



BOUNDLESS ENERGY™

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October 11, 2019

Honorable Kimberly D. Bose, Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E., Room 1A  
Washington, D.C. 20426

Re: American Electric Power Service Corporation  
Docket No. ER19-2589

Dear Secretary Bose:

Pursuant to Section 205 of the Federal Power Act, 16 U.S.C. Section 824(d), and Section 35.13 of the Federal Energy Regulatory Commission's ("FERC" or "Commission") regulations, American Electric Power Service Corporation ("AEPSC"), on behalf of its affiliates, Appalachian Power Company, Inc., Indiana Michigan Power Company, Inc., Kentucky Power Company, Inc., Kingsport Power Company, Inc., Ohio Power Company, Inc., and Wheeling Power Company, Inc., (together, "AEP East Operating Companies") and AEP Appalachian Transmission Company Inc., AEP Indiana Michigan Transmission Company, Inc., AEP Kentucky Transmission Company, Inc., AEP Ohio Transmission Company, Inc., and AEP West Virginia Transmission Company, Inc. (together, "AEP East Transmission Companies"),<sup>1</sup> submits a compliance filing to reflect revisions to the formula rates of the AEP East Operating Companies, Attachment H-14, and AEP East Transmission Companies, Attachment H-20 of the PJM Interconnection, L.L.C. ("PJM") Open Access Transmission Tariff ("PJM Tariff") to update certain depreciation rate information as conditionally approved in the Commission's delegated letter order issued on September 16, 2019 in this docket.<sup>2</sup>

Pursuant to Section 35.7 of the Commission's regulations,<sup>3</sup> the contents of this filing are being submitted as part of an XML filing package that conforms to the Commission's eTariff instructions.

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<sup>1</sup> AEPSC, the AEP East Operating Companies, and the AEP East Transmission Companies are collectively referred to as "AEP."

<sup>2</sup> See *American Electric Power Service Corp.*, Docket No. ER19-2589-000, Letter Order (September 16, 2019) ("September 16 Order").

<sup>3</sup> Pursuant to Order No. 714, this filing is submitted by PJM on behalf of AEPSC as part of an XML filing package that conforms to the Commission's regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, AEPSC has requested PJM submit these revised Attachments H-14B and H-20B in the eTariff system as part of PJM's electronic Intra PJM Tariff.

## **I. Background and Description of Compliance Filing**

On August 13, 2019, in this docket, AEP filed revisions to the formula rates contained in Attachment H-14 and Attachment H-20 of the PJM Tariff to update the stand alone and composite depreciation rates to reflect revisions to the depreciation assessed in the state of West Virginia<sup>4</sup>. That filing requested a March 6, 2019 effective date for the proposed changes.

In the September 16 Order, the Commission's conditional approval requires the Companies to reflect the depreciation rates for general plant accounts along with rates shown for transmission assets. Therefore, the change reflected in this application is to update Worksheet P for each AEP company in Attachments H-14B and H-20B of the PJM OATT<sup>5</sup>.

## **II. Effective Date and Waiver Request**

As contemplated in the September 16 Order, AEP is requesting an effective date for this change of March 6, 2019. AEP respectfully requests that the Commission waive provisions of section 35.13 or any other applicable regulation to the extent necessary to permit this request.

## **III. Contents of this Filing**

This filing consists of the following documents:

- a. This transmittal letter;
- b. Redline versions of Attachment H-14B-AEPOPCo-Part II Worksheets A-Q and Attachment H-20B-AEPTCo Worksheets A-R; and,
- c. Clean versions of Attachment H-14B-AEPOPCo-Part II Worksheets A-Q and Attachment H-20B-AEPTCo Worksheets A-R.

## **IV. Service**

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,<sup>6</sup> PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members in the PJM Region<sup>7</sup> alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the

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<sup>4</sup> Public Service Commission of West Virginia Case No. 18-0645-E-D *Appalachian Power Company and Wheeling Power Company, Application to Change Depreciation Rates*.

<sup>5</sup> The requested information is already provided in Attachment H-14B, Worksheet P for Kingsport Power Company, Inc.

<sup>6</sup> See 18C.F.R §§ 35.2(e) and 385.2010(f)(3).

<sup>7</sup> PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state commissions.

Honorable Kimberly D. Bose

October 11, 2019

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referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

Additionally, copies of this filing are also being made available on AEP's website at: <https://aep.com/requiredpostings/oatt>

## V. Correspondence

Correspondence relating to this filing should be addressed to:

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## VI. Conclusion

Wherefore, AEP respectfully requests that the Commission accept these revised tariff sheets, effective March 6, 2019 for the AEP East Operating Companies and AEP East Transmission Companies and grant any applicable waivers.

Respectfully submitted,

*/s/ Amanda Riggs Conner*

Amanda Riggs Conner  
American Electric Power Service Corporation

Enclosures

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day caused to be served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Washington, D.C., this 11<sup>th</sup> day of October, 2019.

/s/ Amanda Riggs Conner

Amanda Riggs Conner

American Electric Power Service Corporation

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Washington, DC 20004-2615

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Redline versions of  
Attachment H-14B AEPOPCo Part II Worksheets A-Q  
and  
Attachment H-20B AEPTCo Worksheets A-R

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

State #1 Tax Rate	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Apportionment Factor - Note 1	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Effective State Tax Rate		0.00%
State #2 Tax Rate	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Apportionment Factor - Note 1	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Effective State Tax Rate		0.00%
State #3 Tax Rate	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Apportionment Factor - Note 1	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Effective State Tax Rate		0.00%
State #4 Tax Rate	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Apportionment Factor - Note 1	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate	<hr style="border: 0; border-top: 1px solid black;"/>	<hr style="border: 0; border-top: 1px solid black;"/> <u>0.00%</u>

Note 1

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

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
		NOTE 1				
1	<b>Revenue Taxes</b>					
2	List Individual Taxes Here	-				-
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - Jurisdiction #1	-	-			
5	Real and Personal Property - Jurisdiction #2	-	-			
6	Real and Personal Property - Jurisdiction #3	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<b>Production Taxes</b>					
13	List Individual Taxes Here	-				-
14		-				-
15	<b>Miscellaneous Taxes</b>					
16	List Individual Taxes Here	-				-
17		-			-	
18		-			-	
19		-			-	
20		-			-	
21		-			-	
22		-			-	
23		-			-	
24	Total Taxes by Allocable Basis	-	-	-	-	-

(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	-	-	-	-	-
<b>STATE JURISDICTION #1</b>					
26	Percentage of Plant in STATE JURISDICTION #1				
27	-	-	-	-	-
28	Less: Net Value of Exempted Generation Plant				
29	-	-	-	-	-
30	Relative Valuation Factor				
31	-	-	-	-	-
32	0.00%	0.00%	0.00%	-100.00%	
33	-	-	-	-	-
34	Weighted STATE JURISDICTION #1 Plant (Ln 31 + 33)				
35	0.00%	0.00%	0.00%		
<b>STATE JURISDICTION #2</b>					
36	Percentage of Plant in STATE JURISDICTION #2				
37	-	-	-	-	-
38	Less: Net Value of Exempted Generation Plant				
39	-	-	-	-	-
40	Relative Valuation Factor				
41	-	-	-	-	-
42	0.00%	0.00%	0.00%	-100.00%	
43	-	-	-	-	-
44	Weighted STATE JURISDICTION #2 Plant (Ln 41 + 43)				
45	0.00%	0.00%	0.00%		
<b>STATE JURISDICTION #3</b>					
46	Net Plant in STATE JURISDICTION #3 (Ln 25 - Ln 27 - Ln 37)				
47	Less: Net Value Exempted Generation Plant				
48	-	-	-	-	-
49	Relative Valuation Factor				
50	-	-	-	-	-
51	0.00%	0.00%	0.00%	-100.00%	
52	-	-	-	-	-
53	Weighted STATE JURISDICTION #3 Plant (Ln 50 + 52)				
54	0.00%	0.00%	0.00%		

AEP East Companies  
 Cost of Service Formula Rate Using 2008 FF1 Balances  
 Worksheet H-1 Form 1 Source Reference of Company Amounts on WS H

(A)	(B)	(C)	(D)
Line No	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back
1	<b>Revenue Taxes</b>		
2	Revenue Tax 1	-	
	(A)	(B)	(C)
	<u>Real Estate and Personal Propety Tax Detail</u> <u>Annual Tax Expenses by Type (Note 1)</u>	Tax Year	Total Company
			(D)
			FERC FORM 1 Tie-Back
			(E)
			FERC FORM 1 Reference
			(F)
			Tax Year Factor (Note 2)
			(G)
			Transmission Function (Note 2)
3	<b>Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)</b>	-	-
4	Real and Personal Property - Jurisdiction 1	-	
5	Real and Personal Property – Jurisdiction 2		
6	Real and Personal Property – Jurisdiction 3		
7	Real and Personal Property - Other Jurisdictions	-	
	(A)	(B)	(C)
	Annual Tax Expense by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back
			(D)
			FERC Form 1 Reference
8	<b>Payroll Taxes</b>		
9	Federal Insurance Contribution (FICA )	-	
10	Federal Unemployment Tax	-	
11	State Unemployment Insurance	-	
12	<b>Production Taxes</b>		
13	Production Tax 1	-	
15	<b>Miscellaneous Taxes</b>		
16	Miscellaneous Tax 1	-	
17	Miscellaneous Tax 2	-	
18	Miscellaneous Tax 3	-	
19	Miscellaneous Tax 4	-	
20	Miscellaneous Tax 5	-	



21	Miscellaneous Tax 6	-	
22	Miscellaneous Tax 7	-	
23	Total Taxes by Allocable Basis	-	-

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

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 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 Actual/Projected FF1 Balances**

**Worksheet I**

**RESERVED FOR FUTURE USE**

AEP East Companies  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones  
 COMPANY NAME HERE

**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)			0.00%
Project ROE Incentive Adder			
ROE with additional basis point incentive			0.00%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through 156)			

	<u>%</u>	<u>Cost</u>	<u>Weighted cost</u>
Long Term Debt	0.00%	0.00%	0.000%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	0.00%	0.00%	<u>0.000%</u>
		R =	0.000%

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

Rate Base (TCOS, ln 68)	-
R (from A. above)	0.000%
Return (Rate Base x R)	-

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

Return (from B. above)	-
Effective Tax Rate (TCOS, ln 114)	0.00%
Income Tax Calculation (Return x CIT)	-
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	-
Income Taxes	-

**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)	-	
Lease Payments (TCOS, 95)	-	
Return (TCOS, ln 126)	-	-
Income Taxes (TCOS, ln 125)	=	
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	-	-

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

Annual Revenue Requirement, Less Lease payments, Return and Taxes	-	
Return (from I.B. above)	-	
Income Taxes (from I.C. above)	=	
Annual Revenue Requirement, with Basis Point ROE increase	-	
Depreciation (TCOS, ln 100)	=	
Annual Rev. Req, w/ Basis Point ROE increase, less Depreciation	-	

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

Net Transmission Plant (TCOS, ln 42)	-	
Annual Revenue Requirement, with Basis Point ROE increase	-	
FCR with Basis Point increase in ROE		0.00%
Annual Rev. Req, w / Basis Point ROE increase, less Dep.	-	
FCR with Basis Point ROE increase, less Depreciation		0.00%
FCR less Depreciation (TCOS, ln 10)		<u>0.00%</u>
Incremental FCR with Basis Point ROE increase, less Depreciation		0.00%

**III Calculation of Composite Depreciation Rate**

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

Average Transmission Plant Balance for Rate Year (TCOS, ln 21)	-	
Annual Depreciation and Amortization Expense (TCOS, ln 100)	-	
Composite Depreciation Rate	-	0.00%
Depreciable Life for Composite Depreciation Rate	-	
Round to nearest whole year	-	

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. [redacted] (e.g. ER05-925-000)

Project Description: [redacted]

Details						
Investment	Current Year			Projected Year		
Service Year (yyyy)	ROE increase accepted by FERC (Basis Points)			-		
Service Month (1-12)	FCR w/o incentives, less depreciation			0.00%		
Useful life	FCR w/incentives approved for these facilities, less dep.			0.00%		
CIAC (Yes or No)	Annual Depreciation Expense			-		
Investment	Beginning	Depreciation	Ending	RTEP Rev. Req't.	RTEP Rev. Req't.	Incentive Rev.
Year	Balance	Expense	Balance	w/o Incentives	with Incentives **	Requirement ##
-	-	-	-	-	-	\$ -
-	-	-	-	-	-	\$ -
Project Totals	-	-	-	-	-	-

\*\* 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.

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

**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 **		
-		-		

**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)	0.00%
Project ROE Incentive Adder	0.00%
ROE with additional basis point incentive	0.00%

Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through 156)

	<u>%</u>	<u>Cost</u>	<u>Weighted cost</u>
Long Term Debt	0.00%	0.00%	0.000%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	0.00%	0.00%	<u>0.000%</u>
		R =	0.000%

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

Rate Base (TCOS, ln 68)	-
R (from A. above)	0.000%
Return (Rate Base x R)	-

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

Return (from B. above)	-
Effective Tax Rate (TCOS, ln 114)	0.00%
Income Tax Calculation (Return x CIT)	-
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	-
Income Taxes	-

**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)	-
Lease Payments (TCOS, Ln 95)	-
Return (TCOS, ln 126)	-
Income Taxes (TCOS, ln 125)	=
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	-

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	-
Return (from I.B. above)	-
Income Taxes (from I.C. above)	=

Annual Revenue Requirement, with Basis Point ROE increase

Depreciation (TCOS, ln 100)	-
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	-

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

Net Transmission Plant (TCOS, ln 42)	-
Annual Revenue Requirement, with Basis Point ROE increase	-
FCR with Basis Point increase in ROE	0.00%
Annual Rev. Req. w / Basis Point ROE increase, less Dep.	-
FCR with Basis Point ROE increase, less Depreciation	0.00%
FCR less Depreciation (TCOS, ln 10)	<u>0.00%</u>
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

**III. Calculation of Composite Depreciation Rate**

Average Transmission Plant Balance for Rate Year (TCOS, ln 21)	-
Annual Depreciation and Amortization Expense (TCOS, ln 100)	-
Composite Depreciation Rate	0.00%
Depreciable Life for Composite Depreciation Rate	-
Round to nearest whole year	-

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEP PROJECTS				
TRUE-UP YEAR	Rev Require	W Incentives	Incentive Amounts	
As Projected in Prior Year WS J				-
Actual after True-up		\$ -	\$ -	-
True-up of ARR For Historic Year		-	-	-

COMPANY NAME HERE Worksheet K - ATRR TRUE-UP Calculation for PJM Projects Charged to Benefiting Zones

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

A. Base Plan Facilities

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

Project Description:

Historic Year	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr Actual	-	-	-
True-Up Adjustment	-	-	-

Details							
Investment		Current Year				Historic Year	
Service Year (yyyy)	[REDACTED]	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	[REDACTED]	FCR w/o incentives, less depreciation				0.00%	
Useful life	-	FCR w/incentives approved for these facilities, less dep.				0.00%	
CIAC (Yes or No)	No	Annual Depreciation Expense				-	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
-	-	-	-	-	-	-	\$ -
-	-	-	-	-	-	-	\$ -

**TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:**  
CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
[REDACTED]	\$ -	[REDACTED]	\$ -	\$ -
[REDACTED]	\$ -	[REDACTED]	\$ -	\$ -

Project Totals

\*\* 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.

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet L  
COMPANY NAME HERE

**RESERVED FOR FUTURE USE**



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  
 Company Name

Line No	Month	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)	
	(a)	(b)	(c)	(d)	(e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year					-
2	January					-
3	February					-
4	March					-
5	April					-
6	May					-
7	June					-
8	July					-
9	August					-
10	September					-
11	October					-
12	November					-
13	December of Rate Year					-
14	Average of the 13 Monthly Balances	-	-	-	-	-

Line No	Month	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)	
	(a)	(b)	(c)	(d)	(e)	(f)	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year						-
16	January						-
17	February						-
18	March						-
19	April						-
20	May						-
21	June						-
22	July						-
23	August						-
24	September						-
25	October						-
26	November						-
27	December of Rate Year						-
28	Average of the 13 Monthly Balances	-	-	-	-	-	-

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 <b>Annual Interest Expense for 2017</b>							
Interest on Long Term Debt - Accts							
30 221 - 224 (256-257.33.i)							
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.				-			
31 Plus: Allowed Hedge Recovery From Ln 55 below.				-			
32 Amort of Debt Discount & Expense - Acct 428 (117.63.c)							
33 Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)							
34 Less: Amort of Premium on Debt - Acct 429 (117.65.c)							
35 Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)							
36 <b>Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)</b>				-			
37							
38 <b>Average Cost of Debt for 2017 (Ln 37/ Ln 28 (g))</b>							#DIV/0!

