For Twelve Months Ended 2027

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

AEP Kentucky Transmission Company

Line No.			Total	Allocator		Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 113)				$19,670,745
2	REVENUE CREDITS	(Worksheet E, ln 8) (Note A)	511,933	DA	1.00000	$ 511,933
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, ln 9) (Note X)				0
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				$ 19,158,812

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)		5,503,762	DA	1.00000	$ 5,503,762
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)					
7	Annual Rate	((ln 1- ln 80)/((ln 33) x 100))				16.11%
8	Monthly Rate	(ln 7 / 12)				1.34%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)					
10	Annual Rate	((ln 1- ln 80 - ln 83)/((ln 33) x 100))				12.84%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)					
12	Annual Rate	((ln 1 - ln 80 - ln 83 - ln 108 - ln 109) /((ln 33) x 100))				3.42%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)					-

14	**REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES**		
15	Total Load Dispatch & Scheduling (Account 561)	Line 63 Below	106,014
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)		-
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)		-
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)	106,014

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

AEP Kentucky Transmission Company

Line No.	(1) RATE BASE CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total NOTE C	(4) Allocator		(5) Total Transmission
	GROSS PLANT IN SERVICE					
19	Transmission	(Worksheet A ln 14.(b) & Ln 117)	162,085,263	DA		162,085,263
20	Less: Transmission ARO (Enter Negative)	(Worksheet A ln 14.(c))	-	TP	1.00000	-
21	General Plant	(Worksheet A ln 14.(d))	26,151,825	W/S	1.00000	26,151,825
22	Less: General Plant ARO (Enter Negative)	(Worksheet A ln 14.(e))	-	W/S	1.00000	-
23	Intangible Plant	(Worksheet A ln 14.(f))	-	W/S	1.00000	-
23a	Energy Storage	(Worksheet A ln 14.(g))	-	ES	1.00000	-
23b	Less: Energy Storage ARO (Enter Negative)	(Worksheet A ln 14.(h))	-	ES	1.00000	-
24	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	188,237,088	**GP=**	**1.000000**	188,237,088
				GTD=	**1.00000**	
25	ACCUMULATED DEPRECIATION AND AMORTIZATION					
26	Transmission	(Worksheet A ln 28.(b) & Ln 43.(b))	39,991,337	**DA**	1.00000	39,991,337
27	Less: Transmission ARO (Enter Negative)	(Worksheet A ln 28.(c))	-	**TP**	1.00000	-
28	General Plant	(Worksheet A ln 28.(d))	5,889,585	W/S	1.00000	5,889,585
29	Less: General Plant ARO (Enter Negative)	(Worksheet A ln 28.(e))	-	W/S	1.00000	-
30	Intangible Plant	(Worksheet A ln 28.(f))	-	W/S	1.00000	-
30a	Energy Storage	(Worksheet A ln 28.(g))	-	ES	1.00000	-
30b	Less: Energy Storage ARO (Enter Negative)	(Worksheet A ln 28.(h))	-	ES	1.00000	-
31	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	45,880,922			45,880,922
32	NET PLANT IN SERVICE					
33	Transmission	(ln 19 + ln 20 - ln 26 - ln 27)	122,093,926			122,093,926
34	General Plant	(ln 21 + ln 22 - ln 28 - ln 29)	20,262,241			20,262,241
35	Intangible Plant	(ln 23 - ln 30)	-			-
35a	Energy Storage	(ln 23a + ln 23b - ln 30a - ln 30b)	-			-
36	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	142,356,167	**NP=**	**1.000000**	142,356,167
37	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
38	Account No. 281.1 (enter negative)	(Worksheet B, ln 2 & ln 5.E)	-	NA		-
39	Account No. 282.1 (enter negative)	(Worksheet B, ln 7 & ln 10.E)	(18,768,403)	DA		(22,245,182)
40	Account No. 283.1 (enter negative)	(Worksheet B, ln 12 & ln 15.E)	(4,914,553)	DA		(3,008,655)
41	Account No. 190.1	(Worksheet B, ln 17 & ln 20.E)	2,884,593	DA		5,376,767
42	Account No. 255 (enter negative)	(Worksheet B, ln 24 & ln 25.E)	-	DA		-
43	TOTAL ADJUSTMENTS	(sum lns 38 to 42)	(20,798,363)			(19,877,070)
44	PLANT HELD FOR FUTURE USE	(Worksheet A ln 44.(e)) ln 45.(e))	-	DA		-
45	REGULATORY ASSETS	(Worksheet A ln 51.(e))	-	DA		-
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A ln 54.(e))	-	W/S	1.00000	-
47	WORKING CAPITAL	(Note E)				
48	Cash Working Capital	(1/8 * ln 66)	184,451			184,451
49	Transmission Materials & Supplies	(Worksheet C, ln 2.(F))	-	TP	1.00000	-
49a	Energy Storage Materials & Supplies (Note BB)	(Worksheet C, ln 2a.(F))	-	ES	1.00000	-
50	A&G Materials & Supplies	(Worksheet C, ln 3.(F))	-	W/S	1.00000	-
51	Stores Expense	(Worksheet C, ln 4.(F))	-	GP	1.00000	-
52	Prepayments (Account 165) - Labor Allocated	(Worksheet C, ln 8.(G))	-	W/S	1.00000	-
53	Prepayments (Account 165) - Gross Plant	(Worksheet C, ln 8.(F))	12,668	GP	1.00000	12,668
54	Prepayments (Account 165) - Transmission Only	(Worksheet C, ln 8.(E))	-	DA	1.00000	-
55	Prepayments (Account 165) - Unallocable	(Worksheet C, ln 8.(D))	-	NA	0.00000	-
56	TOTAL WORKING CAPITAL	(sum lns 48 to 55)	197,119			197,119
57	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, ln 8.B)	-	DA	1.00000	-
58	RATE BASE (sum lns 36, 43, 44, 45, 46, 56, 57)		121,754,924			122,676,216

