

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

Appalachian Power Company

Twelve Months Ended 2020

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 130)				\$363,424,258
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	Total	7,822,518	DA 1.00000	\$ 7,822,518
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				\$ -
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				\$ 355,601,740

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)	22,018,181	DA	1.00000	\$ 22,018,181
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	((ln 1 - ln 95)/((ln 42) x 100))			12.78%
8	Monthly Rate	(ln 7 / 12)			1.07%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	((ln 1 - ln 95 - ln 100) /((ln 42) x 100))			10.45%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	((ln 1 - ln 95 - ln 100 - ln 125 - ln 126) /((ln 42) x 100))			3.02%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				
14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
15	Total Load Dispatch & Scheduling (Account 561)	Line 75 Below			13,781,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				6,734,000
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				1,890,000
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			5,157,000

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	(1)	(2)	(3)	(4)	(5)	
	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>	
Line No.	GROSS PLANT IN SERVICE					
19	Production	(Worksheet A In 14.(b))	6,458,345,000	NA	0.00000	-
20	Less: Production ARO (Enter Negative)	(Worksheet A In 14.(c))	(99,684,000)	NA	0.00000	-
21	Transmission	(Worksheet A In 14.(d) & TCOS Ln 134)	3,656,779,000	DA		3,574,853,000
22	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP	0.97760	-
23	Distribution	(Worksheet A In 14.(f))	4,357,966,000	NA	0.00000	-
24	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.(g))	-	NA	0.00000	-
25	General Plant	(Worksheet A In 14.(h))	321,311,000	W/S	0.09284	29,830,482
26	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	-	W/S	0.09284	-
27	Intangible Plant	(Worksheet A In 14.(j))	256,989,000	W/S	0.09284	23,858,834
28	TOTAL GROSS PLANT	(sum Ins 19 to 27)	14,951,706,000	GP	0.242684	3,628,542,316
				GTD=	0.44603	
29	ACCUMULATED DEPRECIATION AND AMORTIZATION					
30	Production	(Worksheet A In 28.(b))	2,648,544,000	NA	0.00000	-
31	Less: Production ARO (Enter Negative)	(Worksheet A In 28.(c))	(41,934,000)	NA	0.00000	-
32	Transmission	(Worksheet A In 28.(d) & In 43.(c))	755,669,000	TP1=	0.96834	731,748,000
33	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1=	0.96834	-
34	Distribution	(Worksheet A In 28.(f))	1,491,850,000	NA	0.00000	-
35	Less: Distribution ARO (Enter Negative)	(Worksheet A In 28.(g))	-	NA	0.00000	-
36	General Plant	(Worksheet A In 28.(h))	98,969,000	W/S	0.09284	9,188,272
37	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	-	W/S	0.09284	-
38	Intangible Plant	(Worksheet A In 28.(j))	107,691,000	W/S	0.09284	9,998,022
39	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 30 to 38)	5,060,789,000			750,934,295
40	NET PLANT IN SERVICE					
41	Production	(In 19 + In 20 - In 30 - In 31)	3,752,051,000			-
42	Transmission	(In 21 + In 22 - In 32 - In 33)	2,901,110,000			2,843,105,000
43	Distribution	(In 23 + In 24 - In 34 - In 35)	2,866,116,000			-
44	General Plant	(In 25 + In 26 - In 36 - In 37)	222,342,000			20,642,210
45	Intangible Plant	(In 27 - In 38)	149,298,000			13,860,812
46	TOTAL NET PLANT IN SERVICE	(sum Ins 41 to 45)	9,890,917,000	NP	0.290934	2,877,608,022
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
48	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	(264,915,281)	NA		-
49	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(1,331,446,007)	DA		(558,869,276)
50	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(583,242,256)	DA		(5,050,502)
51	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	429,536,263	DA		31,211,490
52	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(923,654)	DA		(15,253)
53	TOTAL ADJUSTMENTS	(sum Ins 48 to 52)	(1,750,990,934)			(532,723,542)
54	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e) & In 45.(e))	4,482,000	DA		1,632,000
55	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA		-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))	(260,000)	W/S	0.09284	(24,138)
57	WORKING CAPITAL	(Note E)				
58	Cash Working Capital	(1/8 * In 78)	4,618,250			4,514,783
59	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	690,000	TP	0.97760	674,541
60	A&G Materials & Supplies	(Worksheet C, In 3.(F))	339,000	W/S	0.09284	31,473
61	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.24268	-
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	224,267,652	W/S	0.09284	20,820,987
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	4,987,566	GP	0.24268	1,210,403
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000	-
65	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(214,563,839)	NA	0.00000	-
66	TOTAL WORKING CAPITAL	(sum Ins 58 to 65)	20,338,629			27,252,188
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	(2,965,266)	DA	1.00000	(2,965,266)
68	RATE BASE (sum Ins 46, 53, 54, 55, 56, 66, 67)		8,161,521,429			2,370,779,264

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	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
Line No.	OPERATION & MAINTENANCE EXPENSE				
69	Production	321.80.b	1,199,162,000		
70	Distribution	322.156.b	120,836,000		
71	Customer Related Expense	322 & 323.164,171,178.b	64,131,000		
72	Regional Marketing Expenses	322.131.b	6,477,000		
73	Transmission	321.112.b	304,593,000		
74	TOTAL O&M EXPENSES	(sum Ins 69 to 73)	1,695,199,000		
75	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	13,781,000		
76	Less: Account 565	(Note H) 321.96.b	281,697,000		
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	(27,831,000)		
78	Total O&M Allocable to Transmission	(Ins 73 - 75 - 76 - 77)	36,946,000	TP0.97760	36,118,267
79	Administrative and General	323.197.b (Notes J and M)	112,944,000		
80	Less: Acct. 924, Property Insurance	323.185.b	5,401,000		
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(15,991,358)		
82	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
83	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(5,251,875)		
84	Acct. 928, Reg. Com. Exp.	323.189.b	180,000		
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	539,000		
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	9,055,000		
87	Balance of A & G	(In 79 - sum In 80 to In 86)	119,012,233	W/S	11,049,084
88	Plus: Acct. 924, Property Insurance	(In 80)	5,401,000	GP	1,310,737
89	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	3,187	TP	3,116
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP	-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	5,035,674	DA	5,035,674
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	(46,793,855)	W/S	(4,344,337)
93	A & G Subtotal	(sum Ins 87 to 92)	82,658,238		13,054,273
94	O & M EXPENSE SUBTOTAL	(In 78 + In 93)	119,604,238		49,172,540
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	-
96	TOTAL O & M EXPENSE	(In 94 + In 95)	119,604,238		49,172,540
97	DEPRECIATION AND AMORTIZATION EXPENSE				
98	Production	336.2-6.f	212,578,000	NA	-
99	Distribution	336.8.f	168,756,000	NA	-
100	Transmission	336.7.f	68,576,000	TP1	66,405,200
101	General	336.10.f	7,949,000	W/S	737,984
102	Intangible	336.1.f	37,679,000	W/S	3,498,115
103	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 98+99+100+101+102) (Note N)	495,538,000		70,641,299
104	TAXES OTHER THAN INCOME				
105	Labor Related				
106	Payroll	Worksheet H In 24.(D)	8,282,821	W/S	768,976
107	Plant Related				
108	Property	Worksheet H-1 In 3.(C) & 3.(G)	83,186,000	DA	30,499,768
109	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	58,776,920	NA	-
110	Other	Worksheet H In 24.(E)	4,903,992	GP	1,190,121
111	TOTAL OTHER TAXES	(sum Ins 106 to 110)	155,149,733		32,458,865
112	INCOME TAXES	(Note O)			
113	T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =		23.96%		
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		20.99%		
115	where WCLTD=(In 154) and WACC = (In 157)				
116	and FIT, SIT & p are as given in Note O.				
117	GRCF=1 / (1 - T) = (from In 113)		1.3151		
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	(30,000)		
119	Excess Deferred Income Tax	(Note U)	(52,871,799)	DA	(4,300,300)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	9,759,115	DA	2,104,203
121	Income Tax Calculation	(In 114 * In 126)	127,737,981		37,105,650
122	ITC adjustment	(In 117 * In 118)	(39,454)	GP	(9,575)
123	Excess Deferred Income Tax	(In 117 * In 119)	(69,533,847)		(5,655,499)
124	Tax Effect of Permanent and Flow-Through Differences	(In 117 * In 120)	12,834,608		2,767,323
125	TOTAL INCOME TAXES	(sum Ins 121 to 124)	70,999,288		34,207,899
126	RETURN ON RATE BASE (Rate Base*WACC)	(In 68 * In 157)	608,670,761		176,808,213
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		135,442	DA	135,442
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 128 * In114)		-		-
130	TOTAL REVENUE REQUIREMENT (sum Ins 96, 103, 111, 125, 126, 127, 128, 129)		1,450,097,462		363,424,258

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
131	Total transmission plant	(In 21)								3,656,779,000
132	Less transmission plant excluded from PJM Tariff (Worksheet A, In 42, Col. (d)) (Note P)									-
133	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 42, Col. (b)) (Note Q)									81,926,000
134	Transmission plant included in PJM Tariff	(In 131 - In 132 - In 133)								3,574,853,000
135	Percent of transmission plant in PJM Tariff	(In 134 / In 131)						TP=		0.97760
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)								
137	Production	354.20.b	Direct Payroll	Payroll Billed from AEP Service Corp.	Total					
138	Transmission	354.21.b	58,098,851	27,370,366	85,469,217	NA	0.00000			-
139	Regional Market Expenses	354.22.b	439,331	15,287,414	15,726,745	TP	0.97760		15,374,405	
140	Distribution	354.23.b	-	-	-	NA	0.00000			-
141	Other (Excludes A&G)	354.24,25,26.b	39,770,905	4,743,389	44,514,294	NA	0.00000			-
142	Total	(sum Ins 137 to 141)	11,127,418	8,763,586	19,891,004	NA	0.00000			-
			109,436,505	56,164,755	165,601,260					15,374,405
143	Transmission related amount							W/S=		0.09284
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)									\$
145	Long Term Interest	(Worksheet M, In. 37, col. (d))								223,513,000
146	Preferred Dividends	(Worksheet M, In. 71)								-
147	Development of Common Stock:									
148	Proprietary Capital	(Worksheet M, In. 14, col. (b))								4,294,039,000
149	Less: Preferred Stock	(Worksheet M, In. 14, col. (c))								-
150	Less: Account 216.1	(Worksheet M, In. 14, col. (d))								(3,472,000)
151	Less: Account 219	(Worksheet M, In. 14, col. (e))								(7,435,000)
152	Common Stock	(In 148 - In 149 - In 150 - In 151)								4,304,946,000
153										
154	Long Term Debt (Note T) Worksheet M, In 28, col. (g), In 38, col. (d))		\$	Capital Structure Percentage:	Cost					Weighted
155	Preferred Stock (In 149)		4,666,520,308	%	Cap Limit	(Note S)				0.0249
156	Common Stock (In 152)		-	52.02%	52.02%	4.79%				0.0000
157	Total (Sum Ins 154 to 156)		8,971,466,308	0.00%	0.00%	-				0.0497
				47.98%	47.98%	10.35%			WACC=	0.0746
158	Capital Structure Equity Limit (Note Z)	55%								

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Notes

General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X

- ARevenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
7) If AEP East companies have any directly assigned transmission facilities, the revenue credits in the AEP East formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based.
See Worksheet E for details.
- BThe annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet Q and any over under recovery will be filed and posted as part of the informational filing.
- CTransmission Plant Balances in this study are projected or actual average of 13-month balances.
- DThe total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flowthrough and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated.
In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section1.167(l)-l(h)(6)(ii).
RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.
- ECash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 78. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 75.
2) Costs of Transmission of Electricity by Others, as described in Note H.
3) The impact of state regulatory deferrals and amortizations, as shown on line 77
4) All A&G Expenses, as shown on line 93.
- FConsistent with Paragraph 657 of Order 2003-A, the amount on line 67 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 127.
- GRemoves 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.
- HRemoves cost of transmission service provided by others to determine the basis of cash working capital on line 78. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such cost is added back on line 95 to determine the total O&M collected in the formula. The amounts on line 95 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.
The addbacks on line 95 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.
The company records referenced on line 95 is the Appalachian Power Company general ledger.
- IRemoves the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- JGeneral 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.
- KThese deductions on lines 81 through 83 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- LExpenses recorded in FERC Accounts 928 (Regulatory Commission Expense), 930.1 (Safety Related Advertising) and 930.2 (Miscellaneous General Expenses) that are not directly related to or properly allocable to transmission service will be removed from the TCOS. If AEP includes any expenses booked to these accounts in future ATRR updates, AEP must provide supporting information demonstrating that the underlying activities are directly related to providing transmission service. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- MSee note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corportation. The calculation of the recoverable amount for each company is shown on Worksheet O.
- NIncludes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- OThe 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) (In 118) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required:
FIT = 21.00%
SIT= 3.75% (State Income Tax Rate or Composite SIT. Worksheet G))
p = 0.00% (percent of federal income tax deductible for state purposes)
The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable.
If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
- PRemoves 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.
- QRemoves 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.
- RIncludes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- SLong Term Debt cost rate = Long-Term Interest (In 145) / Long-Term Debt (In 154). Preferred Stock cost rate = preferred dividends (In 146) / preferred outstanding (In 155).
Common Stock cost rate (ROE) = 10.35%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO Membership.
The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M.
Eligible Hedging Gains and Losses are computed on Worksheet M.The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.
- TThe Long Term Debt balance for I&M includes the accumulated balance of principle and related interest for Spent Nuclear Fuel Disposal Costs collected prior to April 7, 1983.
This total balance of \$265,249,280 at 12/31/12 is not included in the balance in line 154 above.
The cost rates for long-term debt shall include interest expense and related periodic expenses (such as remarketing and letter of credit fees) as recorded in FERC Account 427 or 430, amortization of issuance costs (including insurance) and discounts as recorded in FERC Account 428, issuance premiums as recorded in FERC Account 429 and losses or gains on reacquired debt as recorded in FERC Accounts 428.1 or 429.1, respectively. The cost rates for preferred stock (if applicable) shall include the dividends.
- UExcess / (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.
- VCash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.
- WThe formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- XUnder 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.
- YThe cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.
- ZPer 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.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
Appalachian Power Company

		Gross Plant In Service								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34.44	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	6,450,481,000	99,684,000	3,562,096,000		4,297,342,000		309,872,000		210,791,000
2	January	6,449,506,000	99,684,000	3,573,075,000		4,311,628,000		311,397,000		244,821,000
3	February	6,448,601,000	99,684,000	3,578,387,000		4,322,715,000		312,893,000		250,323,000
4	March	6,449,943,000	99,684,000	3,581,374,000		4,331,046,000		314,233,000		252,169,000
5	April	6,456,355,000	99,684,000	3,583,456,000		4,339,452,000		315,570,000		255,400,000
6	May	6,459,147,000	99,684,000	3,639,318,000		4,348,131,000		316,921,000		258,718,000
7	June	6,459,645,000	99,684,000	3,656,072,000		4,357,335,000		318,286,000		259,072,000
8	July	6,459,487,000	99,684,000	3,660,209,000		4,365,925,000		319,644,000		262,858,000
9	August	6,458,403,000	99,684,000	3,683,152,000		4,374,048,000		321,045,000		266,632,000
10	September	6,457,199,000	99,684,000	3,704,808,000		4,385,608,000		322,416,000		266,006,000
11	October	6,456,420,000	99,684,000	3,713,625,000		4,396,196,000		323,766,000		270,673,000
12	November	6,459,319,000	99,684,000	3,756,264,000		4,407,780,000		325,092,000		276,279,000
13	December of Rate Year	6,493,978,000	99,684,000	3,846,288,000		4,416,358,000		365,907,000		267,119,000
14	Average of the 13 Monthly Balances	6,458,345,000	99,684,000	3,656,779,000	-	4,357,966,000	-	321,311,000	-	256,989,000