**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.

	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2017	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Amortization Period	
					Remaining Unamortized Balance	Beginning Ending
40				-		
41				-		
42				-		
43				-		
44				-		
45				-		
46				-		
47				-		
48				-		
49						
50	Total Hedge Amortization	-	-			
51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			-		
52	Total Average Capital Structure Balance for 2017 (TCOS, Ln 157)			-		
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005		
54	Limit of Recoverable Amount			-		
55	<b>Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)</b>					

**Development of Cost of Preferred Stock**

	Preferred Stock	Average
56	0% Series - 0 - Dividend Rate (p. 250-251)	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)**  
72 **Dividends on Preferred Stock (Lns 60, 65, 70)**  
73 **Average Cost of Preferred Stock (Ln 72/71)**

-	-	-
-	-	-
0.00%	0.00%	<b>0.00%</b>

Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)

**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**

**Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectively. Sales will be functionalized 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.**

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

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

COMPANY NAME HERE

1 Total AEP East Operating Company PBOP Settlement Amount

**Allocation of PBOP Settlement Amount for Rate Year:**

**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 Rate Year	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A)	(B)=(A)/Total (A)	(C)=(B) * 1	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
		(Line 14)						
2	APCo		0.00%	-		-	-	-
3	I&M		0.00%	-		-	-	-
4	KPCo		0.00%	-		-	-	-
5	KNGP		0.00%	-		-	-	-
6	OPCo		0.00%	-		-	-	-
7	WPCo		0.00%	-		-	-	-
8	<b>Sum of Lines 2 to 7</b>	-		-		-	-	-

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

	APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report							-
10 Additional PBOP Ledger Entries (from Company Records)							-
11 Medicare Subsidy							-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	-	-	-	-	-	-	-
13 PBOP Expenses From AEP Service Corporation (from Company Records)							-
14 Company PBOP Expense (Ln 12 + Ln 13)	-	-	-	-	-	-	-

Note:

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 formula actual 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 WACC 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 of (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 allowance 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

PLANT ACCT.	VA SCC RATES	VIRGINIA			WEST VIRGINIA			FERC WHOLESALE			FERC KINGSPORT			COMPANY			
		(1)	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	PSC OF WV APPROVED RATES	(2)	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (5)	(3)	WTD AVG. DEPREC. RATE	FERC RATES		(4)	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE
<b>TRANSMISSION PLANT</b>																	
Land Rights - Va.	350. 1	0.66%	1.000000	0.66%											0.66%		
Energy Storage Equipment (6)			351.0		14.22%	1.000000	14.22%								14.22%		
Structures & Improvements			352.0	1.55%	0.492648	0.76%	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	0.96%	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	0.56%	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	1.36%	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	0.50%	1.53%	0.414603	0.63%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.33%	
Underground Conduit			357.0	1.23%	0.492648	0.61%	3.71%	0.414603	1.54%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.35%	
Underground Conductors			358.0	3.18%	0.492648	1.57%	5.24%	0.414603	2.17%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	3.94%	
<b>GENERAL PLANT</b>																	
Structures and Improvements			390.0	1.50%	0.519557	0.78%	1.91%	0.425935	0.81%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.78%	
Office Furniture and Equip.			391.0	2.78%	0.519557	1.44%	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	0.00%	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	0.83%	1.80%	0.425935	0.77%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.79%	
Tools, Shop and Garage Equipment			394.0	2.07%	0.519557	1.08%	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	0.79%	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	0.00%	3.90%	0.425935	1.66%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.85%	
Communications Equipment			397.0	3.27%	0.519557	1.70%	4.98%	0.425935	2.12%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	4.01%	
Micellaneous Equipment			398.0	2.51%	0.519557	1.30%	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 February 1, 2012.

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

(2) Approved by PSC of WV Order dated February 27, 2019 in  
Case No. 18-0645-E-D effective March 6, 2019.

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

(5) The demand allocation factors are updated annually as of January 1, based on the 12 monthly CP's as of the previous September 30th.

(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 jurisdiction's 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 31, 2018  
FOR MULTIPLE JURISDICTION COMPANIES  
INDIANA MICHIGAN POWER COMPANY

	INDIANA				MICHIGAN			FERC WHOLESALE			COMPANY	
	PLAN T ACCT.	IURC RATES	(1)		WTD AVG.	(2)		WTD AVG.	(3)		WTD AVG.	
			ALLOCATION FACTOR (4)	DEPREC. RATE		MPSC ALLOCATION FACTOR (4)	DEPREC. RATE		FERC RATES	ALLOCATION FACTOR (4)		DEPREC. RATE
<b>TRANSMISSION PLANT</b>												
Land Improvements	350.1		1.48%	.6521029	.9651%	1.44%	.1442059	.2077%	1.44%	.2036912	.2933%	1.47%
Structures & Improvements	352.0		1.55%	.6521029	1.0108%	1.50%	.1442059	.2163%	1.50%	.2036912	.3055%	1.53%
Station Equipment	353.0		1.86%	.6521029	1.2129%	1.84%	.1442059	.2653%	1.84%	.2036912	.3748%	1.85%
Towers & Fixtures	354.0		1.69%	.6521029	1.1021%	1.57%	.1442059	.2264%	1.57%	.2036912	.3198%	1.65%
Poles & Fixtures	355.0		2.85%	.6521029	1.8585%	2.83%	.1442059	.4081%	2.83%	.2036912	.5764%	2.84%
Overhead Conductors	356.0		1.97%	.6521029	1.2846%	1.89%	.1442059	.2725%	1.89%	.2036912	.3850%	1.94%
Underground Conduit	357.0		1.86%	.6521029	1.2129%	1.77%	.1442059	.2552%	1.77%	.2036912	.3605%	1.83%
Underground Conductors	358.0		1.70%	.6521029	1.1086%	1.66%	.1442059	.2394%	1.66%	.2036912	.3381%	1.69%
Trails & Roads	359.0		1.50%	.6521029	.9782%	1.48%	.1442059	.2134%	1.48%	.2036912	.3015%	1.49%
<b>GENERAL PLANT</b>												
Structures and Improvements	390.0		2.03%	<u>.6765817</u>	<u>1.3735%</u>	<u>2.05%</u>	<u>.1539089</u>	<u>0.3155%</u>	<u>2.05%</u>	<u>.1695094</u>	<u>0.3475%</u>	<u>2.04%</u>
Office Furniture and Equip.	391.0		4.65%	<u>.6765817</u>	<u>3.1461%</u>	<u>4.77%</u>	<u>.1539089</u>	<u>0.7341%</u>	<u>4.77%</u>	<u>.1695094</u>	<u>0.8086%</u>	<u>4.69%</u>
Transportation Equipment	392.0		4.64%	<u>.6765817</u>	<u>3.1393%</u>	<u>4.68%</u>	<u>.1539089</u>	<u>0.7203%</u>	<u>4.68%</u>	<u>.1695094</u>	<u>0.7933%</u>	<u>4.65%</u>
Stores Equipment	393.0		4.10%	<u>.6765817</u>	<u>2.7740%</u>	<u>4.14%</u>	<u>.1539089</u>	<u>0.6372%</u>	<u>4.14%</u>	<u>.1695094</u>	<u>0.7018%</u>	<u>4.11%</u>
Tools, Shop and Garage Equipment	394.0		6.65%	<u>.6765817</u>	<u>4.4993%</u>	<u>6.79%</u>	<u>.1539089</u>	<u>1.0450%</u>	<u>6.79%</u>	<u>.1695094</u>	<u>1.1510%</u>	<u>6.70%</u>
Laboratory Equipment	395.0		5.41%	<u>.6765817</u>	<u>3.6603%</u>	<u>5.58%</u>	<u>.1539089</u>	<u>0.8588%</u>	<u>5.58%</u>	<u>.1695094</u>	<u>0.9459%</u>	<u>5.47%</u>
Power Operated Equipment	396.0		4.31%	<u>.6765817</u>	<u>2.9161%</u>	<u>4.43%</u>	<u>.1539089</u>	<u>0.6818%</u>	<u>4.43%</u>	<u>.1695094</u>	<u>0.7509%</u>	<u>4.35%</u>
Communications Equipment	397.0		3.82%	<u>.6765817</u>	<u>2.5845%</u>	<u>3.86%</u>	<u>.1539089</u>	<u>0.5941%</u>	<u>3.86%</u>	<u>.1695094</u>	<u>0.6543%</u>	<u>3.83%</u>
Micellaneous Equipment	398.0		3.14%	<u>.6765817</u>	<u>2.1245%</u>	<u>3.18%</u>	<u>.1539089</u>	<u>0.4894%</u>	<u>3.18%</u>	<u>.1695094</u>	<u>0.5390%</u>	<u>3.15%</u>

(1) As approved in Indiana Cause No.44967.

(2) As approved in Michigan Case No. U-18370.



**(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 jurisdiction's 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 9/1/2016**  
**FOR SINGLE JURISDICTION COMPANIES**  
**KINGSPORT POWER COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES</b> Note 1
<b>TRANSMISSION PLANT</b>		
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	357.0	Note 2
Underground Conductors	358.0	Note 2
<b>Composite Transmission Depreciation Rate</b>		<b>1.46%</b>
<b>GENERAL PLANT</b>		
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.

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

**General Note**

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

**AEP EAST COMPANIES**  
**PJM FORMULA RATE**  
**WORKSHEET P - TRANSMISSION DEPRECIATION RATES**  
**EFFECTIVE AS OF 7/1/2015**  
**FOR SINGLE JURISDICTION COMPANIES**  
**KENTUCKY POWER COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES</b> Note 1
<b>TRANSMISSION PLANT</b>		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductors	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%
<b><u>GENERAL PLANT</u></b>		
<u>Land and Land Rights</u>	<u>389.1</u>	<u>1.59%</u>
<u>Structures and Improvements</u>	<u>390.0</u>	<u>3.97%</u>
<u>Office Furniture and Equip.</u>	<u>391.0</u>	<u>3.20%</u>
<u>Transportation Equipment</u>	<u>392.0</u>	<u>3.52%</u>
<u>Stores Equipment</u>	<u>393.0</u>	<u>4.15%</u>
<u>Tools, Shop and Garage Equipment</u>	<u>394.0</u>	<u>4.20%</u>
<u>Laboratory Equipment</u>	<u>395.0</u>	<u>5.76%</u>
<u>Power Operated Equipment</u>	<u>396.0</u>	<u>5.43%</u>
<u>Communications Equipment</u>	<u>397.0</u>	<u>5.66%</u>
<u>Micellaneous Equipment</u>	<u>398.0</u>	<u>6.73%</u>

Reference:

Note 1: Rates Approved in Kentucky Public Service Commission 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
<b>TRANSMISSION PLANT (Note 1)</b>		
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 69KV	356.0	1.91%
Overhead Conductor & Devices MSP	356.0	1.91%
Overhead Conductor & Devices 138KV/Above	356.0	1.91%
Overhead Conductor & Devices 69KV/Below	356.0	1.91%
Overhead Conductor & Devices CLR 69KV/Below	356.0	1.91%
Underground Conduit	357.0	2.26%
Underground Conductors	358.0	3.27%
<b><u>GENERAL PLANT (Note 2)</u></b>		
<u>Structures and Improvements</u>	<u>390.0</u>	<u>2.17%</u>
<u>Office Furniture and Equip.</u>	<u>391.0</u>	<u>3.33%</u>
<u>Transportation Equipment</u>	<u>392.0</u>	<u>2.00%</u>
<u>Stores Equipment</u>	<u>393.0</u>	<u>2.94%</u>
<u>Tools, Shop and Garage Equipment</u>	<u>394.0</u>	<u>3.53%</u>
<u>Laboratory Equipment</u>	<u>395.0</u>	<u>3.57%</u>
<u>Power Operated Equipment</u>	<u>396.0</u>	<u>3.85%</u>
<u>Communications Equipment</u>	<u>397.0</u>	<u>2.86%</u>
<u>AMI - Communications Equipment</u>	<u>397.16</u>	<u>6.67%</u>
<u>Micellaneous Equipment</u>	<u>398.0</u>	<u>4.00%</u>

Reference:

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

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

**General Note:**

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

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

	<b>PLANT ACCT.</b>	<b>RATES</b> Note 1
<b>TRANSMISSION PLANT</b>		
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	357.0	9.94%
Underground Conductors	358.0	13.98%
Trails & Roads	359.0	-
<b><u>GENERAL PLANT</u></b>		
<u>Structures and Improvements</u>	<u>390.0</u>	<u>1.08%</u>
<u>Office Furniture and Equip.</u>	<u>391.0</u>	<u>2.13%</u>
<u>Stores Equipment</u>	<u>393.0</u>	<u>1.78%</u>
<u>Tools, Shop and Garage Equipment</u>	<u>394.0</u>	<u>1.65.%</u>
<u>Communications Equipment</u>	<u>397.0</u>	<u>5.09%</u>
<u>Micellaneous Equipment</u>	<u>398.0</u>	<u>2.76%</u>

Note 1: Rates Approved in WV Public Service Commission Case No. 18-0645-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**  
**(Hypothetical Example)**

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019 <hr style="border: 1px solid green;"/> -	-	2018 Revenue Requirement Forecast by October 31, 2017 <hr style="border: 1px solid green;"/> -	=	True-up Adjustment - Over (Under) Recovery -
--	---	--	---	--

	<b>Over (Under) Recovery Plus Interest</b>	<b>Average Monthly Interest Rate</b>	<b>Months</b>	<b>Calculated Interest</b>	<b>Amortization</b>	<b>Surcharge (Refund) Owed</b>
<b>Interest Rate on Amount of Refunds or Surcharges (Note 1)</b>		0.2780%				

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

<u>Calculation of Interest</u>			<b>Monthly</b>			
January	Year 2018	-	0.2780%	12	-	-
February	Year 2018	-	0.2780%	11	-	-
March	Year 2018	-	0.2780%	10	-	-
April	Year 2018	-	0.2780%	9	-	-
May	Year 2018	-	0.2780%	8	-	-
June	Year 2018	-	0.2780%	7	-	-
July	Year 2018	-	0.2780%	6	-	-
August	Year 2018	-	0.2780%	5	-	-
September	Year 2018	-	0.2780%	4	-	-
October	Year 2018	-	0.2780%	3	-	-
November	Year 2018	-	0.2780%	2	-	-
December	Year 2018	-	0.2780%	1	-	-
				-	-	-

			<b>Annual</b>			
January through December	Year 2019	-	0.2780%	12	-	-

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>			<b>Monthly</b>			
January	Year 2020	-	0.2780%	-	-	-
February	Year 2020	-	0.2780%	-	-	-
March	Year 2020	-	0.2780%	-	-	-
April	Year 2020	-	0.2780%	-	-	-
May	Year 2020	-	0.2780%	-	-	-
June	Year 2020	-	0.2780%	-	-	-
July	Year 2020	-	0.2780%	-	-	-
August	Year 2020	-	0.2780%	-	-	-
September	Year 2020	-	0.2780%	-	-	-
October	Year 2020	-	0.2780%	-	-	-
November	Year 2020	-	0.2780%	-	-	-
December	Year 2020	-	0.2780%	-	-	-
				-	-	-

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

Total Interest

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

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

		<b>Gross Plant In Service</b>				
Line No	Month (a)	Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	<b>(Note A)</b>	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5
1	December Prior to Rate Year					
2	January					
3	February					
4	March					
5	April					
6	May					
7	June					
8	July					
9	August					
10	September					
11	October					
12	November					
13	December of Rate Year					
14	Average of the 13 Monthly Balances	-	-	-	-	-

		<b>Accumulated Depreciation</b>				
Line No	Month (a)	Transmission (d)	Transmissio n ARO (e)	General (h)	General ARO (i)	Intangible (j)
	<b>(Note A)</b>	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, ln 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, ln 21, Col. (b)
15	December Prior to Rate Year					
16	January					
17	February					
18	March					
19	April					
20	May					
21	June					
22	July					
23	August					

24	September					
25	October					
26	November					
27	December of Rate Year					
28	Average of the 13 Monthly Balances	-	-	-	-	-

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)
		Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (d) of accumulated depreciation above)	Company Records	Company Records
	<b>(Note A)</b>				
29	December Prior to Rate Year				-
30	January				-
31	February				-
32	March				-
33	April				-
34	May				-
35	June				-
36	July				-
37	August				-
38	September				-
39	October				-
40	November				-
41	December of Rate Year				-
42	Average of the 13 Monthly Balances	-	-	-	-



43 Transmission Accumulated  
Depreciation net of GSU -

<u>Plant Held For Future Use</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2017</u>	<u>Balance @ December 31, 2016</u>	<u>Average Balance for 2017</u>
(a)	(b)	(c)	(d)	(e)
44 <u>Plant Held For Future Use</u>	FF1, page 214, ln 47, Col. (d)	-	-	-
45 <u>Transmission Plant Held For Future Use (Included in total on line 43)</u>	Company Records - Note 1	-	-	-

**Regulatory Assets and Liabilities  
Approved for Recovery In  
Ratebase**

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

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

**Unfunded Reserves Summary  
(Company Records)**

	<u>Description</u>	<u>Account</u>			
52					
53a					-
53b					-
54		Total	-	-	-

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

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

**AEPTCo subsidiaries in PJM**  
**Cost of Service Formula Rate Using** Actual/Projected FF1 Balances

Worksheet B Supporting ADIT and ITC Balances  
AEP \_\_\_\_\_ TRANSMISSION COMPANY

<u>Line</u> <u>Number</u>	<u>(A)</u> <u>Description</u>	<u>(B)</u> <u>Source</u>	<u>(C)</u> <u>Balance @ December</u> <u>31,</u>	<u>(D)</u> <u>Balance @ December</u> <u>31,</u>	<u>(E)</u> <u>Average Balance</u> <u>for</u>
1	<b><u>Account 281</u></b>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)			-
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)			-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)			-
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<b><u>Account 282</u></b>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)			-
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)			-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)			-
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	-	-	-
11	<b><u>Account 283</u></b>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)			-
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)			-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)			-
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	-	-	-
16	<b><u>Account 190</u></b>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)			-
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)			-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)			-
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	-	-	-
21	<b><u>Account 255</u></b>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)			-
23	Less: Balances Not Qualified for Ratebase	Company Records – Note 1			-
24	ITC Balances Includeable in Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)			-
<p>On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PRTR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.</p>					
NOTE 1					
NOTE 2	ADIT balances should exclude balances related to hedging activity.				