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

AEP Kentucky Transmission Company

Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator		(5) Total Transmission
	OPERATION & MAINTENANCE EXPENSE					
59	Customer Related Expense	322 & 323.164,171,178.b	-			
60	Regional Marketing Expenses	322.131.b	-			
61	Transmission	321.112.b	1,581,625			
62	TOTAL O&M EXPENSES	(sum lns 59 to 61)	1,581,625			
63	Less: Total Account 561	(Note G) (Worksheet F, ln 14.C)	106,014			
64	Less: Account 565	(Note H) 321.96.b	-			
65	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, ln 4.C)	-			
66	Total O&M Allocable to Transmission	(lns 61 - 63 - 64 - 65)	1,475,611	TP	1.00000	1,475,611
67	Administrative and General	323.197.b (Notes J & M)	1,065,749			
68	Less: Acct. 924, Property Insurance	323.185.b	426,429			
69	Acct. 928, Reg. Com. Exp.	323.189.b	59			
70	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-			
71	Acct. 930.2, Misc. Gen. Exp.	323.192.b	5,798			
72	Balance of A & G	(ln 67 - sum ln 68 to ln 71)	633,463	W/S	1.00000	633,463
73	Plus: Acct. 924, Property Insurance	(ln 68)	426,429	GP(h)	1.00000	426,429
74	Acct. 928 - Transmission Specific	Worksheet F ln 21.(E) (Note L)	61	TP	1.00000	61
75	Acct 930.1 - Only safety related ads -Direct	Worksheet F ln 38.(E) (Note L)	-	TP	1.00000	-
76	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F ln 43.(E) (Note L)	757	DA	1.00000	757
77	PBOP Adjustment	Worksheet O Ln 16.(B), (Note K & M)	(3,000)	W/S	1.00000	(3,000)
77a	Energy Storage	322.131.16.b	-	ES	1.00000	-
78	A & G Subtotal	(sum lns 72 to 77)	1,057,709			1,057,709
79	O & M EXPENSE SUBTOTAL	(ln 66 + ln 78)	2,533,320			2,533,320
80	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	0.00000	-
81	TOTAL O & M EXPENSE	(ln 79 + ln 80)	2,533,320			2,533,320
82	DEPRECIATION AND AMORTIZATION EXPENSE					
83	Transmission	336.7.f	3,995,714	TP	1.00000	3,995,714
84	General	336.10.f	627,073	W/S	1.00000	627,073
85	Intangible	336.1.f	-	W/S	1.00000	-
85a	Energy Storage	336.9.1b	-	ES	1.00000	-
86	TOTAL DEPRECIATION AND AMORTIZATI0N	(Ln 83+84+85)	4,622,788			4,622,788
87	TAXES OTHER THAN INCOME	(Note N)				
88	Labor Related					
89	Payroll	Worksheet H ln 23.(D)	-	W/S	1.00000	-
90	Plant Related					
91	Property	Worksheet H-p2 ln 3.(C) & ln 3.(G)	1,021,000	DA	1.00000	1,021,000
92	Gross Receipts/Sales & Use	Worksheet H ln 23.(F)	-	NA	0.00000	-
93	Other	Worksheet H ln 23.(E)	-	GP	1.00000	-
94	TOTAL OTHER TAXES	(sum lns 89 to 93)	1,021,000			1,021,000
95	INCOME TAXES	(Note O)				
96	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		24.89%			
97	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		25.41%			
98	where WCLTD=(ln 136) and WACC = (ln 139)					
99	and FIT, SIT & p are as given in Note O.					
100	GRCF=1 / (1 - T) = (from ln 96)		1.3315			
101	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	-			
102	Excess Deferred Income Tax	(Note T)	15,298	NP(h)	1.00000	15,298
103	Tax Effect of Permanent and Flow-Through Differences	(Note T)	36,678	NP(h)	1.00000	36,678
104	Income Tax Calculation	(ln 97 * ln 109)	2,297,343			2,314,727
105	ITC adjustment	(ln 100 * ln 101)	-	NP(h)	1.00000	-
106	Excess Deferred Income Tax	(ln 100 * ln 102)	20,368			20,368
107	Tax Effect of Permanent and Flow-Through Differences	(ln 100 * ln 103)	48,836			48,836
108	TOTAL INCOME TAXES	(sum lns 104 to 107)	2,366,547			2,383,931
109	RETURN ON RATE BASE (Rate Base*WACC)	(ln 58 * ln 139)	9,041,293			9,109,707
110	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, ln 2.(B))		-	DA	1.00000	-
111	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, ln 4, Cols. ((F) & (H))		-			-
112	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (ln 111 * ln97)		-			-
113	TOTAL REVENUE REQUIREMENT (sum lns 81, 86, 94, 108, 109, 110, 111, 112)		19,584,948			19,670,745

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

AEP Kentucky Transmission Company

SUPPORTING CALCULATIONS

In No.									
	TRANSMISSION PLANT INCLUDED IN PJM TARIFF								
114	Total transmission plant	(ln 19)							162,085,263
115	Less transmission plant excluded from PJM Tariff	(Worksheet A, ln 42.(d)) (Note P)							-
116	Less transmission plant included in OATT Ancillary Services	(Worksheet A, ln 42, Col. (b)) (Note Q)							-
117	Transmission plant included in PJM Tariff	(ln 114 - ln 115 - ln 116)							162,085,263
118	Percent of transmission plant in PJM Tariff	(ln 117 / ln 114)						**TP=**	**1.00000**
118a	ENERGY STORAGE PLANT INCLUDED IN PJM TARIFF								
118b	Total Energy Storage Plant	(page 2, line 23a, column 3)							-
118c	Less Energy Storage Plant excuded from PJM Tariff (Note	(Worksheet A ln 42.(f))							0
118d	Energy Storage plant included in PJM Tariff	(line 118b less line 118c)							0
118e	Percentage of Energy Storage plant included in PJM Tariff	(line 118d divided by line 118b)						ES=	**1**

119	WAGES & SALARY ALLOCATOR (W/S)		(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total				
120	*Line Deliberately Left Blank*									
121	Transmission	354.21.b		0	489,526	489,526	TP	1.00000		489,526
122	Regional Market Expenses	354.22.b		0	0	-	NA	0.00000		-
122a	Energy Storage	354.22.1.b		0	0	-	ES	1.00000		-
123	*Line Deliberately Left Blank*									
124	Other (Excludes A&G)	354.24,25,26.b		0	0	-	NA	0.00000		-
125	Total	(sum lns 121, 122, & 124)		-	489,526	489,526				489,526
126	Transmission related amount								**W/S=**	**1.00000**

	Actual (Uncapped) Capital Structure							
127	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							$
128	Long Term Interest	(Worksheet M, ln.36, col.(d))						**2,145,160**
129	Preferred Dividends	(Worksheet M, ln. 45, col.(d))						-
130	Development of Common Stock:							
131	Proprietary Capital	(Worksheet M, ln. 14, col.(b))						68,515,210
132	Less: Preferred Stock	(Worksheet M, ln. 14, col.(c))						-
133	Less: Account 216.1	(Worksheet M, ln. 14, col.(d))						-
134	Less: Account 219	(Worksheet M, ln. 14, col.(e))						-
135	Common Stock	(ln 131 - ln 132 - ln 133 - ln 134)						68,515,210
				Capital Structure Percentages			Cost	
				$	%	Cap Limit	(Note S)	Weighted
136	Long Term Debt (Note S) Worksheet M, ln 28, col. (g), ln 37, col. (d))			55,692,308	44.84%	45.00%	3.85%	0.0173
137	Preferred Stock (ln 132)			-	0.00%	0.00%	0.00%	0.0000
138	Common Stock (ln 135)			68,515,210	55.16%	55.00%	10.35%	0.0569
139	Total (Sum lns 136 to 138)			124,207,518	100.00%			**0.0743**
							WACC=	
140	Capital Structure Equity Limit (Note Z)		55.00%					

