12-31-2027	ELECTRIC 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		0	0			0	0	0	0	-	-		-	-	
5.02		0	0			0	0	0	0		-			-	
5.03		0	0			0	0	0	0						
5.04		0	0			0	0	0	0						
5.05		0	0			0	0	0	0						
5.06		0	0			0	0	0	0						
5.07		0	0			0	0	0	0						
5.08		0	0			0	0	0	0						
5.09		0	0			0	0	0	0						
5.38		0	0			0	0	0	0						
5.39				0	0	0									
5.40				0	0	0									
5.41				0	0	0									
6	TOTAL ACCOUNT 282	0	0	0	0	0	0	0	0	0	0	0	0	0	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		0	0			0	0	0	0	-	-		-	-	
9.02		0	0			0	0	0	0						
9.03		0	0			0	0	0	0						
9.93		0	0			0	0	0	0						
9.94				0	0	0									
9.95				0	0	0									
9.96				0	0	0									
9.97				0	0	0									
9.98				0	0	0									
9.99				0	0	0									
10		0	0	0	0	(2,270,377)	0	0	0	0	0	0	0	0	0
11	DEFD STATE INCOME TAXES	0	0			0	0	0	0						
11.01				0	0	0									
12	TOTAL ACCOUNT 283	0	0	0	0	(2,270,377)	0	0	0	0	0	0	0	0	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

KINGSPORT POWER COMPANY
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2027

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 12/31/2026			FUNCTIONALIZATION 12/31/2027		
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2026	BALANCE AS OF 12-31-2027	BALANCE AS OF 12-31-2026	BALANCE AS OF 12-31-2027	ELECTRIC UTILITY (B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1	ACCOUNT 190:														
2.01		0	0			0	0	0	0	-	-		-	-	
2.02		0	0			0	0	0	0		-			-	
2.03		0	0			0	0	0	0						
2.04		0	0			0	0	0	0						
2.05		0	0			0	0	0	0						
2.06		0	0			0	0	0	0						
2.07		0	0			0	0	0	0						
2.08		0	0			0	0	0	0						
2.09		0	0			0	0	0	0						
2.10		0	0			0	0	0	0						
2.79		0	0			0	0	0	0						
2.80				0	0	0									
2.81				0	0	0									
2.82				0	0	0									
2.83				0	0	0									
2.84				0	0	0									
2.85				0	0	0									
2.86				0	0	0									
2.87				0	0	0									
2.88				0	0	0									
2.89				0	0	0									
2.90				0	0	0	0	0	0						
2.91		0	0			0	0	0	0						
3	TOTAL ACCOUNT 190	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	ACCOUNT 190 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0	0	0	0	0

KINGSPORT POWER COMPANY, INC.
Worksheet B-3
Excess/ Deficient ADIT Worksheet for Total Company and Functional Balances
For Year Ended December 31, 2024
Debit/(Credit)

A	B	C	D	E
TOTAL COMPANY BALANCES				
Line No.	**Account (NOTE A)**	**Description of Account**	**Protected Unprotected**	**Tax Rate Change Act**
	Deferred Tax Account (NOTE B)			
1a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
1b	1903001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
1c	2811001	ADFIT - Accel Amortization Property	Protected	TCJA 2017
1d	2814001	ADFIT - Accel Amort FAS 109 Excess	Protected	TCJA 2017
1e	2821001	ADFIT - Utility Property	Protected	TCJA 2017
1f	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
1g	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
1h	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
1i	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
1k	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
1l	**NOTE E**			
	Regulatory Deferral Accounts			
2a	182.3	Regulatory Asset		TCJA 2017
2b	254	Regulatory Liability		TCJA 2017
2c	**NOTE E**			
3		Total For Accounting Entires (Sum of Lines 1a through 2b)		
TRANSMISSION FUNCTION BALANCES				
	Deferred Tax Account (NOTE B)			
4a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
4b	2821001	ADFIT - Utility Property	Protected	TCJA 2017
4c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
4d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
4e	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
4f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
4g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
4h	**NOTE E**			
	Regulatory Deferral Accounts			
5a	182.3	Regulatory Asset		TCJA 2017
5b	254	Regulatory Liability		TCJA 2017
5c	**NOTE E**			
6		Total For Accounting Entires (Sum of Lines 4a through 5b)		

GENERAL NOTE: ADIT Tax balances provided in the formula presented in Attachment H-14B are maintained on both a to

formula, the information for excess and deficient ADIT is also presented for both total company and the transmission functio
transmission functional summary.

NOTE A In order to ensure ratebase neutrality, AEP utilizes the fourth digit of its seven digit FERC Tax subaccount nun
the fourth digit of a FERC tax account refers to the utility operations balances or activity. Accounts with the "1"
in the fourth position of the account number indicates accounts used to track regulatory accounting requireme
balance, which will ensure that in the formula rate the excess or deficiency amounts will be part of ratebase, b
The amounts recorded in the "4" accounts will be offset on a net basis in the regulatory asset or liability subac

NOTE B: The amount of the FIT gross up to recorded on regulatory assets and liabilities will be reported on the first line

NOTE C: The amounts of the remeasurement shown here are as of the effective date of the change in tax rates and will

NOTE D: The ten year amortization period for unprotected excess ADIT is consistent with the period agreed upon by the
Company, et al, 166 FERC ¶ 61,135 (2019).

NOTE E: In the event of future tax rate changes, additional lines will be inserted in both the Total Company and Transr
that may be necessary to track that tax rate change.

NOTE F: The amount of excess amortization entries shown in lines 1b through 1l and 4a through 4h are shown as a de
and 6 is the offset recorded to the 410/411 account and will tie to the total company and transmission function
service.

F	G	H	I	J
			1/1/2024 Beginning Balances	
Excess Balance at Remeasurement (NOTE C)	**Amortization Methodology (NOTE D)**	**Amotization Period**	**Excess ADIT Regulatory Offset**	**Excess ADIT in Utility Deferrals**
(9,642,271)	**ARAM**	**Life of Asset**		
(2,209,294)	**10 Years**	**1/2018 - 12/2027**		
(1,624,367)	**10 Years**	**1/2018 - 12/2027**		
			-	-
(2,351,751)	**ARAM**	**Life of Asset**		
(470,396)	**10 Years**	**1/2018 - 12/2027**		
89,682	**10 Years**	**1/2018 - 12/2027**		
			-	-

tal company and transmission functional basis. Because both sets of numbers are presented in the

on on this worksheet. Account 281 only applies to the generation function, so is not presented in the

nbers to identify balances associated with utility operations vs regulatory reporting requirements. A "1" in
" designation will be included in the determination of ratebase to be recovered in the formula rate. A "4"
nts. The excess ADIT amounts recorded in accounts with the "4" designation will be contra to the "1"
ut at the total FERC account level the tax liability or asset will be recorded at the current Federal FIT rate.
:count established for this purpose.

of ADIT accounts provided for each specific change in tax rates.

remain static on this workpaper.

e Company and its customers and approved for the Company's PJM formula rates. *Appalachian Power*

nission Functional sections above as required to reflect any new ADIT or regulatory deferral accounts

ebit or credit to the ADIT account from which it is being amortized. The total in line 3
al amounts of excess or deficient ADIT amortization shown on line 119 of the cost of