Company Name  
**SPECIFIED DEFERRED CREDITS - Actual Cycle Only**  
**PERIOD ENDED DECEMBER 31, 2017**

(DEBIT)  
 CREDIT

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
		PER BOOKS		NON-APPLICABLE/NON-UTILITY		AVERAGE ELECTRIC UTILITY (B+C+D+E)/2	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2016			FUNCTIONALIZATION 12/31/2017	
ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017		GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1.00 ACCOUNT 281:														
2.01														
2.02	0	0			0	0	0	0						
2.03														
2.04	0	0	0	0	0									
2.05	0	0	0	0	0									
2.06	0	0	0	0	0									
3 TOTAL ACCOUNT 281	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 ACCOUNT 281 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 ACCOUNT 282:														
5.01	0	0			0	0	0	0						
5.02	0	0			0	0	0	0						
5.03	0	0			0	0	0	0						
5.04	0	0			0	0	0	0						
5.05	0	0			0	0	0	0						

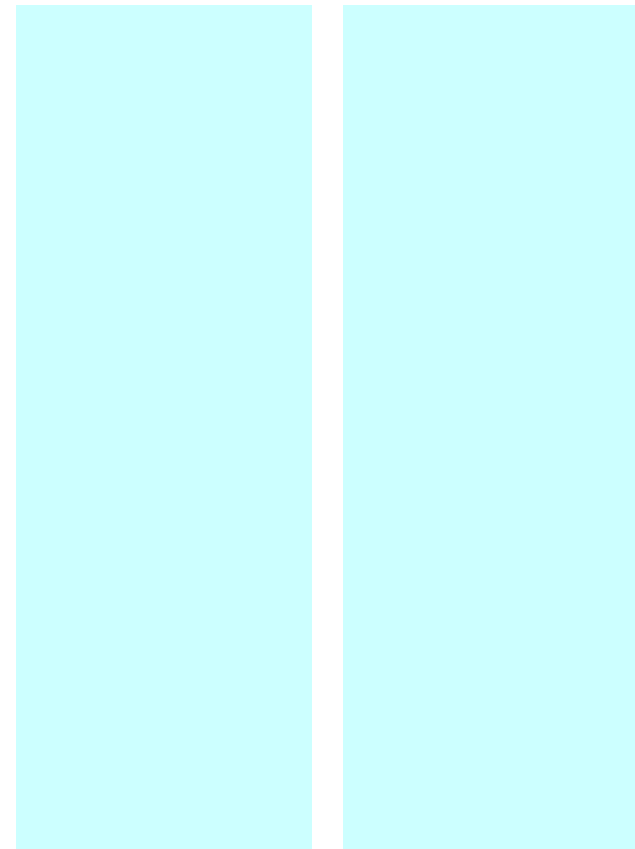
5.06	0	0	0	0	0	0
5.07	0	0	0	0	0	0
5.08	0	0	0	0	0	0
5.09	0	0	0	0	0	0
5.10	0	0	0	0	0	0
5.11	0	0	0	0	0	0
5.12	0	0	0	0	0	0
5.13	0	0	0	0	0	0
5.14	0	0	0	0	0	0
5.15	0	0	0	0	0	0
5.16	0	0	0	0	0	0
5.17	0	0	0	0	0	0
5.18	0	0	0	0	0	0
5.19	0	0	0	0	0	0
5.20	0	0	0	0	0	0
5.21	0	0	0	0	0	0
5.22	0	0	0	0	0	0
5.23	0	0	0	0	0	0
5.24	0	0	0	0	0	0
5.25	0	0	0	0	0	0
5.26	0	0	0	0	0	0
5.27	0	0	0	0	0	0
5.28	0	0	0	0	0	0
5.29	0	0	0	0	0	0
5.30	0	0	0	0	0	0
5.31	0	0	0	0	0	0
5.32	0	0	0	0	0	0
5.33	0	0	0	0	0	0
5.34	0	0	0	0	0	0
5.35	0	0	0	0	0	0
5.36	0	0	0	0	0	0
5.37	0	0	0	0	0	0
5.38	0	0	0	0	0	0

5.39	0	0	0
5.40	0	0	0
5.41	0	0	0

6	TOTAL ACCOUNT 282	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7	ACCOUNT 282 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0

8 ACCOUNT 283:

9.01	0	0	0	0	0	0
9.02	0	0	0	0	0	0
9.03	0	0	0	0	0	0
9.04	0	0	0	0	0	0
9.05	0	0	0	0	0	0
9.06	0	0	0	0	0	0
9.07	0	0	0	0	0	0
9.08	0	0	0	0	0	0
9.09	0	0	0	0	0	0
9.10	0	0	0	0	0	0
9.11	0	0	0	0	0	0
9.12	0	0	0	0	0	0
9.13	0	0	0	0	0	0
9.14	0	0	0	0	0	0
9.15	0	0	0	0	0	0
9.16	0	0	0	0	0	0
9.17	0	0	0	0	0	0
9.18	0	0	0	0	0	0
9.19	0	0	0	0	0	0
9.20	0	0	0	0	0	0
9.21	0	0	0	0	0	0
9.22	0	0	0	0	0	0
9.23	0	0	0	0	0	0



9.24	0	0	0	0	0	0
9.25	0	0	0	0	0	0
9.26	0	0	0	0	0	0
9.27	0	0	0	0	0	0
9.28	0	0	0	0	0	0
9.29	0	0	0	0	0	0
9.30	0	0	0	0	0	0
9.31	0	0	0	0	0	0
9.32	0	0	0	0	0	0
9.33	0	0	0	0	0	0
9.34	0	0	0	0	0	0
9.35	0	0	0	0	0	0
9.36	0	0	0	0	0	0
9.37	0	0	0	0	0	0
9.38	0	0	0	0	0	0
9.39	0	0	0	0	0	0
9.40	0	0	0	0	0	0
9.41	0	0	0	0	0	0
9.42	0	0	0	0	0	0
9.43	0	0	0	0	0	0
9.44	0	0	0	0	0	0
9.45	0	0	0	0	0	0
9.46	0	0	0	0	0	0
9.47	0	0	0	0	0	0
9.48	0	0	0	0	0	0
9.49	0	0	0	0	0	0
9.50	0	0	0	0	0	0
9.51	0	0	0	0	0	0
9.52	0	0	0	0	0	0
9.53	0	0	0	0	0	0
9.54	0	0	0	0	0	0
9.55	0	0	0	0	0	0
9.56	0	0	0	0	0	0

9.57	0	0	0	0	0	0
9.58	0	0	0	0	0	0
9.59	0	0	0	0	0	0
9.60	0	0	0	0	0	0
9.61	0	0	0	0	0	0
9.62	0	0	0	0	0	0
9.63	0	0	0	0	0	0
9.64	0	0	0	0	0	0
9.65	0	0	0	0	0	0
9.66	0	0	0	0	0	0
9.67	0	0	0	0	0	0
9.68	0	0	0	0	0	0
9.69	0	0	0	0	0	0
9.70	0	0	0	0	0	0
9.71	0	0	0	0	0	0
9.72	0	0	0	0	0	0
9.73	0	0	0	0	0	0
9.74	0	0	0	0	0	0
9.75	0	0	0	0	0	0
9.76	0	0	0	0	0	0
9.77	0	0	0	0	0	0
9.78	0	0	0	0	0	0
9.79	0	0	0	0	0	0
9.80	0	0	0	0	0	0
9.81	0	0	0	0	0	0
9.82	0	0	0	0	0	0
9.83	0	0	0	0	0	0
9.84	0	0	0	0	0	0
9.85	0	0	0	0	0	0
9.86	0	0	0	0	0	0
9.87	0	0	0	0	0	0
9.88	0	0	0	0	0	0
9.89	0	0	0	0	0	0

9.90		0	0		0	0	0	0		
9.91		0	0		0	0	0	0		
9.92		0	0		0	0	0	0		
9.93		0	0		0	0	0	0		
9.94				0	0	0				
9.95				0	0	0				
9.96				0	0	0				
9.97				0	0	0				
9.98				0	0	0				
9.99				0	0	0				
10		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11	DEFD STATE INCOME TAXES	0	0		0	0	0	0		
11.01				0	0	0				
12	TOTAL ACCOUNT 283	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13	ACCOUNT 283 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0
14	JURISDICTIONAL AMOUNTS FUNCTIONALIZED									
15	TOTAL COMPANY AMOUNTS FUNCTIONALIZED									
16	REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT									
17	NOTE: POST 1970 ACCUMULATED DEFERRED INV TAX CRED. (JDITC)									
18	IN A/C 255									
18.01		0	0		0	0	0	0		
18.02		0	0		0	0	0	0		
19										
20	TOTAL ACCOUNT 255	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>



Company Name  
**ACCUMULATED DEFERRED INCOME**  
**TAX IN ACCOUNT 190 - Actual Cycle**  
**Only**  
**PERIOD ENDED DECEMBER 31, 2017**

COLUMN A	PER BOOKS		NON-APPLICABLE/NON-UTILITY		AVERAGE ELECTRIC UTILITY (B+C+D+E) /2	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2016			FUNCTIONALIZATION 12/31/2017		
	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017		GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1 ACCOUNT 190:														
2.01	0	0			0	0	0	0						
2.02	0	0			0	0	0	0						
2.03	0	0			0	0	0	0						
2.04	0	0			0	0	0	0						
2.05	0	0			0	0	0	0						
2.06	0	0			0	0	0	0						
2.07	0	0			0	0	0	0						
2.08	0	0			0	0	0	0						
2.09	0	0			0	0	0	0						
2.10	0	0			0	0	0	0						
2.11	0	0			0	0	0	0						
2.12	0	0			0	0	0	0						
2.13	0	0			0	0	0	0						
2.14	0	0			0	0	0	0						
2.15	0	0			0	0	0	0						
2.16	0	0			0	0	0	0						
2.17	0	0			0	0	0	0						
2.18	0	0			0	0	0	0						
2.19	0	0			0	0	0	0						
	0	0			0	0	0	0						

2.20							
2.21	0	0	0	0	0	0	0
2.22	0	0	0	0	0	0	0
2.23	0	0	0	0	0	0	0
2.24	0	0	0	0	0	0	0
2.25	0	0	0	0	0	0	0
2.26	0	0	0	0	0	0	0
2.27	0	0	0	0	0	0	0
2.28	0	0	0	0	0	0	0
2.29	0	0	0	0	0	0	0
2.30	0	0	0	0	0	0	0
2.31	0	0	0	0	0	0	0
2.32	0	0	0	0	0	0	0
2.33	0	0	0	0	0	0	0
2.34	0	0	0	0	0	0	0
2.35	0	0	0	0	0	0	0
2.36	0	0	0	0	0	0	0
2.37	0	0	0	0	0	0	0
2.38	0	0	0	0	0	0	0
2.39	0	0	0	0	0	0	0
2.40	0	0	0	0	0	0	0
2.41	0	0	0	0	0	0	0
2.42	0	0	0	0	0	0	0
2.43	0	0	0	0	0	0	0
2.44	0	0	0	0	0	0	0
2.45	0	0	0	0	0	0	0
2.46	0	0	0	0	0	0	0
2.47	0	0	0	0	0	0	0
2.48	0	0	0	0	0	0	0
2.49	0	0	0	0	0	0	0
2.50	0	0	0	0	0	0	0
2.51	0	0	0	0	0	0	0
2.52	0	0	0	0	0	0	0
2.53	0	0	0	0	0	0	0

2.54	0	0	0	0	0	0	0
2.55	0	0	0	0	0	0	0
2.56	0	0	0	0	0	0	0
2.57	0	0	0	0	0	0	0
2.58	0	0	0	0	0	0	0
2.59	0	0	0	0	0	0	0
2.60	0	0	0	0	0	0	0
2.61	0	0	0	0	0	0	0
2.62	0	0	0	0	0	0	0
2.63	0	0	0	0	0	0	0
2.64	0	0	0	0	0	0	0
2.65	0	0	0	0	0	0	0
2.66	0	0	0	0	0	0	0
2.67	0	0	0	0	0	0	0
2.68	0	0	0	0	0	0	0
2.69	0	0	0	0	0	0	0
2.70	0	0	0	0	0	0	0
2.71	0	0	0	0	0	0	0
2.72	0	0	0	0	0	0	0
2.73	0	0	0	0	0	0	0
2.74	0	0	0	0	0	0	0
2.75	0	0	0	0	0	0	0
2.76	0	0	0	0	0	0	0
2.77	0	0	0	0	0	0	0
2.78	0	0	0	0	0	0	0
2.79	0	0	0	0	0	0	0
2.80			0	0	0		
2.81			0	0	0		
2.82			0	0	0		
2.83			0	0	0		
2.84			0	0	0		
2.85			0	0	0		
2.86			0	0	0		

2.87												
2.88			0	0	0							
2.89			0	0	0							
2.90			0	0	0	0	0	0				
2.91		0	0		0	0	0	0				
3	TOTAL ACCOUNT 190	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4	ACCOUNT 190 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0

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

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	
			<u>Materials &amp; Supplies</u>						
<u>Line Number</u>		<u>Source</u>	<u>Balance @ December 31,</u>	<u>Balance @ December 31,</u>	<u>Average Balance for</u>				
1									
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)			-				
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	0	0	-				
4	Stores Expense (Undistributed) – Account 163	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-				
<b>Prepayment Balance Summary (Note 1)</b>									
5		<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>		
6	Totals as of December 31,	0	0	0	0	0	0		
7	Totals as of December 31,								
8	<b>Average Balance</b>	-	-	-	-	-	-		
<b>Prepayments Account 165 - Balance @ 12/31/</b>									
9	<u>Acc. No.</u>	<u>Description</u>	<u>YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>
10				-		-		-	
11				-				-	
12				-			-	-	
13				-			-	-	
14				-			-	-	
15				-			-	-	
16				-			-	-	
17				-			-	-	
18				-			-	-	
19				-			-	-	
		<b>Subtotal - Form 1, p 111.57.c</b>	0	0	0	0	0	0	
<b>Prepayments Account 165 - Balance @ 12/31/</b>									
20	<u>Acc. No.</u>	<u>Description</u>	<u>YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>
21						0		-	
22						0		-	
23						0		-	
24								-	
25				0				-	
26				0				-	
27				0				-	
28				0				-	
29							0	-	
30				0				-	
31				0				-	
		<b>Subtotal - Form 1, p 111.57.d</b>		0				-	

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

Note 1:

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet D Supporting IPP Credits  
 AEP \_\_\_\_\_ TRANSMISSION COMPANY

<u>Line Number</u>	<u>(A)</u> <u>Description</u>	<u>(B)</u>
1	Net Funds from IPP Customers 12/31/___ (___ FORM 1, P269)	-
2	Interest Expense (Company Records – Note 1)	-
3	Revenue Credits to Generators (Company Records – Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records – Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/ (___ FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column ((ln 1 + ln 7)/2)	-
Note 1	On this worksheet Company Records refers to AEP ___ TRANSMISSION COMPANY 's general ledger.	

**AEPTCo subsidiaries in PJM**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet E Supporting Revenue Credits**  
**AEP \_\_\_\_\_ TRANSMISSION COMPANY**

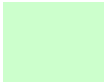
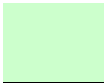
<u>Line</u> <u>Number</u>	<u>Description</u>	<u>(a)</u> <u>Total</u> <u>Company</u>	<u>(b)</u> <u>Non-</u> <u>Transmission</u>	<u>(c)</u> <u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)		-	
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)		-	
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1, 2)		-	
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))		-	
7	Accounts 4470004 & 4470005, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-		-
8	Total Other Operating Revenues To Reduce Revenue Requirement			
9	Facility Credits under PJM OATT Section 30.9			-
Note 1	The total company data on this worksheet comes from the indicated FF1 source, or AEP _____ TRANSMISSION COMPANY 's general ledger. The functional amounts identified as transmission revenue also come from the general ledger.			
Note 2	The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)			

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

(A) Line Number	(B) Item No.	(C) Description Expense	(D) 100% Non-Transmission	(E) 100% Transmission Specific	(F) Explanation
1		<b>Regulatory O&amp;M Deferrals &amp; Amortizations</b>			
2		-			
3		-			
4		<b>Total</b>	0		
5		<b>Detail of Account 561 Per FERC Form 1</b>			
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			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services			
14		<b>Total of Account 561</b>			
15		<b>Account 928</b>			
16				-	
17				-	
18				-	
19				-	
20				-	
21		<b>Total (FERC Form 1 p.323.189.b)</b>	-	-	
22		<b>Account 930.1</b>			
23			-	-	
24			-	-	
25			-	-	
26			-	-	
27			-	-	
28			-	-	
29			-	-	
30			-	-	
31			-	-	
32			-	-	
33			-	-	
34			-	-	
35			-	-	
36			-	-	
37			-	-	
38		<b>Total (FERC Form 1 p.323.191.b)</b>	-	-	
39		<b>Account 930.2</b>			
40					
41					
42					
43		<b>Total (FERC Form 1 p.323.192.b)</b>	-	-	



AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet G Supporting - Development of Composite State Income Tax Rate  
 AEP \_\_\_\_\_ TRANSMISSION COMPANY

1	_____ Tax Rate	
	Apportionment Factor – Note 1	
	Effective State Tax Rate	<hr style="width: 100%;"/>
2	_____ Tax Rate	
	Apportionment Factor – Note 1	
	Effective State Tax Rate	<hr style="width: 100%;"/>
3	_____ Tax Rate	
	Apportionment Factor – Note 1	
	Effective State Tax Rate	<hr style="width: 100%;"/>
4	_____ Tax Rate	
	Apportionment Factor – Note 1	
	Effective State Tax Rate	<hr style="width: 100%;"/>
5	_____ Tax Rate	
	Apportionment Factor – Note 1	
	Effective State Tax Rate	<hr style="width: 100%;"/>
	Total Effective State Income Tax Rate	<hr style="width: 100%;"/> <hr style="width: 100%;"/>

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

AEP/TCO subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FFI Balances  
 Worksheet H Supporting Taxes Other than Income  
 AEP TRANSMISSION COMPANY

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	<b>Revenue Taxes</b>	NOTE 1				
2	List Individual Taxes Here					-
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - Jurisdiction #1		-			
5	Real and Personal Property - Jurisdiction #2		-			
6	Real and Personal Property - Jurisdiction #3		-			
7	Real and Personal Property - Other Jurisdictions		-			
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )			-		
10	Federal Unemployment Tax			-		
11	State Unemployment Insurance			-		
12	<b>Line Deliberately Left Blank</b>					
13	State Severance Taxes					-
14	<b>Miscellaneous Taxes</b>					
15	List Individual Taxes Here					-
16					-	
17					-	
18					-	
19					-	
20					-	
21					-	
22					-	
23	Total Taxes by Allocable Basis	-	-	-	-	-