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

AEP Kentucky Transmission Company

Letter	**Notes**
	General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X
A	Revenue credits include: 1) Forfeited Discounts. 2) Miscellaneous Service Revenues. 3) Rental revenues earned on assets included in the rate base. 4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service. 5) Other electric revenues. 6) Revenues for grandfathered PTP contracts included in the load divisor. 7) If AEP Transmission Companies have any directly assigned transmission facilities, the revenue credits in the formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. See Worksheet E for details.
B	The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet R and any over under recovery will be filed and posted as part of the informational filing.
C	Transmission Plant Balances in this study are projected or actual average 13 month balances.
D	The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-l(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing. The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
E	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 66. It excludes: 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancilliary Services Revenue, as shown on line 63. 2) Costs of Transmission of Electricity by Others, as described in Note H. 3) The impact of state regulatory deferrals and amortizations, as shown on line 65 4) All A&G Expenses, as shown on line 78.
F	Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 110.
G	Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
H	Removes cost of transmission service provided by others to determine the basis of cash working capital on line 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12. The addbacks on line80 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity. The company records referenced on line80 is the AEP Kentucky Transmission Company general ledger.
I	Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
J	General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
K	The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.
L	Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
M	See note K above. Recoverable PBOP expense is based on a rate of $(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
N	Includes only FICA, unemployment, highway, property and other assessments. Gross receipts, sales & use and taxes related to income are excluded.
O	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (ln 101) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0. Inputs Required: FIT = 21.00% SIT= 4.93% (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-ochange 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 128)/average long term debt (Ln 136). Preferred Stock cost rate = preferred dividends (Ln 129)/preferred outstanding (ln 137). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER10-355. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual 13 month average balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.
T	Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
U	Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All
V	The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
W	AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.
X	Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
Y	The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabiliites 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.

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

Line No	Month (a)	Gross Plant In Service						
		Transmission (b)	Transmission ARO (c)	General (d)	General ARO (e)	Intangible (f)	Energy Storage (g)	Energy Storage ARO (h)
	(Note A)	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5	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	161,608,340		26,405,324				
2	January	161,879,310		26,312,959				
3	February	161,884,088		26,259,230				
4	March	161,921,106		26,203,536				
5	April	161,958,279		26,205,218				
6	May	161,995,768		26,206,894				
7	June	162,011,655		26,141,379				
8	July	162,090,723		26,142,851				
9	August	162,171,690		26,144,345				
10	September	162,256,312		26,022,393				
11	October	162,344,312		26,023,811				
12	November	162,435,061		26,025,113				
13	December of Rate Year	162,551,779		25,880,673				
14	Average of the 13 Monthly Balances	162,085,263	-	26,151,825	-	-	-	-

Line No	Month (a)	Accumulated Depreciation						
		Transmission (b)	Transmission ARO (c)	General (d)	General ARO (e)	Intangible (f)	Energy Storage (g)	Energy Storage ARO (h)
	(Note A)	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, ln 28, Col. (b)	Company Records (Included in total in Column (d))	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	38,046,846		5,701,070				
16	January	38,370,592		5,756,333				
17	February	38,694,129		5,810,366				
18	March	39,017,374		5,806,312				
19	April	39,340,944		5,858,925				
20	May	39,664,841		5,911,553				
21	June	39,989,069		5,897,038				
22	July	40,313,582		5,948,867				
23	August	40,638,508		6,000,707				
24	September	40,963,842		5,929,224				
25	October	41,289,586		5,979,572				
26	November	41,615,745		6,029,930				
27	December of Rate Year	41,942,326		5,934,701				
28	Average of the 13 Monthly Balances	39,991,337	-	5,889,585	-	-	-	-

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

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)	Excluded Energy Storage Plant - Plant In Service (f)	Excluded Energy Storage Plant - Accumulated Depreciation (g)
	(Note A)	Company Records (included in total in column (b) 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 Accumulated Depreciation net of GSU, and Other Excludable Balances (Ln 28d - 42c - 42e)	39,991,337	

Plant Held For Future Use

	(a)	Source of Data (b)	Balance @ December 31, 2027 (c)	Balance @ December 31, 2026 (d)	Average Balance for 2027 (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 43)**	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					-
53b					-
54		Total	-	-	-

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

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

Line Number	(A) Description	(B) Source	(C) Balance @ December 31, 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)	19,297,871	18,238,935	18,768,403
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)	(3,133,578)	(3,819,979)	(3,476,779)
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	22,431,449	22,058,914	22,245,182
11	**Account 283**				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	4,916,434	4,912,671	4,914,553
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)	1,906,469	1,905,326	1,905,897
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	3,009,965	3,007,346	3,008,655
16	**Account 190**				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	2,923,213	2,845,973	2,884,593
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)	(2,492,174)	(2,492,174)	(2,492,174)
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	5,415,386	5,338,147	5,376,767
21	**Account 255**				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

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

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

AEP Kentucky Transmission Company
SPECIFIED DEFERRED CREDITS - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 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 ELECTRIC	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	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						
5.38		0	0			0	0	0	0						
5.39				0	0	0									
5.40				0	0	0									
5.41				0	0	0									
6	TOTAL ACOUNT 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						
9.94				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	0	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	0	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

AEP Kentucky Transmission 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						
2.81				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

AEP KENTUCKY TRANSMISSION COMPANY, INC.
Worksheet B-3
Excess/ Deficient ADIT Worksheet
For Year Ended December 31, 2023
Debit/(Credit)

A	B	C	D	E
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	2821001	ADFIT - Utility Property	Protected	TCJA 2017
1c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
1d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
1e	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
1f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
1g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
1h	**NOTE D**			
	Regulatory Deferral Accounts			
2a	182.3	Regulatory Asset		TCJA 2017
2b	254	Regulatory Liability		TCJA 2017
2c	**NOTE D**			
3		Total For Accounting Entires (Sum of Lines 1a through 2b)		

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 balance or entry. Accounts with the "1" de the four place of the account number indicates accounts used to track regulatory accounting requirements. Th which will ensure that in the formula rate the excess amount will be part of ratebase, but at the total FERC acc in the "4" will be offset on a net basis in the regulatory asset or liability subaccount established for this purpos

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 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 D: In the event of future tax rate changes, additional lines will be inserted as required to reflect any new ADIT o

NOTE E: The amount of excess amortization entries shown in lines 1a through 1h are shown as a debit or credit to the charged to the 410/411 account.

F	G	H	I	J
			1/1/2022 Beginning Balances	
Excess Balance at Remeasurement	**Amortization Methodology (NOTE C)**	**Amotization Period**	**Excess ADIT Regulatory Offset**	**Excess ADIT in Utility Deferrals**
(171,531,496)	**ARAM**	**Life of Asset**		
-	**10 Years**	**1/2018 - 12/2027**		
2,463,331	**10 Years**	**1/2018 - 12/2027**		
			0	-

nbers to identify balances associated with uitlity operations vs regulatory reporting requirements. A "1" in esignation will be included in the determination of ratebase to be recovered in the formula rate. A "4" in ne excess ADIT amounts recorded in accounts with the "4" designation will be contra to the "1" balance, ount level the tax asset or liability will be recorded at the current Federal FIT rate. The amounts recored e.