		Accumulated Depreciation								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 219, Ins 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 26, Col. (b)	Company Records (Included in total in Column (f))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
15	December Prior to Rate Year	2,576,134,000	40,175,000	738,547,000		1,435,951,000		95,773,000		97,708,000
16	January	2,588,412,000	40,468,000	741,315,000		1,445,116,000		96,290,000		100,338,000
17	February	2,600,622,000	40,761,000	744,104,000		1,454,313,000		96,811,000		103,240,000
18	March	2,611,556,000	41,054,000	746,902,000		1,463,576,000		97,336,000		101,178,000
19	April	2,623,353,000	41,347,000	749,707,000		1,472,868,000		97,866,000		104,221,000
20	May	2,635,127,000	41,641,000	752,515,000		1,482,207,000		98,400,000		107,318,000
21	June	2,647,198,000	41,934,000	755,424,000		1,491,593,000		98,939,000		107,301,000
22	July	2,659,978,000	42,227,000	758,364,000		1,501,029,000		99,481,000		110,472,000
23	August	2,672,830,000	42,520,000	761,313,000		1,510,513,000		100,028,000		113,706,000
24	September	2,685,454,000	42,813,000	764,302,000		1,520,044,000		100,580,000		112,654,000
25	October	2,697,586,000	43,107,000	767,330,000		1,529,639,000		101,135,000		115,958,000
26	November	2,709,946,000	43,400,000	770,375,000		1,539,289,000		101,695,000		119,340,000
27	December of Rate Year	2,722,875,000	43,693,000	773,495,000		1,547,909,000		102,259,000		106,554,000
28	Average of the 13 Monthly Balances	2,648,544,000	41,934,000	755,669,000	-	1,491,850,000	-	98,969,000	-	107,691,000

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (b) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year	81,926,000	23,023,000		
30	January	81,926,000	23,172,000		
31	February	81,926,000	23,322,000		
32	March	81,926,000	23,472,000		
33	April	81,926,000	23,622,000		
34	May	81,926,000	23,772,000		
35	June	81,926,000	23,921,000		
36	July	81,926,000	24,071,000		
37	August	81,926,000	24,221,000		
38	September	81,926,000	24,371,000		
39	October	81,926,000	24,521,000		
40	November	81,926,000	24,671,000		
41	December of Rate Year	81,926,000	24,820,000		
42	Average of the 13 Monthly Balances	81,926,000	23,921,000	-	-

43

Transmission Accum Depreciation net of GSU

731,748,000

Plant Held For Future Use		Source of Data	Balance @ December 31, 2020 (c)	Balance @ December 31, 2019 (d)	Average Balance for 2020 (e)
44	Plant Held For Future Use (a)	FF1, page 214, In 47, Col. (d) (b)	4,482,000	4,482,000	4,482,000
45	Transmission Plant Held For Future Use (Included in total on line 44)	Company Records - Note 1	1,632,000	1,632,000	1,632,000

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)				
52	Description	Account		
53a	Accum Prv I/D Worker's Com		260,000	260,000
53b				-
54	Total		260,000	260,000

NOTE 1: On this worksheet, "Company Records" refers to AEP's property accounting ledger.

NOTE 2: The ratebase should not include the unamortized balance of hedging gains or losses.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
Appalachian Power Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2020</u>	<u>(D) Balance @ December 31, 2019</u>	<u>(E) Average Balance for 2020</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	264,733,263	265,097,299	264,915,281
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)	264,733,263	265,097,299	264,915,281
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	1,330,077,863	1,332,814,151	1,331,446,007
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	11,571,948	11,571,948	11,571,948
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	759,814,452	762,195,113	761,004,783
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	558,691,462	559,047,090	558,869,276
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	583,104,410	583,380,101	583,242,256
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	7,415,018	7,415,018	7,415,018
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	570,633,298	570,920,173	570,776,735
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	5,056,094	5,044,910	5,050,502
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	429,536,263	429,536,263	429,536,263
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	24,358,600	24,358,600	24,358,600
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	373,966,173	373,966,173	373,966,173
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	31,211,490	31,211,490	31,211,490
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	908,449	938,859	923,654
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	908,449	938,859	923,654
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	15,253	15,253	15,253

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.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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

(DEBIT) CREDIT

18.01

18.02

Appalachian Power Company
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2020

DEBIT (CREDIT)

[illegible]

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
Appalachian Power Company

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number		Source	Balance @ December 31, 2020	Balance @ December 31, 2019	Average Balance for 2020			
1								
2	Transmission Materials & Supplies	FF1, p. 227, In 8, Col. (c) & (b)	690,000	690,000	690,000			
3	General Materials & Supplies	FF1, p. 227, In 11, Col. (c) & (b)	339,000	339,000	339,000			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, In 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, 2020	14,691,379	(214,563,839)	0	4,987,566	224,267,652	229,255,217	
7	Totals as of December 31, 2019	14,691,378	(214,563,839)		4,987,566	224,267,652	229,255,217	
8	Average Balance	14,691,378	(214,563,839)	-	4,987,566	224,267,652	229,255,217	

Prepayments Account 165 - Balance @ 12/31/2020									
9	Acc. No.	Description	2020 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	2,183,992	-		2,183,992		2,183,992	Plant Related Insurance Policies
11	165000218	Prepaid Taxes	1,743,674	1,743,674				-	Prepayed Taxes-Dist.
12	165000219	Prepaid Taxes	723,931			723,931		723,931	Prepayed Taxes
13	1650004	Prepaid Interest	23,994	23,994				-	Prepaid Interest
14	1650006	Other Prepayments	321,708	321,708				-	Other prepayments - Gen
15	1650009	Prepaid Carry Cost-Factored AR	146,718	146,718				-	AR Factoring
16	1650017	Prepayment - Coal	7,456,790	7,456,790				-	Prepaid Coal
17	1650010	Prepaid Pension	157,045,870	-			157,045,870	157,045,870	Prefunded Pension Exp
18	1650014	Prepaid Sales Taxes	(157,045,870)	(157,045,870)				-	SFAS 158 Offset
19	165001216	Prepaid Use Taxes	0	-				-	
20	165001218	Prepaid Use Taxes	10,930	10,930				-	Prepaid Use Taxes Gen
21	165001219	Prepaid Use Taxes	0	-				-	
22	1650014	FAS 158 Qual Contra Asset	0	-				-	
23	1650016	FAS 112 ASSETS	0	-				-	
24	1650021	Prepaid Insurance - EIS	2,044,446	-		2,044,446		2,044,446	Prepaid Insurance EIS
25	1650023	Prepaid Lease	35,196	-		35,196		35,196	Prepaid Lease
26	1650031	Prepaid OCIP Work Comp	0	-				-	
27	1650032	Prepaid OCIP Work Comp LT	0	-				-	
28	1650033	Prepaid OCIP Work Comp - Aff	0	-				-	
29	1650034	PPD OCIP Work Comp LT - Aff	0	-				-	
30	1650035	PRW Without MED-D Benefits	67,221,782	-			67,221,782	67,221,782	Pension Benefits - All functions
31	1650036	PRW for Med-D Benefits	0	-				-	
32	1650037	FAS158 Contra-PRW Exclud Med-D	(67,221,782)	(67,221,782)				-	SFAS 158 Offset
33				-	-			-	
	Subtotal - Form 1, p 111.57.c		14,691,379	(214,563,839)	0	4,987,566	224,267,652	229,255,217	

Prepayments Account 165 - Balance @ 12/31/ 2019									
34	Acc. No.	Description	2019 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
35	1650001	Prepaid Insurance	2,183,992	-		2,183,992		2,183,992	Plant Related Insurance Policies
36	165000218	Prepaid Taxes	1,743,674	1,743,674				-	Prepayed Taxes-Dist.
37	165000219	Prepaid Taxes	723,931	-		723,931		723,931	Prepayed Taxes
38	1650004	Prepaid Interest	23,994	23,994				-	Prepaid Interest
39	1650006	Other Prepayments	321,708	321,708				-	Other prepayments - Gen
40	1650009	Prepaid Carry Cost-Factored AR	146,718	146,718				-	AR Factoring
41	1650017	Prepayment - Coal	7,456,790	7,456,790				-	Prepaid Coal
42	1650010	Prepaid Pension	157,045,870	-			157,045,870	157,045,870	Prefunded Pension Exp
43	1650014	Prepaid Sales Taxes	(157,045,870)	(157,045,870)				-	SFAS 158 Offset
44	165001216	Prepaid Use Taxes	0	-				-	
45	165001218	Prepaid Use Taxes	10,930	10,930				-	Prepaid Use Taxes Gen
46	165001219	Prepaid Use Taxes	0	-				-	
47	1650014	FAS 158 Qual Contra Asset	0	-				-	
48	1650016	FAS 112 ASSETS	0	-				-	
49	1650021	Prepaid Insurance - EIS	2,044,446	-		2,044,446		2,044,446	Prepaid Insurance EIS
50	1650023	Prepaid Lease	35,196	-		35,196		35,196	Prepaid Lease
51	1650031	Prepaid OCIP Work Comp	0	-				-	
52	1650032	Prepaid OCIP Work Comp LT	0	-				-	
53	1650033	Prepaid OCIP Work Comp - Aff	0	-				-	
54	1650034	PPD OCIP Work Comp LT - Aff	0	-				-	
55	1650035	PRW Without MED-D Benefits	67,221,782	-			67,221,782	67,221,782	Pension Benefits - All functions
56	1650036	PRW for Med-D Benefits	0	-				-	
57	1650037	FAS158 Contra-PRW Exclud Med-D	(67,221,782)	(67,221,782)				-	SFAS 158 Offset
58				-	-			-	
Subtotal - Form 1, p 111.57.d			14,691,378	(214,563,839)		4,987,566	224,267,652	229,255,217	

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
Appalachian Power Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2020</u>
1	Net Funds from IPP Customers 12/31/2019 (2020 FORM 1, P269)	(2,897,545)
2	Interest Accrual (Company Records - Note 1)	(135,442)
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2020 (2020 FORM 1, P269)	(3,032,987)
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	(2,965,266)

Note 1 On this worksheet Company Records refers to Appalachian Power Company's general ledger.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
Appalachian Power Company

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	4,874,000	4,874,000	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	2,769,000	2,411,099	357,901
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	22,584,000	18,067,243	4,516,757
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	10,918,000	7,970,140	2,947,860
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	145,439,000	145,439,000	
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	186,584,000	178,761,482	7,822,518
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	186,584,000	178,761,482	7,822,518

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

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

9 Facility Credits under PJM OATT Section 30.9

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

	(A)	(B)	(C)	(D)	(E)	(F)
<u>Line</u> <u>Number</u>	<u>Item No.</u>	<u>Description</u>	<u>2020</u> <u>Expense</u>	<u>100%</u> <u>Non-Transmission</u>	<u>100%</u> <u>Transmission</u> <u>Specific</u>	<u>Explanation</u>
<u>Regulatory O&M Deferrals & Amortizations</u>						
1	5660007	Virginia T-RAC UnderRecovery	(27,831,000)			
2						
3						
4		Total	(27,831,000)			
<u>Detail of Account 561 Per FERC Form 1</u>						
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	5,157,000			
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	6,734,000			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development				
11	FF1 p 321.90.b	561.6 - Transmission Service Studies				
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies				
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	1,890,000			
14		Total of Account 561	13,781,000			
<u>Account 928</u>						
15	9280000	Regulatory Commission Exp	345	345	-	
16	9280001	Regulatory Commission Exp-Adm	49,227	49,227	-	
17	9280002	Regulatory Commission Exp-Case	127,507	127,507	-	
18	9280005	Reg Com Exp-FERC Trans Cases	3,187	-	3,187	
19						
20		Total (FERC Form 1 p.323.189.b)	180,265	177,078	3,187	
<u>Account 930.1</u>						
21	9301000	General Advertising Expenses	146,424	146,424	-	
22	9301001	Newspaper Advertising Space	199,287	199,287	-	
23	9301002	Radio Station Advertising Time	28,331	28,331	-	
24	9301003	TV Station Advertising Time	2,092	2,092	-	
25	9301004	Newspaper Advertising Prod Exp	2,586	2,586	-	
26	9301005	Radio &TV Advertising Prod Exp	-	-	-	
27	9301006	Spec Corporate Comm Info Proj	6,615	6,615	-	
28	9301007	Special Adv Space & Prod Exp	66	66	-	
29	9301008	Direct Mail and Handouts	-			
30	9301009	Fairs, Shows, and Exhibits	24,115			
31	9301010	Publicity	2,049	2,049		
32	9301011	Dedications, Tours, & Openings	-	-	-	
33	9301012	Public Opinion Surveys	92,099	92,099	-	
34	9301013	Movies Slide Films & Speeches	-	-	-	
35	9301014	Video Communications	6,607	6,607	-	
36	9301015	Other Corporate Comm Exp	28,413	28,413	-	
37		Total (FERC Form 1 p.323.191.b)	538,682	514,567	-	
<u>Account 930.2</u>						
38	9302000	Misc General Expenses	915,134	915,134		
39	9302003	Corporate & Fiscal Expenses	94,977	94,977		
40	9302004	Research, Develop&Demonstr Exp	3,722	3,722		
41	9302006	Assoc Business Development Materials Sold	191,398	191,398	-	
42	9302007	Assoc Business Development Exp	7,849,694	2,814,020	5,035,674	
43		Total (FERC Form 1 p.323.192.b)	9,054,924	4,019,251	5,035,674	

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
Appalachian Power Company

Tennessee Income Tax Rate	6.50%	
Apportionment Factor - Note 2	2.65%	
Effective State Tax Rate		0.17%
West Virginia Net Income Tax Rate	6.50%	
Apportionment Factor - Note 2	54.08%	
Effective State Tax Rate		3.52%
Virginia Income Tax Rate	6.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Ohio Franchise Tax Rate	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Michigan Business Income Tax Rate	6.00%	
Apportionment Factor - Note 2	0.02%	
Effective State Tax Rate		0.00%
Illinois Corporation Income Tax Rate	9.50%	
Apportionment Factor - Note 2	0.65%	
Effective State Tax Rate		0.06%
Total Effective State Income Tax Rate		<u>3.75%</u>

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H Supporting Taxes Other than Income
Appalachian Power Company

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	Gross Receipts Tax	24,336,920				24,336,920
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - West Virginia	56,277,276	56,277,276			
5	Real and Personal Property - Virginia	25,416,715	25,416,715			
6	Real and Personal Property - Tennessee	1,492,009	1,492,009			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	8,282,821		8,282,821		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	Production Taxes					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	List Individual Taxes Here	34,440,000				34,440,000
16		4,903,992			4,903,992	
17		-			-	
18		-			-	
19		-			-	
20		-				-
21		-				-
22		-				-
23						
24	Total Taxes by Allocable Basis	155,149,733	83,186,000	8,282,821	4,903,992	58,776,920