(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**

Line No.	Description	Lines 24-58 Column (B) Deliberately Left Blank	Transmission	Lines 24-58 Column (D) Deliberately Left Blank	General	Total
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)					
	<b>JURISDICTION</b>					
25	Percentage of Plant in _____ JURISDICTION					
26	Net Plant in _____ JURISDICTION (Ln 24 * Ln 25)					
27	Less: Net Value of Exempted Generation Plant					
28	Taxable Property Basis (Ln 26 - Ln 27)					
29	Relative Valuation Factor					
30	Weighted Net Plant (Ln 28 * Ln 29)					
31	General Plant Allocator (Ln 31 / (Total - General Plant))					
32	Functionalized General Plant (Ln 31 * General Plant)					
33	Weighted _____ JURISDICTION Plant (Ln 30 + 32)					
34	Functional Percentage (Ln 33/Total Ln 33)					
35	Net Plant in _____ JURISDICTION (Ln 24 - Ln 26)					
36	Less: Net Value of Exempted Generation Plant					
37	Taxable Property Basis (Ln 36 - Ln 37)					
38	Relative Valuation Factor					
39	Weighted Net Plant (Ln 37 * Ln 38)					
40	General Plant Allocator (Ln 39 / (Total - General Plant))					
41	Functionalized General Plant (Ln 41 * General Plant)					
42	Weighted _____ JURISDICTION Plant (Ln 39 + 41)					
43	Functional Percentage (Ln 42/Total Ln 42)					

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

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference			
1	<b>Revenue Taxes</b>						
2	Gross Receipts Tax			P.263.1 ln 7 (i) P.263.2 ln 3 (i) P.263.2 ln 4 (i)			
	(A) "Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)"	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
3	<b>Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)</b>						
4	Real and Personal Property -						
5	Real and Personal Property -						
6	Real and Personal Property -						
7	Real and Personal Property - Other Jurisdictions						
Line No.	(A) <b>Annual Tax Expense by Type (Note 1)</b>		(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference			
8	<b>Payroll Taxes</b>						
9	Federal Insurance Contribution (FICA )			P.263 ln 6 (i)			
10	Federal Unemployment Tax			P.263 ln 9 (i)			
11	State Unemployment Insurance			P.263.1 ln 23 (i) P.263.3 ln 16 (i)			
12	Line Left Deliberately Blank						
13	State Severance Taxes						
14	<b>Miscellaneous Taxes</b>						
15	State Business & Occupation Tax			P.263 ln 21 (i) P.263 ln 22 (i)			
16	State Public Service Commission Fees			P.263 ln 26 (i) P.263.3 ln 20 (i)			
17	State Franchise Taxes			P.263.1 ln 18 (i) P.263.4 ln 27 (i)			
18	State Lic/Registration Fee			P.263.1 ln 15 (i) P.263.4 ln 21 (i)			
19	Misc. State and Local Tax			P.263.1 ln 12 (i)			

20	Sales & Use	[Redacted]	P.263 ln 30 (i) P.263.3 ln 21 (i)
21	Federal Excise Tax	[Redacted]	P.263 ln 13 (i) P.263 ln 14 (i)
22	Michigan Single Business Tax	[Redacted]	
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	[Redacted]	

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

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

AEPTCo subsidiaries in PJM  
Cost of Service Formula Rate Using Actual/Projected FF1  
Balances  
Worksheet I RESERVED  
AEP \_\_\_\_\_ TRANSMISSION COMPANY

**RESERVED FOR FUTURE USE**

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones  
 AEP \_\_\_\_\_ TRANSMISSION 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 138) 11.49%  
 Project ROE Incentive Adder  
 ROE with additional basis point incentive  
 Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 164 through166)

	<u>%</u>	<u>Cost</u>	<u>Weighted cost</u>	
Long Term Debt	0.00%	0.00%		0.000%
Preferred Stock	0.00%	0.00%		0.000%
Common Stock	0.00%	11.49%		<u>0.000%</u>
R =				0.000%

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

**B. Determine Return using 'R' with hypothetical basis point ROE increase for Identified Projects.**  
 Rate Base (TCOS, ln 58) -  
 R (from A. above) 0.000%  
 Return (Rate Base x R) -  
**C. Determine Income Taxes using Return with hypothetical basis point ROE increase for Identified Projects.**  
 Return (from B. above) -  
 Effective Tax Rate (TCOS, ln 97) 0.00%  
 Income Tax Calculation (Return x CIT) -  
 ITC Adjustment -  
 Excess Deferred Income Tax -  
 Tax Affect of Permanent Differences -  
 Income Taxes -

**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) -  
 Lease Payments (TCOS, Ln 80) -  
 Return (TCOS, ln 109) -  
 Income Taxes (TCOS, ln 108) -  
 Annual Revenue Requirement, Less Lease Payments, Return and Taxes -  
**B. Determine Annual Revenue Requirement with hypothetical basis point increase in ROE.**  
 Annual Revenue Requirement, Less Lease payments, Return and Taxes -  
 Return (from I.B. above) -  
 Income Taxes (from I.C. above) -  
 Annual Revenue Requirement, with Basis Point ROE increase -  
 Depreciation & Amortization (TCOS, ln 83) -  
 Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation -  
**C. Determine FCR with hypothetical basis point ROE increase.**  
 Net Transmission Plant (TCOS, ln 33) -  
 Annual Revenue Requirement, with Basis Point ROE increase -  
 FCR with Basis Point increase in ROE 0.00%  
 Annual Rev. Req. w/ Basis Point ROE increase, less Dep. -  
 FCR with Basis Point ROE increase, less Depreciation 0.00%  
 FCR less Depreciation (TCOS, ln 10) 0.00%  
 Incremental FCR with Basis Point ROE increase, less Depreciation 0.00%

**II**

**I. Calculation of Composite Depreciation Rate**

Average Transmission Plant Balance for \_\_\_ TCOS, ln 19 -  
 Annual Depreciation and Amortization Expense( TCOS, ln 83) -  
 Composite Depreciation Rate 0.00%  
 Depreciable Life for Composite Depreciation Rate -  
 Average Life in Whole Years -  
 Note 1: Until AEP \_\_\_\_\_TRANSMISSION COMPANY establishes Transmission plant in service the depreciation expense component of the carrying charge will be calculated as in the Operating Company formula approved in Docket No. ER08-1329.  
 The calculation for AEP \_\_\_\_\_TRANSMISSION COMPANY is shown on Worksheet P.

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

I

## V 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. [REDACTED] (e.g. ER10-925-000)

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

Project Description: [REDACTED]

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

**CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:**  
CUMMULATIVE 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.

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

Project Totals  
 \*\* 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.



**I.**

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

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

ROE w/o incentives ( TCOS, ln 138)	11.49
Project ROE Incentive Adder	0
ROE with additional 0 basis point incentive	

Determine R ( cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 164 through 166)

	%	Cost	Weighted cost
Long Term Debt	0.00%	0.00%	0.000%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	0.00%	0.00%	11.490%
R =			0.000%

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

Rate Base ( TCOS, ln 58)	-
R (from A. above)	0.000
Return (Rate Base x R)	-

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

Return (from B. above)	-
Effective Tax Rate (TCOS, ln 97)	0.00%
Income Tax Calculation (Return x CIT)	-
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	-
Income Taxes	-

**II.**

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

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

Annual Revenue Requirement ( TCOS, ln 1)	-
Lease Payments ( TCOS, Ln 80)	-
Return ( TCOS, ln 109)	-
Income Taxes ( TCOS, ln 108)	-
Annual Revenue Requirement, Less Lease payments, Return and Taxes	-

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

Annual Revenue Requirement, Less Lease payments, Return and Taxes	-
Return (from I.B. above)	-
Income Taxes (from I.C. above)	-
Annual Revenue Requirement, with 0 Basis Point ROE increase	-
Depreciation (TCOS, ln 83)	-
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	-

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

Net Transmission Plant (TCOS, ln 33)	-
Annual Revenue Requirement, with 0 Basis Point ROE increase	-
FCR with 0 Basis Point increase in ROE	0.00%
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Dep.	-
FCR with 0 Basis Point ROE increase, less Depreciation	0.00%
FCR less Depreciation (TCOS, ln 10)	0.00%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

**III.**

**Calculation of Composite Depreciation Rate**

Average Transmission Plant Balance for _____ TCOS, ln 19	-
Annual Depreciation and Amortization Expense (TCOS, ln 83)	-
Composite Depreciation Rate	0.00%
Depreciable Life for Composite Depreciation Rate	-
Average Life in Whole Years	-

TRUE-UP YEAR	Rev Require	W Incentives	Incentive Amounts
As Projected in Prior Year WS J	-	-	\$ -
Actual after True-up	\$ -	\$ -	\$ -
True-up of ARR For _____	-	-	-

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



AEPTCo subsidiaries in PJM  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet L RESERVED  
AEP \_\_\_\_\_ TRANSMISSION COMPANY  
**RESERVED FOR FUTURE USE**

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of  
 Capital  
 AEP WEST VIRGINIA TRANSMISSION COMPANY

		Average Balance of Common Equity				
Line No	Month	Proprietary Capital	Less: Preferred Stock	Less Undistributed Sub Earnings (Acct 216.1)	Less AOCI (Acct 219.1)	Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)
1	December Prior to Rate Year	-	-	-	-	-
2	January	-	-	-	-	-
3	February	-	-	-	-	-
4	March	-	-	-	-	-
5	April	-	-	-	-	-
6	May	-	-	-	-	-
7	June	-	-	-	-	-
8	July	-	-	-	-	-
9	August	-	-	-	-	-
10	September	-	-	-	-	-
11	October	-	-	-	-	-
12	November	-	-	-	-	-
13	December of Rate Year	-	-	-	-	-
14	Average of the 13 Monthly Balances	-	-	-	-	-

		Average Balance of Long Term Debt					
Line No	Month	Bonds	Less: Reacquired Bonds	Acct 223 LT Advances from Assoc. Companies	Acct 224 Senior Unsecured Notes	Less: Fair Value Hedges	Gross Proceeds Outstanding Long-Term Debt

(a)	(b)	(c)	(d)	(e)	(f)	(g)=(b)-(c)+(d)+(e)-(f)
(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15 December Prior to Rate Year	-	-	-	-	-	-
16 January	-	-	-	-	-	-
17 February	-	-	-	-	-	-
18 March	-	-	-	-	-	-
19 April	-	-	-	-	-	-
20 May	-	-	-	-	-	-
21 June	-	-	-	-	-	-
22 July	-	-	-	-	-	-
23 August	-	-	-	-	-	-
24 September	-	-	-	-	-	-
25 October	-	-	-	-	-	-
26 November	-	-	-	-	-	-
27 December of Rate Year	-	-	-	-	-	-
28 Average of the 13 Monthly Balances	-	-	-	-	-	-

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 <b>Annual Interest Expense for 2017</b>						
Interest on Long Term Debt - Accts						
30 221 - 224 (256-257.33.i)			-			
Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
31 Amort of Debt Discount & Expense - Acct 428 (117.63.c)			-			
32 Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			-			
33 Less: Amort of Premium on Debt - Acct 429 (117.65.c)			-			
34 Less: Amort of Gain on Reacquired			-			
35			-			

	Debt - Acct 429.1 (117.66.c)	-
	<b>Total Interest Expense (Ln 30 - 31</b>	
36	+ 32 + 33 - 34 - 35)	-
	<b>Average Cost of Debt for 2017 (Ln</b>	
37	36/ ln 28 (g))	#DIV/0!

**CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS**

38 AEP WEST VIRGINIA TRANSMISSION COMPANY may not include costs (or gains) related to interest hedging activities.

	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortizati on of (Gain)/Loss for 2017	Remaining Unamortize d Balance	Amortization Period	
				Beginning	Ending
39					
40					
41					
42					
<hr/>					
	Net (Gain)/Loss Hedge				
43	Amortization To Be Removed	-	-	-	-

**Development of Cost of Preferred Stock**

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

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

**Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectively. Sales will be functionalized 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)	Basis	Proceeds	(Gain) / Loss	Functional Allocator	Functional Proceeds (Gain) / Loss	FERC Account  (Gain) / Loss
			T = Transmission G = General						
1						-	0.000%		
2						-	0.000%		
3						-	0.000%		
4					Net (Gain) or Loss for ____	-			

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

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

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

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



**AEPTCo subsidiaries in PJM  
Worksheet - P  
DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS  
EFFECTIVE AS OF 3/6/2019**

**AEP APPALACHIAN TRANSMISSION COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b>TRANSMISSION PLANT</b>		
Energy Storage Equipment	351.0	14.22%
Structures & Improvements	352.0	1.62%
Station Equipment	353.0	2.37%
Towers & Fixtures	354.0	1.59%
Poles & Fixtures	355.0	2.71%
Overhead Conductor	356.0	1.53%
Underground Conduit	357.0	3.71%
Underground Conductors	358.0	5.24%
 <b><u>GENERAL PLANT</u></b>		
<u>Structures and Improvements</u>	<u>390</u>	<u>1.91%</u>
<u>Office Furniture and Equip.</u>	<u>391</u>	<u>3.17%</u>
<u>Stores Equipment</u>	<u>393</u>	<u>1.80%</u>
<u>Tools, Shop and Garage Equipment</u>	<u>394</u>	<u>2.57%</u>
<u>Laboratory Equipment</u>	<u>395</u>	<u>4.01%</u>
<u>Power Operated Equipment</u>	<u>396</u>	<u>3.90%</u>
<u>Communications Equipment</u>	<u>397</u>	<u>4.98%</u>
<u>Micellaneous Equipment</u>	<u>398</u>	<u>2.70%</u>

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

	<b><u>Composite Depreciation Rate</u></b>	<b><u>OpCo Company</u></b>	<b><u>OpCo Company</u></b>	<b><u>TOTAL</u></b>
1	T-Plant (FF1 206.58.g)			
2	T-Plant (FF1 206.58.b)			
3	Average (Ln 1+ Ln 2)/2			
4	Depreciation (FF1 336.7.f)			
5	Composite Depreciation (Ln 3 / Ln 4)			

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

**AEPTCo subsidiaries in PJM  
Worksheet - P  
DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS  
EFFECTIVE AS OF 7/1/2018**

**AEP INDIANA MICHIGAN TRANSMISSION COMPANY**

<b>TRANSMISSION PLANT</b>	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
Land Rights	350.1	1.48%
Structures & Improvements	352.0	1.55%
Station Equipment	353.0	1.86%
Towers & Fixtures	354.0	1.69%
Poles & Fixtures	355.0	2.85%
Overhead Conductor	356.0	1.97%
Underground Conduit	357.0	1.86%
Underground Conductors	358.0	1.70%
 <b><u>GENERAL PLANT</u></b>		
<u>Structures and Improvements</u>	<u>390</u>	<u>2.03%</u>
<u>Office Furniture and Equip.</u>	<u>391</u>	<u>4.65%</u>
<u>Stores Equipment</u>	<u>393</u>	<u>4.10%</u>
<u>Tools, Shop and Garage Equipment</u>	<u>394</u>	<u>6.65%</u>
<u>Laboratory Equipment</u>	<u>395</u>	<u>5.41%</u>
<u>Power Operated Equipment</u>	<u>396</u>	<u>4.31%</u>
<u>Communications Equipment</u>	<u>397</u>	<u>3.82%</u>
<u>Micellaneous Equipment</u>	<u>398</u>	<u>3.14%</u>

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

<b><u>Composite Depreciation Rate</u></b>	<b><u>OpCo Company</u></b>	<b><u>OpCo Company</u></b>	<b><u>TOTAL</u></b>
T-Plant (FF1 206.58.g)			
T-Plant (FF1 206.58.b)			
Average (Ln 1+ Ln 2)/2			
Depreciation (FF1 336.7.f)			
Composite Depreciation (Ln 3 / Ln 4)			

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

**AEPTCo subsidiaries in PJM  
Worksheet - P  
DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS  
EFFECTIVE AS OF 7/1/2015**

**AEP KENTUCKY TRANSMISSION COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b>TRANSMISSION PLANT</b>		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductor	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%
 <b><u>GENERAL PLANT</u></b>		
<u>Land Rights</u>	<u>389.1</u>	<u>1.59%</u>
<u>Structures &amp; Improvements</u>	<u>390</u>	<u>3.97%</u>
<u>Office Furniture &amp; Equipment</u>	<u>391</u>	<u>3.20%</u>
<u>Transportation Equipment</u>	<u>392</u>	<u>3.52%</u>
<u>Stores Equipment</u>	<u>393</u>	<u>4.15%</u>
<u>Tools Shop &amp; Garage Equipment</u>	<u>394</u>	<u>4.20%</u>
<u>Laboratory Equipment</u>	<u>395</u>	<u>5.76%</u>
<u>Power Operated Equipment</u>	<u>396</u>	<u>5.43%</u>
<u>Communication Equipment</u>	<u>397</u>	<u>5.66%</u>
<u>Miscellaneous Equipment</u>	<u>398</u>	<u>6.73%</u>

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

	<u>Composite Depreciation Rate</u>	<u>OpCo Company</u>	<u>OpCo Company</u>	<u>TOTAL</u>
1	T-Plant (FF1 206.58.g)			
2	T-Plant (FF1 206.58.b)			
3	Average (Ln 1+ Ln 2)/2			
4	Depreciation (FF1 336.7.f)			
5	Composite Depreciation (Ln 3 / Ln 4)			

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

**AEPTCo subsidiaries in PJM  
Worksheet - P  
DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS  
EFFECTIVE AS OF 3/6/2019**

**AEP OHIO TRANSMISSION COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b>TRANSMISSION PLANT</b>		
Land Rights	350.1	1.46%
Energy Storage Equipment	351.0	14.22%
Structures & Improvements	352.0	1.75%
Station Equipment	353.0	2.13%
Towers & Fixtures	354.0	1.96%
Poles & Fixtures	355.0	3.17%
Overhead Conductor	356.0	2.14%
Underground Conduit	357.0	2.85%
Underground Conductors	358.0	3.19%
 <b><u>GENERAL PLANT</u></b>		
<u>Structures &amp; Improvements</u>	<u>390.0</u>	<u>2.64%</u>
<u>Office Furniture &amp; Equipment</u>	<u>391.0</u>	<u>3.67%</u>
<u>Stores Equipment</u>	<u>393.0</u>	<u>3.35%</u>
<u>Tools Shop &amp; Garage Equipment</u>	<u>394.0</u>	<u>4.48%</u>
<u>Laboratory Equipment</u>	<u>395.0</u>	<u>5.06%</u>
<u>Power Operated Equipment</u>	<u>396.0</u>	<u>4.55%</u>
<u>Communication Equipment</u>	<u>397.0</u>	<u>4.82%</u>
<u>Miscellaneous Equipment</u>	<u>398.0</u>	<u>4.19%</u>