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

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

r regulatory deferral accounts that may be necessary to track that tax rate change.

ADIT account from which it is being amortized. The total in line 3 is the offset as

K	L	M	N	O	P
	Balance Sheet Entries		Tax Expense Entries		12/31/2022 Er
Balance Sheet Account Reclassifications	**182.3**	**254**	**410/411 Excess Amortization NOTE C**	**410/411 Deferred Tax Expense/ (Benefit)**	**Excess ADIT Regulatory Offset**
					Sum of Co
					-
					-
					-
					-
					-
					-
-	-	-	-	-	-
			NOTE E		

Q	R
nding Balance	
Excess ADIT in Utility Deferrals	**Reference**
ols (l) - (O)	
	WS B - 2 Col B/C, ADIT Item 2.10
-	
-	WS B - 1 Col N, ADIT Items 5.11 & 5.12
	WS B - 1 Col B/C, ADIT Item 5.15
-	WS B - 1 Col N, ADIT Item 9.03
	WS B - 1 Col B/C, ADIT Item 9.06
	Company Records FERC Form 1 p. 278 Ln. 3 Cols, (b) /(f)
-	

AEP EAST TRANSMISSION COMPANIES
AEP APPALACHIAN TRANSMISSION COMPANY
ATTACHMENT H-20B
WORKSHEET B-3-A
TAX REMEASUREMENT WORKSHEET
Debit/(Credit)

TAX CUT and JOBS ACT of 2017

A	B	C	D	E
Line No.	Utility Account	12/31/17 Pre-remeasurement Balance	Reference	Remeasurement Amount (NOTE 1)
1	190 Utility Balance	30,979	2018 FF1 P. 234 Col (b) Line 8	
2		16,823	Less: Deferred State Taxes	
3	1901001	14,156		4,955
4	2821001	(24,138)	2018 FF1 P. 274 Col (b) Line 5	(9,655)
5	283 Utility Balance	(23,866)	2018 FF1 P. 276 Col (b) Line 9	
6		(17,978)	Less: Accum Deferred SIT -Other	
7	2831001	(5,888)		(2,355)
8	Total	(15,870)		(7,055)

GENERAL NOTE: This worksheet will summarize remeasurement adjustments in ADIT Accounts required by c
Federal or State Income Tax Rates. A new sheet will be included in the working formula for each change to tax
while this formula rate is in effect. New pages will be designated by incrementing the suffix letter in the workpap

NOTE 1: Amount of Remeasurement in Column E will be based on supporting workpapers showing the remea
ADIT item will be treated as protected or unprotected. The resulting totals will be shown on this work

NOTE 2:
Remeasurement calculation may not equal 40% of the December 31, 2017 deferral balance becaus

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

NOTE 4: Ties to Transmission Company's Workpaper B-3, Column F, showing the intial remeasurement valu

F=E/C	G	H = E + G	I	J = C - H
Remeasurement Percentage (NOTE 2)	190/283 Recalss (NOTE 3)	Total Excess/Deficiency by Account (NOTE 4)	Protected / Unprotected	ADIT Deferral After Remeasurement
35%	(4,955)	-	Unprotected	14,156
40%	-	(9,655)	Protected	(14,483)
40%	4,955	2,600	Unprotected	(8,488)
	-	(7,055)		(8,815)

hanges in either
rates that may occur
er name (i.e. B-3-A, B-

asurement of individual ADIT items in each tax deferral account, and will indicate whether each remeasured
ksheet for each ADIT account.

e of specific ADIT items that are not subject to remeasurement.

ere reclassed to account 2831001 to

e determined as a result of the Tax Cut and Jobs Act of 2017.

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

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)

Materials & Supplies

Line Number			Source	Balance @ December 31, 2027	Balance @ December 31, 2026	Average Balance for 2027
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)			-
4		Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)			-

Prepayment Balance Summary (Note 1)

			Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)
5								
6		Totals as of December 31, 2027	12,668	0	0	12,668	0	12,668
7		Totals as of December 31, 2026	12,668	0	0	12,668	0	12,668
8		**Average Balance**	12,668	-	-	12,668	-	12,668

Prepayments Account 165 - Balance @ 12/31/2027

	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
9									
10	1650001	Prepaid Insurance	9,442	-		9,442		9,442	
11	1650021	Prepaid Inssurance EIS	(399)	-		(399)		(399)	
12	1650023	Prepaid Lease	3,625			3,625		3,625	
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25		**Subtotal - Form 1, p 111.57.c**	12,668	0	0	12,668	0	12,668	

Prepayments Account 165 - Balance @ 12/31/ 2026

	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
26									
27	1650001	Prepaid Insurance	9,442	-		9,442		9,442	
28	1650021	Prepaid Inssurance EIS	(399)	-		(399)		(399)	
29	1650023	Prepaid Lease	3,625			3,625		3,625	
30									
31									
32									
33									
34									
35									
34									
35									
36									
37									
38									
39									
40		**Subtotal - Form 1, p 111.57.d**	12,668	0	0	12,668	0	12,668	

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

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

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

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

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

Line Number	Description	Total Company	Non-Transmission	Transmission
1	**Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)**	-	-	-
2	**Account 451,Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)**	-	-	-
3	**Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)**	511,933	-	511,933
4	**Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)**	-	-	-
5	**Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)**	19,330,212	19,330,212	-
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))**	19,842,145	19,330,212	511,933
7	**Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)**		-	
8	**Total Other Operating Revenues To Reduce Revenue Requirement**	19,842,145	19,330,212	511,933
9	**Facility Credits under PJM OATT Section 30.9**			

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or AEP Kentucky Transmission Company's general ledger. The functional amounts identified as transmission revenue also come from the general ledger.