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

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

Functional Property Tax Allocation						
		Production	Transmsission	Distribution	General	Total
25	Functionalized Net Plant (TCOS, Lns 41 thru 46)	3,752,051,000	2,901,110,000	2,866,116,000	222,342,000	9,741,619,000
VIRGINIA JURISDICTION						
26	Percentage of Plant in VIRGINIA JURISDICTION	7.86%	56.14%	55.94%	53.42%	
27	Net Plant in VIRGINIA JURISDICTION (Ln 25 * Ln 26)	294,911,209	1,628,683,154	1,603,305,290	118,775,096	3,645,674,749
28	Less: Net Value of Exempted Generation Plant	42,778,846				
29	Taxable Property Basis (Ln 27 - Ln 28)	252,132,363	1,628,683,154	1,603,305,290	118,775,096	3,602,895,903
30	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
31	Weighted Net Plant (Ln 29 * Ln 30)	252,132,363	1,628,683,154	1,603,305,290	118,775,096	
32	General Plant Allocator (Ln 31 / (Total - General Plant))	7.24%	46.75%	46.02%	-100.00%	
33	Functionalized General Plant (Ln 32 * General Plant)	8,595,295	55,522,472	54,657,330	(118,775,096)	-
34	Weighted VIRGINIA JURISDICTION Plant (Ln 31 + 33)	260,727,658	1,684,205,626	1,657,962,620	0	3,602,895,903
35	Functional Percentage (Ln 34/Total Ln 34)	7.24%	46.75%	46.02%		
WEST VA JURISDICTION						
36	Percentage of Plant in WEST VA JURISDICTION	90.49%	41.66%	44.06%	46.40%	
37	Net Plant in WEST VA JURISDICTION (Ln 25 * Ln 36)	3,395,230,950	1,208,602,426	1,262,810,710	103,166,688	5,969,810,774
38	Less: Net Value of Exempted Generation Plant	2,058,550,399				
39	Taxable Property Basis (Ln 37 - Ln 38)	1,336,680,551	1,208,602,426	1,262,810,710	103,166,688	3,911,260,375
40	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
41	Weighted Net Plant (Ln 39 * Ln 40)	1,336,680,551	1,208,602,426	1,262,810,710	103,166,688	
42	General Plant Allocator (Ln 41 / (Total - General Plant))	35.10%	31.74%	33.16%	-100.00%	
43	Functionalized General Plant (Ln 42 * General Plant)	36,212,582	32,742,763	34,211,343	(103,166,688)	-
44	Weighted WEST VA JURISDICTION Plant (Ln 41 + 43)	1,372,893,133	1,241,345,189	1,297,022,053	-	3,911,260,375
45	Functional Percentage (Ln 44/Total Ln 44)	35.10%	31.74%	33.16%		
TENNESSEE JURISDICTION						
46	Net Plant in TENNESSEE JURISDICTION (Ln 25 - Ln 27 - Ln 37)	61,908,842	63,824,420	-	400,216	126,133,477
47	Less: Net Value Exempted Generation Plant					
48	Taxable Property Basis	61,908,842	63,824,420	-	400,216	126,133,477
49	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
50	Weighted Net Plant (Ln 48 * Ln 49)	61,908,842	63,824,420	-	400,216	
51	General Plant Allocator (Ln 50 / (Total - General Plant))	49.24%	50.76%	0.00%	-100.00%	
52	Functionalized General Plant (Ln 52 * General Plant)	197,059	203,156	-	(400,216)	
53	Weighted TENNESSEE JURISDICTION Plant (Ln 50 + 52)	62,105,901	64,027,576	-	(0)	126,133,477
54	Functional Percentage (Ln 53/Total Ln 53)	49.24%	50.76%	0.00%		

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

(A)		(B)	(C)	(D)		
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference		
1	Revenue Taxes					
2	Gross Receipts Tax	24,336,920	24,336,920			
(A)		(B)	(C)	(D)	(E)	(F)
Real Estate and Personal Property Tax Detail		Tax Year	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Tax Year Factor (Note 2)
Annual Tax Expenses by Type (Note 1)						
3	Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)		83,186,000			
4	Real and Personal Property - West Virginia	2020	56,277,276	56,277,276		31.74%
5	Real and Personal Property - Virginia	2020	25,416,715	25,416,715		46.75%
6	Real and Personal Property - Tennessee	2020	1,492,009	1,492,009		50.76%
7	Real and Personal Property - Other Jurisdictions		-	-		24.27%

(A)		(B)	(C)	(D)	
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	
8	Payroll Taxes				
9	Federal Insurance Contribution (FICA)	8,282,821	8,282,821		
10	Federal Unemployment Tax	-	-		
11	State Unemployment Insurance	-	-		
12	Production Taxes	-			
13	State Severance Taxes				
14	Miscellaneous Taxes				
15	State Business & Occupation Tax	34,440,000	34,440,000		
16	State Public Service Commission Fees	4,903,992	4,903,992		
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))	155,149,733	155,149,733		

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

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

AEP East Companies
Cost of Service Formula Rate Using 2020 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
Appalachian Power Company

AEP East Companies
Cost of Service Formula Rate Using 2020 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
Appalachian Power Company

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

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

ROE w/o incentives (TCOS, ln 156)				10.35%
Project ROE Incentive Adder				
ROE with additional basis point incentive				10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through156)				
	%	Cost	Weighted cost	
Long Term Debt	52.02%	4.79%	2.491%	
Preferred Stock	0.00%	0.00%	0.000%	
Common Stock	47.98%	10.35%	4.966%	
R =			7.458%	

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

Rate Base (TCOS, ln 68)	2,370,779,264
R (from A. above)	7.458%
Return (Rate Base x R)	176,808,213

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

Return (from B. above)	176,808,213
Effective Tax Rate (TCOS, ln 114)	20.99%
Income Tax Calculation (Return x CIT)	37,105,650
ITC Adjustment	(9,575)
Excess Deferred Income Tax	(5,655,499)
Tax Affect of Permanent Differences	2,767,323
Income Taxes	34,207,899

SUMMARY OF PROJECTED ANNUAL RTEP		REVENUE REQUIREMENTS		
		Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2020	22,018,181	22,018,181	\$ -

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

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

Annual Revenue Requirement (TCOS, ln 1)	363,424,258
Lease Payments (TCOS, Ln 95)	-
Return (TCOS, ln 126)	176,808,213
Income Taxes (TCOS, ln 125)	34,207,899
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	152,408,146

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	152,408,146
Return (from I.B. above)	176,808,213
Income Taxes (from I.C. above)	34,207,899
Annual Revenue Requirement, with Basis Point ROE increase	363,424,258
Depreciation (TCOS, ln 100)	66,405,200
Annual Rev. Req, w/ Basis Point ROE increase, less Depreciation	297,019,058

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (TCOS, ln 42)	2,843,105,000
Annual Revenue Requirement, with Basis Point ROE increase	363,424,258
FCR with Basis Point increase in ROE	12.78%
Annual Rev. Req, w / Basis Point ROE increase, less Dep.	297,019,058
FCR with Basis Point ROE increase, less Depreciation	10.45%
FCR less Depreciation (TCOS, ln 10)	10.45%
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2020 (TCOS, ln 21)	3,574,853,000
Annual Depreciation and Amortization Expense (TCOS, ln 100)	66,405,200
Composite Depreciation Rate	1.86%
Depreciable Life for Composite Depreciation Rate	53.83
Round to nearest whole year	54

APCo 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: b0318 (Amos 765/138 kV Transformer)

Current Projected Year ARR	1,375,796
Current Projected Year ARR w/ Incentive	1,375,796
Current Projected Year Incentive ARR	-

Details						
Investment	13,789,272	Current Year	2020			
Service Year (yyyy)	2008	ROE increase accepted by FERC (Basis Points)	-			
Service Month (1-12)	6	FCR w/o incentives, less depreciation	10.45%			
Useful life	54	FCR w/incentives approved for these facilities, less dep.	10.45%			
CIAC (Yes or No)	No	Annual Depreciation Expense	255,357			
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2008	13,789,272	127,678	13,661,594	1,561,574	1,561,574	\$ -
2009	13,661,594	255,357	13,406,237	1,669,244	1,669,244	\$ -
2010	13,406,237	255,357	13,150,880	1,642,567	1,642,567	\$ -
2011	13,150,880	255,357	12,895,523	1,615,890	1,615,890	\$ -
2012	12,895,523	255,357	12,640,166	1,589,213	1,589,213	\$ -
2013	12,640,166	255,357	12,384,809	1,562,536	1,562,536	\$ -
2014	12,384,809	255,357	12,129,452	1,535,859	1,535,859	\$ -
2015	12,129,452	255,357	11,874,095	1,509,182	1,509,182	\$ -
2016	11,874,095	255,357	11,618,738	1,482,505	1,482,505	\$ -
2017	11,618,738	255,357	11,363,382	1,455,827	1,455,827	\$ -
2018	11,363,382	255,357	11,108,025	1,429,150	1,429,150	\$ -
2019	11,108,025	255,357	10,852,668	1,402,473	1,402,473	\$ -
2020	10,852,668	255,357	10,597,311	1,375,796	1,375,796	\$ -
2021	10,597,311	255,357	10,341,954	1,349,119	1,349,119	\$ -
2022	10,341,954	255,357	10,086,597	1,322,442	1,322,442	\$ -
2023	10,086,597	255,357	9,831,240	1,295,765	1,295,765	\$ -
2024	9,831,240	255,357	9,575,883	1,269,088	1,269,088	\$ -
2025	9,575,883	255,357	9,320,526	1,242,410	1,242,410	\$ -
2026	9,320,526	255,357	9,065,170	1,215,733	1,215,733	\$ -
2027	9,065,170	255,357	8,809,813	1,189,056	1,189,056	\$ -
2028	8,809,813	255,357	8,554,456	1,162,379	1,162,379	\$ -
2029	8,554,456	255,357	8,299,099	1,135,702	1,135,702	\$ -
2030	8,299,099	255,357	8,043,742	1,109,025	1,109,025	\$ -
2031	8,043,742	255,357	7,788,385	1,082,348	1,082,348	\$ -
2032	7,788,385	255,357	7,533,028	1,055,671	1,055,671	\$ -
2033	7,533,028	255,357	7,277,671	1,028,993	1,028,993	\$ -
2034	7,277,671	255,357	7,022,314	1,002,316	1,002,316	\$ -
2035	7,022,314	255,357	6,766,958	975,639	975,639	\$ -
2036	6,766,958	255,357	6,511,601	948,962	948,962	\$ -
2037	6,511,601	255,357	6,256,244	922,285	922,285	\$ -
2038	6,256,244	255,357	6,000,887	895,608	895,608	\$ -
2039	6,000,887	255,357	5,745,530	868,931	868,931	\$ -
2040	5,745,530	255,357	5,490,173	842,254	842,254	\$ -
2041	5,490,173	255,357	5,234,816	815,576	815,576	\$ -
2042	5,234,816	255,357	4,979,459	788,899	788,899	\$ -
2043	4,979,459	255,357	4,724,102	762,222	762,222	\$ -
2044	4,724,102	255,357	4,468,746	735,545	735,545	\$ -
2045	4,468,746	255,357	4,213,389	708,868	708,868	\$ -
2046	4,213,389	255,357	3,958,032	682,191	682,191	\$ -
2047	3,958,032	255,357	3,702,675	655,514	655,514	\$ -
2048	3,702,675	255,357	3,447,318	628,837	628,837	\$ -
2049	3,447,318	255,357	3,191,961	602,159	602,159	\$ -
2050	3,191,961	255,357	2,936,604	575,482	575,482	\$ -
2051	2,936,604	255,357	2,681,247	548,805	548,805	\$ -
2052	2,681,247	255,357	2,425,890	522,128	522,128	\$ -
2053	2,425,890	255,357	2,170,534	495,451	495,451	\$ -
2054	2,170,534	255,357	1,915,177	468,774	468,774	\$ -
2055	1,915,177	255,357	1,659,820	442,097	442,097	\$ -
2056	1,659,820	255,357	1,404,463	415,420	415,420	\$ -
2057	1,404,463	255,357	1,149,106	388,743	388,743	\$ -
2058	1,149,106	255,357	893,749	362,065	362,065	\$ -
2059	893,749	255,357	638,392	335,388	335,388	\$ -
2060	638,392	255,357	383,035	308,711	308,711	\$ -
2061	383,035	255,357	127,678	282,034	282,034	\$ -
2062	127,678	127,678	-	134,348	134,348	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
Project Totals	13,789,272	13,789,272	53,404,800	53,404,800	53,404,800	-

** 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.

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 **		
\$ 1,124,469		\$ 1,124,469		
\$ 2,027,403		\$ 2,027,403		
\$ 2,050,107		\$ 2,050,107		
\$ 1,906,118		\$ 1,906,118		
\$ 1,915,150		\$ 1,915,150		
\$ 1,778,172		\$ 1,778,172		
\$ 1,790,894		\$ 1,790,894		
\$ 1,719,834		\$ 1,719,834		
\$ 1,790,894		\$ 1,790,894		
\$ 1,501,804		\$ 1,501,804		
\$ 1,444,940		\$ 1,444,940		

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

Page 3 of 15 1

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1712.2 (Altavista-Leesville 138kV line)

Current Projected Year ARR	263,834
Current Projected Year ARR w/ Incentive	263,834
Current Projected Year Incentive ARR	-

Details						
Investment	2,476,289	Current Year				2020
Service Year (yyyy)	2011	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				10.45%
Useful life	54	FCR w/incentives approved for these facilities, less dep.				10.45%
CIAC (Yes or No)	No	Annual Depreciation Expense				45,857
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2011	2,476,289	-	2,476,289	258,698	258,698	\$ -
2012	2,476,289	45,857	2,430,432	302,160	302,160	\$ -
2013	2,430,432	45,857	2,384,575	297,369	297,369	\$ -
2014	2,384,575	45,857	2,338,717	292,578	292,578	\$ -
2015	2,338,717	45,857	2,292,860	287,788	287,788	\$ -
2016	2,292,860	45,857	2,247,003	282,997	282,997	\$ -
2017	2,247,003	45,857	2,201,146	278,206	278,206	\$ -
2018	2,201,146	45,857	2,155,289	273,415	273,415	\$ -
2019	2,155,289	45,857	2,109,431	268,625	268,625	\$ -
2020	2,109,431	45,857	2,063,574	263,834	263,834	\$ -
2021	2,063,574	45,857	2,017,717	259,043	259,043	\$ -
2022	2,017,717	45,857	1,971,860	254,253	254,253	\$ -
2023	1,971,860	45,857	1,926,003	249,462	249,462	\$ -
2024	1,926,003	45,857	1,880,145	244,671	244,671	\$ -
2025	1,880,145	45,857	1,834,288	239,881	239,881	\$ -
2026	1,834,288	45,857	1,788,431	235,090	235,090	\$ -
2027	1,788,431	45,857	1,742,574	230,299	230,299	\$ -
2028	1,742,574	45,857	1,696,717	225,508	225,508	\$ -
2029	1,696,717	45,857	1,650,859	220,718	220,718	\$ -
2030	1,650,859	45,857	1,605,002	215,927	215,927	\$ -
2031	1,605,002	45,857	1,559,145	211,136	211,136	\$ -
2032	1,559,145	45,857	1,513,288	206,346	206,346	\$ -
2033	1,513,288	45,857	1,467,431	201,555	201,555	\$ -
2034	1,467,431	45,857	1,421,573	196,764	196,764	\$ -
2035	1,421,573	45,857	1,375,716	191,974	191,974	\$ -
2036	1,375,716	45,857	1,329,859	187,183	187,183	\$ -
2037	1,329,859	45,857	1,284,002	182,392	182,392	\$ -
2038	1,284,002	45,857	1,238,145	177,601	177,601	\$ -
2039	1,238,145	45,857	1,192,287	172,811	172,811	\$ -
2040	1,192,287	45,857	1,146,430	168,020	168,020	\$ -
2041	1,146,430	45,857	1,100,573	163,229	163,229	\$ -
2042	1,100,573	45,857	1,054,716	158,439	158,439	\$ -
2043	1,054,716	45,857	1,008,858	153,648	153,648	\$ -
2044	1,008,858	45,857	963,001	148,857	148,857	\$ -
2045	963,001	45,857	917,144	144,067	144,067	\$ -
2046	917,144	45,857	871,287	139,276	139,276	\$ -
2047	871,287	45,857	825,430	134,485	134,485	\$ -
2048	825,430	45,857	779,572	129,694	129,694	\$ -
2049	779,572	45,857	733,715	124,904	124,904	\$ -
2050	733,715	45,857	687,858	120,113	120,113	\$ -
2051	687,858	45,857	642,001	115,322	115,322	\$ -
2052	642,001	45,857	596,144	110,532	110,532	\$ -
2053	596,144	45,857	550,286	105,741	105,741	\$ -
2054	550,286	45,857	504,429	100,950	100,950	\$ -
2055	504,429	45,857	458,572	96,160	96,160	\$ -
2056	458,572	45,857	412,715	91,369	91,369	\$ -
2057	412,715	45,857	366,858	86,578	86,578	\$ -
2058	366,858	45,857	321,000	81,787	81,787	\$ -
2059	321,000	45,857	275,143	76,997	76,997	\$ -
2060	275,143	45,857	229,286	72,206	72,206	\$ -
2061	229,286	45,857	183,429	67,415	67,415	\$ -
2062	183,429	45,857	137,572	62,625	62,625	\$ -
2063	137,572	45,857	91,714	57,834	57,834	\$ -
2064	91,714	45,857	45,857	53,043	53,043	\$ -
2065	45,857	45,857	0	48,253	48,253	\$ -
2066	0	0	-	0	0	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
Project Totals		2,476,289		9,719,828	9,719,828	-

[illegible]