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

<b><u>Composite Depreciation Rate</u></b>	<u>OpCo Company</u>	<u>OpCo Company</u>	<u>TOTAL</u>
T-Plant (FF1 206.58.g)			
T-Plant (FF1 206.58.b)			
Average (Ln 1+ Ln 2)/2			
Depreciation (FF1 336.7.f)			
Composite Depreciation (Ln 3 / Ln 4)			

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

**AEPTCo subsidiaries in PJM  
Worksheet - P  
DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS  
EFFECTIVE AS OF 3/6/2019**

**AEP WEST VIRGINIA TRANSMISSION COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b>TRANSMISSION PLANT</b>		
Energy Storage Equipment	351.0	14.22%
Structures & Improvements	352.0	1.62%
Station Equipment	353.0	2.37%
Towers & Fixtures	354.0	1.59%
Poles & Fixtures	355.0	2.71%
Overhead Conductor	356.0	1.53%
Underground Conduit	357.0	3.71%
Underground Conductors	358.0	5.24%
 <b><u>GENERAL PLANT</u></b>		
<u>Structures &amp; Improvements</u>	<u>390.0</u>	<u>1.91%</u>
<u>Office Furniture &amp; Equipment</u>	<u>391.0</u>	<u>3.17%</u>
<u>Stores Equipment</u>	<u>393.0</u>	<u>1.80%</u>
<u>Tools Shop &amp; Garage Equipment</u>	<u>394.0</u>	<u>2.57%</u>
<u>Laboratory Equipment</u>	<u>395.0</u>	<u>4.01%</u>
<u>Power Operated Equipment</u>	<u>396.0</u>	<u>3.90%</u>
<u>Communication Equipment</u>	<u>397.0</u>	<u>4.98%</u>
<u>Miscellaneous Equipment</u>	<u>398.0</u>	<u>2.70%</u>

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

	<u>OpCo Company</u>	<u>OpCo Company</u>	<u>TOTAL</u>
<b><u>Composite Depreciation Rate</u></b>			
1 T-Plant (FF1 206.58.g)			
2 T-Plant (FF1 206.58.b)			
3 Average (Ln 1+ Ln 2)/2			
4 Depreciation (FF1 336.7.f)			
5 Composite Depreciation (Ln 3 / Ln 4)			

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

AEP East Consolidated Utility Capital Structure  
Consolidation of Operating Companies' Capital Structure @ 12-31-  
Worksheet Q Page 1

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

AEP East Consolidated Utility Capital Structure  
 Consolidation of Operating Companies' Capital Structure @ 12-31-\_\_\_\_  
 Worksheet Q Page 2

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

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

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



**AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet R – True-up With Interest  
 (Hypothetical Example)**

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019	-	-	2018 Revenue Requirement Forecast by October 31, 2017	-	=	True-up Adjustment - Over (Under) Recovery	-
---	---	---	---	---	---	--	---

	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
Interest Rate on Amount of Refunds or Surcharges (Note 1)		0.2780%				

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

<u>Calculation of Interest</u>			<b>Monthly</b>			
January	Year 2018	-	0.2780%	12	-	-
February	Year 2018	-	0.2780%	11	-	-
March	Year 2018	-	0.2780%	10	-	-
April	Year 2018	-	0.2780%	9	-	-
May	Year 2018	-	0.2780%	8	-	-
June	Year 2018	-	0.2780%	7	-	-
July	Year 2018	-	0.2780%	6	-	-
August	Year 2018	-	0.2780%	5	-	-
September	Year 2018	-	0.2780%	4	-	-
October	Year 2018	-	0.2780%	3	-	-
November	Year 2018	-	0.2780%	2	-	-
December	Year 2018	-	0.2780%	1	-	-
					<b>Annual</b>	
January through December	Year 2019	-	0.2780%	12	-	-

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>			<b>Monthly</b>			
January	Year 2020	-	0.2780%	-	-	-
February	Year 2020	-	0.2780%	-	-	-
March	Year 2020	-	0.2780%	-	-	-
April	Year 2020	-	0.2780%	-	-	-
May	Year 2020	-	0.2780%	-	-	-
June	Year 2020	-	0.2780%	-	-	-

July	Year	-		-	-	-
	2020		0.2780%			
August	Year	-		-	-	-
	2020		0.2780%			
September	Year	-		-	-	-
	2020		0.2780%			
October	Year	-		-	-	-
	2020		0.2780%			
November	Year	-		-	-	-
	2020		0.2780%			
December	Year	-		-	-	-
	2020		0.2780%			
				<hr/>		
				-		

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

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

Clean versions of  
Attachment H-14B AEPOPCo Part II Worksheets A-Q  
and  
Attachment H-20B AEPTCo Worksheets A-R

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

State #1 Tax Rate	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Apportionment Factor - Note 1	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Effective State Tax Rate		0.00%
State #2 Tax Rate	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Apportionment Factor - Note 1	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Effective State Tax Rate		0.00%
State #3 Tax Rate	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Apportionment Factor - Note 1	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Effective State Tax Rate		0.00%
State #4 Tax Rate	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Apportionment Factor - Note 1	<div style="background-color: #90EE90; width: 100%; height: 15px; border: 1px solid black;"></div>	
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate	<hr style="border: none; border-top: 1px solid black; width: 100%;"/>	<hr style="border: none; border-top: 1px solid black; width: 100%;"/> <u>0.00%</u>

Note 1

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

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
		NOTE 1				
1	<b>Revenue Taxes</b>					
2	List Individual Taxes Here	-				-
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - Jurisdiction #1	-	-			
5	Real and Personal Property - Jurisdiction #2	-	-			
6	Real and Personal Property - Jurisdiction #3	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<b>Production Taxes</b>					
13	List Individual Taxes Here	-				-
14		-				-
15	<b>Miscellaneous Taxes</b>					
16	List Individual Taxes Here	-				-
17		-			-	
18		-			-	
19		-			-	
20		-			-	
21		-			-	
22		-			-	
23		-			-	
24	Total Taxes by Allocable Basis	-	-	-	-	-

(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)	-	-	-	-
	<b>STATE JURISDICTION #1</b>				
26	Percentage of Plant in STATE JURISDICTION #1				
27	Net Plant in STATE JURISDICTION #1 (Ln 25 * Ln 26)	-	-	-	-
28	Less: Net Value of Exempted Generation Plant				
29	Taxable Property Basis (Ln 27 - Ln 28)	-	-	-	-
30	Relative Valuation Factor				
31	Weighted Net Plant (Ln 29 * Ln 30)	-	-	-	-
32	General Plant Allocator (Ln 31 / (Total - General Plant))	0.00%	0.00%	0.00%	-100.00%
33	Functionalized General Plant (Ln 32 * General Plant)	-	-	-	-
34	Weighted STATE JURISDICTION #1 Plant (Ln 31 + 33)	-	-	-	-
35	Functional Percentage (Ln 34/Total Ln 34)	0.00%	0.00%	0.00%	
	<b>STATE JURISDICTION #2</b>				
36	Percentage of Plant in STATE JURISDICTION #2				
37	Net Plant in STATE JURISDICTION #2 (Ln 25 * Ln 36)	-	-	-	-
38	Less: Net Value of Exempted Generation Plant				
39	Taxable Property Basis (Ln 37 - Ln 38)	-	-	-	-
40	Relative Valuation Factor				
41	Weighted Net Plant (Ln 39 * Ln 40)	-	-	-	-
42	General Plant Allocator (Ln 41 / (Total - General Plant))	0.00%	0.00%	0.00%	-100.00%
43	Functionalized General Plant (Ln 42 * General Plant)	-	-	-	-
44	Weighted STATE JURISDICTION #2 Plant (Ln 41 + 43)	-	-	-	-
45	Functional Percentage (Ln 44/Total Ln 44)	0.00%	0.00%	0.00%	
	<b>STATE JURISDICTION #3</b>				
46	Net Plant in STATE JURISDICTION #3 (Ln 25 - Ln 27 - Ln 37)	-	-	-	-
47	Less: Net Value Exempted Generation Plant				
48	Taxable Property Basis	-	-	-	-
49	Relative Valuation Factor				
50	Weighted Net Plant (Ln 48 * Ln 49)	-	-	-	-
51	General Plant Allocator (Ln 50 / (Total - General Plant))	0.00%	0.00%	0.00%	-100.00%
52	Functionalized General Plant (Ln 52 * General Plant)	-	-	-	-
53	Weighted STATE JURISDICTION #3 Plant (Ln 50 + 52)	-	-	-	-
54	Functional Percentage (Ln 53/Total Ln 53)	0.00%	0.00%	0.00%	

AEP East Companies  
 Cost of Service Formula Rate Using 2008 FF1 Balances  
 Worksheet H-1 Form 1 Source Reference of Company Amounts on WS H

Line No	(A)	(B)	(C)	(D)		
Line No	(A)	(B)	(C)	(D)	(E)	(F)
Line No	(A)	(B)	(C)	(D)	(E)	(F)
Line No	(A)	(B)	(C)	(D)	(E)	(F)
	<b>Annual Tax Expenses by Type (Note 1)</b>	<b>Total Company</b>	<b>FERC FORM 1 Tie-Back</b>	<b>FERC FORM 1 Reference</b>		
1	<b>Revenue Taxes</b>					
2	Revenue Tax 1	-				
3	<b>Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)</b>	-				-
4	Real and Personal Property - Jurisdiction 1	-				-
5	Real and Personal Property – Jurisdiction 2					
6	Real and Personal Property – Jurisdiction 3					
7	Real and Personal Property - Other Jurisdictions	-				-
	<b>Annual Tax Expense by Type (Note 1)</b>	<b>Total Company</b>	<b>FERC FORM 1 Tie-Back</b>	<b>FERC Form 1 Reference</b>		
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )	-				
10	Federal Unemployment Tax	-				
11	State Unemployment Insurance	-				
12	<b>Production Taxes</b>					
13	Production Tax 1	-				
15	<b>Miscellaneous Taxes</b>					
16	Miscellaneous Tax 1	-				
17	Miscellaneous Tax 2	-				
18	Miscellaneous Tax 3	-				
19	Miscellaneous Tax 4	-				
20	Miscellaneous Tax 5	-				
21	Miscellaneous Tax 6	-				

22	Miscellaneous Tax 7	-	-	-
				-
23	Total Taxes by Allocable Basis	-	-	-

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

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 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 Actual/Projected FF1 Balances**

**Worksheet I**

**RESERVED FOR FUTURE USE**



**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)			0.00%
Project ROE Incentive Adder			
ROE with additional basis point incentive			0.00%

Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through 156)

	<u>%</u>	<u>Cost</u>	<u>Weighted cost</u>
Long Term Debt	0.00%	0.00%	0.000%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	0.00%	0.00%	<u>0.000%</u>
		R =	0.000%

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

Rate Base (TCOS, ln 68)	-
R (from A. above)	0.000%
Return (Rate Base x R)	-

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

Return (from B. above)	-
Effective Tax Rate (TCOS, ln 114)	0.00%
Income Tax Calculation (Return x CIT)	-
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	-
Income Taxes	-

**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)	-	
Lease Payments (TCOS, 95)	-	
Return (TCOS, ln 126)	-	-
Income Taxes (TCOS, ln 125)	=	
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	-	

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

Annual Revenue Requirement, Less Lease payments, Return and Taxes	-	
Return (from I.B. above)	-	
Income Taxes (from I.C. above)	=	
Annual Revenue Requirement, with Basis Point ROE increase	-	
Depreciation (TCOS, ln 100)	=	
Annual Rev. Req, w/ Basis Point ROE increase, less Depreciation	-	

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

Net Transmission Plant (TCOS, ln 42)	-	
Annual Revenue Requirement, with Basis Point ROE increase	-	
FCR with Basis Point increase in ROE		0.00%
Annual Rev. Req, w / Basis Point ROE increase, less Dep.	-	
FCR with Basis Point ROE increase, less Depreciation		0.00%
FCR less Depreciation (TCOS, ln 10)		<u>0.00%</u>
Incremental FCR with Basis Point ROE increase, less Depreciation		0.00%

**III Calculation of Composite Depreciation Rate**

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

Average Transmission Plant Balance for Rate Year (TCOS, ln 21)	-	
Annual Depreciation and Amortization Expense (TCOS, ln 100)	-	
Composite Depreciation Rate	-	0.00%
Depreciable Life for Composite Depreciation Rate	-	
Round to nearest whole year	-	

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. [redacted] (e.g. ER05-925-000)

Project Description: [redacted]

Details						
Investment	Current Year			Projected Year		
Service Year (yyyy)	ROE increase accepted by FERC (Basis Points)			-		
Service Month (1-12)	FCR w/o incentives, less depreciation			0.00%		
Useful life	FCR w/incentives approved for these facilities, less dep.			0.00%		
CIAC (Yes or No)	Annual Depreciation Expense			-		
Investment	Beginning	Depreciation	Ending	RTEP Rev. Req't.	RTEP Rev. Req't.	Incentive Rev.
Year	Balance	Expense	Balance	w/o Incentives	with Incentives **	Requirement ##
-	-	-	-	-	-	\$ -
-	-	-	-	-	-	\$ -
Project Totals	-	-	-	-	-	-

\*\* 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.

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

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

**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)	0.00%
Project ROE Incentive Adder	0.00%
ROE with additional basis point incentive	0.00%

Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through 156)

	<u>%</u>	<u>Cost</u>	<u>Weighted cost</u>
Long Term Debt	0.00%	0.00%	0.000%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	0.00%	0.00%	<u>0.000%</u>
		R =	0.000%

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

Rate Base (TCOS, ln 68)	-
R (from A. above)	0.000%
Return (Rate Base x R)	-

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

Return (from B. above)	-
Effective Tax Rate (TCOS, ln 114)	0.00%
Income Tax Calculation (Return x CIT)	-
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	-
Income Taxes	-

**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)	-
Lease Payments (TCOS, Ln 95)	-
Return (TCOS, ln 126)	-
Income Taxes (TCOS, ln 125)	=
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	-

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	-
Return (from I.B. above)	-
Income Taxes (from I.C. above)	=

Annual Revenue Requirement, with Basis Point ROE increase

Depreciation (TCOS, ln 100)	-
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	-

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

Net Transmission Plant (TCOS, ln 42)	-
Annual Revenue Requirement, with Basis Point ROE increase	-
FCR with Basis Point increase in ROE	0.00%
Annual Rev. Req. w / Basis Point ROE increase, less Dep.	-
FCR with Basis Point ROE increase, less Depreciation	0.00%
FCR less Depreciation (TCOS, ln 10)	<u>0.00%</u>
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

**III. Calculation of Composite Depreciation Rate**

Average Transmission Plant Balance for Rate Year (TCOS, ln 21)	-
Annual Depreciation and Amortization Expense (TCOS, ln 100)	-
Composite Depreciation Rate	0.00%
Depreciable Life for Composite Depreciation Rate	-
Round to nearest whole year	-

**SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEP PROJECTS**

TRUE-UP YEAR	Rev Require Historic Year	W Incentives	Incentive Amounts
As Projected in Prior Year WS J	-	-	-
Actual after True-up	\$ -	\$ -	-
True-up of ARR For Historic Year	-	-	-

COMPANY NAME HERE Worksheet K - ATRR TRUE-UP Calculation for PJM Projects Charged to Benefiting Zones

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

A. Base Plan Facilities

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

Project Description:

Historic Year	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr Actual	-	-	-
True-Up Adjustment	-	-	-

Details							
Investment		Current Year	Historic Year				
Service Year (yyyy)	[redacted]	ROE increase accepted by FERC (Basis Points)	-				
Service Month (1-12)	[redacted]	FCR w/o incentives, less depreciation	0.00%				
Useful life	-	FCR w/incentives approved for these facilities, less dep.	0.00%				
CIAC (Yes or No)	No	Annual Depreciation Expense	-				
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
-	-	-	-	-	-	-	\$ -
-	-	-	-	-	-	-	\$ -

**TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:**  
 CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
[redacted]	\$ -	[redacted]	\$ -	\$ -
[redacted]	\$ -	[redacted]	\$ -	\$ -

Project Totals

\*\* 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.

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet L  
COMPANY NAME HERE

**RESERVED FOR FUTURE USE**

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  
 Company Name

Line No	Month	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)	
	(a)	(b)	(c)	(d)	(e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year					-
2	January					-
3	February					-
4	March					-
5	April					-
6	May					-
7	June					-
8	July					-
9	August					-
10	September					-
11	October					-
12	November					-
13	December of Rate Year					-
14	Average of the 13 Monthly Balances	-	-	-	-	-

Line No	Month	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)	
	(a)	(b)	(c)	(d)	(e)	(f)	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year						-
16	January						-
17	February						-
18	March						-
19	April						-
20	May						-
21	June						-
22	July						-
23	August						-
24	September						-
25	October						-
26	November						-
27	December of Rate Year						-
28	Average of the 13 Monthly Balances	-	-	-	-	-	-

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 <b>Annual Interest Expense for 2017</b>							
Interest on Long Term Debt - Accts 221							
30 - 224 (256-257.33.i)							
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.				-			
31 Plus: Allowed Hedge Recovery From Ln 55 below.				-			
32 Amort of Debt Discount & Expense - Acct 428 (117.63.c)							
33 Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)							
34 Less: Amort of Premium on Debt - Acct 429 (117.65.c)							
35 Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)							
36 <b>Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)</b>				-			
37							
38 <b>Average Cost of Debt for 2017 (Ln 37/ Ln 28 (g))</b>							#DIV/0!