Note 2 The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)

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

Line Number	(A) Item No.	(B) Description	(C) 2027 Expense	(D) 100% Non-Transmission	(E) 100% Transmission Specific	(F) Explanation
		Regulatory O&M Deferrals & Amortizations				
1						
2						
3						
4		**Total**	-			
		Detail of Account 561 Per FERC Form 1				
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	-			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	99,257			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	-			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	6,756			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	1			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	-			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	-			
14		**Total of Account 561**	106,014			
		Account 928				
15	9280000	Regulatory Commission Exp	1	1	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	(3)	(3)	-	
18	9280005	Reg Com Exp-FERC Trans Cases	61	-	61	
19						
20						
21		**Total (FERC Form 1 p.323.189.b)**	59	(1)	61	
		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				-	-	
27				-	-	
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	4,866	4,866	-	
40	9302003	Corporate & Fiscal Expenses	175	175	-	
41	9302004	Research, Develop&Demonstr Exp	-	-	-	
42	9302007	Assoc Business Development Exp	757	-	757	
43		**Total (FERC Form 1 p.323.192.b)**	5,798	5,041	757	

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

1	Kentucky State Tax Rate	5.00%	
	Apportionment Factor - Note 1	98.53%	
	Effective State Tax Rate		4.93%
2	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
3	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
4	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
5	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		4.93%

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

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

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	**Revenue Taxes**					
2	Gross Receipts Tax	-				-
3	**Real Estate and Personal Property Taxes**					
4	Real and Personal Property - Kentucky	1,021,000	1,021,000			
5	Real and Personal Property - Virginia	-	-			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	**Payroll Taxes**					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	*Line Deliberately Left Blank*					
13	State Severance Taxes	-				-
14	**Miscellaneous Taxes**					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	1,021,000	1,021,000	-	-	-

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

Functional Property Tax Allocation

		Lines 24-58 Column (B) Deliberately Left Blank	Transmission	Lines 24-58 Column (D) Deliberately Left Blank	General	Total
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	122,093,926	-	20,262,241	142,356,167
	KENTUCKY JURISDICTION					
25	Percentage of Plant in KENTUCKY JURISDICTION		100.00%		100.00%	
26	Net Plant in KENTUCKY JURISDICTION (Ln 24 * Ln 25)	-	122,093,926	-	20,262,241	142,356,167
27	Less: Net Value of Exempted Generation Plant					
28	Taxable Property Basis (Ln 26 - Ln 27)	-	122,093,926	-	20,262,241	142,356,167
29	Relative Valuation Factor					-
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-	
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33	Weighted KENTUCKY JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%		
	_____ JURISDICTION					
35	Net Plant in _____ JURISDICTION (Ln 24 - Ln 26)	-	-	-	-	-
36	Less: Net Value Exempted Generation Plant					
37	Taxable Property Basis	-	-	-	-	-
38	Relative Valuation Factor					
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-	
40	General Plant Allocator (Ln 39 / (Total - General Plant)	0.00%	100.00%	0.00%	-100.00%	
41	Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-	
42	Weighted _____ JURISDICTION Plant (Ln 39 + 41)	-	-	-	-	-
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%		

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

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

	(A) "Real Estate and Personal Propety Tax Detail Annual Tax Expenses by Type (Note 1)"	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
3	**Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)**		1,021,000				1,021,000
4	Real and Personal Property - Kentucky		1,021,000	1,021,000		100%	1,021,000
							-
							-
							-
							-
							-
5	Real and Personal Property - Virginia		-				-
				-			-
							-
							-
							-
							-
							-
6	Real and Personal Property - Tennessee		-				-
				-			-
							-
7	Real and Personal Property - Other Jurisdictions		-				-
				-			-

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
8	**Payroll Taxes**			
9	Federal Insurance Contribution (FICA)	-		
			-	
10	Federal Unemployment Tax	-		
			-	
11	State Unemployment Insurance	-		
			-	
12	*Line Left Deliberately Blank*			
13	State Severance Taxes	-		
			-	
14	**Miscellaneous Taxes**			
15	State Business & Occupation Tax	-		
			-	
16	State Public Service Commission Fees	-		
			-	
17	State Franchise Taxes	-		
			-	
18	State Lic/Registration Fee	-		
			-	
19	Misc. State and Local Tax	-		
			-	
20	Sales & Use	-		
			-	
21	Federal Excise Tax	-		
			-	
22	Michigan Single Business Tax	-		
			-	
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	1,021,000	1,021,000	

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

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

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

Reserved for Future Use

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
AEP Kentucky Transmission Company

I. Calculate Return and Income Taxes with 0 basis point ROE increase for Projects Qualified for Regional Billing.

A. Determine 'R' with hypothetical 0 basis point increase in ROE for Identified Projects

ROE w/o incentives (TCOS, ln 138)			10.35%
Project ROE Incentive Adder			0
ROE with additional 0 basis point incentive			10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 136 through 138)			
	%	Cost	Weighted cost
Long Term Debt	44.84%	3.85%	1.727%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	55.16%	10.35%	5.709%
		R =	7.436%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS				
		Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2027	5,503,762	5,503,762	$ -

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

Rate Base (TCOS, ln 58)	122,676,216
R (from A. above)	7.436%
Return (Rate Base x R)	9,122,612

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

Return (from B. above)	9,122,612
Effective Tax Rate (TCOS, ln 97)	25.41%
Income Tax Calculation (Return x CIT)	2,318,006
ITC Adjustment	-
Excess Deferred Income Tax	20,368
Tax Affect of Permanent Differences	48,836
Income Taxes	2,387,210

II. Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical 0 basis point ROE increase.

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

Annual Revenue Requirement (TCOS, ln 1)	19,670,745
Lease Payments (TCOS, Ln 80)	-
Return (TCOS, ln 109)	9,109,707
Income Taxes (TCOS, ln 108)	2,387,210
Annual Revenue Requirement, Less Return and Taxes	8,173,829

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

Annual Revenue Requirement, Less Return and Taxes	8,173,829
Return (from I.B. above)	9,122,612
Income Taxes (from I.C. above)	2,387,210
Annual Revenue Requirement, with 0 Basis Point ROE increase	19,683,651
Depreciation & Amortization (TCOS, ln 83)	3,995,714
Annual Rev. Req, w/0 Basis Point ROE increase, less Depreciation	15,687,936

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

Net Transmission Plant (Projected TCOS, ln 33)	122,093,926
Annual Revenue Requirement, with 0 Basis Point ROE increase	19,683,651
FCR with 0 Basis Point increase in ROE	16.12%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	15,687,936
FCR with 0 Basis Point ROE increase, less Depreciation	12.85%
FCR less Depreciation (TCOS, ln 10)	12.84%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.01%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2027 TCOS, ln 19	162,085,263
Annual Depreciation and Amortization Expense (TCOS, ln 83)	3,995,714
Composite Depreciation Rate	2.47%
Depreciable Life for Composite Depreciation Rate	40.56
Average Life in Whole Years	41

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

AEP Kentucky Transmission Company Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

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

Current Projected Year ARR	**4,499,137**
Current Projected Year ARR w/ Incentive	**4,499,137**
Current Projected Year Incentive ARR	**-**

Details			
Investment	38,021,786	Current Year	2027
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	12.84%
Useful life	41	FCR w/incentives approved for these facilities, less dep.	12.84%
CIAC (Yes or No)	No	Annual Depreciation Expense	927,361