K	L	M	N	O	P
	Balance Sheet Entries		Tax Expense Entries		12/31/2024 Er
Balance Sheet Account Reclassifications	**182.3**	**254**	**410/411 Excess Amortization**	**410/411 Deferred Tax Expense/ (Benefit)**	**Excess ADIT Regulatory Offset**
					Sum of Co
					-
					-
					-
					-
					-
					-
					-
					-
-	-	-	-	-	-

NOTE F

					Sum of Co
					-
					-
					-
					-
					-
					-
-	-	-	-	-	-

NOTE F

Q	R
ıding Balance	
Excess ADIT in Utility Deferrals	**Reference**
ıls (l) - (O)	
	WS B - 2 Col B/C, ADIT item 2.36
	Company Records
-	
-	WS B - 1 Cols M+N+O , ADIT 5.20
-	
	WS B - 1 Col B/C, ADIT Item 5.23
-	WS B - 1 Cols M+N+O , ADIT 9.16
	WS B - 1 Col B/C, ADIT Item 9.19
	Company Records
	FERC Form 1 p. 278 Ln. 3 Cols, (b) /(f)
-	
ıls (l) - (O)	
	Company Records
-	WS B - 1 Col N, ADIT Item 5.20
-	
	Company Records
-	WS B - 1 Cols N , ADIT Item 9.16
	Company Records
	Company Records
	Company Records
-	

TAX CUT and JOBS ACT of 2017

A	B	C	D	E	F=E/C	G	H = E +G	I	J = C - H
Line No.	Utility Account	12/31/17 Pre-remeasurement Balance	Reference	Remeasurement Amount (NOTE 1)	Remeasurement Percentage (NOTE 2)	Adjustments (NOTE 3)	Total Excess/Deficiency by Account (NOTE 4)	Protected / Unprotected	ADIT Deferral After Remesasurement
TOTAL COMPANY									
1	190 - Utility	$299,354,118	2018 FF1 P. 234 Col (b) Line 8						
2		$91,360	Less: Deferred State Taxes						
3	1901001	$299,262,758		114,925,971	38%	(114,925,971)	-		299,262,758
4	2811001	(289,979,890)	2018 FF1 P. 272 Col (b) Line 8	(115,991,956)	40%		(115,991,956)	Protected	(173,987,934)
5	2821001	(1,982,378,027)	2018 FF1 P. 274 Col (b) Line 5	(785,862,991)	40%	(13,641,126)	(568,878,716)	Protected	(1,182,873,910)
6	283 - Utility	(426,174,211)	2018 FF1 P. 276 Col (b) Line 9				(230,625,401)	Unprotected	
7		(70,104,066)	Less: Accrued Deferred State Tax						
8	2831001	(356,070,145)		(141,371,168)	40%	128,567,097	(12,804,072)	Unprotected	(343,266,073)
9	Total	(2,329,165,304.11)	(Sum of Lns. 3+4+5+8)	(928,300,145)		-	(928,300,145)		(1,400,865,159)
TRANSMISSION FUNCTION									
10	1901001	64,030,742	Company Records	25,564,248	40%	(25,564,248)	-		64,030,742
11	2821001	(532,673,986)	Company Records	(211,738,348)	40%	(3,524,425)	(185,402,169)	Protected	(317,411,213)
							(29,860,604)	Unprotected	
12	2831001	(27,241,045)	Company Records	(11,031,930)	40%	29,088,673	18,056,743	Unprotected	(45,297,788)
13	Total	(495,884,289)	(Sum of Lns. 10+11+12)	(197,206,030)		-	(197,206,030)		(298,678,259)

GENERAL NOTE: This worksheet will summarize remeasurement adjustments in ADIT Accounts for both the total company and transmission function required by changes in either Federal or State Income Tax Rates. A new sheet will be included in the working formula for each change to tax rates that may occur while this formula rate is in effect. New pages will be designated by incrementing the suffix letter in the workpaper name (i.e. B-3-A, B-3-B, etc.)

NOTE 1: Amount of remeasurement in Column E will be based on supporting workpapers showing the remeasurement of individual ADIT items in each tax deferral account, and will indicate whether each remeasured ADIT item will be treated as protected or unprotected. The resulting totals will be shown on this worksheet for each ADIT account.

NOTE 2: Remeasurement calculation may not equal 40% of the December 31, 2017 deferral balance because of specific ADIT items that are not subject to remeasurement.

NOTE 3: As part of the remeasurement calculation, the remeasurement ADIT balances in account 1901001 were reclassed to account 2831001 to group nonproperty utility deferrals together as one timing difference.

NOTE 4 Ties to each Operating Companies' Workpaper B-3, Column F, showing the intial remeasurement value determined as a result of the Tax Cut and Jobs Act of 2017.

AEP EAST OPERATING COMPANIES
APPALACHIAN POWER COMPANY
ATTACHMENT H-14B
WORKSHEET-B-3- B
TAX REMEASUREMENT WORKSHEET
Debit/(Credit)

WV House Bill 2

A	B	C	D
Line No.	Utility Account	2021 Pre-remeasurement Balance	Reference
TOTAL COMPANY			
1	190/282/283	-$744,125,741	Total Fed Cumulative ADIT
2		43.256500%	New Apportionment Factor
3		6.500000%	WV State Tax Rate
4		(20,922,379)	WV SDIT Single Factor Apporti
5			
6		(744,125,741)	Total Fed Cumulative ADIT
7		52.269500%	Prior Apportionment Factor
8		6.500000%	WV State Tax Rate
9		(25,281,802)	WV SDIT Three Factor Apport
10			
11		4,359,423.4	Change in Methods (Ln 4 - Ln
12			Federal Offset (@ 21%)
13			
14			
15	Total	-$25,281,802	Ln 9
TRANSMISSION FUNCTION			
16	190/282/283	-$156,132,408	Total Fed Cumulative ADIT
17		43.256500%	New Apportionment Factor
18		6.500000%	WV State Tax Rate
19		(4,389,932)	WV SDIT Single Factor Apporti
20			
21		(156,132,408)	Total Fed Cumulative ADIT
22		52.269500%	Prior Apportionment Factor
23		6.500000%	WV State Tax Rate
24		(5,304,626)	WV SDIT Three Factor Apport
25			
26		914,693.9	Change in Methods (Ln 19 - Lr
27			Federal Offset (@ 21%)

28			
29			
30	Total	-$5,304,626	Ln 24

GENERAL NOTE: This worksheet will summarize remeasurement adjustments in ADIT Accour
required by changes in either Federal or State Income Tax Rates. A new sheet will be included
occur while this formula rate is in effect. New pages will be designated by incrementing the suffi

NOTE 1: Amount of remeasurement in Column E will be based on supporting workpapers sho
deferral account, and will indicate whether each remeasured ADIT item will be treate
shown on this worksheet for each ADIT account.

NOTE 2: Remeasurement calculation may not equal 0% of the December 31, 2021 deferral b
remeasurement.