**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.

	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Losses for 2017	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Amortization Period	
					Remaining Unamortized Balance	Beginning Ending
40				-		
41				-		
42				-		
43				-		
44				-		
45				-		
46				-		
47				-		
48				-		
49						
50 Total Hedge Amortization		-	-			
51 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)				-		
52 Total Average Capital Structure Balance for 2017 (TCOS, Ln 157)				-		
53 Financial Hedge Recovery Limit - Five Basis Points of Total Capital				0.0005		
54 Limit of Recoverable Amount				-		
55 <b>Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)</b>						

**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 <b>Balance of Preferred Stock (Lns 59, 64, 69)</b>	-	-	-
72 <b>Dividends on Preferred Stock (Lns 60, 65, 70)</b>	-	-	-
73 <b>Average Cost of Preferred Stock (Ln 72/71)</b>	0.00%	0.00%	<b>0.00%</b>

Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)

**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**

**Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectively. Sales will be functionalized 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.**

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

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

COMPANY NAME HERE

1 Total AEP East Operating Company PBOP Settlement Amount

**Allocation of PBOP Settlement Amount for Rate Year:**

**Total Company Amount**

Line #	Company	Actual Expense (Including AEPSC Billed OPEB) (A) (Line 14)	Ratio of Company Actual to Total (B)=(A)/Total (A)	Allocation of PBOB Recovery Allowance (C)=(B) * 1	Labor Allocator for Rate Year (D)	Actual Expense (E)=(A) * (D)	Allowable Expense (F)=(C) * (D)	One Year Functional Expense (Over)/Under (G)=(E) - (F)
2	APCo		0.00%	-		-	-	-
3	I&M		0.00%	-		-	-	-
4	KPCo		0.00%	-		-	-	-
5	KNGP		0.00%	-		-	-	-
6	OPCo		0.00%	-		-	-	-
7	WPCo		0.00%	-		-	-	-
8	<b>Sum of Lines 2 to 7</b>	-		-		-	-	-

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

	APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report							-
10 Additional PBOP Ledger Entries (from Company Records)							-
11 Medicare Subsidy							-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	-	-	-	-	-	-	-
13 PBOP Expenses From AEP Service Corporation (from Company Records)							-
14 Company PBOP Expense (Ln 12 + Ln 13)	-	-	-	-	-	-	-

Note:

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 formula actual 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 WACC 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 of (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 allowance 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

PLANT ACCT.	VA SCC RATES	VIRGINIA			WEST VIRGINIA				FERC WHOLESALE		FERC KINGSPORT		COMPANY			
		(1)	WTD AVG. DEPREC. RATE	PSC OF WV APPROVED RATES	(2)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (5)	(3)	WTD AVG. DEPREC. RATE	FERC RATES	(4)		WTD AVG. DEPREC. RATE		
<b>TRANSMISSION PLANT</b>																
	350.															
Land Rights - Va.	1	0.66%	1.000000	0.66%										0.66%		
Energy Storage Equipment (6)			351.0		14.22%	1.000000	14.22%							14.22%		
Structures & Improvements			352.0	1.55%	0.492648	0.76%	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	0.96%	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	0.56%	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	1.36%	2.71%	0.414603	1.12%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.68%
					0.49264											
Overhead Conductor			356.0	1.01%	8	0.50%	1.53%	0.414603	0.63%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.33%
Underground Conduit			357.0	1.23%	0.492648	0.61%	3.71%	0.414603	1.54%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.35%
Underground Conductors			358.0	3.18%	0.492648	1.57%	5.24%	0.414603	2.17%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	3.94%
<b>GENERAL PLANT</b>																
Structures and Improvements			390.0	1.50%	0.519557	0.78%	1.91%	0.425935	0.81%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.78%
Office Furniture and Equip.			391.0	2.78%	0.519557	1.44%	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	0.00%	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	0.83%	1.80%	0.425935	0.77%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.79%
Tools, Shop and Garage Equipment			394.0	2.07%	0.519557	1.08%	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	0.79%	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	0.00%	3.90%	0.425935	1.66%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.85%
Communications Equipment			397.0	3.27%	0.519557	1.70%	4.98%	0.425935	2.12%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	4.01%
Micellaneous Equipment			398.0	2.51%	0.519557	1.30%	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 February 1, 2012.

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

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

(2) Approved by PSC of WV Order dated February 27, 2019 in

Case No. 18-0645-E-D effective March 6, 2019.

(5) The demand allocation factors are updated annually as of January 1, based on the 12 monthly CP's as of the previous September 30th.

(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 jurisdiction's 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 31, 2018  
FOR MULTIPLE JURISDICTION COMPANIES  
INDIANA MICHIGAN POWER COMPANY

	INDIANA				MICHIGAN			FERC WHOLESALE			COMPANY	
	PLAN T ACCT.	IURC RATES	ALLOCATION FACTOR (4)	DEPREC. RATE	WTD AVG. APPROVE D RATES	MPSC ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	DEPREC. RATE	WTD AVG.
<b>TRANSMISSION PLANT</b>												
Land Improvements Structures & Improvements	350.1		1.48%	.6521029	.9651%	1.44%	.1442059	.2077%	1.44%	.2036912	.2933%	1.47%
Station Equipment	352.0		1.55%	.6521029	1.0108%	1.50%	.1442059	.2163%	1.50%	.2036912	.3055%	1.53%
Towers & Fixtures	353.0		1.86%	.6521029	1.2129%	1.84%	.1442059	.2653%	1.84%	.2036912	.3748%	1.85%
Poles & Fixtures	354.0		1.69%	.6521029	1.1021%	1.57%	.1442059	.2264%	1.57%	.2036912	.3198%	1.65%
Overhead Conductors	355.0		2.85%	.6521029	1.8585%	2.83%	.1442059	.4081%	2.83%	.2036912	.5764%	2.84%
Underground Conduit Underground Conductors	356.0		1.97%	.6521029	1.2846%	1.89%	.1442059	.2725%	1.89%	.2036912	.3850%	1.94%
Trails & Roads	357.0		1.86%	.6521029	1.2129%	1.77%	.1442059	.2552%	1.77%	.2036912	.3605%	1.83%
	358.0		1.70%	.6521029	1.1086%	1.66%	.1442059	.2394%	1.66%	.2036912	.3381%	1.69%
	359.0		1.50%	.6521029	.9782%	1.48%	.1442059	.2134%	1.48%	.2036912	.3015%	1.49%
<b>GENERAL PLANT</b>												
Structures and Improvements	390.0		2.03%	.6765817	1.3735%	2.05%	.1539089	0.3155%	2.05%	.1695094	0.3475%	2.04%
Office Furniture and Equip.	391.0		4.65%	.6765817	3.1461%	4.77%	.1539089	0.7341%	4.77%	.1695094	0.8086%	4.69%
Transportation Equipment	392.0		4.64%	.6765817	3.1393%	4.68%	.1539089	0.7203%	4.68%	.1695094	0.7933%	4.65%
Stores Equipment	393.0		4.10%	.6765817	2.7740%	4.14%	.1539089	0.6372%	4.14%	.1695094	0.7018%	4.11%
Tools, Shop and Garage Equipment	394.0		6.65%	.6765817	4.4993%	6.79%	.1539089	1.0450%	6.79%	.1695094	1.1510%	6.70%
Laboratory Equipment	395.0		5.41%	.6765817	3.6603%	5.58%	.1539089	0.8588%	5.58%	.1695094	0.9459%	5.47%
Power Operated Equipment	396.0		4.31%	.6765817	2.9161%	4.43%	.1539089	0.6818%	4.43%	.1695094	0.7509%	4.35%
Communications Equipment	397.0		3.82%	.6765817	2.5845%	3.86%	.1539089	0.5941%	3.86%	.1695094	0.6543%	3.83%
Micellaneous Equipment	398.0		3.14%	.6765817	2.1245%	3.18%	.1539089	0.4894%	3.18%	.1695094	0.5390%	3.15%

(1) As approved in Indiana Cause No.44967.

(2) As approved in Michigan Case No. U-18370.

(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 jurisdiction's 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 9/1/2016**  
**FOR SINGLE JURISDICTION COMPANIES**  
**KINGSPORT POWER COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES</b> Note 1
<b>TRANSMISSION PLANT</b>		
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	357.0	Note 2
Underground Conductors	358.0	Note 2
<b>Composite Transmission Depreciation Rate</b>		<b>1.46%</b>
<b>GENERAL PLANT</b>		
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.

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

**General Note**

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



**AEP EAST COMPANIES**  
**PJM FORMULA RATE**  
**WORKSHEET P - TRANSMISSION DEPRECIATION RATES**  
**EFFECTIVE AS OF 7/1/2015**  
**FOR SINGLE JURISDICTION COMPANIES**  
**KENTUCKY POWER COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES</b>
<hr/>		
<b>TRANSMISSION PLANT</b>		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductors	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%
<b>GENERAL PLANT</b>		
Land and Land Rights	389.1	1.59%
Structures and Improvements	390.0	3.97%
Office Furniture and Equip.	391.0	3.20%
Transportation Equipment	392.0	3.52%
Stores Equipment	393.0	4.15%
Tools, Shop and Garage Equipment	394.0	4.20%
Laboratory Equipment	395.0	5.76%
Power Operated Equipment	396.0	5.43%
Communications Equipment	397.0	5.66%
Micellaneous Equipment	398.0	6.73%

Reference:

Note 1: Rates Approved in Kentucky Public Service Commission 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**

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b>TRANSMISSION PLANT (Note 1)</b>		
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 69KV	356.0	1.91%
Overhead Conductor & Devices MSP	356.0	1.91%
Overhead Conductor & Devices 138KV/Above	356.0	1.91%
Overhead Conductor & Devices 69KV/Below	356.0	1.91%
Overhead Conductor & Devices CLR 69KV/Below	356.0	1.91%
Underground Conduit	357.0	2.26%
Underground Conductors	358.0	3.27%
<b>GENERAL PLANT (Note 2)</b>		
Structures and Improvements	390.0	2.17%
Office Furniture and Equip.	391.0	3.33%
Transportation Equipment	392.0	2.00%
Stores Equipment	393.0	2.94%
Tools, Shop and Garage Equipment	394.0	3.53%
Laboratory Equipment	395.0	3.57%
Power Operated Equipment	396.0	3.85%
Communications Equipment	397.0	2.86%
AMI - Communications Equipment	397.16	6.67%
Micellaneous Equipment	398.0	4.00%

Reference:

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

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

**General Note:**

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

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

	<b>PLANT ACCT.</b>	<b>RATES</b> Note 1
<b>TRANSMISSION PLANT</b>		
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	357.0	9.94%
Underground Conductors	358.0	13.98%
Trails & Roads	359.0	-
<b>GENERAL PLANT</b>		
Structures and Improvements	390.0	1.08%
Office Furniture and Equip.	391.0	2.13%
Stores Equipment	393.0	1.78%
Tools, Shop and Garage Equipment	394.0	1.65.%
Communications Equipment	397.0	5.09%
Micellaneous Equipment	398.0	2.76%

Note 1: Rates Approved in WV Public Service Commission Case No. 18-0645-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**  
**(Hypothetical Example)**

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019 <hr style="border: 1px solid green;"/> -	-	2018 Revenue Requirement Forecast by October 31, 2017 <hr style="border: 1px solid green;"/> -	=	True-up Adjustment - Over (Under) Recovery <hr style="border: 1px solid green;"/> -
--	---	--	---	---

	<b>Over (Under) Recovery Plus Interest</b>	<b>Average Monthly Interest Rate</b>	<b>Months</b>	<b>Calculated Interest</b>	<b>Amortization</b>	<b>Surcharge (Refund) Owed</b>
<b>Interest Rate on Amount of Refunds or Surcharges (Note 1)</b>		0.2780%				
<b>An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorata over 2020</b>						

<u>Calculation of Interest</u>			<b>Monthly</b>			
January	Year 2018	-	0.2780%	12	-	-
February	Year 2018	-	0.2780%	11	-	-
March	Year 2018	-	0.2780%	10	-	-
April	Year 2018	-	0.2780%	9	-	-
May	Year 2018	-	0.2780%	8	-	-
June	Year 2018	-	0.2780%	7	-	-
July	Year 2018	-	0.2780%	6	-	-
August	Year 2018	-	0.2780%	5	-	-
September	Year 2018	-	0.2780%	4	-	-
October	Year 2018	-	0.2780%	3	-	-
November	Year 2018	-	0.2780%	2	-	-
December	Year 2018	-	0.2780%	1	-	-
				-	-	-

			<b>Annual</b>			
January through December	Year 2019	-	0.2780%	12	-	-

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>			<b>Monthly</b>			
January	Year 2020	-	0.2780%	-	-	-
February	Year 2020	-	0.2780%	-	-	-
March	Year 2020	-	0.2780%	-	-	-
April	Year 2020	-	0.2780%	-	-	-
May	Year 2020	-	0.2780%	-	-	-
June	Year 2020	-	0.2780%	-	-	-
July	Year 2020	-	0.2780%	-	-	-
August	Year 2020	-	0.2780%	-	-	-
September	Year 2020	-	0.2780%	-	-	-
October	Year 2020	-	0.2780%	-	-	-
November	Year 2020	-	0.2780%	-	-	-
December	Year 2020	-	0.2780%	-	-	-
				-	-	-

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

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

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

		<b>Gross Plant In Service</b>				
Line No	Month (a)	Transmission (d)	Transmission ARO (e)	General (h) FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	General ARO (i) FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	Intangible (j) FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5
	<b>(Note A)</b>					
1	December Prior to Rate Year					
2	January					
3	February					
4	March					
5	April					
6	May					
7	June					
8	July					
9	August					
10	September					
11	October					
12	November					
13	December of Rate Year					
14	Average of the 13 Monthly Balances	-	-	-	-	-

		<b>Accumulated Depreciation</b>				
Line No	Month (a)	Transmission (d)	Transmissio n ARO (e) Company Records (Included in total in Column (d))	General (h) FF1, page 219, ln 28, Col. (b)	General ARO (i) Company Records (Included in total in Column (h))	Intangible (j) FF1, page 200, ln 21, Col. (b)
	<b>(Note A)</b>					
15	December Prior to Rate Year					
16	January					
17	February					
18	March					
19	April					
20	May					
21	June					
22	July					
23	August					

24	September					
25	October					
26	November					
27	December of Rate Year					
28	Average of the 13 Monthly Balances	-	-	-	-	-

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)
		Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (d) of accumulated depreciation above)	Company Records	Company Records
	<b>(Note A)</b>				
29	December Prior to Rate Year				-
30	January				-
31	February				-
32	March				-
33	April				-
34	May				-
35	June				-
36	July				-
37	August				-
38	September				-
39	October				-
40	November				-
41	December of Rate Year				-
42	Average of the 13 Monthly Balances	-	-	-	-

43 Transmission Accumulated  
Depreciation net of GSU -

<u>Plant Held For Future Use</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2017</u>	<u>Balance @ December 31, 2016</u>	<u>Average Balance for 2017</u>
(a)	(b)	(c)	(d)	(e)
44 <u>Plant Held For Future Use</u>	FF1, page 214, ln 47, Col. (d)	-	-	-
45 <u>Transmission Plant Held For Future Use (Included in total on line 43)</u>	Company Records - Note 1	-	-	-

**Regulatory Assets and Liabilities  
Approved for Recovery In  
Ratebase**

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

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

**Unfunded Reserves Summary  
(Company Records)**

	<u>Description</u>	<u>Account</u>			
52					
53a					-
53b					-
54		Total	-	-	-

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

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

**AEPTCo subsidiaries in PJM**  
**Cost of Service Formula Rate Using** Actual/Projected FF1 Balances

Worksheet B Supporting ADIT and ITC Balances  
AEP \_\_\_\_\_ TRANSMISSION COMPANY

<u>Line</u> <u>Number</u>	<u>(A)</u> <u>Description</u>	<u>(B)</u> <u>Source</u>	<u>(C)</u> <u>Balance @ December</u> <u>31,</u>	<u>(D)</u> <u>Balance @ December</u> <u>31,</u>	<u>(E)</u> <u>Average Balance</u> <u>for</u>
1		<b><u>Account 281</u></b>			
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)			-
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)			-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)			-
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6		<b><u>Account 282</u></b>			
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)			-
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)			-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)			-
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	-	-	-
11		<b><u>Account 283</u></b>			
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)			-
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)			-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)			-
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	-	-	-
16		<b><u>Account 190</u></b>			
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)			-
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)			-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)			-
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	-	-	-
21		<b><u>Account 255</u></b>			
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)			-
23	Less: Balances Not Qualified for Ratebase	Company Records – Note 1			-
24	ITC Balances Includeable in Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)			-
	On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PRTR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.				
NOTE 1					
NOTE 2	ADIT balances should exclude balances related to hedging activity.				