** 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.

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

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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: b2020 (Rebuild Amos-Kanawha River 138 kV corridor)

Current Projected Year ARR	2,304,571
Current Projected Year ARR w/ Incentive	2,304,571
Current Projected Year Incentive ARR	-

Details						
Investment	20,601,476	Current Year				2020
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	9	FCR w/o incentives, less depreciation				10.45%
Useful life	54	FCR w/incentives approved for these facilities, less dep.				10.45%
CIAC (Yes or No)	No	Annual Depreciation Expense				381,509
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	20,601,476	95,377	20,506,099	2,242,630	2,242,630	\$ -
2015	20,506,099	381,509	20,124,590	2,503,852	2,503,852	\$ -
2016	20,124,590	381,509	19,743,081	2,463,996	2,463,996	\$ -
2017	19,743,081	381,509	19,361,572	2,424,140	2,424,140	\$ -
2018	19,361,572	381,509	18,980,064	2,384,283	2,384,283	\$ -
2019	18,980,064	381,509	18,598,555	2,344,427	2,344,427	\$ -
2020	18,598,555	381,509	18,217,046	2,304,571	2,304,571	\$ -
2021	18,217,046	381,509	17,835,537	2,264,715	2,264,715	\$ -
2022	17,835,537	381,509	17,454,028	2,224,859	2,224,859	\$ -
2023	17,454,028	381,509	17,072,519	2,185,002	2,185,002	\$ -
2024	17,072,519	381,509	16,691,011	2,145,146	2,145,146	\$ -
2025	16,691,011	381,509	16,309,502	2,105,290	2,105,290	\$ -
2026	16,309,502	381,509	15,927,993	2,065,434	2,065,434	\$ -
2027	15,927,993	381,509	15,546,484	2,025,577	2,025,577	\$ -
2028	15,546,484	381,509	15,164,975	1,985,721	1,985,721	\$ -
2029	15,164,975	381,509	14,783,467	1,945,865	1,945,865	\$ -
2030	14,783,467	381,509	14,401,958	1,906,009	1,906,009	\$ -
2031	14,401,958	381,509	14,020,449	1,866,153	1,866,153	\$ -
2032	14,020,449	381,509	13,638,940	1,826,296	1,826,296	\$ -
2033	13,638,940	381,509	13,257,431	1,786,440	1,786,440	\$ -
2034	13,257,431	381,509	12,875,923	1,746,584	1,746,584	\$ -
2035	12,875,923	381,509	12,494,414	1,706,728	1,706,728	\$ -
2036	12,494,414	381,509	12,112,905	1,666,872	1,666,872	\$ -
2037	12,112,905	381,509	11,731,396	1,627,015	1,627,015	\$ -
2038	11,731,396	381,509	11,349,887	1,587,159	1,587,159	\$ -
2039	11,349,887	381,509	10,968,378	1,547,303	1,547,303	\$ -
2040	10,968,378	381,509	10,586,870	1,507,447	1,507,447	\$ -
2041	10,586,870	381,509	10,205,361	1,467,591	1,467,591	\$ -
2042	10,205,361	381,509	9,823,852	1,427,734	1,427,734	\$ -
2043	9,823,852	381,509	9,442,343	1,387,878	1,387,878	\$ -
2044	9,442,343	381,509	9,060,834	1,348,022	1,348,022	\$ -
2045	9,060,834	381,509	8,679,326	1,308,166	1,308,166	\$ -
2046	8,679,326	381,509	8,297,817	1,268,309	1,268,309	\$ -
2047	8,297,817	381,509	7,916,308	1,228,453	1,228,453	\$ -
2048	7,916,308	381,509	7,534,799	1,188,597	1,188,597	\$ -
2049	7,534,799	381,509	7,153,290	1,148,741	1,148,741	\$ -
2050	7,153,290	381,509	6,771,781	1,108,885	1,108,885	\$ -
2051	6,771,781	381,509	6,390,273	1,069,028	1,069,028	\$ -
2052	6,390,273	381,509	6,008,764	1,029,172	1,029,172	\$ -
2053	6,008,764	381,509	5,627,255	989,316	989,316	\$ -
2054	5,627,255	381,509	5,245,746	949,460	949,460	\$ -
2055	5,245,746	381,509	4,864,237	909,604	909,604	\$ -
2056	4,864,237	381,509	4,482,729	869,747	869,747	\$ -
2057	4,482,729	381,509	4,101,220	829,891	829,891	\$ -
2058	4,101,220	381,509	3,719,711	790,035	790,035	\$ -
2059	3,719,711	381,509	3,338,202	750,179	750,179	\$ -
2060	3,338,202	381,509	2,956,693	710,323	710,323	\$ -
2061	2,956,693	381,509	2,575,184	670,466	670,466	\$ -
2062	2,575,184	381,509	2,193,676	630,610	630,610	\$ -
2063	2,193,676	381,509	1,812,167	590,754	590,754	\$ -
2064	1,812,167	381,509	1,430,658	550,898	550,898	\$ -
2065	1,430,658	381,509	1,049,149	511,041	511,041	\$ -
2066	1,049,149	381,509	667,640	471,185	471,185	\$ -
2067	667,640	381,509	286,132	431,329	431,329	\$ -
2068	286,132	286,132	-	301,078	301,078	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals		20,601,476		80,326,006	80,326,006	-

[illegible]

** 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.

APCo 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: b2021 (Kanawha River Gen Retirement - Upgrades)

Current Projected Year ARR	271,872
Current Projected Year ARR w/ Incentive	271,872
Current Projected Year Incentive ARR	-

Details						
Investment	2,419,910	Current Year		2020		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	12	FCR w/o incentives, less depreciation		10.45%		
Useful life	54	FCR w/incentives approved for these facilities, less dep.		10.45%		
CIAC (Yes or No)	No	Annual Depreciation Expense		44,813		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	2,419,910	-	2,419,910	252,808	252,808	\$ -
2015	2,419,910	44,813	2,375,097	295,280	295,280	\$ -
2016	2,375,097	44,813	2,330,284	290,599	290,599	\$ -
2017	2,330,284	44,813	2,285,471	285,917	285,917	\$ -
2018	2,285,471	44,813	2,240,657	281,235	281,235	\$ -
2019	2,240,657	44,813	2,195,844	276,554	276,554	\$ -
2020	2,195,844	44,813	2,151,031	271,872	271,872	\$ -
2021	2,151,031	44,813	2,106,218	267,190	267,190	\$ -
2022	2,106,218	44,813	2,061,405	262,509	262,509	\$ -
2023	2,061,405	44,813	2,016,592	257,827	257,827	\$ -
2024	2,016,592	44,813	1,971,779	253,146	253,146	\$ -
2025	1,971,779	44,813	1,926,965	248,464	248,464	\$ -
2026	1,926,965	44,813	1,882,152	243,782	243,782	\$ -
2027	1,882,152	44,813	1,837,339	239,101	239,101	\$ -
2028	1,837,339	44,813	1,792,526	234,419	234,419	\$ -
2029	1,792,526	44,813	1,747,713	229,737	229,737	\$ -
2030	1,747,713	44,813	1,702,900	225,056	225,056	\$ -
2031	1,702,900	44,813	1,658,086	220,374	220,374	\$ -
2032	1,658,086	44,813	1,613,273	215,693	215,693	\$ -
2033	1,613,273	44,813	1,568,460	211,011	211,011	\$ -
2034	1,568,460	44,813	1,523,647	206,329	206,329	\$ -
2035	1,523,647	44,813	1,478,834	201,648	201,648	\$ -
2036	1,478,834	44,813	1,434,021	196,966	196,966	\$ -
2037	1,434,021	44,813	1,389,208	192,284	192,284	\$ -
2038	1,389,208	44,813	1,344,394	187,603	187,603	\$ -
2039	1,344,394	44,813	1,299,581	182,921	182,921	\$ -
2040	1,299,581	44,813	1,254,768	178,240	178,240	\$ -
2041	1,254,768	44,813	1,209,955	173,558	173,558	\$ -
2042	1,209,955	44,813	1,165,142	168,876	168,876	\$ -
2043	1,165,142	44,813	1,120,329	164,195	164,195	\$ -
2044	1,120,329	44,813	1,075,516	159,513	159,513	\$ -
2045	1,075,516	44,813	1,030,702	154,831	154,831	\$ -
2046	1,030,702	44,813	985,889	150,150	150,150	\$ -
2047	985,889	44,813	941,076	145,468	145,468	\$ -
2048	941,076	44,813	896,263	140,787	140,787	\$ -
2049	896,263	44,813	851,450	136,105	136,105	\$ -
2050	851,450	44,813	806,637	131,423	131,423	\$ -
2051	806,637	44,813	761,824	126,742	126,742	\$ -
2052	761,824	44,813	717,010	122,060	122,060	\$ -
2053	717,010	44,813	672,197	117,378	117,378	\$ -
2054	672,197	44,813	627,384	112,697	112,697	\$ -
2055	627,384	44,813	582,571	108,015	108,015	\$ -
2056	582,571	44,813	537,758	103,333	103,333	\$ -
2057	537,758	44,813	492,945	98,652	98,652	\$ -
2058	492,945	44,813	448,131	93,970	93,970	\$ -
2059	448,131	44,813	403,318	89,289	89,289	\$ -
2060	403,318	44,813	358,505	84,607	84,607	\$ -
2061	358,505	44,813	313,692	79,925	79,925	\$ -
2062	313,692	44,813	268,879	75,244	75,244	\$ -
2063	268,879	44,813	224,066	70,562	70,562	\$ -
2064	224,066	44,813	179,253	65,880	65,880	\$ -
2065	179,253	44,813	134,439	61,199	61,199	\$ -
2066	134,439	44,813	89,626	56,517	56,517	\$ -
2067	89,626	44,813	44,813	51,836	51,836	\$ -
2068	44,813	44,813	0	47,154	47,154	\$ -
2069	0	0	-	0	0	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals		2,419,910		9,498,531	9,498,531	-

** 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.

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 **		
\$ 222,712		\$ 222,712		
\$ 317,491		\$ 317,491		
\$ 303,455		\$ 303,455		
\$ 317,491		\$ 317,491		
\$ 292,574		\$ 292,574		
\$ 285,753		\$ 285,753		

APCo 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: b2017 (Rebuild Sporn-Waterford-Muskingum River 345 kV line)

Current Projected Year ARR	1,715,891
Current Projected Year ARR w/ Incentive	1,715,891
Current Projected Year Incentive ARR	-

Details						
Investment	15,164,191	Current Year		2020		
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	5	FCR w/o incentives, less depreciation		10.45%		
Useful life	54	FCR w/incentives approved for these facilities, less dep.		10.45%		
CIAC (Yes or No)	No	Annual Depreciation Expense		280,818		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	15,164,191	163,811	15,000,380	1,739,456	1,739,456	\$ -
2016	15,000,380	280,818	14,719,562	1,833,239	1,833,239	\$ -
2017	14,719,562	280,818	14,438,744	1,803,902	1,803,902	\$ -
2018	14,438,744	280,818	14,157,925	1,774,565	1,774,565	\$ -
2019	14,157,925	280,818	13,877,107	1,745,228	1,745,228	\$ -
2020	13,877,107	280,818	13,596,289	1,715,891	1,715,891	\$ -
2021	13,596,289	280,818	13,315,470	1,686,553	1,686,553	\$ -
2022	13,315,470	280,818	13,034,652	1,657,216	1,657,216	\$ -
2023	13,034,652	280,818	12,753,833	1,627,879	1,627,879	\$ -
2024	12,753,833	280,818	12,473,015	1,598,542	1,598,542	\$ -
2025	12,473,015	280,818	12,192,197	1,569,205	1,569,205	\$ -
2026	12,192,197	280,818	11,911,378	1,539,868	1,539,868	\$ -
2027	11,911,378	280,818	11,630,560	1,510,531	1,510,531	\$ -
2028	11,630,560	280,818	11,349,742	1,481,194	1,481,194	\$ -
2029	11,349,742	280,818	11,068,923	1,451,857	1,451,857	\$ -
2030	11,068,923	280,818	10,788,105	1,422,520	1,422,520	\$ -
2031	10,788,105	280,818	10,507,287	1,393,183	1,393,183	\$ -
2032	10,507,287	280,818	10,226,468	1,363,846	1,363,846	\$ -
2033	10,226,468	280,818	9,945,650	1,334,509	1,334,509	\$ -
2034	9,945,650	280,818	9,664,832	1,305,171	1,305,171	\$ -
2035	9,664,832	280,818	9,384,013	1,275,834	1,275,834	\$ -
2036	9,384,013	280,818	9,103,195	1,246,497	1,246,497	\$ -
2037	9,103,195	280,818	8,822,377	1,217,160	1,217,160	\$ -
2038	8,822,377	280,818	8,541,558	1,187,823	1,187,823	\$ -
2039	8,541,558	280,818	8,260,740	1,158,486	1,158,486	\$ -
2040	8,260,740	280,818	7,979,921	1,129,149	1,129,149	\$ -
2041	7,979,921	280,818	7,699,103	1,099,812	1,099,812	\$ -
2042	7,699,103	280,818	7,418,285	1,070,475	1,070,475	\$ -
2043	7,418,285	280,818	7,137,466	1,041,138	1,041,138	\$ -
2044	7,137,466	280,818	6,856,648	1,011,801	1,011,801	\$ -
2045	6,856,648	280,818	6,575,830	982,464	982,464	\$ -
2046	6,575,830	280,818	6,295,011	953,126	953,126	\$ -
2047	6,295,011	280,818	6,014,193	923,789	923,789	\$ -
2048	6,014,193	280,818	5,733,375	894,452	894,452	\$ -
2049	5,733,375	280,818	5,452,556	865,115	865,115	\$ -
2050	5,452,556	280,818	5,171,738	835,778	835,778	\$ -
2051	5,171,738	280,818	4,890,920	806,441	806,441	\$ -
2052	4,890,920	280,818	4,610,101	777,104	777,104	\$ -
2053	4,610,101	280,818	4,329,283	747,767	747,767	\$ -
2054	4,329,283	280,818	4,048,465	718,430	718,430	\$ -
2055	4,048,465	280,818	3,767,646	689,093	689,093	\$ -
2056	3,767,646	280,818	3,486,828	659,756	659,756	\$ -
2057	3,486,828	280,818	3,206,010	630,419	630,419	\$ -
2058	3,206,010	280,818	2,925,191	601,081	601,081	\$ -
2059	2,925,191	280,818	2,644,373	571,744	571,744	\$ -
2060	2,644,373	280,818	2,363,554	542,407	542,407	\$ -
2061	2,363,554	280,818	2,082,736	513,070	513,070	\$ -
2062	2,082,736	280,818	1,801,918	483,733	483,733	\$ -
2063	1,801,918	280,818	1,521,099	454,396	454,396	\$ -
2064	1,521,099	280,818	1,240,281	425,059	425,059	\$ -
2065	1,240,281	280,818	959,463	395,722	395,722	\$ -
2066	959,463	280,818	678,644	366,385	366,385	\$ -
2067	678,644	280,818	397,826	337,048	337,048	\$ -
2068	397,826	280,818	117,008	307,711	307,711	\$ -
2069	117,008	117,008	-	123,120	123,120	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals		15,164,191		58,597,740	58,597,740	-

** 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.

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 **		
\$ 2,647,738		\$ 2,647,738		
\$ 2,089,493		\$ 2,089,493		
\$ 2,647,738		\$ 2,647,738		
\$ 1,845,050		\$ 1,845,050		
\$ 1,803,579		\$ 1,803,579		

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

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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: b1660 (Install a 765/500 kV transformer at Cloverdale)
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Current Projected Year ARR	387,035
Current Projected Year ARR w/ Incentive	387,035
Current Projected Year Incentive ARR	-