NOTE 3: Not Applicable

NOTE 4 Ties to each Operating Companies' Workpaper B-3, Column F, showing the intial rer
determined as a result of the WV HB 2026

2026 - Revision of the WV Tax Apportionment Methodolgy from three Factor to One Factor

	E	F=E/C	G
	Remeasurement Amount (NOTE 1)	Remeasurement Percentage (NOTE 2)	Adjustments (NOTE 3)
onment (NEW)			
ionment Method (PRIOR)			
	4,359,423.4	-17%	-
	(915,479)		-
	3,443,945		-
onment (NEW)			
ionment Method (PRIOR)			
	914,693.9	-17%	-
	(192,086)		-

722,608	-

ıts for both the total company and transmission function
in the working formula for each change to tax rates that may
‹ letter in the workpaper name (i.e. B-3-A, B-3-B, etc.)

wing the remeasurement of individual ADIT items in each tax
d as protected or unprotected. The resulting totals will be

alance because of specific ADIT items that are not subject to

neasurement value

H = E +G	I	J = C - H
Total Excess/Deficiency by Account (NOTE 4)	Protected / Unprotected	ADIT Deferral After Remesasurement
		-
4,359,423	Unprotected	(20,922,379)
(915,479)	Unprotected	-
3,443,945		(20,922,379)
		-
914,694	Unprotected	(4,389,932)
(192,086)	Unprotected	-

722,608	(4,389,932)

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
KINGSPORT POWER COMPANY

Materials & Supplies

Line Number	(A)	(B)	(C) Source	(D) Balance @ December 31, 2027	(E) Balance @ December 31, 2026	(F) Average Balance for 2027	(G)	(H)	(I)
1									
2		Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	0	0	-			
2a		Energy Storage Materials & Supplies	FF1, p. 227, ln 10.1, Col. (c) & (b)			-			
3		General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	0	0	-			
4		Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)	1,781	1,781	1,781			

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, 2027	1,384,973	(5,992,196)	0	106,713	7,270,456	7,377,170
7		Totals as of December 31, 2026	1,321,973	(6,143,342)		101,859	7,363,456	7,465,315
8		**Average Balance**	1,353,473	(6,067,769)	-	104,286	7,316,956	7,421,243

Prepayments Account 165 - Balance @ 12/31/2027

9	Acc. No.	Description	2027 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	52,147	-		52,147		52,147	Plant Related Insurance Policies
11	165000225	Prepaid Taxes	1,246,050	1,246,050				-	Prepaid Taxes - Distribution
12	165000226	Prepaid Taxes	19,714	19,714				-	Prepaid Taxes - Distribution
13	1650003	Prepaid Rents	0	-				-	
14	1650004	Prepaid Interest	0	-				-	
15	1650005	Prepaid Employee Benefits	0	-				-	
16	1650006	Other Prepayments	0	-				-	Prepayments-Other
17	1650009	Prepaid Carry Cost-Factored AR	12,497	12,497				-	AR Factoring - Retail Only
18	1650010	Prepaid Pension Benefits	3,285,750	-			3,285,750	3,285,750	Prefunded Pension Expense
19	1650014	FAS 158 Qual Contra Asset	(3,285,750)	(3,285,750)				-	SFAS 158 Offset
20	1650016	FAS 112 ASSETS	0	-				-	
21	1650021	Prepaid Insurance - EIS	54,566	-		54,566		54,566	EIS Insurance
22	1650023	Prepaid Lease	0	-				-	
23	1650035	PRW Without Med-D Benefits	3,984,706	-			3,984,706	3,984,706	Medical Benefits
24	1650036	PRW for Med-D Benefits	0	-				-	
25	1650037	FAS158 Contra-PRW Exc Med-D	(3,984,706)	(3,984,706)				-	SFAS 158 Offset
		Subtotal - Form 1, p 111.57.c	1,384,973	(5,992,196)	0	106,713	7,270,456	7,377,170	

Prepayments Account 165 - Balance @ 12/31/ 2026

26	Acc. No.	Description	2026 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	49,775	-		49,775		49,775	Plant Related Insurance Policies
28	165000225	Prepaid Taxes	1,189,369	1,189,369				-	Prepaid Taxes - Distribution
29	165000226	Prepaid Taxes	18,817	18,817				-	Prepaid Taxes - Distribution
30	1650003	Prepaid Rents	0	-				-	
31	1650004	Prepaid Interest	0	-				-	
32	1650005	Prepaid Employee Benefits	0	-				-	
33	1650006	Other Prepayments	0	-				-	Prepayments-Other
34	1650009	Prepaid Carry Cost-Factored AR	11,928	11,928				-	AR Factoring - Retail Only
35	1650010	Prepaid Pension Benefits	3,378,750	-			3,378,750	3,378,750	Prefunded Pension Expense
36	1650014	FAS 158 Qual Contra Asset	(3,378,750)	(3,378,750)				-	SFAS 158 Offset
37	1650016	FAS 112 ASSETS	0	-				-	
38	1650021	Prepaid Insurance - EIS	52,084	-		52,084		52,084	EIS Insurance
39	1650023	Prepaid Lease	0	-				-	
40	1650035	PRW Without Med-D Benefits	3,984,706	-			3,984,706	3,984,706	Medical Benefits
41	1650036	PRW for Med-D Benefits	0	-				-	
42	1650037	FAS158 Contra-PRW Exc Med-D	(3,984,706)	(3,984,706)				-	SFAS 158 Offset
		Subtotal - Form 1, p 111.57.d	1,321,973	(6,143,342)		101,859	7,363,456	7,465,315	

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 the 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).

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
KINGSPORT POWER COMPANY

Line Number	(A) Description	(B) 2027
1	Net Funds from IPP Customers 12/31/2026 (2027 FORM 1, P269)	0
2	Interest Accrual (Company Records - Note 1)	0
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	Other Adjustments	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2027 (2027 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	-

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
KINGSPORT POWER COMPANY

Line Number	Description	Total Company	Non-Transmission	Transmission
1	**Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)**	382,151	382,151	-
2	**Account 451,Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)**	140,684	140,684	-
3	**Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)**	1,540,608	1,523,118	17,490
4	**Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)**	974,828	679,669	295,159
5	**Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)**	9,319,554	9,319,554	-
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))**	12,357,825	12,045,176	312,648
7	**Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)**		-	
8	**Total Other Operating Revenues To Reduce Revenue Requirement**	12,357,825	12,045,176	312,648

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or KINGSPORT POWER 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)

9	**Facility Credits under PJM OATT Section 30.9**			-

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

Line Number	(A) Item No.	(B) Description	(C) 2027 Expense	(D) 100% Non-Transmission	€ 100% Transmission Specific	(F) Explanation
		Regulatory O&M Deferrals & Amortizations				
1			-			
2			-			
3						
4		**Total**	0			
		Detail of Account 561 Per FERC Form 1				
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	0			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	5,826			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	(3)			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	0			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	5,420			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	0			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	0			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	0			
14		**Total of Account 561**	11,244			
		Account 928				
15	9280000	Regulatory Commission Exp	19	15	4	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	9,559	9,427	133	
18	9280003	Rate Case Amort	22,121	22,121	-	
19	9280005	Reg Com Exp-FERC Trans Cases	9,973	9,796	177	
20	9280006	State Publ Serv CommissionFees	1,032,000	1,032,000	-	
21		**Total (FERC Form 1 p.323.189.b)**	1,073,672	1,073,359	313	
		Account 930.1				
22	9301000	General Advertising Expenses	-	-	-	
23	9301001	Newspaper Advertising Space	-	-	-	
24	9301009	Fairs, Shows, and Exhibits	-	-	-	
25	9301012	Public Opinion Surveys	-	-	-	
26	9301014	Video Communications	-	-	-	
27	9301015	Other Corporate Comm Exp	-	-	-	
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38		**Total (FERC Form 1 p.323.191.b)**	-	-	-	
		Account 930.2				
39	9302000	Misc General Expenses	21,002	16,371	4,632	
40	9302003	Corporate & Fiscal Expenses	4,752	4,446	306	
41	9302004	Research, Develop&Demonstr Exp	2	2	-	
42	9302006	Assoc Bus Dev - Materials Sold	7,392	7,392	-	
43	9302007	Assoc Business Development Exp	182,918	86,040	96,878	
44		**Total (FERC Form 1 p.323.192.b)**	216,066	114,250	101,815	