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	38,021,786	463,680	37,558,106	5,315,343	5,315,343	$ -
2017	37,558,106	927,361	36,630,745	5,689,729	5,689,729	$ -
2018	36,630,745	927,361	35,703,385	5,570,670	5,570,670	$ -
2019	35,703,385	927,361	34,776,024	5,451,611	5,451,611	$ -
2020	34,776,024	927,361	33,848,663	5,332,552	5,332,552	$ -
2021	33,848,663	927,361	32,921,303	5,213,492	5,213,492	$ -
2022	32,921,303	927,361	31,993,942	5,094,433	5,094,433	$ -
2023	31,993,942	927,361	31,066,581	4,975,374	4,975,374	$ -
2024	31,066,581	927,361	30,139,221	4,856,315	4,856,315	$ -
2025	30,139,221	927,361	29,211,860	4,737,255	4,737,255	$ -
2026	29,211,860	927,361	28,284,499	4,618,196	4,618,196	$ -
2027	28,284,499	927,361	27,357,139	4,499,137	4,499,137	$ -
2028	27,357,139	927,361	26,429,778	4,380,078	4,380,078	$ -
2029	26,429,778	927,361	25,502,418	4,261,019	4,261,019	$ -
2030	25,502,418	927,361	24,575,057	4,141,959	4,141,959	$ -
2031	24,575,057	927,361	23,647,696	4,022,900	4,022,900	$ -
2032	23,647,696	927,361	22,720,336	3,903,841	3,903,841	$ -
2033	22,720,336	927,361	21,792,975	3,784,782	3,784,782	$ -
2034	21,792,975	927,361	20,865,614	3,665,723	3,665,723	$ -
2035	20,865,614	927,361	19,938,254	3,546,663	3,546,663	$ -
2036	19,938,254	927,361	19,010,893	3,427,604	3,427,604	$ -
2037	19,010,893	927,361	18,083,532	3,308,545	3,308,545	$ -
2038	18,083,532	927,361	17,156,172	3,189,486	3,189,486	$ -
2039	17,156,172	927,361	16,228,811	3,070,426	3,070,426	$ -
2040	16,228,811	927,361	15,301,451	2,951,367	2,951,367	$ -
2041	15,301,451	927,361	14,374,090	2,832,308	2,832,308	$ -
2042	14,374,090	927,361	13,446,729	2,713,249	2,713,249	$ -
2043	13,446,729	927,361	12,519,369	2,594,190	2,594,190	$ -
2044	12,519,369	927,361	11,592,008	2,475,130	2,475,130	$ -
2045	11,592,008	927,361	10,664,647	2,356,071	2,356,071	$ -
2046	10,664,647	927,361	9,737,287	2,237,012	2,237,012	$ -
2047	9,737,287	927,361	8,809,926	2,117,953	2,117,953	$ -
2048	8,809,926	927,361	7,882,565	1,998,894	1,998,894	$ -
2049	7,882,565	927,361	6,955,205	1,879,834	1,879,834	$ -
2050	6,955,205	927,361	6,027,844	1,760,775	1,760,775	$ -
2051	6,027,844	927,361	5,100,484	1,641,716	1,641,716	$ -
2052	5,100,484	927,361	4,173,123	1,522,657	1,522,657	$ -
2053	4,173,123	927,361	3,245,762	1,403,597	1,403,597	$ -
2054	3,245,762	927,361	2,318,402	1,284,538	1,284,538	$ -
2055	2,318,402	927,361	1,391,041	1,165,479	1,165,479	$ -
2056	1,391,041	927,361	463,680	1,046,420	1,046,420	$ -
2057	463,680	463,680	-	493,445	493,445	$ -
2058	-	-	-	-	-	$ -
2059	-	-	-	-	-	$ -
2060	-	-	-	-	-	$ -
2061	-	-	-	-	-	$ -
2062	-	-	-	-	-	$ -
2063	-	-	-	-	-	$ -
2064	-	-	-	-	-	$ -
2065	-	-	-	-	-	$ -
2066	-	-	-	-	-	$ -
2067	-	-	-	-	-	$ -
2068	-	-	-	-	-	$ -
2069	-	-	-	-	-	$ -
2070	-	-	-	-	-	$ -
2071	-	-	-	-	-	$ -
2072	-	-	-	-	-	$ -
2073	-	-	-	-	-	$ -
2074	-	-	-	-	-	$ -
2075	-	-	-	-	-	$ -
Project Totals		38,021,786		140,531,769	140,531,769	-

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 **		
$ 3,748,292		$ 3,748,292		
$ 5,097,838		$ 5,097,838		
$ 4,201,672		$ 4,201,672		
$ 4,412,111		$ 4,412,111		
$ 4,517,756		$ 4,517,756		
$ 4,259,251		$ 4,259,251		
$ 5,113,210		$ 5,113,210		
$ 5,001,392		$ 5,001,392		
$ 4,876,605		$ 4,876,605		
$ 4,764,985		$ 4,764,985		
$ 4,688,440		$ 4,688,440		

** 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.

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

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. (e.g. ER05-925-000)

Project Description: RTEP ID: b2750.1

Current Projected Year ARR	**1,004,625**
Current Projected Year ARR w/ Incentive	**1,004,625**
Current Projected Year Incentive ARR	-

Details			
Investment	8,012,898	Current Year	2027
Service Year (yyyy)	2018	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	9	FCR w/o incentives, less depreciation	12.84%
Useful life	41	FCR w/incentives approved for these facilities, less dep.	12.84%
CIAC (Yes or No)	No	Annual Depreciation Expense	195,437

