

AEP EAST Companies Transmission Formula Rate Revenue Requirement  
Utilizing FERC Form 1 Data  
For rates effective July 1, 2015

**AEP Zone Transmission Service Revenue Requirement**

Line No.			AEP Annual Revenue Requirement	APCo Annual Revenue Requirement	I&M Annual Revenue Requirement	KPCo Annual Revenue Requirement	KNG Annual Revenue Requirement	OPCo Annual Revenue Requirement	WPCo Annual Revenue Requirement
<b>A. Network Service</b>									
1	REVENUE REQUIREMENT (w/o incentives)	(TCOS Ln 1)	\$800,457,453	\$253,543,461	\$146,336,441	\$59,974,299	\$4,013,431	\$317,417,627	\$19,172,194
2	LESS: REVENUE CREDITS	(TCOS Ln 2)	\$21,394,250	\$5,850,451	\$1,935,437	\$64,703	\$192,719	\$11,860,510	\$1,490,429
3	CURRENT YEAR ZONE 1 AEP NETWORK SERVICE REVENUE REQUIREMENT	(TCOS Ln 3)	\$779,063,203	\$247,693,010	\$144,401,003	\$59,909,597	\$3,820,712	\$305,557,117	\$17,681,765
4	LESS: REVENUE REQUIREMENTS INCLUDED IN LINE 1 FOR:								
5	RTEP UPGRADES (W/O INCENTIVES)	(TCOS Ln 4)	\$21,320,796	\$6,437,855	\$5,557,149	\$0	\$0	\$9,267,093	\$58,699
6	OTHER ZONAL UPGRADES (W/O INCENTIVES)	(Worksheet J)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
7	SUBTOTAL		\$21,320,796	\$6,437,855	\$5,557,149	\$0	\$0	\$9,267,093	\$58,699
8	EXISTING ZONAL ATRR (W/O INCENTIVES)	(Ln 3- Ln 7)	\$757,742,407	\$241,255,155	\$138,843,854	\$59,909,597	\$3,820,712	\$296,290,023	\$17,623,066
9	INCENTIVE REVENUE REQUIREMENT FOR ZONAL PROJECTS	(Worksheet J)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10	EXISTING ZONAL ATRR (W/ INCENTIVES)	(Ln 8 + Ln 9)	\$757,742,407	\$241,255,155	\$138,843,854	\$59,909,597	\$3,820,712	\$296,290,023	\$17,623,066
11	BILLED HISTORICAL YEAR (2014) ACTUAL ATRR	Input from 2014 True-up	\$702,861,533	\$220,562,989	\$128,886,628	\$58,385,228	\$3,640,286	\$275,613,164	\$15,773,239
12	BILLED PROJECTED (2014) ATRR FROM PRIOR YEAR	Input from Prior Year	\$677,898,100	\$218,340,229	\$122,890,442	\$56,985,896	\$3,540,917	\$260,907,190	\$15,233,427
13	PRIOR YEAR TRUE-UP	(Ln 11 - Ln 12)	\$24,963,433	\$2,222,760	\$5,996,186	\$1,399,332	\$99,368	\$14,705,974	\$539,813
14	INTEREST ON PRIOR YEAR TRUE UP		\$1,250,085	\$111,308	\$300,269	\$70,074	\$4,976	\$736,426	\$27,032
14a	TRANSACTION COSTS INCLUDING INTEREST		-\$119,788	-\$48,477	\$0	-\$47,620	\$0	-\$23,691	\$0
15	<b>EXISTING ZONAL ATRR FOR PJM OATT</b>	(Ln 10 + Ln 13 + Ln 14 + Ln 14a)	<b>\$783,836,137</b>	\$243,540,746	\$145,140,309	\$61,331,382	\$3,925,057	\$311,708,732	\$18,189,911
<b>B. Point-to-Point Service</b>									
16	2014 AEP East Zone Network Service Peak Load			24,408.1	MW				
17	Annual Point-to-Point Rate in \$/MW - Year	(Ln 15 / Ln 16)	\$32,113.77						
18	Monthly Point-to-Point Rate in \$/MW - Month	(Ln 17 / 12)	\$2,676.15						
19	Weekly Point-to-Point Rate in \$/MW - Weekly	(Ln 17 / 52)	\$617.57						
20	Daily On-Peak Point-to-Point Rate in \$/MW - Day	(Ln 17 / 260)	\$123.51						
21	Daily Off-Peak Point-to-Point Rate in \$/MW - Day	(Ln 17 / 365)	\$87.98						
22	Hourly On-Peak Point-to-Point Rate in \$/MW - Hour	(Ln 17 / 4160)	\$7.72						
23	Hourly Off-Peak Point-to-Point Rate in \$/MW - Hour	(Ln 17 / 8760)	\$3.67						
<b>C. PJM Regional Service</b>									
24	RTEP UPGRADE ATRR W/O INCENTIVES	(Ln 7)	21,320,796	6,437,855	5,557,149	-	-	9,267,093	58,699
25	ADDITIONAL ATRR FOR FERC-APPROVED INCENTIVES ON RTEP	(Worksheet J)	-	-	-	-	-	-	-
26	TRUE-UP ADJUSTMENT INCLUDING INTEREST		(2,206,058)	112,050	1,500,923	-	-	(3,647,801)	(171,230)
26a	ADJUSTMENT Schedule 12		-	-	-	-	-	-	-
27	<b>RTEP ATRR FOR PJM COLLECTION UNDER SCHEDULE 12</b>		<b>\$ 19,114,738</b>	6,549,905	7,058,072	-	-	5,619,293	(112,531)