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
KINGSPORT POWER COMPANY

State Income Tax Rate - Tennessee	6.50%	
Apportionment Factor - Note 1	99.89%	
Effective State Tax Rate		6.49%
State Income Tax Rate - West Virginia	6.50%	
Apportionment Factor - Note 1	0.00%	
Effective State Tax Rate		0.00%
Virginia Income Tax Rate	0.00%	
Apportionment Factor - Note 1	0.00%	
Effective State Tax Rate		0.00%
Ohio Franchise Tax Rate	0.00%	
Phase-out Factor	0.00%	
Apportionment Factor - Note 1	0.00%	
Effective State Tax Rate		0.00%
Michigan Business Income Tax Rate	0.00%	
Apportionment Factor - Note 1	0.00%	
Effective State Tax Rate		0.00%
Illinois Corporation Income Tax Rate	0.00%	
Apportionment Factor - Note 1	0.00%	
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate		6.49%

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H Supporting Taxes Other than Income
KINGSPORT POWER 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	5,994,000				5,994,000
3	**Real Estate and Personal Property Taxes**					
4	Real and Personal Property - Tennessee	2,042,936	2,042,936			
5	Real and Personal Property - Other Jurisdictions	-	-			
6	Real and Personal Property	-	-			
7	Real and Personal Property	-	-			
8	**Payroll Taxes**					
9	Federal Insurance Contribution (FICA)	176,672		176,672		
10	Federal Unemployment Tax	1,974		1,974		
11	State Unemployment Insurance	12		12		
12	**Production Taxes**					
13	State Severance Taxes	-				-
14	**Miscellaneous Taxes**					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Tax	5,570,321			5,570,321	
18	VA License/Registration	-			-	
19	Misc. State & Local Tax	-			-	
20	Sales & Use	240				240
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23						
24	Total Taxes by Allocable Basis	13,786,155	2,042,936	178,658	5,570,321	5,994,240

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

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

Functional Property Tax Allocation

		Production	Transmsission	Distribution	General	Total
25	Functionalized Net Plant (TCOS, Lns 41 thru 46)	-	56,676,654	197,339,604	21,878,406	275,894,664
	TENNESSEE JURISDICTION					
26	Percentage of Plant in TENNESSEE JURISDICTION	0.00%	100.00%	100.00%	100.00%	
27	Net Plant in TENNESSEE JURISDICTION (Ln 25 * Ln 26)	-	56,676,654	197,339,604	21,878,406	275,894,664
28	Less: Net Value of Exempted Generation Plant	-				
29	Taxable Property Basis (Ln 27 - Ln 28)	-	56,676,654	197,339,604	21,878,406	275,894,664
30	Relative Valuation Factor	0.00%	100.00%	100.00%	100.00%	
31	Weighted Net Plant (Ln 29 * Ln 30)	-	56,676,654	197,339,604	21,878,406	
32	General Plant Allocator (Ln 31 / (Total - General Plant))	0.00%	22.31%	77.69%	-100.00%	
33	Functionalized General Plant (Ln 32 * General Plant)	-	4,881,557	16,996,849	(21,878,406)	-
34	Weighted TENNESSEE JURISDICTION Plant (Ln 31 + 33)	-	61,558,211	214,336,453	0	275,894,664
35	Functional Percentage (Ln 34/Total Ln 34)	0.00%	22.31%	77.69%		
	STATE JURISDICTION #2					
36	Percentage of Plant in STATE JURISDICTION #2					
37	Net Plant in STATE JURISDICTION #2 (Ln 25 * Ln 36)	-	-	-	-	-
38	Less: Net Value of Exempted Generation Plant					
39	Taxable Property Basis (Ln 37 - Ln 38)	-	-	-	-	-
40	Relative Valuation Factor					
41	Weighted Net Plant (Ln 39 * Ln 40)	-	-	-	-	
42	General Plant Allocator (Ln 41 / (Total - General Plant))	0.00%	0.00%	0.00%	-100.00%	
43	Functionalized General Plant (Ln 42 * General Plant)	-	-	-	-	-
44	Weighted STATE JURISDICTION #2 Plant (Ln 41 + 43)	-	-	-	-	-
45	Functional Percentage (Ln 44/Total Ln 44)	#DIV/0!	#DIV/0!	#DIV/0!		
	STATE JURISDICTION #3					
46	Net Plant in STATE JURISDICTION #3 (Ln 25 - Ln 27 - Ln 37)	-	-	-	-	-
47	Less: Net Value Exempted Generation Plant					
48	Taxable Property Basis	-	-	-	-	-
49	Relative Valuation Factor					
50	Weighted Net Plant (Ln 48 * Ln 49)	-	-	-	-	
51	General Plant Allocator (Ln 50 / (Total - General Plant)	0.00%	0.00%	0.00%	-100.00%	
52	Functionalized General Plant (Ln 52 * General Plant)	-	-	-	-	
53	Weighted STATE JURISDICTION #3 Plant (Ln 50 + 52)	-	-	-	-	-
54	Functional Percentage (Ln 53/Total Ln 53)	#DIV/0!	#DIV/0!	#DIV/0!		

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

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
1	**Revenue Taxes**			
2	Gross Receipts Tax	5,994,000	5,994,000	

Line No.	(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)**		**2,042,936**				**455,824**
4	Real and Personal Property - Tennessee	2023	2,042,936	2,042,936		22.31%	455,824
5	Real and Personal Property - Other		-	-		18.25%	-
6	Real and Personal Property - Tennessee		-	-		0.00%	-
7	Real and Personal Property - Other Jurisdictions		-	-		18.25%	-

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)	176,672	176,672	
10	Federal Unemployment Tax	1,974	1,974	
11	State Unemployment Insurance	12	12	
12	**Production Taxes**	-		
13	State Severance Taxes			
14	**Miscellaneous Taxes**			
15	State Business & Occupation Tax	-		
16	State Public Service Commission Fees	-		
17	State Franchise Taxes	5,570,321	274,321 5,296,000	
18	State Lic/Registration Fee	-		
19	Misc. State and Local Tax	-		
20	Sales & Use	240	240	
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))	13,786,155	13,786,155	

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

AEP East Companies
Cost of Service Formula Rate Using 2027 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
KINGSPORT POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using 2027 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
KINGSPORT POWER COMPANY

I. Calculate Return and Income Taxes with basis point ROE increase for Projects Qualified for Regional Billing.

A. Determine 'R' with hypothetical basis point increase in ROE for Identified Projects

ROE w/o incentives (TCOS, ln 156)	10.35%
Project ROE Incentive Adder	
ROE with additional basis point incentive	10.35%

Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through156)

	%	Cost	Weighted cost
Long Term Debt	46.22%	3.95%	1.827%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	53.78%	10.35%	5.566%
		R =	7.393%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS		Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2027	-	-	$ -

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

Rate Base (TCOS, ln 68)	62,412,480
R (from A. above)	7.393%
Return (Rate Base x R)	4,614,288

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

Return (from B. above)	4,614,288
Effective Tax Rate (TCOS, ln 114)	26.63%
Income Tax Calculation (Return x CIT)	1,228,632
ITC Adjustment	-
Excess Deferred Income Tax	(121,205)
Tax Affect of Permanent Differences	14,817
Income Taxes	1,122,244

II. Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical basis point ROE increase.