Details						
Investment	3,334,898	Current Year				2020
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	11	FCR w/o incentives, less depreciation				10.45%
Useful life	54	FCR w/incentives approved for these facilities, less dep.				10.45%
CIAC (Yes or No)	No	Annual Depreciation Expense				61,757
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	3,334,898	5,146	3,329,752	353,274	353,274	\$ -
2017	3,329,752	61,757	3,267,994	406,390	406,390	\$ -
2018	3,267,994	61,757	3,206,237	399,939	399,939	\$ -
2019	3,206,237	61,757	3,144,479	393,487	393,487	\$ -
2020	3,144,479	61,757	3,082,722	387,035	387,035	\$ -
2021	3,082,722	61,757	3,020,965	380,583	380,583	\$ -
2022	3,020,965	61,757	2,959,207	374,132	374,132	\$ -
2023	2,959,207	61,757	2,897,450	367,680	367,680	\$ -
2024	2,897,450	61,757	2,835,693	361,228	361,228	\$ -
2025	2,835,693	61,757	2,773,935	354,776	354,776	\$ -
2026	2,773,935	61,757	2,712,178	348,324	348,324	\$ -
2027	2,712,178	61,757	2,650,420	341,873	341,873	\$ -
2028	2,650,420	61,757	2,588,663	335,421	335,421	\$ -
2029	2,588,663	61,757	2,526,906	328,969	328,969	\$ -
2030	2,526,906	61,757	2,465,148	322,517	322,517	\$ -
2031	2,465,148	61,757	2,403,391	316,065	316,065	\$ -
2032	2,403,391	61,757	2,341,634	309,614	309,614	\$ -
2033	2,341,634	61,757	2,279,876	303,162	303,162	\$ -
2034	2,279,876	61,757	2,218,119	296,710	296,710	\$ -
2035	2,218,119	61,757	2,156,362	290,258	290,258	\$ -
2036	2,156,362	61,757	2,094,604	283,806	283,806	\$ -
2037	2,094,604	61,757	2,032,847	277,355	277,355	\$ -
2038	2,032,847	61,757	1,971,089	270,903	270,903	\$ -
2039	1,971,089	61,757	1,909,332	264,451	264,451	\$ -
2040	1,909,332	61,757	1,847,575	257,999	257,999	\$ -
2041	1,847,575	61,757	1,785,817	251,548	251,548	\$ -
2042	1,785,817	61,757	1,724,060	245,096	245,096	\$ -
2043	1,724,060	61,757	1,662,303	238,644	238,644	\$ -
2044	1,662,303	61,757	1,600,545	232,192	232,192	\$ -
2045	1,600,545	61,757	1,538,788	225,740	225,740	\$ -
2046	1,538,788	61,757	1,477,030	219,289	219,289	\$ -
2047	1,477,030	61,757	1,415,273	212,837	212,837	\$ -
2048	1,415,273	61,757	1,353,516	206,385	206,385	\$ -
2049	1,353,516	61,757	1,291,758	199,933	199,933	\$ -
2050	1,291,758	61,757	1,230,001	193,481	193,481	\$ -
2051	1,230,001	61,757	1,168,244	187,030	187,030	\$ -
2052	1,168,244	61,757	1,106,486	180,578	180,578	\$ -
2053	1,106,486	61,757	1,044,729	174,126	174,126	\$ -
2054	1,044,729	61,757	982,971	167,674	167,674	\$ -
2055	982,971	61,757	921,214	161,222	161,222	\$ -
2056	921,214	61,757	859,457	154,771	154,771	\$ -
2057	859,457	61,757	797,699	148,319	148,319	\$ -
2058	797,699	61,757	735,942	141,867	141,867	\$ -
2059	735,942	61,757	674,185	135,415	135,415	\$ -
2060	674,185	61,757	612,427	128,964	128,964	\$ -
2061	612,427	61,757	550,670	122,512	122,512	\$ -
2062	550,670	61,757	488,913	116,060	116,060	\$ -
2063	488,913	61,757	427,155	109,608	109,608	\$ -
2064	427,155	61,757	365,398	103,156	103,156	\$ -
2065	365,398	61,757	303,640	96,705	96,705	\$ -
2066	303,640	61,757	241,883	90,253	90,253	\$ -
2067	241,883	61,757	180,126	83,801	83,801	\$ -
2068	180,126	61,757	118,368	77,349	77,349	\$ -
2069	118,368	61,757	56,611	70,897	70,897	\$ -
2070	56,611	56,611	-	59,568	59,568	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals	3,334,898	3,334,898		13,060,971	13,060,971	-

** 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.

[illegible]

APCo 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: b1660.1 (Cloverdale: Establish 500 kV station and 500 to 765 kV tie)

Current Projected Year ARR	3,435,593
Current Projected Year ARR w/ Incentive	3,435,593
Current Projected Year Incentive ARR	-

Details						
Investment	29,602,873	Current Year		2020		
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	11	FCR w/o incentives, less depreciation		10.45%		
Useful life	54	FCR w/incentives approved for these facilities, less dep.		10.45%		
CIAC (Yes or No)	No	Annual Depreciation Expense		548,201		
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	29,602,873	45,683	29,557,190	3,135,908	3,135,908	\$ -
2017	29,557,190	548,201	29,008,988	3,607,404	3,607,404	\$ -
2018	29,008,988	548,201	28,460,787	3,550,134	3,550,134	\$ -
2019	28,460,787	548,201	27,912,585	3,492,863	3,492,863	\$ -
2020	27,912,585	548,201	27,364,384	3,435,593	3,435,593	\$ -
2021	27,364,384	548,201	26,816,183	3,378,322	3,378,322	\$ -
2022	26,816,183	548,201	26,267,981	3,321,052	3,321,052	\$ -
2023	26,267,981	548,201	25,719,780	3,263,781	3,263,781	\$ -
2024	25,719,780	548,201	25,171,579	3,206,510	3,206,510	\$ -
2025	25,171,579	548,201	24,623,377	3,149,240	3,149,240	\$ -
2026	24,623,377	548,201	24,075,176	3,091,969	3,091,969	\$ -
2027	24,075,176	548,201	23,526,975	3,034,699	3,034,699	\$ -
2028	23,526,975	548,201	22,978,773	2,977,428	2,977,428	\$ -
2029	22,978,773	548,201	22,430,572	2,920,158	2,920,158	\$ -
2030	22,430,572	548,201	21,882,371	2,862,887	2,862,887	\$ -
2031	21,882,371	548,201	21,334,169	2,805,616	2,805,616	\$ -
2032	21,334,169	548,201	20,785,968	2,748,346	2,748,346	\$ -
2033	20,785,968	548,201	20,237,767	2,691,075	2,691,075	\$ -
2034	20,237,767	548,201	19,689,565	2,633,805	2,633,805	\$ -
2035	19,689,565	548,201	19,141,364	2,576,534	2,576,534	\$ -
2036	19,141,364	548,201	18,593,163	2,519,264	2,519,264	\$ -
2037	18,593,163	548,201	18,044,961	2,461,993	2,461,993	\$ -
2038	18,044,961	548,201	17,496,760	2,404,722	2,404,722	\$ -
2039	17,496,760	548,201	16,948,558	2,347,452	2,347,452	\$ -
2040	16,948,558	548,201	16,400,357	2,290,181	2,290,181	\$ -
2041	16,400,357	548,201	15,852,156	2,232,911	2,232,911	\$ -
2042	15,852,156	548,201	15,303,954	2,175,640	2,175,640	\$ -
2043	15,303,954	548,201	14,755,753	2,118,370	2,118,370	\$ -
2044	14,755,753	548,201	14,207,552	2,061,099	2,061,099	\$ -
2045	14,207,552	548,201	13,659,350	2,003,828	2,003,828	\$ -
2046	13,659,350	548,201	13,111,149	1,946,558	1,946,558	\$ -
2047	13,111,149	548,201	12,562,948	1,889,287	1,889,287	\$ -
2048	12,562,948	548,201	12,014,746	1,832,017	1,832,017	\$ -
2049	12,014,746	548,201	11,466,545	1,774,746	1,774,746	\$ -
2050	11,466,545	548,201	10,918,344	1,717,476	1,717,476	\$ -
2051	10,918,344	548,201	10,370,142	1,660,205	1,660,205	\$ -
2052	10,370,142	548,201	9,821,941	1,602,934	1,602,934	\$ -
2053	9,821,941	548,201	9,273,740	1,545,664	1,545,664	\$ -
2054	9,273,740	548,201	8,725,538	1,488,393	1,488,393	\$ -
2055	8,725,538	548,201	8,177,337	1,431,123	1,431,123	\$ -
2056	8,177,337	548,201	7,629,135	1,373,852	1,373,852	\$ -
2057	7,629,135	548,201	7,080,934	1,316,582	1,316,582	\$ -
2058	7,080,934	548,201	6,532,733	1,259,311	1,259,311	\$ -
2059	6,532,733	548,201	5,984,531	1,202,040	1,202,040	\$ -
2060	5,984,531	548,201	5,436,330	1,144,770	1,144,770	\$ -
2061	5,436,330	548,201	4,888,129	1,087,499	1,087,499	\$ -
2062	4,888,129	548,201	4,339,927	1,030,229	1,030,229	\$ -
2063	4,339,927	548,201	3,791,726	972,958	972,958	\$ -
2064	3,791,726	548,201	3,243,525	915,688	915,688	\$ -
2065	3,243,525	548,201	2,695,323	858,417	858,417	\$ -
2066	2,695,323	548,201	2,147,122	801,146	801,146	\$ -
2067	2,147,122	548,201	1,598,921	743,876	743,876	\$ -
2068	1,598,921	548,201	1,050,719	686,605	686,605	\$ -
2069	1,050,719	548,201	502,518	629,335	629,335	\$ -
2070	502,518	502,518	-	528,767	528,767	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals		29,602,873		115,938,260	115,938,260	-

** 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.

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 **		
\$ 13,022,465		\$ 13,022,465		
\$ 3,514,742		\$ 3,514,742		
\$ 3,974,755		\$ 3,974,755		
\$ 3,572,369		\$ 3,572,369		

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

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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: b1663.2 (Jacksons Ferry 765 kV breakers, switches, bus work, and relays)

Current Projected Year ARR	626,724
Current Projected Year ARR w/ Incentive	626,724
Current Projected Year Incentive ARR	-

Details						
Investment	5,483,986	Current Year			2020	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)			-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation			10.45%	
Useful life	54	FCR w/incentives approved for these facilities, less dep.			10.45%	
CIAC (Yes or No)	No	Annual Depreciation Expense			101,555	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	5,483,986	-	5,483,986	572,912	572,912	\$ -
2016	5,483,986	101,555	5,382,431	669,162	669,162	\$ -
2017	5,382,431	101,555	5,280,875	658,553	658,553	\$ -
2018	5,280,875	101,555	5,179,320	647,943	647,943	\$ -
2019	5,179,320	101,555	5,077,765	637,334	637,334	\$ -
2020	5,077,765	101,555	4,976,210	626,724	626,724	\$ -
2021	4,976,210	101,555	4,874,654	616,115	616,115	\$ -
2022	4,874,654	101,555	4,773,099	605,505	605,505	\$ -
2023	4,773,099	101,555	4,671,544	594,896	594,896	\$ -
2024	4,671,544	101,555	4,569,988	584,287	584,287	\$ -
2025	4,569,988	101,555	4,468,433	573,677	573,677	\$ -
2026	4,468,433	101,555	4,366,878	563,068	563,068	\$ -
2027	4,366,878	101,555	4,265,322	552,458	552,458	\$ -
2028	4,265,322	101,555	4,163,767	541,849	541,849	\$ -
2029	4,163,767	101,555	4,062,212	531,239	531,239	\$ -
2030	4,062,212	101,555	3,960,657	520,630	520,630	\$ -
2031	3,960,657	101,555	3,859,101	510,020	510,020	\$ -
2032	3,859,101	101,555	3,757,546	499,411	499,411	\$ -
2033	3,757,546	101,555	3,655,991	488,801	488,801	\$ -
2034	3,655,991	101,555	3,554,435	478,192	478,192	\$ -
2035	3,554,435	101,555	3,452,880	467,582	467,582	\$ -
2036	3,452,880	101,555	3,351,325	456,973	456,973	\$ -
2037	3,351,325	101,555	3,249,769	446,363	446,363	\$ -
2038	3,249,769	101,555	3,148,214	435,754	435,754	\$ -
2039	3,148,214	101,555	3,046,659	425,144	425,144	\$ -
2040	3,046,659	101,555	2,945,104	414,535	414,535	\$ -
2041	2,945,104	101,555	2,843,548	403,925	403,925	\$ -
2042	2,843,548	101,555	2,741,993	393,316	393,316	\$ -
2043	2,741,993	101,555	2,640,438	382,706	382,706	\$ -
2044	2,640,438	101,555	2,538,882	372,097	372,097	\$ -
2045	2,538,882	101,555	2,437,327	361,487	361,487	\$ -
2046	2,437,327	101,555	2,335,772	350,878	350,878	\$ -
2047	2,335,772	101,555	2,234,217	340,269	340,269	\$ -
2048	2,234,217	101,555	2,132,661	329,659	329,659	\$ -
2049	2,132,661	101,555	2,031,106	319,050	319,050	\$ -
2050	2,031,106	101,555	1,929,551	308,440	308,440	\$ -
2051	1,929,551	101,555	1,827,995	297,831	297,831	\$ -
2052	1,827,995	101,555	1,726,440	287,221	287,221	\$ -
2053	1,726,440	101,555	1,624,885	276,612	276,612	\$ -
2054	1,624,885	101,555	1,523,329	266,002	266,002	\$ -
2055	1,523,329	101,555	1,421,774	255,393	255,393	\$ -
2056	1,421,774	101,555	1,320,219	244,783	244,783	\$ -
2057	1,320,219	101,555	1,218,664	234,174	234,174	\$ -
2058	1,218,664	101,555	1,117,108	223,564	223,564	\$ -
2059	1,117,108	101,555	1,015,553	212,955	212,955	\$ -
2060	1,015,553	101,555	913,998	202,345	202,345	\$ -
2061	913,998	101,555	812,442	191,736	191,736	\$ -
2062	812,442	101,555	710,887	181,126	181,126	\$ -
2063	710,887	101,555	609,332	170,517	170,517	\$ -
2064	609,332	101,555	507,776	159,907	159,907	\$ -
2065	507,776	101,555	406,221	149,298	149,298	\$ -
2066	406,221	101,555	304,666	138,688	138,688	\$ -
2067	304,666	101,555	203,111	128,079	128,079	\$ -
2068	203,111	101,555	101,555	117,470	117,470	\$ -
2069	101,555	101,555	-	106,860	106,860	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals	5,483,986	5,483,986		21,525,516	21,525,516	-

[illegible]

** 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.

APCo 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: b1875 (138 kV Bradley to McClung upgrades)

Current Projected Year ARR	82,533
Current Projected Year ARR w/ Incentive	82,533
Current Projected Year Incentive ARR	-