Company Name  
 SPECIFIED DEFERRED  
 CREDITS - Actual Cycle Only  
 PERIOD ENDED DECEMBER  
 31, 2017

(DEBIT)  
 CREDIT

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
	PER BOOKS	NON-APPLICABLE/NON-UTILITY		AVERAGE ELECTRIC UTILITY (B+C+D+E) / 2	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2016			FUNCTIONALIZATION 12/31/2017			
ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017		GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1.00 ACCOUNT 281:														
2.01														
2.02	0	0			0	0	0	0						
2.03														
2.04	0	0	0	0	0									
2.05	0	0	0	0	0									
2.06	0	0	0	0	0									
3 TOTAL ACCOUNT 281	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 ACCOUNT 281 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 ACCOUNT 282:														
5.01	0	0			0	0	0	0						
5.02	0	0			0	0	0	0						
5.03	0	0			0	0	0	0						
5.04	0	0			0	0	0	0						
5.05	0	0			0	0	0	0						
5.06	0	0			0	0	0	0						

5.07	0	0	0	0	0	0	0
5.08	0	0	0	0	0	0	0
5.09	0	0	0	0	0	0	0
5.10	0	0	0	0	0	0	0
5.11	0	0	0	0	0	0	0
5.12	0	0	0	0	0	0	0
5.13	0	0	0	0	0	0	0
5.14	0	0	0	0	0	0	0
5.15	0	0	0	0	0	0	0
5.16	0	0	0	0	0	0	0
5.17	0	0	0	0	0	0	0
5.18	0	0	0	0	0	0	0
5.19	0	0	0	0	0	0	0
5.20	0	0	0	0	0	0	0
5.21	0	0	0	0	0	0	0
5.22	0	0	0	0	0	0	0
5.23	0	0	0	0	0	0	0
5.24	0	0	0	0	0	0	0
5.25	0	0	0	0	0	0	0
5.26	0	0	0	0	0	0	0
5.27	0	0	0	0	0	0	0
5.28	0	0	0	0	0	0	0
5.29	0	0	0	0	0	0	0
5.30	0	0	0	0	0	0	0
5.31	0	0	0	0	0	0	0
5.32	0	0	0	0	0	0	0
5.33	0	0	0	0	0	0	0
5.34	0	0	0	0	0	0	0
5.35	0	0	0	0	0	0	0
5.36	0	0	0	0	0	0	0
5.37	0	0	0	0	0	0	0
5.38	0	0	0	0	0	0	0
5.39	0	0	0	0	0	0	0

5.40	0	0	0
5.41	0	0	0

6	TOTAL ACCOUNT 282	0	0	0	0	0	0	0	0	0	0
7	ACCOUNT 282 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0

8 ACCOUNT 283:

9.01	0	0	0	0	0	0	0
9.02	0	0	0	0	0	0	0
9.03	0	0	0	0	0	0	0
9.04	0	0	0	0	0	0	0
9.05	0	0	0	0	0	0	0
9.06	0	0	0	0	0	0	0
9.07	0	0	0	0	0	0	0
9.08	0	0	0	0	0	0	0
9.09	0	0	0	0	0	0	0
9.10	0	0	0	0	0	0	0
9.11	0	0	0	0	0	0	0
9.12	0	0	0	0	0	0	0
9.13	0	0	0	0	0	0	0
9.14	0	0	0	0	0	0	0
9.15	0	0	0	0	0	0	0
9.16	0	0	0	0	0	0	0
9.17	0	0	0	0	0	0	0
9.18	0	0	0	0	0	0	0
9.19	0	0	0	0	0	0	0
9.20	0	0	0	0	0	0	0
9.21	0	0	0	0	0	0	0
9.22	0	0	0	0	0	0	0
9.23	0	0	0	0	0	0	0
9.24	0	0	0	0	0	0	0

9.25	0	0	0	0	0	0
9.26	0	0	0	0	0	0
9.27	0	0	0	0	0	0
9.28	0	0	0	0	0	0
9.29	0	0	0	0	0	0
9.30	0	0	0	0	0	0
9.31	0	0	0	0	0	0
9.32	0	0	0	0	0	0
9.33	0	0	0	0	0	0
9.34	0	0	0	0	0	0
9.35	0	0	0	0	0	0
9.36	0	0	0	0	0	0
9.37	0	0	0	0	0	0
9.38	0	0	0	0	0	0
9.39	0	0	0	0	0	0
9.40	0	0	0	0	0	0
9.41	0	0	0	0	0	0
9.42	0	0	0	0	0	0
9.43	0	0	0	0	0	0
9.44	0	0	0	0	0	0
9.45	0	0	0	0	0	0
9.46	0	0	0	0	0	0
9.47	0	0	0	0	0	0
9.48	0	0	0	0	0	0
9.49	0	0	0	0	0	0
9.50	0	0	0	0	0	0
9.51	0	0	0	0	0	0
9.52	0	0	0	0	0	0
9.53	0	0	0	0	0	0
9.54	0	0	0	0	0	0
9.55	0	0	0	0	0	0
9.56	0	0	0	0	0	0
9.57	0	0	0	0	0	0

9.58	0	0	0	0	0	0
9.59	0	0	0	0	0	0
9.60	0	0	0	0	0	0
9.61	0	0	0	0	0	0
9.62	0	0	0	0	0	0
9.63	0	0	0	0	0	0
9.64	0	0	0	0	0	0
9.65	0	0	0	0	0	0
9.66	0	0	0	0	0	0
9.67	0	0	0	0	0	0
9.68	0	0	0	0	0	0
9.69	0	0	0	0	0	0
9.70	0	0	0	0	0	0
9.71	0	0	0	0	0	0
9.72	0	0	0	0	0	0
9.73	0	0	0	0	0	0
9.74	0	0	0	0	0	0
9.75	0	0	0	0	0	0
9.76	0	0	0	0	0	0
9.77	0	0	0	0	0	0
9.78	0	0	0	0	0	0
9.79	0	0	0	0	0	0
9.80	0	0	0	0	0	0
9.81	0	0	0	0	0	0
9.82	0	0	0	0	0	0
9.83	0	0	0	0	0	0
9.84	0	0	0	0	0	0
9.85	0	0	0	0	0	0
9.86	0	0	0	0	0	0
9.87	0	0	0	0	0	0
9.88	0	0	0	0	0	0
9.89	0	0	0	0	0	0
9.90	0	0	0	0	0	0

9.91		0	0		0	0	0	0		
9.92		0	0		0	0	0	0		
9.93		0	0		0	0	0	0		
9.94				0	0	0				
9.95				0	0	0				
9.96				0	0	0				
9.97				0	0	0				
9.98				0	0	0				
9.99				0	0	0				
10		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11	DEFD STATE INCOME TAXES	0	0		0	0	0	0		
11.01				0	0	0				
12	TOTAL ACCOUNT 283	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
13	ACCOUNT 283 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0
14	JURISDICTIONAL AMOUNTS FUNCTIONALIZED									
15	TOTAL COMPANY AMOUNTS FUNCTIONALIZED									
16	REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT									
17	NOTE: POST 1970 ACCUMULATED DEFERRED INV TAX CRED. (JDITC)									
18	IN A/C 255									
18.01		0	0		0	0	0	0		
18.02		0	0		0	0	0	0		
19										
20	TOTAL ACCOUNT 255	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Company Name  
**ACCUMULATED DEFERRED INCOME**  
**TAX IN ACCOUNT 190 - Actual Cycle**  
**Only**  
**PERIOD ENDED DECEMBER 31, 2017**

COLUMN A	PER BOOKS		NON- APPLICABLE/NON- UTILITY		AVERAGE ELECTRIC UTILITY (B+C+D+E) /2	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2016			FUNCTIONALIZATION 12/31/2017		
	BALANCE AS OF 12-31- 2016	BALANCE AS OF 12-31- 2017	BALAN CE AS OF 12- 31- 2016	BALA NCE AS OF 12- 31- 2017		GENER ATION	TRANSM SSION	DISTRIB UTION	GENER ATION	TRANSM SSION	DISTRIB UTION	GENER ATION	TRANSM SSION	DISTRIB UTION
1 ACCOUNT 190:														
2.01	0	0			0	0	0	0						
2.02	0	0			0	0	0	0						
2.03	0	0			0	0	0	0						
2.04	0	0			0	0	0	0						
2.05	0	0			0	0	0	0						
2.06	0	0			0	0	0	0						
2.07	0	0			0	0	0	0						
2.08	0	0			0	0	0	0						
2.09	0	0			0	0	0	0						
2.10	0	0			0	0	0	0						
2.11	0	0			0	0	0	0						
2.12	0	0			0	0	0	0						
2.13	0	0			0	0	0	0						
2.14	0	0			0	0	0	0						
2.15	0	0			0	0	0	0						
2.16	0	0			0	0	0	0						
2.17	0	0			0	0	0	0						
2.18	0	0			0	0	0	0						
2.19	0	0			0	0	0	0						
2.20	0	0			0	0	0	0						
	0	0			0	0	0	0						

2.21							
2.22	0	0	0	0	0	0	0
2.23	0	0	0	0	0	0	0
2.24	0	0	0	0	0	0	0
2.25	0	0	0	0	0	0	0
2.26	0	0	0	0	0	0	0
2.27	0	0	0	0	0	0	0
2.28	0	0	0	0	0	0	0
2.29	0	0	0	0	0	0	0
2.30	0	0	0	0	0	0	0
2.31	0	0	0	0	0	0	0
2.32	0	0	0	0	0	0	0
2.33	0	0	0	0	0	0	0
2.34	0	0	0	0	0	0	0
2.35	0	0	0	0	0	0	0
2.36	0	0	0	0	0	0	0
2.37	0	0	0	0	0	0	0
2.38	0	0	0	0	0	0	0
2.39	0	0	0	0	0	0	0
2.40	0	0	0	0	0	0	0
2.41	0	0	0	0	0	0	0
2.42	0	0	0	0	0	0	0
2.43	0	0	0	0	0	0	0
2.44	0	0	0	0	0	0	0
2.45	0	0	0	0	0	0	0
2.46	0	0	0	0	0	0	0
2.47	0	0	0	0	0	0	0
2.48	0	0	0	0	0	0	0
2.49	0	0	0	0	0	0	0
2.50	0	0	0	0	0	0	0
2.51	0	0	0	0	0	0	0
2.52	0	0	0	0	0	0	0
2.53	0	0	0	0	0	0	0
2.54	0	0	0	0	0	0	0



2.55	0	0			0	0	0	0		
2.56	0	0			0	0	0	0		
2.57	0	0			0	0	0	0		
2.58	0	0			0	0	0	0		
2.59	0	0			0	0	0	0		
2.60	0	0			0	0	0	0		
2.61	0	0			0	0	0	0		
2.62	0	0			0	0	0	0		
2.63	0	0			0	0	0	0		
2.64	0	0			0	0	0	0		
2.65	0	0			0	0	0	0		
2.66	0	0			0	0	0	0		
2.67	0	0			0	0	0	0		
2.68	0	0			0	0	0	0		
2.69	0	0			0	0	0	0		
2.70	0	0			0	0	0	0		
2.71	0	0			0	0	0	0		
2.72	0	0			0	0	0	0		
2.73	0	0			0	0	0	0		
2.74	0	0			0	0	0	0		
2.75	0	0			0	0	0	0		
2.76	0	0			0	0	0	0		
2.77	0	0			0	0	0	0		
2.78	0	0			0	0	0	0		
2.79	0	0			0	0	0	0		
2.80			0	0	0					
2.81			0	0	0					
2.82			0	0	0					
2.83			0	0	0					
2.84			0	0	0					
2.85			0	0	0					
2.86			0	0	0					
2.87			0	0	0					
			0	0	0					

2.88											
2.89			0	0	0						
2.90			0	0	0	0	0	0			
2.91		0	0		0	0	0	0			
3	TOTAL ACCOUNT 190	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4	ACCOUNT 190 - ARO-Related Deferrals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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

(A) <u>Line Number</u>	(B)	(C) <u>Source</u>	(D) <u>Balance @ December 31,</u>	(E) <u>Balance @ December 31,</u>	(F) <u>Average Balance for</u>	(G)	(H)	(I)	
<u>Materials &amp; Supplies</u>									
1									
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)			-				
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	0	0	-				
4	Stores Expense (Undistributed) – Account 163	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-				
<b>Prepayment Balance Summary (Note 1)</b>									
5		<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>		
6	Totals as of December 31,	0	0	0	0	0	0		
7	Totals as of December 31,								
8	<b>Average Balance</b>	-	-	-	-	-	-		
<b>Prepayments Account 165 - Balance @ 12/31/</b>									
9	<u>Acc. No.</u>	<u>Description</u>	<u>YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>
10			-	-	-	-	-	-	
11			-	-	-	-	-	-	
12			-	-	-	-	-	-	
13			-	-	-	-	-	-	
14			-	-	-	-	-	-	
15			-	-	-	-	-	-	
16			-	-	-	-	-	-	
17			-	-	-	-	-	-	
18			-	-	-	-	-	-	
19			-	-	-	-	-	-	
	<b>Subtotal - Form 1, p 111.57.c</b>		0	0	0	0	0	0	
<b>Prepayments Account 165 - Balance @ 12/31/</b>									
20	<u>Acc. No.</u>	<u>Description</u>	<u>YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>
21			-	-	-	0	-	-	
22			-	-	-	0	-	-	
23			-	-	-	0	-	-	
24			-	-	-	-	-	-	
25			-	0	-	-	-	-	
26			-	0	-	-	-	-	
27			-	0	-	-	-	-	
28			-	0	-	-	-	-	
29			-	-	-	0	-	-	
30			-	0	-	-	-	-	
31			-	0	-	-	-	-	
	<b>Subtotal - Form 1, p 111.57.d</b>		-	0	-	-	0	-	

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

Note 1:

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet D Supporting IPP Credits  
 AEP \_\_\_\_\_ TRANSMISSION COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B)</u>
1	Net Funds from IPP Customers 12/31/___ (___ FORM 1, P269)	-
2	Interest Expense (Company Records – Note 1)	-
3	Revenue Credits to Generators (Company Records – Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records – Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/ (___ FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column ((ln 1 + ln 7)/2)	-
Note 1	On this worksheet Company Records refers to AEP ___ TRANSMISSION COMPANY 's general ledger.	



**AEPTCo subsidiaries in PJM**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet E Supporting Revenue Credits**  
**AEP \_\_\_\_\_ TRANSMISSION COMPANY**

<u>Line</u> <u>Number</u>	<u>Description</u>	<u>(a)</u> <u>Total</u> <u>Company</u>	<u>(b)</u> <u>Non-</u> <u>Transmission</u>	<u>(c)</u> <u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)		-	
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)		-	
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1, 2)		-	
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))		-	
7	Accounts 4470004 & 4470005, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-		-
8	Total Other Operating Revenues To Reduce Revenue Requirement			
9	Facility Credits under PJM OATT Section 30.9			-
<p>The total company data on this worksheet comes from the indicated FF1 source, or AEP _____ TRANSMISSION COMPANY 's general ledger.</p>				
Note 1	The functional amounts identified as transmission revenue also come from the general ledger.			
Note 2	The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)			

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

(A)	(B)	(C)	(D)	(E)	(F)	
<u>Line Number</u>	<u>Item No.</u>	<u>Description</u>	<u>Expense</u>	<u>100% Non-Transmission</u>	<u>100% Transmission Specific</u>	<u>Explanation</u>
1		Regulatory O&M Deferrals & Amortizations	-			
2			-			
3			-			
4		<b>Total</b>	0			
		<u>Detail of Account 561 Per FERC Form 1</u>				
5		561.1 - Load Dispatch - Reliability				
6	FF1 p 321.85.b	561.2 - Load Dispatch - Monitor & Operate Trans System				
7	FF1 p 321.86.b	561.3 - Load Dispatch - Trans Service & Scheduling				
8	FF1 p 321.87.b	561.4 - Scheduling, System Control & Dispatch				
9	FF1 p 321.88.b	561.5 - Reliability, Planning and Standards Development				
10	FF1 p 321.89.b	561.6 - Transmission Service Studies				
11	FF1 p 321.90.b	561.7 - Generation Interconnection Studies				
12	FF1 p 321.91.b	561.8 - Reliability, Planning and Standards Development Services				
13	FF1 p 321.92.b					
14		<u>Total of Account 561</u>				
15					-	
16					-	
17					-	
18					-	
19					-	
20					-	
21		<b>Total (FERC Form 1 p.323.189.b)</b>	-	-	-	
		<u>Account 928</u>				
22				-	-	
23				-	-	
24				-	-	
25				-	-	
26				-	-	
27				-	-	
28				-	-	
29				-	-	
30				-	-	
31				-	-	
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37				-	-	
38		<b>Total (FERC Form 1 p.323.191.b)</b>	-	-	-	
		<u>Account 930.1</u>				
39				-	-	
40				-	-	
41				-	-	
42				-	-	
43		<b>Total (FERC Form 1 p.323.192.b)</b>	-	-	-	

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet G Supporting - Development of Composite State Income Tax Rate  
 AEP \_\_\_\_\_ TRANSMISSION COMPANY

1	_____ Tax Rate Apportionment Factor – Note 1 Effective State Tax Rate		
2	_____ Tax Rate Apportionment Factor – Note 1 Effective State Tax Rate		
3	_____ Tax Rate Apportionment Factor – Note 1 Effective State Tax Rate		
4	_____ Tax Rate Apportionment Factor – Note 1 Effective State Tax Rate		
5	_____ Tax Rate Apportionment Factor – Note 1 Effective State Tax Rate		
	Total Effective State Income Tax Rate		<hr style="border: 0.5px solid black;"/> <hr style="border: 0.5px solid black;"/>

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

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FFI Balances  
 Worksheet H Supporting Taxes Other than Income  
 AEP \_\_\_\_\_ TRANSMISSION COMPANY

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	<b>Revenue Taxes</b>	NOTE 1				
2	List Individual Taxes Here					
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - Jurisdiction #1		-			
5	Real and Personal Property - Jurisdiction #2		-			
6	Real and Personal Property - Jurisdiction #3		-			
7	Real and Personal Property - Other Jurisdictions		-			
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )			-		
10	Federal Unemployment Tax			-		
11	State Unemployment Insurance			-		
12	<b>Line Deliberately Left Blank</b>					
13	State Severance Taxes					-
14	<b>Miscellaneous Taxes</b>					
15	List Individual Taxes Here					-
16					-	-
17					-	-
18					-	-
19					-	-
20					-	-
21					-	-
22					-	-
23	Total Taxes by Allocable Basis	-	-	-	-	-

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

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

**Functional Property Tax Allocation**

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



AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FFI Balances  
 Worksheet H page 2 Form 1 Source Reference of Company Amounts on WS H  
 AEP \_\_\_\_\_ TRANSMISSION COMPANY

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference			
1	<b>Revenue Taxes</b>						
2	Gross Receipts Tax			P.263.1 ln 7 (i) P.263.2 ln 3 (i) P.263.2 ln 4 (i)			
	(A) "Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)"	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
3	<b>Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)</b>						
4	Real and Personal Property -						
5	Real and Personal Property -						
6	Real and Personal Property -						
7	Real and Personal Property - Other Jurisdictions						
Line No.	(A) <b>Annual Tax Expense by Type (Note 1)</b>		(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference			
8	<b>Payroll Taxes</b>						
9	Federal Insurance Contribution (FICA )						
10	Federal Unemployment Tax				P.263 ln 6 (i)		
11	State Unemployment Insurance				P.263 ln 9 (i)		
12	Line Left Deliberately Blank				P.263.1 ln 23 (i)		
13	State Severance Taxes				P.263.3 ln 16 (i)		
14	<b>Miscellaneous Taxes</b>						
15	State Business & Occupation Tax						
16	State Public Service Commission Fees				P.263 ln 21 (i) P.263 ln 22 (i)		
17	State Franchise Taxes				P.263 ln 26 (i) P.263.3 ln 20 (i)		
18	State Lic/Registration Fee				P.263.1 ln 18 (i) P.263.4 ln 27 (i)		
19	Misc. State and Local Tax				P.263.1 ln 15 (i) P.263.4 ln 21 (i)		
20	Sales & Use				P.263.1 ln 12 (i) P.263 ln 30 (i)		