A. Determine Annual Revenue Requirement less return and Income Taxes.

Annual Revenue Requirement (TCOS, ln 1)	9,967,888
Lease Payments (TCOS, Ln 95)	-
Return (TCOS, ln 126)	4,614,288
Income Taxes (TCOS, ln 125)	1,122,244
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	4,231,356

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	4,231,356
Return (from I.B. above)	4,614,288
Income Taxes (from I.C. above)	1,122,244
Annual Revenue Requirement, with Basis Point ROE increase	9,967,888
Depreciation (TCOS, ln 100)	1,654,496
Annual Rev. Req, w/ Basis Point ROE increase, less Depreciation	8,313,392

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (TCOS, ln 42)	56,676,654
Annual Revenue Requirement, with Basis Point ROE increase	9,967,888
FCR with Basis Point increase in ROE	17.59%
Annual Rev. Req, w / Basis Point ROE increase, less Dep.	8,313,392
FCR with Basis Point ROE increase, less Depreciation	14.67%
FCR less Depreciation (TCOS, ln 10)	14.67%
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2027 (TCOS, ln 21)	68,558,772
Annual Depreciation and Amortization Expense (TCOS, ln 100)	1,654,496
Composite Depreciation Rate	2.41%
Depreciable Life for Composite Depreciation Rate	41.44
Round to nearest whole year	41

Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

1

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:

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

Details			
Investment	-	Current Year	2027
Service Year (yyyy)	0	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	-	FCR w/o incentives, less depreciation	14.67%
Useful life	41	FCR w/incentives approved for these facilities, less dep.	14.67%
CIAC (Yes or No)		Annual Depreciation Expense	-

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
0	-	-	-	-	-	$ -
1	-	-	-	-	-	$ -
2	-	-	-	-	-	$ -
3	-	-	-	-	-	$ -
4	-	-	-	-	-	$ -
5	-	-	-	-	-	$ -
6	-	-	-	-	-	$ -
7	-	-	-	-	-	$ -
8	-	-	-	-	-	$ -
9	-	-	-	-	-	$ -
10	-	-	-	-	-	$ -
11	-	-	-	-	-	$ -
12	-	-	-	-	-	$ -
13	-	-	-	-	-	$ -
14	-	-	-	-	-	$ -
15	-	-	-	-	-	$ -
16	-	-	-	-	-	$ -
17	-	-	-	-	-	$ -
18	-	-	-	-	-	$ -
19	-	-	-	-	-	$ -
20	-	-	-	-	-	$ -
21	-	-	-	-	-	$ -
22	-	-	-	-	-	$ -
23	-	-	-	-	-	$ -
24	-	-	-	-	-	$ -
25	-	-	-	-	-	$ -
26	-	-	-	-	-	$ -
27	-	-	-	-	-	$ -
28	-	-	-	-	-	$ -
29	-	-	-	-	-	$ -
30	-	-	-	-	-	$ -
31	-	-	-	-	-	$ -
32	-	-	-	-	-	$ -
33	-	-	-	-	-	$ -
34	-	-	-	-	-	$ -
35	-	-	-	-	-	$ -
36	-	-	-	-	-	$ -
37	-	-	-	-	-	$ -
38	-	-	-	-	-	$ -
39	-	-	-	-	-	$ -
40	-	-	-	-	-	$ -
41	-	-	-	-	-	$ -
42	-	-	-	-	-	$ -
43	-	-	-	-	-	$ -
44	-	-	-	-	-	$ -
45	-	-	-	-	-	$ -
46	-	-	-	-	-	$ -
47	-	-	-	-	-	$ -
48	-	-	-	-	-	$ -
49	-	-	-	-	-	$ -
50	-	-	-	-	-	$ -
51	-	-	-	-	-	$ -
52	-	-	-	-	-	$ -
53	-	-	-	-	-	$ -
54	-	-	-	-	-	$ -
55	-	-	-	-	-	$ -
56	-	-	-	-	-	$ -
57	-	-	-	-	-	$ -
58	-	-	-	-	-	$ -
59	-	-	-	-	-	$ -
Project Totals		-		-	-	-

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

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

RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		

** 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.

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

AEP East Companies
Cost of Service Formula Rate Using 2027 FF1 Balances
Worksheet L Reserved for Future Use
KINGSPORT POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
KINGSPORT POWER 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	136,708,612			-	136,708,612
2	January	137,138,123			-	137,138,123
3	February	137,597,831			-	137,597,831
4	March	138,120,288			-	138,120,288
5	April	138,472,292			-	138,472,292
6	May	138,968,408			-	138,968,408
7	June	139,542,217			-	139,542,217
8	July	139,931,788			-	139,931,788
9	August	140,473,353			-	140,473,353
10	September	140,968,504			-	140,968,504
11	October	141,645,831			-	141,645,831
12	November	142,381,964			-	142,381,964
13	December of Rate Year	143,061,238			-	143,061,238
14	Average of the 13 Monthly Balances	139,616,188	-	-	-	139,616,188

		Average Balance of Long Term Debt					
Line No	Month (a)	Acct 221 Bonds (b)	Less: Acct 222 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			120,000,000	-		120,000,000
16	January			120,000,000	-		120,000,000
17	February			100,000,000	20,000,000		120,000,000
18	March			100,000,000	20,000,000		120,000,000
19	April			100,000,000	20,000,000		120,000,000
20	May			100,000,000	20,000,000		120,000,000
21	June			100,000,000	20,000,000		120,000,000
22	July			100,000,000	20,000,000		120,000,000
23	August			100,000,000	20,000,000		120,000,000
24	September			90,000,000	30,000,000		120,000,000
25	October			90,000,000	30,000,000		120,000,000
26	November			90,000,000	30,000,000		120,000,000
27	December of Rate Year			90,000,000	30,000,000		120,000,000
28	Average of the 13 Monthly Balances	-	-	100,000,000	20,000,000	-	120,000,000

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)

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	**Annual Interest Expense for 2027**						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			4,743,703			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.			-			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			-			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			-			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			-			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
37	**Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)**			4,743,703			
38	**Average Cost of Debt for 2027 (Ln 37/ ln 28 (g))**			**3.95%**			

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

39 NOTE: The net amount of hedging gains or losses recorded in account 427 to be recovered in this formula rate should be limited to the effective portion of pre-issuance cash flow hedges that are amortized over the life of the underlying debt issuances. The recovery of a net loss or passback of a net gain will be limited to five basis points of the total Capital Structure. Amounts related to the ineffective portion of pre-issuance hedges, cash settlements of fair value hedges issued on Long Term Debt, post-issuance cash flow hedges, and cash flow hedges of variable rate debt issuances are not recoverable in this formula and are to be recorded in the "Excludable" column below.