Details						
Investment	737,797	Current Year				2020
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	9	FCR w/o incentives, less depreciation				10.45%
Useful life	54	FCR w/incentives approved for these facilities, less dep.				10.45%
CIAC (Yes or No)	No	Annual Depreciation Expense				13,663
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2014	737,797	3,416	734,381	80,315	80,315	\$ -
2015	734,381	13,663	720,718	89,670	89,670	\$ -
2016	720,718	13,663	707,055	88,243	88,243	\$ -
2017	707,055	13,663	693,393	86,815	86,815	\$ -
2018	693,393	13,663	679,730	85,388	85,388	\$ -
2019	679,730	13,663	666,067	83,961	83,961	\$ -
2020	666,067	13,663	652,404	82,533	82,533	\$ -
2021	652,404	13,663	638,741	81,106	81,106	\$ -
2022	638,741	13,663	625,078	79,678	79,678	\$ -
2023	625,078	13,663	611,415	78,251	78,251	\$ -
2024	611,415	13,663	597,752	76,824	76,824	\$ -
2025	597,752	13,663	584,089	75,396	75,396	\$ -
2026	584,089	13,663	570,426	73,969	73,969	\$ -
2027	570,426	13,663	556,763	72,542	72,542	\$ -
2028	556,763	13,663	543,101	71,114	71,114	\$ -
2029	543,101	13,663	529,438	69,687	69,687	\$ -
2030	529,438	13,663	515,775	68,260	68,260	\$ -
2031	515,775	13,663	502,112	66,832	66,832	\$ -
2032	502,112	13,663	488,449	65,405	65,405	\$ -
2033	488,449	13,663	474,786	63,977	63,977	\$ -
2034	474,786	13,663	461,123	62,550	62,550	\$ -
2035	461,123	13,663	447,460	61,123	61,123	\$ -
2036	447,460	13,663	433,797	59,695	59,695	\$ -
2037	433,797	13,663	420,134	58,268	58,268	\$ -
2038	420,134	13,663	406,471	56,841	56,841	\$ -
2039	406,471	13,663	392,809	55,413	55,413	\$ -
2040	392,809	13,663	379,146	53,986	53,986	\$ -
2041	379,146	13,663	365,483	52,559	52,559	\$ -
2042	365,483	13,663	351,820	51,131	51,131	\$ -
2043	351,820	13,663	338,157	49,704	49,704	\$ -
2044	338,157	13,663	324,494	48,276	48,276	\$ -
2045	324,494	13,663	310,831	46,849	46,849	\$ -
2046	310,831	13,663	297,168	45,422	45,422	\$ -
2047	297,168	13,663	283,505	43,994	43,994	\$ -
2048	283,505	13,663	269,842	42,567	42,567	\$ -
2049	269,842	13,663	256,180	41,140	41,140	\$ -
2050	256,180	13,663	242,517	39,712	39,712	\$ -
2051	242,517	13,663	228,854	38,285	38,285	\$ -
2052	228,854	13,663	215,191	36,858	36,858	\$ -
2053	215,191	13,663	201,528	35,430	35,430	\$ -
2054	201,528	13,663	187,865	34,003	34,003	\$ -
2055	187,865	13,663	174,202	32,575	32,575	\$ -
2056	174,202	13,663	160,539	31,148	31,148	\$ -
2057	160,539	13,663	146,876	29,721	29,721	\$ -
2058	146,876	13,663	133,213	28,293	28,293	\$ -
2059	133,213	13,663	119,550	26,866	26,866	\$ -
2060	119,550	13,663	105,888	25,439	25,439	\$ -
2061	105,888	13,663	92,225	24,011	24,011	\$ -
2062	92,225	13,663	78,562	22,584	22,584	\$ -
2063	78,562	13,663	64,899	21,157	21,157	\$ -
2064	64,899	13,663	51,236	19,729	19,729	\$ -
2065	51,236	13,663	37,573	18,302	18,302	\$ -
2066	37,573	13,663	23,910	16,874	16,874	\$ -
2067	23,910	13,663	10,247	15,447	15,447	\$ -
2068	10,247	10,247	-	10,782	10,782	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals	737,797	737,797		2,876,701	2,876,701	-

[illegible]

** 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.

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

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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: b1797.1 (Reconductor portion of Cloverdale-Lexington 500 kV line)

Current Projected Year ARR	5,887,656
Current Projected Year ARR w/ Incentive	5,887,656
Current Projected Year Incentive ARR	-

Details						
Investment	51,085,972	Current Year				2020
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				10.45%
Useful life	54	FCR w/incentives approved for these facilities, less dep.				10.45%
CIAC (Yes or No)	No	Annual Depreciation Expense				946,037
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	51,085,972	473,018	50,612,954	5,785,259	5,785,259	\$ -
2017	50,612,954	946,037	49,666,917	6,184,153	6,184,153	\$ -
2018	49,666,917	946,037	48,720,881	6,085,321	6,085,321	\$ -
2019	48,720,881	946,037	47,774,844	5,986,489	5,986,489	\$ -
2020	47,774,844	946,037	46,828,808	5,887,656	5,887,656	\$ -
2021	46,828,808	946,037	45,882,771	5,788,824	5,788,824	\$ -
2022	45,882,771	946,037	44,936,735	5,689,991	5,689,991	\$ -
2023	44,936,735	946,037	43,990,698	5,591,159	5,591,159	\$ -
2024	43,990,698	946,037	43,044,662	5,492,327	5,492,327	\$ -
2025	43,044,662	946,037	42,098,625	5,393,494	5,393,494	\$ -
2026	42,098,625	946,037	41,152,589	5,294,662	5,294,662	\$ -
2027	41,152,589	946,037	40,206,552	5,195,829	5,195,829	\$ -
2028	40,206,552	946,037	39,260,516	5,096,997	5,096,997	\$ -
2029	39,260,516	946,037	38,314,479	4,998,165	4,998,165	\$ -
2030	38,314,479	946,037	37,368,442	4,899,332	4,899,332	\$ -
2031	37,368,442	946,037	36,422,406	4,800,500	4,800,500	\$ -
2032	36,422,406	946,037	35,476,369	4,701,668	4,701,668	\$ -
2033	35,476,369	946,037	34,530,333	4,602,835	4,602,835	\$ -
2034	34,530,333	946,037	33,584,296	4,504,003	4,504,003	\$ -
2035	33,584,296	946,037	32,638,260	4,405,170	4,405,170	\$ -
2036	32,638,260	946,037	31,692,223	4,306,338	4,306,338	\$ -
2037	31,692,223	946,037	30,746,187	4,207,506	4,207,506	\$ -
2038	30,746,187	946,037	29,800,150	4,108,673	4,108,673	\$ -
2039	29,800,150	946,037	28,854,114	4,009,841	4,009,841	\$ -
2040	28,854,114	946,037	27,908,077	3,911,008	3,911,008	\$ -
2041	27,908,077	946,037	26,962,041	3,812,176	3,812,176	\$ -
2042	26,962,041	946,037	26,016,004	3,713,344	3,713,344	\$ -
2043	26,016,004	946,037	25,069,968	3,614,511	3,614,511	\$ -
2044	25,069,968	946,037	24,123,931	3,515,679	3,515,679	\$ -
2045	24,123,931	946,037	23,177,895	3,416,846	3,416,846	\$ -
2046	23,177,895	946,037	22,231,858	3,318,014	3,318,014	\$ -
2047	22,231,858	946,037	21,285,822	3,219,182	3,219,182	\$ -
2048	21,285,822	946,037	20,339,785	3,120,349	3,120,349	\$ -
2049	20,339,785	946,037	19,393,749	3,021,517	3,021,517	\$ -
2050	19,393,749	946,037	18,447,712	2,922,684	2,922,684	\$ -
2051	18,447,712	946,037	17,501,676	2,823,852	2,823,852	\$ -
2052	17,501,676	946,037	16,555,639	2,725,020	2,725,020	\$ -
2053	16,555,639	946,037	15,609,603	2,626,187	2,626,187	\$ -
2054	15,609,603	946,037	14,663,566	2,527,355	2,527,355	\$ -
2055	14,663,566	946,037	13,717,530	2,428,522	2,428,522	\$ -
2056	13,717,530	946,037	12,771,493	2,329,690	2,329,690	\$ -
2057	12,771,493	946,037	11,825,456	2,230,858	2,230,858	\$ -
2058	11,825,456	946,037	10,879,420	2,132,025	2,132,025	\$ -
2059	10,879,420	946,037	9,933,383	2,033,193	2,033,193	\$ -
2060	9,933,383	946,037	8,987,347	1,934,360	1,934,360	\$ -
2061	8,987,347	946,037	8,041,310	1,835,528	1,835,528	\$ -
2062	8,041,310	946,037	7,095,274	1,736,696	1,736,696	\$ -
2063	7,095,274	946,037	6,149,237	1,637,863	1,637,863	\$ -
2064	6,149,237	946,037	5,203,201	1,539,031	1,539,031	\$ -
2065	5,203,201	946,037	4,257,164	1,440,198	1,440,198	\$ -
2066	4,257,164	946,037	3,311,128	1,341,366	1,341,366	\$ -
2067	3,311,128	946,037	2,365,091	1,242,534	1,242,534	\$ -
2068	2,365,091	946,037	1,419,055	1,143,701	1,143,701	\$ -
2069	1,419,055	946,037	473,018	1,044,869	1,044,869	\$ -
2070	473,018	473,018	-	497,726	497,726	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals		51,085,972		197,852,078	197,852,078	

[illegible]

** 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.

APCo 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: b1712.1 (Altavista-Leesville 138kV line)

Current Projected Year ARR	29,633
Current Projected Year ARR w/ Incentive	29,633
Current Projected Year Incentive ARR	-

Details						
Investment	267,989	Current Year		2020		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	1	FCR w/o incentives, less depreciation		10.45%		
Useful life	54	FCR w/incentives approved for these facilities, less dep.		10.45%		
CIAC (Yes or No)	No	Annual Depreciation Expense		4,963		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	267,989	4,549	263,440	32,308	32,308	\$ -
2015	263,440	4,963	258,477	32,225	32,225	\$ -
2016	258,477	4,963	253,514	31,707	31,707	\$ -
2017	253,514	4,963	248,552	31,188	31,188	\$ -
2018	248,552	4,963	243,589	30,670	30,670	\$ -
2019	243,589	4,963	238,626	30,151	30,151	\$ -
2020	238,626	4,963	233,663	29,633	29,633	\$ -
2021	233,663	4,963	228,700	29,114	29,114	\$ -
2022	228,700	4,963	223,738	28,596	28,596	\$ -
2023	223,738	4,963	218,775	28,077	28,077	\$ -
2024	218,775	4,963	213,812	27,559	27,559	\$ -
2025	213,812	4,963	208,849	27,040	27,040	\$ -
2026	208,849	4,963	203,887	26,522	26,522	\$ -
2027	203,887	4,963	198,924	26,004	26,004	\$ -
2028	198,924	4,963	193,961	25,485	25,485	\$ -
2029	193,961	4,963	188,998	24,967	24,967	\$ -
2030	188,998	4,963	184,036	24,448	24,448	\$ -
2031	184,036	4,963	179,073	23,930	23,930	\$ -
2032	179,073	4,963	174,110	23,411	23,411	\$ -
2033	174,110	4,963	169,147	22,893	22,893	\$ -
2034	169,147	4,963	164,185	22,374	22,374	\$ -
2035	164,185	4,963	159,222	21,856	21,856	\$ -
2036	159,222	4,963	154,259	21,337	21,337	\$ -
2037	154,259	4,963	149,296	20,819	20,819	\$ -
2038	149,296	4,963	144,334	20,301	20,301	\$ -
2039	144,334	4,963	139,371	19,782	19,782	\$ -
2040	139,371	4,963	134,408	19,264	19,264	\$ -
2041	134,408	4,963	129,445	18,745	18,745	\$ -
2042	129,445	4,963	124,483	18,227	18,227	\$ -
2043	124,483	4,963	119,520	17,708	17,708	\$ -
2044	119,520	4,963	114,557	17,190	17,190	\$ -
2045	114,557	4,963	109,594	16,671	16,671	\$ -
2046	109,594	4,963	104,632	16,153	16,153	\$ -
2047	104,632	4,963	99,669	15,634	15,634	\$ -
2048	99,669	4,963	94,706	15,116	15,116	\$ -
2049	94,706	4,963	89,743	14,597	14,597	\$ -
2050	89,743	4,963	84,780	14,079	14,079	\$ -
2051	84,780	4,963	79,818	13,561	13,561	\$ -
2052	79,818	4,963	74,855	13,042	13,042	\$ -
2053	74,855	4,963	69,892	12,524	12,524	\$ -
2054	69,892	4,963	64,929	12,005	12,005	\$ -
2055	64,929	4,963	59,967	11,487	11,487	\$ -
2056	59,967	4,963	55,004	10,968	10,968	\$ -
2057	55,004	4,963	50,041	10,450	10,450	\$ -
2058	50,041	4,963	45,078	9,931	9,931	\$ -
2059	45,078	4,963	40,116	9,413	9,413	\$ -
2060	40,116	4,963	35,153	8,894	8,894	\$ -
2061	35,153	4,963	30,190	8,376	8,376	\$ -
2062	30,190	4,963	25,227	7,857	7,857	\$ -
2063	25,227	4,963	20,265	7,339	7,339	\$ -
2064	20,265	4,963	15,302	6,821	6,821	\$ -
2065	15,302	4,963	10,339	6,302	6,302	\$ -
2066	10,339	4,963	5,376	5,784	5,784	\$ -
2067	5,376	4,963	414	5,265	5,265	\$ -
2068	414	414	-	435	435	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals		267,989		1,026,236	1,026,236	-

** 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.

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 **		
\$ 31,947		\$ 31,947		
\$ 35,555		\$ 35,555		
\$ 31,143		\$ 31,143		

APCo 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: b2687.2 (Install a 300 MVAR shunt line reactor Broadford-Jacksons Ferry 765 kV line)

Current Projected Year ARR	1,110,565
Current Projected Year ARR w/ Incentive	1,110,565
Current Projected Year Incentive ARR	-

Details						
Investment	9,399,465	Current Year		2020		
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	12	FCR w/o incentives, less depreciation		10.45%		
Useful life	54	FCR w/incentives approved for these facilities, less dep.		10.45%		
CIAC (Yes or No)	No	Annual Depreciation Expense		174,064		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2017	9,399,465	-	9,399,465	981,962	981,962	\$ -
2018	9,399,465	174,064	9,225,401	1,146,934	1,146,934	\$ -
2019	9,225,401	174,064	9,051,337	1,128,749	1,128,749	\$ -
2020	9,051,337	174,064	8,877,273	1,110,565	1,110,565	\$ -
2021	8,877,273	174,064	8,703,208	1,092,380	1,092,380	\$ -
2022	8,703,208	174,064	8,529,144	1,074,196	1,074,196	\$ -
2023	8,529,144	174,064	8,355,080	1,056,011	1,056,011	\$ -
2024	8,355,080	174,064	8,181,016	1,037,827	1,037,827	\$ -
2025	8,181,016	174,064	8,006,952	1,019,642	1,019,642	\$ -
2026	8,006,952	174,064	7,832,888	1,001,458	1,001,458	\$ -
2027	7,832,888	174,064	7,658,823	983,273	983,273	\$ -
2028	7,658,823	174,064	7,484,759	965,089	965,089	\$ -
2029	7,484,759	174,064	7,310,695	946,904	946,904	\$ -
2030	7,310,695	174,064	7,136,631	928,720	928,720	\$ -
2031	7,136,631	174,064	6,962,567	910,535	910,535	\$ -
2032	6,962,567	174,064	6,788,503	892,351	892,351	\$ -
2033	6,788,503	174,064	6,614,438	874,166	874,166	\$ -
2034	6,614,438	174,064	6,440,374	855,982	855,982	\$ -
2035	6,440,374	174,064	6,266,310	837,798	837,798	\$ -
2036	6,266,310	174,064	6,092,246	819,613	819,613	\$ -
2037	6,092,246	174,064	5,918,182	801,429	801,429	\$ -
2038	5,918,182	174,064	5,744,118	783,244	783,244	\$ -
2039	5,744,118	174,064	5,570,053	765,060	765,060	\$ -
2040	5,570,053	174,064	5,395,989	746,875	746,875	\$ -
2041	5,395,989	174,064	5,221,925	728,691	728,691	\$ -
2042	5,221,925	174,064	5,047,861	710,506	710,506	\$ -
2043	5,047,861	174,064	4,873,797	692,322	692,322	\$ -
2044	4,873,797	174,064	4,699,733	674,137	674,137	\$ -
2045	4,699,733	174,064	4,525,668	655,953	655,953	\$ -
2046	4,525,668	174,064	4,351,604	637,768	637,768	\$ -
2047	4,351,604	174,064	4,177,540	619,584	619,584	\$ -
2048	4,177,540	174,064	4,003,476	601,399	601,399	\$ -
2049	4,003,476	174,064	3,829,412	583,215	583,215	\$ -
2050	3,829,412	174,064	3,655,348	565,030	565,030	\$ -
2051	3,655,348	174,064	3,481,283	546,846	546,846	\$ -
2052	3,481,283	174,064	3,307,219	528,661	528,661	\$ -
2053	3,307,219	174,064	3,133,155	510,477	510,477	\$ -
2054	3,133,155	174,064	2,959,091	492,292	492,292	\$ -
2055	2,959,091	174,064	2,785,027	474,108	474,108	\$ -
2056	2,785,027	174,064	2,610,963	455,924	455,924	\$ -
2057	2,610,963	174,064	2,436,898	437,739	437,739	\$ -
2058	2,436,898	174,064	2,262,834	419,555	419,555	\$ -
2059	2,262,834	174,064	2,088,770	401,370	401,370	\$ -
2060	2,088,770	174,064	1,914,706	383,186	383,186	\$ -
2061	1,914,706	174,064	1,740,642	365,001	365,001	\$ -
2062	1,740,642	174,064	1,566,578	346,817	346,817	\$ -
2063	1,566,578	174,064	1,392,513	328,632	328,632	\$ -
2064	1,392,513	174,064	1,218,449	310,448	310,448	\$ -
2065	1,218,449	174,064	1,044,385	292,263	292,263	\$ -
2066	1,044,385	174,064	870,321	274,079	274,079	\$ -
2067	870,321	174,064	696,257	255,894	255,894	\$ -
2068	696,257	174,064	522,192	237,710	237,710	\$ -
2069	522,192	174,064	348,128	219,525	219,525	\$ -
2070	348,128	174,064	174,064	201,341	201,341	\$ -
2071	174,064	174,064	-	183,156	183,156.40	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
2076	-	-	-	-	-	\$ -
Project Totals		9,399,465		36,894,393	36,894,393	-