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**AEP Transmission Schedule 1A Revenue Requirements**

Line No.		AEP Annual Revenue Requirement	APCo Annual Revenue Requirement	I&M Annual Revenue Requirement	KPCo Annual Revenue Requirement	KNG Annual Revenue Requirement	OPCo Annual Revenue Requirement	WPCo Annual Revenue Requirement
<b>A. Schedule 1A ARR</b>								
1	Total Load Dispatch & Scheduling (Account 561) (TCOS Line 14)	\$31,006,166	\$11,291,674	\$7,315,015	\$2,475,184	\$49,991	\$9,760,780	\$113,522
2	Less: Load Disptach - Scheduling, System Control and Dispatch Services (321.88.b)	\$13,924,799	\$6,073,777	\$4,394,733	\$1,193,916	\$199	\$2,262,111	\$62
3	Less: Load Disptach - Reliability, Planning & Standards Development Services (321.92.6)	\$4,180,450	\$1,385,152	\$993,147	\$279,976	\$0	\$1,522,174	\$0
4	Total 561 Internally Developed Costs (Ln 1 - Ln 2 - Ln 3)	\$12,900,918	\$3,832,745	\$1,927,134	\$1,001,292	\$49,792	\$5,976,495	\$113,460
5	Less: PTP Service Credit	\$532,987	\$160,796	\$68,364	\$38,822	\$2,095	\$258,304	\$4,607
6	EXISTING ZONAL ARR (Ln 4 - Ln 5)	\$12,367,930	\$3,671,948	\$1,858,770	\$962,470	\$47,697	\$5,718,191	\$108,853
7	BILLED HISTORICAL YEAR (2014) ACTUAL ARR	Input from 2014 True-up	\$3,720,368	\$1,590,485	\$899,456	\$48,508	\$6,001,903	\$107,210
8	BILLED PROJECTED (2014) ARR FROM PRIOR YEAR	Input from Prior Year	\$3,636,489	\$1,567,854	\$881,044	\$47,480	\$5,905,211	\$105,736
9	PRIOR YEAR TRUE-UP (Ln 7 - Ln 8)	\$224,116	\$83,879	\$22,631	\$18,412	\$1,028	\$96,692	\$1,474
10	INTEREST ON PRIOR YEAR TRUE UP	\$23,075	\$6,936	\$2,969	\$1,677	\$90	\$11,202	\$200
11	<b>Net Schedule 1A Revenue Requirement for Zone</b>	<b>\$12,615,122</b>	<b>\$3,762,763</b>	<b>\$1,884,371</b>	<b>\$982,559</b>	<b>\$48,816</b>	<b>\$5,826,085</b>	<b>\$110,527</b>
<b>B. Schedule 1A Rate Calculations</b>								
12	2014 AEP East Zone Annual MWh		132,884,261 MWh					
13	AEP Zone Rate for Schedule 1A Service.	(Line 11 / Line 12)	\$0.0949					