					Amortization Period	
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	**Total Hedge (Gain)/Loss for 2027**	**Less Excludable Amounts (See NOTE on Line 39)**	**Net Includable Hedge Amount**	**Remaining Unamortized Balance**	**Beginning**	**Ending**
40				-			
41				-			
42				-			
43				-			
44				-			
45				-			
46				-			
47				-			
48				-			
49					-		
50	Total Hedge Amortization	-	-				

51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)	-
52	Total Average Capital Structure Balance for 2027 (TCOS, Ln 157)	259,616,188
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital	0.0005
54	Limit of Recoverable Amount	129,808
55	**Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)**	**-**

Development of Cost of Preferred Stock

	Preferred Stock			**Average**
56	0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%	
57	0% Series - 0 - Par Value (p. 250-251)	$ -	$ -	
58	0% Series - 0 - Shares O/S (p.250-251)	-	-	
59	0% Series - 0 - Monetary Value (Ln 57 * Ln 58)	-	-	-
60	0% Series - 0 - Dividend Amount (Ln 56 * Ln 59)	-	-	-
61	0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%	

62	0% Series - 0 - Par Value (p. 250-251)	$ -	$ -		
63	0% Series - 0 - Shares O/S (p.250-251)	-	-		
64	0% Series - 0 - Monetary Value (Ln 62 * Ln 63)	-	-	-	
65	0% Series - 0 - Dividend Amount (Ln 61 * Ln 64)	-	-	-	
66	0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%		
67	0% Series - 0 - Par Value (p. 250-251)	$ -	$ -		
68	0% Series - 0 - Shares O/S (p.250-251)	-	-		
69	0% Series - 0 - Monetary Value (Ln 67 * Ln 68)	-	-	-	
70	0% Series - 0 - Dividend Amount (Ln 66 * Ln 69)	-	-	-	
71	**Balance of Preferred Stock (Lns 59, 64, 69)**	-	-	-	Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)
72	**Dividends on Preferred Stock (Lns 60, 65, 70)**	-	-	-	
73	**Average Cost of Preferred Stock (Ln 72/71)**	0.00%	0.00%	**0.00%**	

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
KINGSPORT POWER 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 2027		-		-	

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

1	Total AEP East Operating Company PBOP Settlement Amount	(200,905,525)

Allocation of PBOP Settlement Amount for 2027

Line#	Company	Total Company Amount: Actual Expense (Including AEPSC Billed OPEB) (A) (Line 14)	Ratio of Company Actual to Total (B)=(A)/Total (A)	Allocation of PBOB Recovery Allowance (C)=(B) * -200905524.647154	Labor Allocator for 2027 (D)	Actual Expense (E)=(A) * (D)	Allowable Expense (F)=(C) * (D)	One Year Functional Expense (Over)/Under (G)=(E) - (F)
2	APCo	(15,301,520)	36.41%	(73,155,138)	11.936%	(1,826,420)	(8,731,946)	6,905,525
3	I&M	(10,542,358)	25.09%	(50,402,030)	4.962%	(523,134)	(2,501,056)	1,977,922
4	KPCo	(3,474,539)	8.27%	(16,611,448)	11.037%	(383,497)	(1,833,463)	1,449,966
5	KNGP	(393,490)	0.94%	(1,881,241)	12.398%	(48,783)	(233,229)	184,446
6	OPCo	(11,437,962)	27.22%	(54,683,830)	15.100%	(1,727,165)	(8,257,414)	6,530,249
7	WPCo	(872,604)	2.08%	(4,171,837)	2.419%	(21,112)	(100,937)	79,824
8	**Sum of Lines 2 to 7**	(42,022,474)		(200,905,525)		(4,530,112)	(21,658,045)	17,127,932

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

		APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9	Direct Charged PBOP Expense per Actuarial Report	(12,212,000)	(10,049,000)	(2,636,000)	(308,000)	(8,644,000)	(711,000)	(34,560,000)
10	Additional PBOP Ledger Entries (from Company Records)	321,471	1,061,571	(144,047)	-	(0)	144,047	
11	Medicare Subsidy	-	-	-	-	-	-	-
12	Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(11,890,529)	(8,987,429)	(2,780,047)	(308,000)	(8,644,000)	(566,953)	(33,176,959)
13	PBOP Expenses From AEP Service Corporation (from Company Records)	(3,898,083)	(2,110,917)	(671,289)	(81,136)	(3,151,035)	(411,137)	(10,323,598)
14	Company PBOP Expense (Ln 12 + Ln 13)	(15,788,613)	(11,098,346)	(3,451,336)	(389,136)	(11,795,035)	(978,090)	(43,500,557)

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the actual formula rate; (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 formula rate weighted average cost of capital for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowacance 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 expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF 1/1/2024
FOR MULTIPLE JURISDICTION COMPANIES
Appalachian Power Company

		VIRGINIA			WEST VIRGINIA			FERC WHOLESALE			FERC KINGSPORT			COMPANY
	PLANT ACCT.	(1) VA SCC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(2) PSC OF WV APPROVED RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(3) FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(4) FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	WTD AVG. DEPREC. RATE
TRANSMISSION PLANT (6)														
VA	350.1	0.66%	1.000000	0.66%										0.66%
	351.0				14.22%	1.000000	14.22%							14.22%
	352.0	2.22%	0.511221	1.13%	1.62%	0.399374	0.65%	2.19%	0.033013	0.07%	2.19%	0.056392	0.12%	1.97%
	353.0	2.75%	0.511221	1.41%	2.37%	0.399374	0.95%	2.19%	0.033013	0.07%	2.19%	0.056392	0.12%	2.55%
	354.0	1.63%	0.511221	0.83%	1.59%	0.399374	0.64%	2.19%	0.033013	0.07%	2.19%	0.056392	0.12%	1.66%
	355.0	3.72%	0.511221	1.90%	2.71%	0.399374	1.08%	2.19%	0.033013	0.07%	2.19%	0.056392	0.12%	3.17%
	356.0	1.99%	0.511221	1.02%	1.53%	0.399374	0.61%	2.19%	0.033013	0.07%	2.19%	0.056392	0.12%	1.82%
	357.0	2.40%	0.511221	1.23%	3.71%	0.399374	1.48%	2.19%	0.033013	0.07%	2.19%	0.056392	0.12%	2.90%
	358.0	4.64%	0.511221	2.37%	5.24%	0.399374	2.09%	2.19%	0.033013	0.07%	2.19%	0.056392	0.12%	4.65%
GENERAL PLANT														
	390.0	2.06%	0.523756	1.08%	1.91%	0.425940	0.81%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	2.07%
	391.0	3.25%	0.523756	1.70%	3.17%	0.425940	1.35%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	3.23%
	392.0	3.45%	0.523756	1.81%	3.40%	0.425940	1.45%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	3.44%
	393.0	1.78%	0.523756	0.93%	1.80%	0.425940	0.77%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	1.88%
	394.0	2.59%	0.523756	1.36%	2.57%	0.425940	1.09%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	2.63%
	395.0	3.50%	0.523756	1.83%	4.01%	0.425940	1.71%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	3.72%
	396.0	4.16%	0.523756	2.18%	3.90%	0.425940	1.66%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	4.02%
	397.0	5.02%	0.523756	2.63%	4.98%	0.425940	2.12%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	4.93%
	398.0	2.71%	0.523756	1.42%	2.70%	0.425940	1.15%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	2.75%

(1) As stated in the order in VA Case No. in Case No. PUR-2020-00015, depreciation rates should be implemented at the time depreciation study is preformed. This is a preliminary update to the Clinch River depreciation rates until an order is issued approving depreciation rates in 2022-2023 VA Biennial Review.
Depreciation rates were made effective January 1, 2024.