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2018	8,012,898	48,859	7,964,039	1,074,459	1,074,459	$ -
2019	7,964,039	195,437	7,768,603	1,205,354	1,205,354	$ -
2020	7,768,603	195,437	7,573,166	1,180,263	1,180,263	$ -
2021	7,573,166	195,437	7,377,729	1,155,172	1,155,172	$ -
2022	7,377,729	195,437	7,182,293	1,130,081	1,130,081	$ -
2023	7,182,293	195,437	6,986,856	1,104,990	1,104,990	$ -
2024	6,986,856	195,437	6,791,420	1,079,899	1,079,899	$ -
2025	6,791,420	195,437	6,595,983	1,054,808	1,054,808	$ -
2026	6,595,983	195,437	6,400,547	1,029,716	1,029,716	$ -
2027	6,400,547	195,437	6,205,110	1,004,625	1,004,625	$ -
2028	6,205,110	195,437	6,009,674	979,534	979,534	$ -
2029	6,009,674	195,437	5,814,237	954,443	954,443	$ -
2030	5,814,237	195,437	5,618,801	929,352	929,352	$ -
2031	5,618,801	195,437	5,423,364	904,261	904,261	$ -
2032	5,423,364	195,437	5,227,927	879,170	879,170	$ -
2033	5,227,927	195,437	5,032,491	854,079	854,079	$ -
2034	5,032,491	195,437	4,837,054	828,987	828,987	$ -
2035	4,837,054	195,437	4,641,618	803,896	803,896	$ -
2036	4,641,618	195,437	4,446,181	778,805	778,805	$ -
2037	4,446,181	195,437	4,250,745	753,714	753,714	$ -
2038	4,250,745	195,437	4,055,308	728,623	728,623	$ -
2039	4,055,308	195,437	3,859,872	703,532	703,532	$ -
2040	3,859,872	195,437	3,664,435	678,441	678,441	$ -
2041	3,664,435	195,437	3,468,999	653,350	653,350	$ -
2042	3,468,999	195,437	3,273,562	628,258	628,258	$ -
2043	3,273,562	195,437	3,078,126	603,167	603,167	$ -
2044	3,078,126	195,437	2,882,689	578,076	578,076	$ -
2045	2,882,689	195,437	2,687,252	552,985	552,985	$ -
2046	2,687,252	195,437	2,491,816	527,894	527,894	$ -
2047	2,491,816	195,437	2,296,379	502,803	502,803	$ -
2048	2,296,379	195,437	2,100,943	477,712	477,712	$ -
2049	2,100,943	195,437	1,905,506	452,621	452,621	$ -
2050	1,905,506	195,437	1,710,070	427,529	427,529	$ -
2051	1,710,070	195,437	1,514,633	402,438	402,438	$ -
2052	1,514,633	195,437	1,319,197	377,347	377,347	$ -
2053	1,319,197	195,437	1,123,760	352,256	352,256	$ -
2054	1,123,760	195,437	928,324	327,165	327,165	$ -
2055	928,324	195,437	732,887	302,074	302,074	$ -
2056	732,887	195,437	537,450	276,983	276,983	$ -
2057	537,450	195,437	342,014	251,892	251,892	$ -
2058	342,014	195,437	146,577	226,800	226,800	$ -
2059	146,577	146,577	-	155,987	155,987	$ -
2060	-	-	-	-	-	$ -
2061	-	-	-	-	-	$ -
2062	-	-	-	-	-	$ -
2063	-	-	-	-	-	$ -
2064	-	-	-	-	-	$ -
2065	-	-	-	-	-	$ -
2066	-	-	-	-	-	$ -
2067	-	-	-	-	-	$ -
2068	-	-	-	-	-	$ -
2069	-	-	-	-	-	$ -
2070	-	-	-	-	-	$ -
2071	-	-	-	-	-	$ -
2072	-	-	-	-	-	$ -
2073	-	-	-	-	-	$ -
2074	-	-	-	-	-	$ -
2075	-	-	-	-	-	$ -
2076	-	-	-	-	-	$ -
2077	-	-	-	-	-	$ -
Project Totals		8,012,898		29,873,540	29,873,540	-

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.

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

RESERVED FOR FUTURE USE

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

		Average Balance of Common Equity				
Line No	Month (a)	Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	73,759,337	-	-	-	73,759,337
2	January	74,386,637	-	-	-	74,386,637
3	February	70,376,052	-	-	-	70,376,052
4	March	70,988,323	-	-	-	70,988,323
5	April	71,559,806	-	-	-	71,559,806
6	May	67,668,984	-	-	-	67,668,984
7	June	68,211,541	-	-	-	68,211,541
8	July	68,824,536	-	-	-	68,824,536
9	August	64,935,807	-	-	-	64,935,807
10	September	65,499,855	-	-	-	65,499,855
11	October	66,110,147	-	-	-	66,110,147
12	November	63,677,233	-	-	-	63,677,233
13	December of Rate Year	64,699,476	-	-	-	64,699,476
14	Average of the 13 Monthly Balances	68,515,210	-	-	-	68,515,210

		Average Balance of Long Term Debt					
Line No	Month (a)	Bonds (b)	Less: Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year	-	-	50,000,000	4,000,000	-	54,000,000
16	January	-	-	50,000,000	3,000,000	-	53,000,000
17	February	-	-	50,000,000	6,000,000	-	56,000,000
18	March	-	-	50,000,000	4,500,000	-	54,500,000
19	April	-	-	50,000,000	4,000,000	-	54,000,000
20	May	-	-	50,000,000	7,000,000	-	57,000,000
21	June	-	-	50,000,000	6,500,000	-	56,500,000
22	July	-	-	50,000,000	5,000,000	-	55,000,000
23	August	-	-	50,000,000	7,500,000	-	57,500,000
24	September	-	-	50,000,000	6,500,000	-	56,500,000
25	October	-	-	50,000,000	5,500,000	-	55,500,000
26	November	-	-	50,000,000	7,000,000	-	57,000,000
27	December of Rate Year	-	-	50,000,000	7,500,000	-	57,500,000
28	Average of the 13 Monthly Balances	-	-	50,000,000	5,692,308	-	55,692,308

NOTE 1: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (Page 257 Column H of the FF1)

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

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	**Annual Interest Expense for 2027**						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			2,145,160			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			-			
33	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			-			
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
35	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
36	**Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)**			**2,145,160**			
37	**Average Cost of Debt for 2027 (Ln 36/ ln 28 (g))**			**3.85%**			

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

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

				Amortization Period	
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	**(Amortization of (Gain)/Loss for 2027**	**Remaining Unamortized Balance**	**Beginning**	**Ending**
39					
40					
41					
42					
43	**Net (Gain)/Loss Hedge Amortization To Be Removed**	-	-	-	-

Development of Cost of Preferred Stock

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

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

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectiviely. Sales will be funtionalized based on the description of that asset. Sales of transmission assets will be direct assigned; sales of general assets will be functionalized on labor. Sales of plant held for future use related to generation or distribution will not be included in the formula.

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

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

PBOP	(A)		(B)
1	**Calculation of PBOP Expenses**		
2	**AEP System PBOP Rate**		
3	Total AEP System PBOP expenses		-$78,991,000
4	Base Year relating to retired personnel		$0
5	Amount allocated on Labor		-$78,991,000
6	Total AEP System Direct Labor Expense		$1,688,246,000
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)		-$0.047
8	Currently Approved PBOP Rate		-$0.043
9	Base PBOP TransCo labor expensed in current year		$474,000
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)		-$20,000
11	Direct PBOP Expense per Actuarial Report		$0
12	Additional PBOP Ledger Entry (From Company Records)		$0
13	Medicare Credit		$0
14	PBOP Expenses From AEP Affiliates (From Company Records)		-$17,000
15	Actual PBOP Expense	(Sum Lines 11-14)	-$17,000
16	PBOP Adjustment	Line 10 less Line 15	-$3,000

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

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

AEPTCo subsidiaries in PJM
Worksheet - P
DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS
EFFECTIVE AS OF 07/01/2015

AEP Kentucky Transmission Company

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

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

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

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

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Capital Structure @ December 31, 2027
Worksheet Q Page 1

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

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Capital Structure @ December 31, 2026
Worksheet Q Page 2

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

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

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

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

Reconciliation Revenue Requirement For Year 2025 Available May 25, 2026		2025 Forecasted Revenue Requirement For Year 2025		True-up Adjustment - Over (Under) Recovery
$15,842,846	-	$16,045,428	=	$202,582

Interest Rate on Amount of Refunds or Surcharges (Note 1)		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
			0.6135%				