** 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.

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 **		
\$ 1,174,872		\$ 1,174,872		
\$ 1,181,870		\$ 1,181,870		

APCo 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: b2687.1 (Install a 450 MVAR SVC Jacksons Ferry 765kv Substation)

Current Projected Year ARR	4,444,449
Current Projected Year ARR w/ Incentive	4,444,449
Current Projected Year Incentive ARR	-

Details						
Investment	37,110,027	Current Year		2020		
Service Year (yyyy)	2018	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	10	FCR w/o incentives, less depreciation		10.45%		
Useful life	54	FCR w/incentives approved for these facilities, less dep.		10.45%		
CIAC (Yes or No)	No	Annual Depreciation Expense		687,223		
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	37,110,027	114,537	36,995,490	3,985,437	3,985,437	\$ -
2019	36,995,490	687,223	36,308,267	4,516,243	4,516,243	\$ -
2020	36,308,267	687,223	35,621,044	4,444,449	4,444,449	\$ -
2021	35,621,044	687,223	34,933,822	4,372,655	4,372,655	\$ -
2022	34,933,822	687,223	34,246,599	4,300,861	4,300,861	\$ -
2023	34,246,599	687,223	33,559,376	4,229,066	4,229,066	\$ -
2024	33,559,376	687,223	32,872,154	4,157,272	4,157,272	\$ -
2025	32,872,154	687,223	32,184,931	4,085,478	4,085,478	\$ -
2026	32,184,931	687,223	31,497,708	4,013,684	4,013,684	\$ -
2027	31,497,708	687,223	30,810,485	3,941,890	3,941,890	\$ -
2028	30,810,485	687,223	30,123,263	3,870,096	3,870,096	\$ -
2029	30,123,263	687,223	29,436,040	3,798,302	3,798,302	\$ -
2030	29,436,040	687,223	28,748,817	3,726,507	3,726,507	\$ -
2031	28,748,817	687,223	28,061,594	3,654,713	3,654,713	\$ -
2032	28,061,594	687,223	27,374,372	3,582,919	3,582,919	\$ -
2033	27,374,372	687,223	26,687,149	3,511,125	3,511,125	\$ -
2034	26,687,149	687,223	25,999,926	3,439,331	3,439,331	\$ -
2035	25,999,926	687,223	25,312,704	3,367,537	3,367,537	\$ -
2036	25,312,704	687,223	24,625,481	3,295,743	3,295,743	\$ -
2037	24,625,481	687,223	23,938,258	3,223,949	3,223,949	\$ -
2038	23,938,258	687,223	23,251,035	3,152,154	3,152,154	\$ -
2039	23,251,035	687,223	22,563,813	3,080,360	3,080,360	\$ -
2040	22,563,813	687,223	21,876,590	3,008,566	3,008,566	\$ -
2041	21,876,590	687,223	21,189,367	2,936,772	2,936,772	\$ -
2042	21,189,367	687,223	20,502,145	2,864,978	2,864,978	\$ -
2043	20,502,145	687,223	19,814,922	2,793,184	2,793,184	\$ -
2044	19,814,922	687,223	19,127,699	2,721,390	2,721,390	\$ -
2045	19,127,699	687,223	18,440,476	2,649,596	2,649,596	\$ -
2046	18,440,476	687,223	17,753,254	2,577,801	2,577,801	\$ -
2047	17,753,254	687,223	17,066,031	2,506,007	2,506,007	\$ -
2048	17,066,031	687,223	16,378,808	2,434,213	2,434,213	\$ -
2049	16,378,808	687,223	15,691,585	2,362,419	2,362,419	\$ -
2050	15,691,585	687,223	15,004,363	2,290,625	2,290,625	\$ -
2051	15,004,363	687,223	14,317,140	2,218,831	2,218,831	\$ -
2052	14,317,140	687,223	13,629,917	2,147,037	2,147,037	\$ -
2053	13,629,917	687,223	12,942,695	2,075,243	2,075,243	\$ -
2054	12,942,695	687,223	12,255,472	2,003,448	2,003,448	\$ -
2055	12,255,472	687,223	11,568,249	1,931,654	1,931,654	\$ -
2056	11,568,249	687,223	10,881,026	1,859,860	1,859,860	\$ -
2057	10,881,026	687,223	10,193,804	1,788,066	1,788,066	\$ -
2058	10,193,804	687,223	9,506,581	1,716,272	1,716,272	\$ -
2059	9,506,581	687,223	8,819,358	1,644,478	1,644,478	\$ -
2060	8,819,358	687,223	8,132,136	1,572,684	1,572,684	\$ -
2061	8,132,136	687,223	7,444,913	1,500,890	1,500,890	\$ -
2062	7,444,913	687,223	6,757,690	1,429,095	1,429,095	\$ -
2063	6,757,690	687,223	6,070,467	1,357,301	1,357,301	\$ -
2064	6,070,467	687,223	5,383,245	1,285,507	1,285,507	\$ -
2065	5,383,245	687,223	4,696,022	1,213,713	1,213,713	\$ -
2066	4,696,022	687,223	4,008,799	1,141,919	1,141,919	\$ -
2067	4,008,799	687,223	3,321,576	1,070,125	1,070,125	\$ -
2068	3,321,576	687,223	2,634,354	998,331	998,331	\$ -
2069	2,634,354	687,223	1,947,131	926,536	926,536	\$ -
2070	1,947,131	687,223	1,259,908	854,742	854,742	\$ -
2071	1,259,908	687,223	572,686	782,948	782,948	\$ -
2072	572,686	572,686	-	602,600	602,600	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
2076	-	-	-	-	-	\$ -
2077	-	-	-	-	-	\$ -
Project Totals		37,110,027		145,016,602	145,016,602	-

** 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.

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 **		
\$ 8,045,448		\$ 8,045,448		
\$ 8,376,603		\$ 8,376,603		

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

Page 15 of 15 1

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b2230 (Amos Station retire three 765kV reactors Amos-Hanging Rock)

Current Projected Year ARR	82,029
Current Projected Year ARR w/ Incentive	82,029
Current Projected Year Incentive ARR	-

Details						
Investment	705,825	Current Year				2020
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				10.45%
Useful life	54	FCR w/incentives approved for these facilities, less dep.				10.45%
CIAC (Yes or No)	No	Annual Depreciation Expense				13,071
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	705,825	-	705,825	73,738	73,738	\$ -
2017	705,825	13,071	692,754	86,126	86,126	\$ -
2018	692,754	13,071	679,683	84,760	84,760	\$ -
2019	679,683	13,071	666,613	83,395	83,395	\$ -
2020	666,613	13,071	653,542	82,029	82,029	\$ -
2021	653,542	13,071	640,471	80,664	80,664	\$ -
2022	640,471	13,071	627,400	79,298	79,298	\$ -
2023	627,400	13,071	614,329	77,933	77,933	\$ -
2024	614,329	13,071	601,258	76,567	76,567	\$ -
2025	601,258	13,071	588,188	75,202	75,202	\$ -
2026	588,188	13,071	575,117	73,836	73,836	\$ -
2027	575,117	13,071	562,046	72,470	72,470	\$ -
2028	562,046	13,071	548,975	71,105	71,105	\$ -
2029	548,975	13,071	535,904	69,739	69,739	\$ -
2030	535,904	13,071	522,833	68,374	68,374	\$ -
2031	522,833	13,071	509,763	67,008	67,008	\$ -
2032	509,763	13,071	496,692	65,643	65,643	\$ -
2033	496,692	13,071	483,621	64,277	64,277	\$ -
2034	483,621	13,071	470,550	62,912	62,912	\$ -
2035	470,550	13,071	457,479	61,546	61,546	\$ -
2036	457,479	13,071	444,408	60,181	60,181	\$ -
2037	444,408	13,071	431,338	58,815	58,815	\$ -
2038	431,338	13,071	418,267	57,450	57,450	\$ -
2039	418,267	13,071	405,196	56,084	56,084	\$ -
2040	405,196	13,071	392,125	54,719	54,719	\$ -
2041	392,125	13,071	379,054	53,353	53,353	\$ -
2042	379,054	13,071	365,983	51,988	51,988	\$ -
2043	365,983	13,071	352,913	50,622	50,622	\$ -
2044	352,913	13,071	339,842	49,257	49,257	\$ -
2045	339,842	13,071	326,771	47,891	47,891	\$ -
2046	326,771	13,071	313,700	46,526	46,526	\$ -
2047	313,700	13,071	300,629	45,160	45,160	\$ -
2048	300,629	13,071	287,558	43,795	43,795	\$ -
2049	287,558	13,071	274,488	42,429	42,429	\$ -
2050	274,488	13,071	261,417	41,064	41,064	\$ -
2051	261,417	13,071	248,346	39,698	39,698	\$ -
2052	248,346	13,071	235,275	38,333	38,333	\$ -
2053	235,275	13,071	222,204	36,967	36,967	\$ -
2054	222,204	13,071	209,133	35,602	35,602	\$ -
2055	209,133	13,071	196,063	34,236	34,236	\$ -
2056	196,063	13,071	182,992	32,871	32,871	\$ -
2057	182,992	13,071	169,921	31,505	31,505	\$ -
2058	169,921	13,071	156,850	30,140	30,140	\$ -
2059	156,850	13,071	143,779	28,774	28,774	\$ -
2060	143,779	13,071	130,708	27,409	27,409	\$ -
2061	130,708	13,071	117,638	26,043	26,043	\$ -
2062	117,638	13,071	104,567	24,678	24,678	\$ -
2063	104,567	13,071	91,496	23,312	23,312	\$ -
2064	91,496	13,071	78,425	21,947	21,947	\$ -
2065	78,425	13,071	65,354	20,581	20,581	\$ -
2066	65,354	13,071	52,283	19,216	19,216	\$ -
2067	52,283	13,071	39,212	17,850	17,850	\$ -
2068	39,212	13,071	26,142	16,485	16,485	\$ -
2069	26,142	13,071	13,071	15,119	15,119	\$ -
2070	13,071	13,071	-	13,754	13,754	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals		705,825		2,770,475	2,770,475	

** 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.

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 **		
\$ -		\$ -		

AEP East Companies
Cost of Service Formula Rate Using 2020 FF1 Balances
Worksheet L Reserved for Future Use
Appalachian Power Company

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
Appalachian Power Company

Line No	Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	4,199,238,000		(3,524,000)	(7,043,000)	4,209,805,000
2	January	4,253,439,000		(3,524,000)	(7,109,000)	4,264,072,000
3	February	4,239,901,000		(3,463,000)	(7,174,000)	4,250,538,000
4	March	4,285,891,000		(3,463,000)	(7,239,000)	4,296,593,000
5	April	4,301,282,000		(3,463,000)	(7,304,000)	4,312,049,000
6	May	4,268,558,000		(3,463,000)	(7,370,000)	4,279,391,000
7	June	4,291,875,000		(3,463,000)	(7,435,000)	4,302,773,000
8	July	4,326,011,000		(3,463,000)	(7,500,000)	4,336,974,000
9	August	4,307,423,000		(3,463,000)	(7,565,000)	4,318,451,000
10	September	4,326,511,000		(3,463,000)	(7,630,000)	4,337,604,000
11	October	4,341,972,000		(3,463,000)	(7,696,000)	4,353,131,000
12	November	4,321,095,000		(3,463,000)	(7,761,000)	4,332,319,000
13	December of Rate Year	4,359,305,000		(3,463,000)	(7,826,000)	4,370,594,000
14	Average of the 13 Monthly Balances	4,294,039,000	-	(3,472,000)	(7,435,000)	4,304,945,692

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Acct 221 Bonds (b)	Less: Acct 222 Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
	(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	250,362,000			4,150,598,000		4,400,960,000
16	January	250,362,000			4,150,598,000		4,400,960,000
17	February	238,151,000			4,150,598,000		4,388,749,000
18	March	238,151,000			4,450,598,000		4,688,749,000
19	April	238,151,000			4,450,598,000		4,688,749,000
20	May	238,151,000			4,450,598,000		4,688,749,000
21	June	238,151,000			4,450,598,000		4,688,749,000
22	July	238,151,000			4,450,598,000		4,688,749,000
23	August	225,472,000			4,450,598,000		4,676,070,000
24	September	225,472,000			4,450,598,000		4,676,070,000
25	October	225,472,000			4,450,598,000		4,676,070,000
26	November	225,472,000			4,950,598,000		5,176,070,000
27	December of Rate Year	225,472,000			4,600,598,000		4,826,070,000
28	Average of the 13 Monthly Balances	235,153,000	-	-	4,431,367,000	-	4,666,520,308

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)

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2020						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			216,337,000			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.			(1,128,834)			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			(1,128,834)			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			3,234,000			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			3,942,000			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
37	Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)			223,513,000			
38	Average Cost of Debt for 2020 (Ln 37/ Ln 28 (g))			4.79%			

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

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

				Amortization Period			
HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2020	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Beginning	Ending	
40 Senior Unsecured Notes - Series I	-		-	0	Jan-05	Jul-14	
41 Senior Unsecured Notes - Series K			-	0	Jun-05	May-15	
42 Senior Unsecured Notes - Series L	-		-	-	Sep-05	Sep-15	
43 Senior Unsecured Notes - Series H	37,120		37,120	531,356	May-03	May-33	
44 Senior Unsecured Notes - Series N	(194,199)		(194,199)	(3,349,923)	Apr-06	Apr-36	
45 Senior Unsecured Notes - Series Q	159,678		159,678	3,067,005	Mar-08	Apr-38	
46 Senior Unsecured Notes - Series S	-		-		May-10	May-15	
47 Senior Unsecured Notes - Series T	(1,131,434)		(1,131,434)	(2,514,294)	Mar-11	Mar-21	
48			-				
49				(2,265,856)			
50 Total Hedge Amortization	(1,128,834)	-					
51 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			(1,128,834)				
52 Total Average Capital Structure Balance for 2020 (TCOS, Ln 157)			8,971,466,308				
53 Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005				
54 Limit of Recoverable Amount			4,485,733				
55 Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			(1,128,834)				

Development of Cost of Preferred Stock

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

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

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

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectively. 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 2020		-		-	

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

1 Total AEP East Operating Company PBOP Settlement Amount (127,041,505)

Allocation of PBOP Settlement Amount for 2020

		Total Company Amount						
Line#	Company	Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 2020	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * -127041505	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
2	APCo	(21,243,233)	36.83%	(46,793,855)	9.272%	(1,969,696)	(4,338,779)	2,369,082
3	I&M	(14,970,273)	25.96%	(32,975,997)	4.367%	(653,716)	(1,439,983)	786,267
4	KPCo	(4,775,930)	8.28%	(10,520,253)	7.919%	(378,188)	(833,058)	454,871
5	KNGP	(455,895)	0.79%	(1,004,230)	12.123%	(55,270)	(121,748)	66,477
6	OPCo	(15,305,203)	26.54%	(33,713,769)	11.486%	(1,757,897)	(3,872,235)	2,114,338
7	WPCo	(923,113)	1.60%	(2,033,401)	2.686%	(24,793)	(54,613)	29,820
8	Sum of Lines 2 to 7	(57,673,647)		(127,041,505)		(4,839,561)	(10,660,416)	5,820,855