(2) Approved by PSC of WV Order dated 2/27/2019 in Case No. 18-0645-E-D effective 03/06/2019.

(3) Approved by FERC March 2, 1990 in Docket ER90-132

(4) Approved by FERC March 2, 1990 in Docket ER90-133

(5) Transmission allocation factors are changed annually in January based on September factors as per the PJM tariff approved in FERC Docket ER08-1329 Attachment H-14B, Part II, pg. 15 of 21.

(6) Distribution Plant (recorded by state) is assigned only to jurisdictions within each state.

(7)
Initial depreciation rates for the jurisdictional shares of CCR/ELG investment at Amos and Mountaineer approved in VA Case No. PUR-2020-00015 and WV Case No. 20-1040-E-CN.

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF JULY 15, 2024
FOR MULTIPLE JURISDICTION COMPANIES
INDIANA MICHIGAN POWER COMPANY

		INDIANA			MICHIGAN AND FERC			COMPANY
		(1)			(2)			
	PLANT ACCT.	IURC RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	MPSC APPROVED RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	WTD AVG. DEPREC. RATE
TRANSMISSION PLANT								
Land Improvements	350.1	1.77%	0.7139096	1.2636%	1.75%	0.2860904	0.5007%	1.76%
Structures & Improvements	352.0	1.86%	0.7139096	1.3279%	1.85%	0.2860904	0.5293%	1.86%
Station Equipment	353.0	2.72%	0.7139096	1.9418%	2.69%	0.2860904	0.7696%	2.71%
Towers & Fixtures	354.0	2.82%	0.7139096	2.0132%	2.73%	0.2860904	0.7810%	2.79%
Poles & Fixtures	355.0	3.35%	0.7139096	2.3916%	3.34%	0.2860904	0.9555%	3.35%
Overhead Conductors	356.0	2.30%	0.7139096	1.6420%	2.26%	0.2860904	0.6466%	2.29%
Underground Conduit	357.0	1.88%	0.7139096	1.3422%	1.88%	0.2860904	0.5378%	1.88%
Underground Conductors	358.0	2.14%	0.7139096	1.5278%	2.13%	0.2860904	0.6094%	2.14%
Trails & Roads	359.0	1.70%	0.7139096	1.2136%	1.68%	0.2860904	0.4806%	1.69%
GENERAL PLANT								
	390.0	2.45%	0.7272709	1.7818%	2.46%	0.2727291	0.6709%	2.45%
$0 at Dec 2018 - use old rate	391.0	5.56%	0.7272709	4.0436%	5.65%	0.2727291	1.5409%	5.58%
	392.0	5.10%	0.7272709	3.7091%	5.10%	0.2727291	1.3909%	5.10%
	393.0	7.93%	0.7272709	5.7673%	8.00%	0.2727291	2.1818%	7.95%
	394.0	7.45%	0.7272709	5.4182%	7.55%	0.2727291	2.0591%	7.48%
	395.0	5.91%	0.7272709	4.2982%	5.99%	0.2727291	1.6336%	5.93%
	396.0	6.85%	0.7272709	4.9818%	7.08%	0.2727291	1.9309%	6.91%
	397.0	4.28%	0.7272709	3.1127%	4.31%	0.2727291	1.1755%	4.29%
	398.0	3.70%	0.7272709	2.6909%	3.74%	0.2727291	1.0200%	3.71%

(1) As approved by the IURC from settlement in Cause No. 45933 dated May 8, 2024 and effective on May 23, 2024.

(2) As approved as part of a settlement in Michigan Case No. U-21412, order dated October 12, 2023. New rates became effective upon an order recieved in Case No. U-21461, dated July 2, 2024 (rates effective July 15, 2024). FERC wholesale formula rate agreements specify that FERC depreciation rates change upon approval of MPSC rates in the Michigan jurisdiction.

(3) I&M's Storage Battery Equipment is located in Indiana in East Busco Substation. The battery was placed in-service in January 2009. Since the battery is Distribution property located in Indiana, there is only an Indiana depreciation rate associated with this equipment. Therefore the same Indiana rate was used for Michigan and FERC so that the weighted average rate would equal the Indiana rate.

(4) In its order in Indiana Cause No. 43231 dated June 13, 2007, I&M was required to design and administer a Smart Metering Pilot Program including approximately 10,000 meters. Company personnel reviewed the expected life span for these new meters and determined that due to changes in technology and obsolesence the new equipment should have a life of approximately 10 years.

(5) Distribution Plant (recorded by state) is assigned only to jurisdictions within each state.

GENERAL NOTES:
The rates for each AEP company have been approved by their respective regulatory commissions.
I&M falls under the authority of Indiana, Michigan and the FERC. Therefore, I&M's rates are a composite of the jurisdictions under which it operates.
Each jurisdictions' rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the
AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator
in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIAT
EFFECTIVE AS OF 08/01/2022
FOR SINGLE JURISDICTION COMPAN
KINGSPORT POWER COMPANY

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Structures & Improvements	352.0	1.96%
Station Equipment	353.0	2.56%
Towers & Fixtures	354.0	0.67%
Poles & Fixtures	355.0	3.08%
Overhead Conductors	356.0	1.33%
Underground Conduit	357.0	Note 2
Underground Conductors	358.0	Note 2
Composite Transmission Depreciation Rate		**2.50%**
GENERAL PLANT		
Structures & Improvements	390.0	1.91%
Office Furniture & Equipment	391.0	2.88%
Stores Equipment	393.0	2.29%
Tools Shop & Garage Equipment	394.0	3.09%
Laboratory Equipment	395.0	2.28%
Communication Equipment	397.0	3.77%
Miscellaneous Equipment	398.0	5.15%
Total General Plant		2.68%

Reference:

Note 1: Rates Approved In Tennessee Regulatory Authority Docket No. 21-00107

Note 2: Kingsport Power Company does not have investment in plant accounts 357 or 358. Therefore, there are no depreciation rates approved for these plant accounts.

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

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TION RATES

AEP EAST COMPANIES

PJM FORMULA RATE

WORKSHEET P - TRANSMISSION DEPRECIATION RATES

EFFECTIVE AS OF 07/1/2015

FOR SINGLE JURISDICTION COMPANIES

KENTUCKY POWER 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 Conductors	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%
GENERAL PLANT		
Land and Land Rights	389.1	1.59%
Structures and Improvements	390.0	3.97%
Office Furniture and Equip.	391.0	3.20%
Transportation Equipment	392.0	3.52%
Stores Equipment	393.0	4.15%
Tools, Shop and Garage Equipment	394.0	4.20%
Laboratory Equipment	395.0	5.76%
Power Operated Equipment	396.0	5.43%
Communications Equipment	397.0	5.66%
Micellaneous Equipment	398.0	6.73%

Reference:

Note 1: Rates Approved in KPSC Case No. 2014-00396.