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	16,882	0.6135%	12	(1,243)		(18,125)
February	Year 2025	16,882	0.6135%	11	(1,139)		(18,021)
March	Year 2025	16,882	0.6135%	10	(1,036)		(17,918)
April	Year 2025	16,882	0.6135%	9	(932)		(17,814)
May	Year 2025	16,882	0.6135%	8	(829)		(17,710)
June	Year 2025	16,882	0.6135%	7	(725)		(17,607)
July	Year 2025	16,882	0.6135%	6	(621)		(17,503)
August	Year 2025	16,882	0.6135%	5	(518)		(17,400)
September	Year 2025	16,882	0.6135%	4	(414)		(17,296)
October	Year 2025	16,882	0.6135%	3	(311)		(17,193)
November	Year 2025	16,882	0.6135%	2	(207)		(17,089)
December	Year 2025	16,882	0.6135%	1	(104)		(16,985)
					(8,078)		**(210,660)**
					Annual		
January through December	Year 2026	(210,660)	0.6135%	12	(15,509)		**(226,169)**
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					**Monthly**		
January	Year 2027	**226,169**	0.6135%		(1,388)	19,607	(207,949)
February	Year 2027	207,949	0.6135%		(1,276)	19,607	(189,618)
March	Year 2027	189,618	0.6135%		(1,163)	19,607	(171,173)
April	Year 2027	171,173	0.6135%		(1,050)	19,607	(152,616)
May	Year 2027	152,616	0.6135%		(936)	19,607	(133,945)
June	Year 2027	133,945	0.6135%		(822)	19,607	(115,159)
July	Year 2027	115,159	0.6135%		(707)	19,607	(96,258)
August	Year 2027	96,258	0.6135%		(591)	19,607	(77,241)
September	Year 2027	77,241	0.6135%		(474)	19,607	(58,108)
October	Year 2027	58,108	0.6135%		(356)	19,607	(38,857)
November	Year 2027	38,857	0.6135%		(238)	19,607	(19,488)
December	Year 2027	19,488	0.6135%		(120)	19,607	(0)
					(9,120)		

True-Up Adjustment with Interest	(235,289)
Less Over (Under) Recovery	202,582
Total Interest	(32,707)

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.

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

Reconciliation Revenue Requirement For Year 2025 Available May 25, 2026		2025 Forecasted Revenue Requirement For Year 2025		True-up Adjustment - Over (Under) Recovery
$4,954,013	-	$4,764,985	=	($189,028)

Interest Rate on Amount of Refunds or Surcharges (Note 1)		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
			0.6135%				

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	(15,752)	0.6135%	12	1,160		16,912
February	Year 2025	(15,752)	0.6135%	11	1,063		16,815
March	Year 2025	(15,752)	0.6135%	10	966		16,719
April	Year 2025	(15,752)	0.6135%	9	870		16,622
May	Year 2025	(15,752)	0.6135%	8	773		16,525
June	Year 2025	(15,752)	0.6135%	7	676		16,429
July	Year 2025	(15,752)	0.6135%	6	580		16,332
August	Year 2025	(15,752)	0.6135%	5	483		16,236
September	Year 2025	(15,752)	0.6135%	4	387		16,139
October	Year 2025	(15,752)	0.6135%	3	290		16,042
November	Year 2025	(15,752)	0.6135%	2	193		15,946
December	Year 2025	(15,752)	0.6135%	1	97		15,849
					7,538		**196,566**
					Annual		
January through December	Year 2026	196,566	0.6135%	12	14,471		**211,037**
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					**Monthly**		
January	Year 2027	**(211,037)**	0.6135%		1,295	(18,296)	194,036
February	Year 2027	(194,036)	0.6135%		1,190	(18,296)	176,931
March	Year 2027	(176,931)	0.6135%		1,085	(18,296)	159,721
April	Year 2027	(159,721)	0.6135%		980	(18,296)	142,405
May	Year 2027	(142,405)	0.6135%		874	(18,296)	124,983
June	Year 2027	(124,983)	0.6135%		767	(18,296)	107,454
July	Year 2027	(107,454)	0.6135%		659	(18,296)	89,818
August	Year 2027	(89,818)	0.6135%		551	(18,296)	72,073
September	Year 2027	(72,073)	0.6135%		442	(18,296)	54,220
October	Year 2027	(54,220)	0.6135%		333	(18,296)	36,257
November	Year 2027	(36,257)	0.6135%		222	(18,296)	18,184
December	Year 2027	(18,184)	0.6135%		112	(18,296)	(0)
					8,510		

True-Up Adjustment with Interest	219,547
Less Over (Under) Recovery	(189,028)
Total Interest	30,519

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.

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

Reconciliation Revenue Requirement For Year 2025 Available May 25, 2026		2025 Collections		True-up Adjustment - Over (Under) Recovery
$138,420	-	$49,484	=	($88,935)

Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.6135%				

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	(7,411)	0.6135%	12	546		7,957
February	Year 2025	(7,411)	0.6135%	11	500		7,911
March	Year 2025	(7,411)	0.6135%	10	455		7,866
April	Year 2025	(7,411)	0.6135%	9	409		7,821
May	Year 2025	(7,411)	0.6135%	8	364		7,775
June	Year 2025	(7,411)	0.6135%	7	318		7,730
July	Year 2025	(7,411)	0.6135%	6	273		7,684
August	Year 2025	(7,411)	0.6135%	5	227		7,639
September	Year 2025	(7,411)	0.6135%	4	182		7,593
October	Year 2025	(7,411)	0.6135%	3	136		7,548
November	Year 2025	(7,411)	0.6135%	2	91		7,502
December	Year 2025	(7,411)	0.6135%	1	45		7,457
					3,547		**92,482**
					Annual		
January through December	Year 2026	92,482	0.6135%	12	6,809		**99,290**
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					**Monthly**		
January	Year 2027	**(99,290)**	0.6135%		609	(8,608)	91,292
February	Year 2027	(91,292)	0.6135%		560	(8,608)	83,244
March	Year 2027	(83,244)	0.6135%		511	(8,608)	75,147
April	Year 2027	(75,147)	0.6135%		461	(8,608)	67,000
May	Year 2027	(67,000)	0.6135%		411	(8,608)	58,803
June	Year 2027	(58,803)	0.6135%		361	(8,608)	50,556
July	Year 2027	(50,556)	0.6135%		310	(8,608)	42,258
August	Year 2027	(42,258)	0.6135%		259	(8,608)	33,910
September	Year 2027	(33,910)	0.6135%		208	(8,608)	25,510
October	Year 2027	(25,510)	0.6135%		157	(8,608)	17,059
November	Year 2027	(17,059)	0.6135%		105	(8,608)	8,555
December	Year 2027	(8,555)	0.6135%		52	(8,608)	0
					4,004		

True-Up Adjustment with Interest	103,294
Less Over (Under) Recovery	(88,935)
Total Interest	14,359

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.