21	Federal Excise Tax	[Redacted]	P.263.3 ln 21 (i)
22	Michigan Single Business Tax	[Redacted]	P.263 ln 13 (i) P.263 ln 14 (i)
23	Total Taxes by Allocable Basis	[Redacted]	
		=====	
		=====	

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

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

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

AEPTCo subsidiaries in PJM  
Cost of Service Formula Rate Using Actual/Projected FF1  
Balances  
Worksheet I RESERVED  
AEP \_\_\_\_\_ TRANSMISSION COMPANY

**RESERVED FOR FUTURE USE**

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones  
 AEP \_\_\_\_\_ TRANSMISSION 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 138) 11.49%  
 Project ROE Incentive Adder  
 ROE with additional basis point incentive  
 Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 164 through 166)

	%	Cost	Weighted cost	
Long Term Debt	0.00%	0.00%		0.000%
Preferred Stock	0.00%	0.00%		0.000%
Common Stock	0.00%	11.49%		0.000%
R =				0.000%

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

- B. Determine Return using 'R' with hypothetical basis point ROE increase for Identified Projects.**  
 Rate Base (TCOS, ln 58) -  
 R (from A. above) 0.000%  
 Return (Rate Base x R) -  
**C. Determine Income Taxes using Return with hypothetical basis point ROE increase for Identified Projects.**  
 Return (from B. above) -  
 Effective Tax Rate (TCOS, ln 97) 0.00%  
 Income Tax Calculation (Return x CIT) -  
 ITC Adjustment -  
 Excess Deferred Income Tax -  
 Tax Affect of Permanent Differences -  
 Income Taxes -

**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) -  
 Lease Payments (TCOS, Ln 80) -  
 Return (TCOS, ln 109) -  
 Income Taxes (TCOS, ln 108) -  
 Annual Revenue Requirement, Less Lease Payments, Return and Taxes -  
**B. Determine Annual Revenue Requirement with hypothetical basis point increase in ROE.**  
 Annual Revenue Requirement, Less Lease payments, Return and Taxes -  
 Return (from I.B. above) -  
 Income Taxes (from I.C. above) -  
 Annual Revenue Requirement, with Basis Point ROE increase -  
 Depreciation & Amortization (TCOS, ln 83) -  
 Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation -  
**C. Determine FCR with hypothetical basis point ROE increase.**  
 Net Transmission Plant (TCOS, ln 33) -  
 Annual Revenue Requirement, with Basis Point ROE increase -  
 FCR with Basis Point increase in ROE 0.00%  
 Annual Rev. Req. w/ Basis Point ROE increase, less Dep. -  
 FCR with Basis Point ROE increase, less Depreciation 0.00%  
 FCR less Depreciation (TCOS, ln 10) 0.00%  
 Incremental FCR with Basis Point ROE increase, less Depreciation 0.00%

**II**

**I. Calculation of Composite Depreciation Rate**

- Average Transmission Plant Balance for \_\_\_\_ TCOS, ln 19 -  
 Annual Depreciation and Amortization Expense( TCOS, ln 83) -  
 Composite Depreciation Rate 0.00%  
 Depreciable Life for Composite Depreciation Rate -  
 Average Life in Whole Years -

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

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

I

## V 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. [REDACTED] (e.g. ER10-925-000)

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

Project Description: [REDACTED]

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

**CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:**  
CUMMULATIVE 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.

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

Project Totals  
 \*\* 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.

**I.**

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

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

ROE w/o incentives ( TCOS, ln 138)			11.49
Project ROE Incentive Adder			0
ROE with additional 0 basis point incentive			
Determine R ( cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 164 through 166)			
	%	Cost	Weighted cost
Long Term Debt	0.00%	0.00%	0.000%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	0.00%	0.00%	<u>11.490%</u>
		R =	0.000%

TRUE-UP YEAR	Rev Require	W Incentives	Incentive Amounts
As Projected in Prior Year WS J		\$	-
Actual after True-up	\$ -	\$ -	\$ -
True-up of ARR For ____	-	-	-

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

Rate Base ( TCOS, ln 58)	0.000
R (from A. above)	%
Return (Rate Base x R)	-

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

Return (from B. above)	-
Effective Tax Rate (TCOS, ln 97)	0.00%
Income Tax Calculation (Return x CIT)	-
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	-
Income Taxes	-

**II.**

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

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

Annual Revenue Requirement ( TCOS, ln 1)	-
Lease Payments ( TCOS, Ln 80)	-
Return ( TCOS, ln 109)	-
Income Taxes ( TCOS, ln 108)	-
Annual Revenue Requirement, Less Lease payments, Return and Taxes	-

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

Annual Revenue Requirement, Less Lease payments, Return and Taxes	-
Return (from I.B. above)	-
Income Taxes (from I.C. above)	-
Annual Revenue Requirement, with 0 Basis Point ROE increase	-
Depreciation (TCOS, ln 83)	-
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	-

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

Net Transmission Plant (TCOS, ln 33)	-
Annual Revenue Requirement, with 0 Basis Point ROE increase	-
FCR with 0 Basis Point increase in ROE	0.00%
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Dep.	-
FCR with 0 Basis Point ROE increase, less Depreciation	0.00%
FCR less Depreciation (TCOS, ln 10)	0.00%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

**III.**

**Calculation of Composite Depreciation Rate**

Average Transmission Plant Balance for ____ TCOS, ln 19	-
Annual Depreciation and Amortization Expense (TCOS, ln 83)	-
Composite Depreciation Rate	0.00%
Depreciable Life for Composite Depreciation Rate	-
Average Life in Whole Years	-

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





AEPTCo subsidiaries in PJM  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet L RESERVED  
AEP \_\_\_\_\_ TRANSMISSION COMPANY  
**RESERVED FOR FUTURE USE**

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of  
 Capital  
 AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No	Month	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)	
	(a)	(b)	(c)	(d)	(e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	-	-	-	-	-
2	January	-	-	-	-	-
3	February	-	-	-	-	-
4	March	-	-	-	-	-
5	April	-	-	-	-	-
6	May	-	-	-	-	-
7	June	-	-	-	-	-
8	July	-	-	-	-	-
9	August	-	-	-	-	-
10	September	-	-	-	-	-
11	October	-	-	-	-	-
12	November	-	-	-	-	-
13	December of Rate Year	-	-	-	-	-
14	Average of the 13 Monthly Balances	-	-	-	-	-

Line No	Month	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(f)
		Bonds (b)	Less: Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
	(a)	(b)	(c)	(d)	(e)	(f)	

						(c)+(d)+(e) -(f)
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1
15 December Prior to Rate Year	-	-	-	-	-	-
16 January	-	-	-	-	-	-
17 February	-	-	-	-	-	-
18 March	-	-	-	-	-	-
19 April	-	-	-	-	-	-
20 May	-	-	-	-	-	-
21 June	-	-	-	-	-	-
22 July	-	-	-	-	-	-
23 August	-	-	-	-	-	-
24 September	-	-	-	-	-	-
25 October	-	-	-	-	-	-
26 November	-	-	-	-	-	-
27 December of Rate Year	-	-	-	-	-	-
28 Average of the 13 Monthly Balances	-	-	-	-	-	-

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 <b>Annual Interest Expense for 2017</b>							
30 Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)				-			
31 Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.				-			
32 Amort of Debt Discount & Expense - Acct 428 (117.63.c)				-			
33 Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)				-			
34 Less: Amort of Premium on Debt - Acct 429 (117.65.c)				-			
35 Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)				-			

36 **Total Interest Expense (Ln 30 - 31**  
 + 32 + 33 - 34 - 35) -

37 **Average Cost of Debt for 2017 (Ln**  
 36/ Ln 28 (g)) #DIV/0!

**CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED**  
**FROM TCOS**

38 AEP WEST VIRGINIA TRANSMISSION COMPANY may not include costs (or gains) related to interest hedging activities.

		(Amortizati		Amortization Period	
	HEDGE AMOUNTS BY	on of	Remaining		
	ISSUANCE (FROM p. 256-257 (i)	(Gain)/Loss	Unamortize	Beginning	Ending
	of the FERC Form 1)	for 2017	d Balance		
39					
40					
41					
42					
<hr/>					
	<b>Net (Gain)/Loss Hedge</b>				
43	<b>Amortization To Be Removed</b>	-	-	-	-

**Development of Cost of Preferred**  
**Stock**

44 Balance of Preferred Stock (Line 14 (c)) -

45 Dividends on Preferred Stock (Acct 437, FF1 118.29))

46 Average Cost of Preferred Stock (Ln 45 / Ln 44) #DIV/0!

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

**Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectively. Sales will be functionalized 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)	Basis	Proceeds	(Gain) / Loss	Functional Allocator	Functional Proceeds (Gain) / Loss	FERC Account  (Gain) / Loss
			T = Transmission G = General						
1						-	0.000%		
2						-	0.000%		
3							-	0.000%	
4				Net (Gain) or Loss for ____		- =====		=====	

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

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

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

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

**AEPTCo subsidiaries in PJM**  
**Worksheet - P**  
**DEPRECIATION RATES**  
**FOR TRANSMISSION PLANT PROPERTY ACCOUNTS**  
**EFFECTIVE AS OF 3/6/2019**

**AEP APPALACHIAN TRANSMISSION COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b>TRANSMISSION PLANT</b>		
Energy Storage Equipment	351.0	14.22%
Structures & Improvements	352.0	1.62%
Station Equipment	353.0	2.37%
Towers & Fixtures	354.0	1.59%
Poles & Fixtures	355.0	2.71%
Overhead Conductor	356.0	1.53%
Underground Conduit	357.0	3.71%
Underground Conductors	358.0	5.24%
<b>GENERAL PLANT</b>		
Structures and Improvements	390	1.91%
Office Furniture and Equip.	391	3.17%
Stores Equipment	393	1.80%
Tools, Shop and Garage Equipment	394	2.57%
Laboratory Equipment	395	4.01%
Power Operated Equipment	396	3.90%
Communications Equipment	397	4.98%
Micellaneous Equipment	398	2.70%

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

	<u>Composite Depreciation Rate</u>	<u>OpCo Company</u>	<u>OpCo Company</u>	<u>TOTAL</u>
1	T-Plant (FF1 206.58.g)			
2	T-Plant (FF1 206.58.b)			
3	Average (Ln 1+ Ln 2)/2			
4	Depreciation (FF1 336.7.f)			
5	Composite Depreciation (Ln 3 / Ln 4)			

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

**AEPTCo subsidiaries in PJM  
Worksheet - P  
DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS  
EFFECTIVE AS OF 7/1/2018**

**AEP INDIANA MICHIGAN TRANSMISSION COMPANY**

<b>TRANSMISSION PLANT</b>	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
Land Rights	350.1	1.48%
Structures & Improvements	352.0	1.55%
Station Equipment	353.0	1.86%
Towers & Fixtures	354.0	1.69%
Poles & Fixtures	355.0	2.85%
Overhead Conductor	356.0	1.97%
Underground Conduit	357.0	1.86%
Underground Conductors	358.0	1.70%
 <b>GENERAL PLANT</b>		
Structures and Improvements	390	2.03%
Office Furniture and Equip.	391	4.65%
Stores Equipment	393	4.10%
Tools, Shop and Garage Equipment	394	6.65%
Laboratory Equipment	395	5.41%
Power Operated Equipment	396	4.31%
Communications Equipment	397	3.82%
Micellaneous Equipment	398	3.14%

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

<u>Composite Depreciation Rate</u>	<u>OpCo Company</u>	<u>OpCo Company</u>	<u>TOTAL</u>
T-Plant (FF1 206.58.g)			
T-Plant (FF1 206.58.b)			
Average (Ln 1+ Ln 2)/2			
Depreciation (FF1 336.7.f)			
Composite Depreciation (Ln 3 / Ln 4)			

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



**AEPTCo subsidiaries in PJM  
Worksheet - P  
DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS  
EFFECTIVE AS OF 7/1/2015**

**AEP KENTUCKY TRANSMISSION COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b>TRANSMISSION PLANT</b>		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductor	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%
<b>GENERAL PLANT</b>		
Land Rights	389.1	1.59%
Structures & Improvements	390	3.97%
Office Furniture & Equipment	391	3.20%
Transportation Equipment	392	3.52%
Stores Equipment	393	4.15%
Tools Shop & Garage Equipment	394	4.20%
Laboratory Equipment	395	5.76%
Power Operated Equipment	396	5.43%
Communication Equipment	397	5.66%
Miscellaneous Equipment	398	6.73%

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

	<u>Composite Depreciation Rate</u>	<u>OpCo Company</u>	<u>OpCo Company</u>	<u>TOTAL</u>
1	T-Plant (FF1 206.58.g)			
2	T-Plant (FF1 206.58.b)			
3	Average (Ln 1+ Ln 2)/2			
4	Depreciation (FF1 336.7.f)			
5	Composite Depreciation (Ln 3 / Ln 4)			

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

**AEPTCo subsidiaries in PJM  
Worksheet - P  
DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS  
EFFECTIVE AS OF 3/6/2019**

**AEP OHIO TRANSMISSION COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b>TRANSMISSION PLANT</b>		
Land Rights	350.1	1.46%
Energy Storage Equipment	351.0	14.22%
Structures & Improvements	352.0	1.75%
Station Equipment	353.0	2.13%
Towers & Fixtures	354.0	1.96%
Poles & Fixtures	355.0	3.17%
Overhead Conductor	356.0	2.14%
Underground Conduit	357.0	2.85%
Underground Conductors	358.0	3.19%
<b>GENERAL PLANT</b>		
Structures & Improvements	390.0	2.64%
Office Furniture & Equipment	391.0	3.67%
Stores Equipment	393.0	3.35%
Tools Shop & Garage Equipment	394.0	4.48%
Laboratory Equipment	395.0	5.06%
Power Operated Equipment	396.0	4.55%
Communication Equipment	397.0	4.82%
Miscellaneous Equipment	398.0	4.19%

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

<b><u>Composite Depreciation Rate</u></b>	<b><u>OpCo Company</u></b>	<b><u>OpCo Company</u></b>	<b><u>TOTAL</u></b>
T-Plant (FF1 206.58.g)			
T-Plant (FF1 206.58.b)			
Average (Ln 1+ Ln 2)/2			
Depreciation (FF1 336.7.f)			
Composite Depreciation (Ln 3 / Ln 4)			

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

**AEPTCo subsidiaries in PJM  
Worksheet - P  
DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS  
EFFECTIVE AS OF 3/6/2019**

**AEP WEST VIRGINIA TRANSMISSION COMPANY**

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b>TRANSMISSION PLANT</b>		
Energy Storage Equipment	351.0	14.22%
Structures & Improvements	352.0	1.62%
Station Equipment	353.0	2.37%
Towers & Fixtures	354.0	1.59%
Poles & Fixtures	355.0	2.71%
Overhead Conductor	356.0	1.53%
Underground Conduit	357.0	3.71%
Underground Conductors	358.0	5.24%
<b>GENERAL PLANT</b>		
Structures & Improvements	390.0	1.91%
Office Furniture & Equipment	391.0	3.17%
Stores Equipment	393.0	1.80%
Tools Shop & Garage Equipment	394.0	2.57%
Laboratory Equipment	395.0	4.01%
Power Operated Equipment	396.0	3.90%
Communication Equipment	397.0	4.98%
Miscellaneous Equipment	398.0	2.70%

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

<u>Composite Depreciation Rate</u>	<u>OpCo Company</u>	<u>OpCo Company</u>	<u>TOTAL</u>
1 T-Plant (FF1 206.58.g)			
2 T-Plant (FF1 206.58.b)			
3 Average (Ln 1+ Ln 2)/2			
4 Depreciation (FF1 336.7.f)			
5 Composite Depreciation (Ln 3 / Ln 4)			

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

**AEP East Consolidated Utility Capital Structure**  
**Consolidation of Operating Companies' Capital Structure @ 12-31-**  
**Worksheet Q Page 1**

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

AEP East Consolidated Utility Capital Structure  
Consolidation of Operating Companies' Capital Structure @ 12-31-\_\_\_\_  
Worksheet Q Page 2

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

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

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

**AEPTCo subsidiaries in PJM  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet R – True-up With Interest  
(Hypothetical Example)**

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019 <hr style="border: 1px solid green;"/> -	-	2018 Revenue Requirement Forecast by October 31, 2017 <hr style="border: 1px solid green;"/> -	=	True-up Adjustment - Over (Under) Recovery -
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	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
<b>Interest Rate on Amount of Refunds or Surcharges (Note 1)</b>		0.2780%				

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

<u>Calculation of Interest</u>			<b>Monthly</b>			
January	Year 2018	-	0.2780%	12	-	-
February	Year 2018	-	0.2780%	11	-	-
March	Year 2018	-	0.2780%	10	-	-
April	Year 2018	-	0.2780%	9	-	-
May	Year 2018	-	0.2780%	8	-	-
June	Year 2018	-	0.2780%	7	-	-
July	Year 2018	-	0.2780%	6	-	-
August	Year 2018	-	0.2780%	5	-	-
September	Year 2018	-	0.2780%	4	-	-
October	Year 2018	-	0.2780%	3	-	-
November	Year 2018	-	0.2780%	2	-	-
December	Year 2018	-	0.2780%	1	-	-
					-	-
			<b>Annual</b>			
January through December	Year 2019	-	0.2780%	12	-	-

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>			<b>Monthly</b>			
January	Year 2020	-	0.2780%	-	-	-
February	Year 2020	-	0.2780%	-	-	-
March	Year 2020	-	0.2780%	-	-	-
April	Year 2020	-	0.2780%	-	-	-
May	Year 2020	-	0.2780%	-	-	-
June	Year 2020	-	0.2780%	-	-	-
July	Year 2020	-	0.2780%	-	-	-

	2020					
	Year	-		-	-	-
August	2020		0.2780%	-	-	-
	Year	-		-	-	-
September	2020		0.2780%	-	-	-
	Year	-		-	-	-
October	2020		0.2780%	-	-	-
	Year	-		-	-	-
November	2020		0.2780%	-	-	-
	Year	-		-	-	-
December	2020		0.2780%			
				<hr/>		
				-		
True-Up Adjustment with Interest					-	
Less Over (Under) Recovery					-	
Total Interest					-	

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