General Note

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

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 1/1/2012
FOR SINGLE JURISDICTION COMPANIES
OHIO POWER COMPANY

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Structures & Improvements	352.0	2.02%
Station Equipment	353.0	2.29%
Twrs and Fixtures Above 69 KV	354.0	1.88%
Twrs and Fixtures Below 69 KV	354.0	1.88%
Poles and Fixtures Above 69 KV	355.0	3.52%
Poles and Fixtures Below 69 KV	355.0	3.52%
Overhead Conductor & Devices Above	356.0	1.91%
Overhead Conductor & Devices MSP	356.0	1.91%
Overhead Conductor & Devices 138K	356.0	1.91%
Overhead Conductor & Devices 69KV	356.0	1.91%
Overhead Conductor & Devices CLR	356.0	1.91%
Underground Conduit	357.0	2.26%
Underground Conductors	358.0	3.27%
GENERAL PLANT (NOTE 2)	390.0	2.17%
Structures and Improvements	391.0	3.33%
Office Furniture and Equip.	392.0	2.00%
Transportation Equipment	393.0	2.94%
Stores Equipment	394.0	3.53%
Tools, Shop and Garage Equipment	395.0	3.57%
Laboratory Equipment	396.0	3.85%
Power Operated Equipment	397.0	2.86%
Communications Equipment	397.2	6.67%
AMI - Communications Equipment	398.0	4.00%
Micellaneous Equipment		

Reference:
Note 1: These are the weighted average of the depreciation rates in effect for Columbus Southern Power and Ohio Power prior to the merger of Columbus Southern into Ohio Power.

Note 2: General Plant depreciation rates were updated as a result of the order issued in Cases No 16-1852-EL-SSO and 16-1853-EL-SSO.

General Note:

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

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 3/1/2019
FOR SINGLE JURISDICTION COMPANIES
WHEELING POWER COMPANY

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Structures & Improvements	352.0	1.15%
Station Equipment	353.0	2.22%
Towers & Fixtures	354.0	2.65%
Poles & Fixtures	355.0	2.41%
Overhead Conductors	356.0	1.32%
Underground Conduit	351.0	9.94%
Underground Conductors	351.0	13.98%
Trails & Roads	359.0	-
GENERAL PLANT		
Structures & Improvements	390.0	1.08%
Office Furniture & Equipment	391.0	2.13%
Stores Equipment	393.0	1.78%
Tools Shop & Garage Equipment	394.0	1.65%
Communication Equipment	397.0	5.09%
Miscellaneous Equipment	398.0	2.76%

Note 1: Rates Approved in WV Public Service Commission Case No. 14-1151-E-D.

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet Q - True-up With Interest
KINGSPORT POWER COMPANY

Reconciliation Revenue Requirement For Year 2025 Available May 25, 2026		2025 Forecasted Revenue Requirement For Year 2025		True-up Adjustment - Over (Under) Recovery
$8,723,138	-	$7,474,257	=	($1,248,881)

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.6135%				

An over or under collection will be recovered prorata over 2025, held for 2026 and returned prorate over 2027

Calculation of Interest					Monthly		
January	Year 2025	(104,073)	0.6135%	12	7,662		111,735
February	Year 2025	(104,073)	0.6135%	11	7,023		111,097
March	Year 2025	(104,073)	0.6135%	10	6,385		110,458
April	Year 2025	(104,073)	0.6135%	9	5,746		109,820
May	Year 2025	(104,073)	0.6135%	8	5,108		109,181
June	Year 2025	(104,073)	0.6135%	7	4,469		108,543
July	Year 2025	(104,073)	0.6135%	6	3,831		107,904
August	Year 2025	(104,073)	0.6135%	5	3,192		107,266
September	Year 2025	(104,073)	0.6135%	4	2,554		106,627
October	Year 2025	(104,073)	0.6135%	3	1,915		105,989
November	Year 2025	(104,073)	0.6135%	2	1,277		105,350
December	Year 2025	(104,073)	0.6135%	1	638		104,712
					49,802		**1,298,684**
					Annual		
January through December	Year 2026	1,298,684	0.6135%	12	95,609		**1,394,293**
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					**Monthly**		
January	Year 2027	**(1,394,293)**	0.6135%		8,554	(120,876)	1,281,970
February	Year 2027	(1,281,970)	0.6135%		7,865	(120,876)	1,168,959
March	Year 2027	(1,168,959)	0.6135%		7,172	(120,876)	1,055,254
April	Year 2027	(1,055,254)	0.6135%		6,474	(120,876)	940,851
May	Year 2027	(940,851)	0.6135%		5,772	(120,876)	825,747
June	Year 2027	(825,747)	0.6135%		5,066	(120,876)	709,937
July	Year 2027	(709,937)	0.6135%		4,355	(120,876)	593,416
August	Year 2027	(593,416)	0.6135%		3,641	(120,876)	476,180
September	Year 2027	(476,180)	0.6135%		2,921	(120,876)	358,225
October	Year 2027	(358,225)	0.6135%		2,198	(120,876)	239,546
November	Year 2027	(239,546)	0.6135%		1,470	(120,876)	120,139
December	Year 2027	(120,139)	0.6135%		737	(120,876)	(0)
					56,224		

True-Up Adjustment with Interest	1,450,517
Less Over (Under) Recovery	(1,248,881)
Total Interest	201,636

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.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet Q - True-up With Interest
KINGSPORT POWER COMPANY

Reconciliation Revenue Requirement For Year 2025 Available May 25, 2026		2025 Collections		True-up Adjustment - Over (Under) Recovery
$13,379	-	$11,121	=	($2,258)

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.6135%				

An over or under collection will be recovered prorata over 2025, held for 2026 and returned prorate over 2027

Calculation of Interest					Monthly		
January	Year 2025	(188)	0.6135%	12	14		202
February	Year 2025	(188)	0.6135%	11	13		201
March	Year 2025	(188)	0.6135%	10	12		200
April	Year 2025	(188)	0.6135%	9	10		199
May	Year 2025	(188)	0.6135%	8	9		197
June	Year 2025	(188)	0.6135%	7	8		196
July	Year 2025	(188)	0.6135%	6	7		195
August	Year 2025	(188)	0.6135%	5	6		194
September	Year 2025	(188)	0.6135%	4	5		193
October	Year 2025	(188)	0.6135%	3	3		192
November	Year 2025	(188)	0.6135%	2	2		190
December	Year 2025	(188)	0.6135%	1	1		189
					90		**2,348**
					Annual		
January through December	Year 2026	2,348	0.6135%	12	173		**2,521**
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					**Monthly**		
January	Year 2027	**(2,521)**	0.6135%		15	(219)	2,318
February	Year 2027	(2,318)	0.6135%		14	(219)	2,113
March	Year 2027	(2,113)	0.6135%		13	(219)	1,908
April	Year 2027	(1,908)	0.6135%		12	(219)	1,701
May	Year 2027	(1,701)	0.6135%		10	(219)	1,493
June	Year 2027	(1,493)	0.6135%		9	(219)	1,283
July	Year 2027	(1,283)	0.6135%		8	(219)	1,073
August	Year 2027	(1,073)	0.6135%		7	(219)	861
September	Year 2027	(861)	0.6135%		5	(219)	648
October	Year 2027	(648)	0.6135%		4	(219)	433
November	Year 2027	(433)	0.6135%		3	(219)	217
December	Year 2027	(217)	0.6135%		1	(219)	(0)
					102		

True-Up Adjustment with Interest	2,622
Less Over (Under) Recovery	(2,258)
Total Interest	365

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.