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

	<u>APCo</u>	<u>I&M</u>	<u>KPCo</u>	<u>KNGSPT</u>	<u>OPCo</u>	<u>WPCo</u>	<u>AEP East Total</u>
9 Direct Charged PBOP Expense per Actuarial Report	(16,451,990)	(12,482,067)	(3,951,629)	(344,539)	(11,517,600)	(427,831)	(45,175,656)
10 Additional PBOP Ledger Entries (from Company Records)	460,632	518,852	427,533			(385,001)	
11 Medicare Subsidy							-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(15,991,358)	(11,963,215)	(3,524,096)	(344,539)	(11,517,600)	(812,832)	(44,153,640)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(5,251,875)	(3,007,058)	(1,251,834)	(111,356)	(3,787,603)	(110,281)	(13,520,007)
14 Company PBOP Expense (Ln 12 + Ln 13)	(21,243,233)	(14,970,273)	(4,775,930)	(455,895)	(15,305,203)	(923,113)	(57,673,647)

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the actual formula rate; (b) the cumulative net present value of projected PBOP costs during the next four years, as estimated by the then current actuarial report, assuming a discount rate equal to the actual formula rate weighted average cost of capital for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowacance will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF 3/6/2019
FOR MULTIPLE JURISDICTION COMPANIES
Appalachian Power Company

VIRGINIA				WEST VIRGINIA			FERC WHOLESALE			FERC KINGSFORT			COMPANY
(1)				(2)			(3)			(4)			
PLANT ACCT.	VA SCC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	PSC OF WV APPROVED RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	WTD AVG. DEPREC. RATE
TRANSMISSION PLANT													
Land Rights - Va.	350.1	0.66%	1.000000										0.66%
Energy Storage Equip	351.0			14.22%	1.000000	14.22%							14.22%
Structures & Improvements	352.0	1.55%	0.492648	1.62%	0.414603	0.67%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.63%
Station Equipment	353.0	1.95%	0.492648	2.37%	0.414603	0.98%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.14%
Towers & Fixtures	354.0	1.14%	0.492648	1.59%	0.414603	0.66%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.42%
Poles & Fixtures	355.0	2.77%	0.492648	2.71%	0.414603	1.12%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.68%
Overhead Conductor	356.0	1.01%	0.492648	1.53%	0.414603	0.63%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.33%
Underground Conduit	351.0	1.23%	0.492648	3.71%	0.414603	1.54%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.35%
Underground Conductors	351.0	3.18%	0.492648	5.24%	0.414603	2.17%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	3.94%
GENERAL PLANT													
Structures & Improvements	390.0	1.50%	0.519557	1.91%	0.425935	0.81%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.78%
Office Furniture & Equipment	391.0	2.78%	0.519557	3.17%	0.425935	1.35%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.98%
Transportation Equipment	392.0	0.00%	0.519557	3.40%	0.425935	1.45%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.64%
Stores Equipment	393.0	1.60%	0.519557	1.80%	0.425935	0.77%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.79%
Tools Shop & Garage Equipment	394.0	2.07%	0.519557	2.57%	0.425935	1.09%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.36%
Laboratory Equipment	395.0	1.53%	0.519557	4.01%	0.425935	1.71%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.69%
Power Operated Equipment	396.0	0.00%	0.519557	3.90%	0.425935	1.66%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.85%
Communication Equipment	397.0	3.27%	0.519557	4.98%	0.425935	2.12%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	4.01%
Miscellaneous Equipment	398.0	2.51%	0.519557	2.70%	0.425935	1.15%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.64%

(1) As approved in VA Case No. PUE 2011-00037 on Nov. 30, 2011.
Depreciation rates were made effective on January 1, 2012.

(2) Approved by PSC of WV Order dated May 26, 2015 in
Case No. 14-1151-E-D effective June 1, 2015.

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

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

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

(6) Energy Storage Equipment is a new account established per FERC Order 784.

GENERAL NOTES:

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

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF OCTOBER 1, 2018
FOR MULTIPLE JURISDICTION COMPANIES
INDIANA MICHIGAN POWER COMPANY

	INDIANA				MICHIGAN			FERC WHOLESALE			COMPANY
	(1)				(2)			(3)			
	PLANT ACCT.	IURC RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	MPSC APPROVED RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	WTD AVG. DEPREC. RATE
TRANSMISSION PLANT											
Land Improvements	350.1	1.4800%	0.652103	0.9651%	1.4400%	0.144206	0.2077%	1.4400%	0.203691	0.2933%	1.47%
Structures & Improvements	352.0	1.5500%	0.652103	1.0108%	1.5000%	0.144206	0.2163%	1.5000%	0.203691	0.3055%	1.53%
Station Equipment	353.0	1.8600%	0.652103	1.2129%	1.8400%	0.144206	0.2653%	1.8400%	0.203691	0.3748%	1.85%
Towers & Fixtures	354.0	1.6900%	0.652103	1.1021%	1.5700%	0.144206	0.2264%	1.5700%	0.203691	0.3198%	1.65%
Poles & Fixtures	355.0	2.8500%	0.652103	1.8585%	2.8300%	0.144206	0.4081%	2.8300%	0.203691	0.5764%	2.84%
Overhead Conductors	356.0	1.9700%	0.652103	1.2846%	1.8900%	0.144206	0.2725%	1.8900%	0.203691	0.3850%	1.94%
Underground Conduit	357.0	1.8600%	0.652103	1.2129%	1.7700%	0.144206	0.2552%	1.7700%	0.203691	0.3605%	1.83%
Underground Conductors	358.0	1.7000%	0.652103	1.1086%	1.6600%	0.144206	0.2394%	1.6600%	0.203691	0.3381%	1.69%
Trails & Roads	359.0	1.5000%	0.652103	0.9782%	1.4800%	0.144206	0.2134%	1.4800%	0.203691	0.3015%	1.49%

- (1) As approved in Indiana Case No. 44967.
(2) As approved in MICHIGAN Case No. U18370.
(3) FERC wholesale formula rate agreements specify that the depreciation rates in the formula rates change upon approval of MPSC rates in the Michigan jurisdiction.
(4) The rates approved for each jurisdiction are updated when approved by that commission. These demand-based allocation factors for all jurisdictions are updated when new rates are approved in one of the jurisdictions. These allocation factors reflect I&M's 12 monthly Coincident Peaks during test year of the most recent rate case.

GENERAL NOTES:

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

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 09/1/2016
FOR SINGLE JURISDICTION COMPANIES
KINGSPORT POWER COMPANY

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Structures & Improvements	352.0	1.04%
Station Equipment	353.0	1.49%
Towers & Fixtures	354.0	0.12%
Poles & Fixtures	355.0	2.14%
Overhead Conductors	356.0	0.77%
Underground Conduit	351.0	Note 2
Underground Conductors	351.0	Note 2
Composite Transmission Depreciation Rate		1.46%
GENERAL PLANT		
Structures & Improvements	390.0	1.71%
Office Furniture & Equipment	391.0	2.82%
Stores Equipment	393.0	2.22%
Tools Shop & Garage Equipment	394.0	3.12%
Laboratory Equipment	395.0	3.17%
Communication Equipment	397.0	3.32%
Miscellaneous Equipment	398.0	4.92%
Total General Plant		3.25%

Reference:

Note 1: Rates Approved In Tennessee Regulatory Authority Docket No. 16-00001.
K

Note 2: Kingsport Power Company does not have investment in plant
accounts 351 or 351. Therefore, there are no depreciation rates approved

General Note

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

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 07/1/2015
FOR SINGLE JURISDICTION COMPANIES
KENTUCKY POWER COMPANY

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductors	356.0	2.91%
Underground Conduit	351.0	2.99%
Underground Conductors	351.0	2.62%

Reference:

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

General Note

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

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

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Structures & Improvements	352.0	2.02%
Station Equipment	353.0	2.29%
Twrs and Fixtures Above 69 KV	354.0	1.88%
Twrs and Fixtures Below 69 KV	354.0	1.88%
Poles and Fixtures Above 69 KV	355.0	3.52%
Poles and Fixtures Below 69 KV	355.0	3.52%
Overhead Conductor & Devices Above	356.0	1.91%
Overhead Conductor & Devices MSP	356.0	1.91%
Overhead Conductor & Devices 138KV	356.0	1.91%
Overhead Conductor & Devices 69KV	356.0	1.91%
Overhead Conductor & Devices CLR	356.0	1.91%
Underground Conduit	351.0	2.26%
Underground Conductors	351.0	3.27%

Reference:

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

General Note:

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

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 3/6/2019
FOR SINGLE JURISDICTION COMPANIES
WHEELING POWER COMPANY

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

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

General Note:

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

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

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019	-	2018 Forecasted Revenue Requirement For Year 2018	=	True-up Adjustment - Over (Under) Recovery
\$274,898,982		\$261,532,927		(\$13,366,055)

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.4095%				

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

Calculation of Interest							Monthly	
January	Year 2018	(1,113,838)	0.4095%	12	54,734			1,168,572
February	Year 2018	(1,113,838)	0.4095%	11	50,173			1,164,011
March	Year 2018	(1,113,838)	0.4095%	10	45,612			1,159,450
April	Year 2018	(1,113,838)	0.4095%	9	41,050			1,154,888
May	Year 2018	(1,113,838)	0.4095%	8	36,489			1,150,327
June	Year 2018	(1,113,838)	0.4095%	7	31,928			1,145,766
July	Year 2018	(1,113,838)	0.4095%	6	27,367			1,141,205
August	Year 2018	(1,113,838)	0.4095%	5	22,806			1,136,644
September	Year 2018	(1,113,838)	0.4095%	4	18,245			1,132,083
October	Year 2018	(1,113,838)	0.4095%	3	13,683			1,127,521
November	Year 2018	(1,113,838)	0.4095%	2	9,122			1,122,960
December	Year 2018	(1,113,838)	0.4095%	1	4,561			1,118,399
					355,771			13,721,826
							Annual	
January through December	Year 2019	13,721,826	0.4095%	12	674,291			14,396,116
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months							Monthly	
January	Year 2020	(14,396,116)	0.4095%		58,952	(1,231,848)		13,223,221
February	Year 2020	(13,223,221)	0.4095%		54,149	(1,231,848)		12,045,522
March	Year 2020	(12,045,522)	0.4095%		49,326	(1,231,848)		10,863,000
April	Year 2020	(10,863,000)	0.4095%		44,484	(1,231,848)		9,675,636
May	Year 2020	(9,675,636)	0.4095%		39,622	(1,231,848)		8,483,410
June	Year 2020	(8,483,410)	0.4095%		34,740	(1,231,848)		7,286,301
July	Year 2020	(7,286,301)	0.4095%		29,837	(1,231,848)		6,084,291
August	Year 2020	(6,084,291)	0.4095%		24,915	(1,231,848)		4,877,358
September	Year 2020	(4,877,358)	0.4095%		19,973	(1,231,848)		3,665,483
October	Year 2020	(3,665,483)	0.4095%		15,010	(1,231,848)		2,448,645
November	Year 2020	(2,448,645)	0.4095%		10,027	(1,231,848)		1,226,824
December	Year 2020	(1,226,824)	0.4095%		5,024	(1,231,848)		0
					386,059			
True-Up Adjustment with Interest						14,782,176		
Less Over (Under) Recovery						(13,366,055)		
Total Interest						1,416,121		

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

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

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019		2018 Forecasted Revenue Requirement For Year 2018		True-up Adjustment - Over (Under) Recovery
\$21,491,173	-	\$27,570,458	=	\$6,079,285

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	
		0.4095%				
An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorate over 2020						
<u>Calculation of Interest</u>				Monthly		
January	Year 2018	506,607	0.4095%	12	(24,895)	
February	Year 2018	506,607	0.4095%	11	(22,820)	
March	Year 2018	506,607	0.4095%	10	(20,746)	
April	Year 2018	506,607	0.4095%	9	(18,671)	
May	Year 2018	506,607	0.4095%	8	(16,596)	
June	Year 2018	506,607	0.4095%	7	(14,522)	
July	Year 2018	506,607	0.4095%	6	(12,447)	
August	Year 2018	506,607	0.4095%	5	(10,373)	
September	Year 2018	506,607	0.4095%	4	(8,298)	
October	Year 2018	506,607	0.4095%	3	(6,224)	
November	Year 2018	506,607	0.4095%	2	(4,149)	
December	Year 2018	506,607	0.4095%	1	(2,075)	
					(161,815)	
				Annual		
January through December	Year 2019	(6,241,100)	0.4095%	12	(306,688)	
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2020	6,547,788	0.4095%		(26,813)	560,282
February	Year 2020	6,014,320	0.4095%		(24,629)	560,282
March	Year 2020	5,478,667	0.4095%		(22,435)	560,282
April	Year 2020	4,940,820	0.4095%		(20,233)	560,282
May	Year 2020	4,400,771	0.4095%		(18,021)	560,282
June	Year 2020	3,858,511	0.4095%		(15,801)	560,282
July	Year 2020	3,314,030	0.4095%		(13,571)	560,282
August	Year 2020	2,767,319	0.4095%		(11,332)	560,282
September	Year 2020	2,218,370	0.4095%		(9,084)	560,282
October	Year 2020	1,667,172	0.4095%		(6,827)	560,282
November	Year 2020	1,113,718	0.4095%		(4,561)	560,282
December	Year 2020	557,997	0.4095%		(2,285)	560,282
					(175,591)	
True-Up Adjustment with Interest					(6,723,380)	
Less Over (Under) Recovery					6,079,285	
Total Interest					(644,095)	

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.

Surcharge (Refund)
Owed

(531,502)
(529,427)
(527,353)
(525,278)
(523,204)
(521,129)
(519,054)
(516,980)
(514,905)
(512,831)
(510,756)
(508,682)
(6,241,100)

(6,547,788)

(6,014,320)
(5,478,667)
(4,940,820)
(4,400,771)
(3,858,511)
(3,314,030)
(2,767,319)
(2,218,370)
(1,667,172)
(1,113,718)
(557,997)
(0)

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

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019	-	2018 Forecasted Revenue Requirement For Year 2018	=	True-up Adjustment - Over (Under) Recovery
\$2,112,374		\$4,368,871		\$2,256,497

Interest Rate on Amount of Refunds or Surcharge from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.4095%				

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

Calculation of Interest					Monthly	
January	Year 2018	188,041	0.4095%	12	(9,240)	(197,282)
February	Year 2018	188,041	0.4095%	11	(8,470)	(196,512)
March	Year 2018	188,041	0.4095%	10	(7,700)	(195,742)
April	Year 2018	188,041	0.4095%	9	(6,930)	(194,972)
May	Year 2018	188,041	0.4095%	8	(6,160)	(194,202)
June	Year 2018	188,041	0.4095%	7	(5,390)	(193,432)
July	Year 2018	188,041	0.4095%	6	(4,620)	(192,662)
August	Year 2018	188,041	0.4095%	5	(3,850)	(191,892)
September	Year 2018	188,041	0.4095%	4	(3,080)	(191,122)
October	Year 2018	188,041	0.4095%	3	(2,310)	(190,352)
November	Year 2018	188,041	0.4095%	2	(1,540)	(189,581)
December	Year 2018	188,041	0.4095%	1	(770)	(188,811)
					(60,062)	(2,316,559)

January through December	Year 2019	(2,316,559)	0.4095%	12	Annual (113,836)	(2,430,395)
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Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly	
January	Year 2020	2,430,395	0.4095%		(9,952)	207,964
February	Year 2020	2,232,383	0.4095%		(9,142)	207,964
March	Year 2020	2,033,561	0.4095%		(8,327)	207,964
April	Year 2020	1,833,924	0.4095%		(7,510)	207,964
May	Year 2020	1,633,470	0.4095%		(6,689)	207,964
June	Year 2020	1,432,194	0.4095%		(5,865)	207,964
July	Year 2020	1,230,095	0.4095%		(5,037)	207,964
August	Year 2020	1,027,168	0.4095%		(4,206)	207,964
September	Year 2020	823,410	0.4095%		(3,372)	207,964
October	Year 2020	618,818	0.4095%		(2,534)	207,964
November	Year 2020	413,387	0.4095%		(1,693)	207,964
December	Year 2020	207,116	0.4095%		(848)	207,964
					(65,176)	

True-Up Adjustment with Interest	(2,495,571)
Less Over (Under) Recovery	2,256,497
Total Interest	(239,074)

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