

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

AEP Kentucky Transmission Company

For Twelve Months Ended 2021

Line No.			Total	DA	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 113)				\$18,403,922
2	REVENUE CREDITS	(Worksheet E, In 8) (Note A)	-		1.00000	\$ -
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, In 9) (Note X)				0
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)				\$ 18,403,922

MEMO: The Carrying Charge Calculations on lines 7 to 12 below are used in calculating project revenue requirements billed through PJM Schedule 12, Transmission Enhancement Charges. The total non-incentive revenue requirements for these projects shown on line 5 is included in the total on line 4.

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet JK)		5,043,016		DA	1.00000	\$ 5,043,016
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)						
7	Annual Rate	((In 1 - In 80) / (In 33 x 100))					14.86%
8	Monthly Rate	(In 7 / 12)					1.24%
9	NET PLANT CARRYING CHARGE ON LINE 7, w/o depreciation or ROE incentives (Note B)						
10	Annual Rate	((In 1 - In 80 - In 83) / (In 33 x 100))					12.42%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)						
12	Annual Rate	((In 1 - In 80 - In 83 - In 108 - In 109) / (In 33 x 100))					2.85%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet JK)						-
14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES						
15	Total Load Dispatch & Scheduling (Account 561)	Line 63 Below					108,599
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)						-
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)						-
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)					108,599

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Line No.	(1)	(2)	(3)	(4)	(5)
	RATE BASE CALCULATION	Data Sources (See "General Notes")	TO Total NOTE C	Allocator	Total Transmission
19	GROSS PLANT IN SERVICE				
19	Transmission	(Worksheet A In 14.(d) & Ln 117)	134,383,931	DA 1.00000	134,383,931
20	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP 1.00000	-
21	General Plant	(Worksheet A In 14.(h))	14,918,876	W/S 1.00000	14,918,876
22	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	-	W/S 1.00000	-
23	Intangible Plant	(Worksheet A In 14.(j))	1,770,757	W/S 1.00000	1,770,757
24	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	151,073,564	GP= 1.000000 GTD= 1.000000	151,073,564
25	ACCUMULATED DEPRECIATION AND AMORTIZATION				
26	Transmission	(Worksheet A In 28.(d) & Ln 43.(b))	10,502,788	TP1= 1.00000	10,502,788
27	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1= 1.00000	-
28	General Plant	(Worksheet A In 28.(h))	196,279	W/S 1.00000	196,279
29	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	-	W/S 1.00000	-
30	Intangible Plant	(Worksheet A In 28.(j))	692,351	W/S 1.00000	692,351
31	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	11,391,418		11,391,418
32	NET PLANT IN SERVICE				
33	Transmission	(In 19 + In 20 - In 26 - In 27)	123,881,143		123,881,143
34	General Plant	(In 21 + In 22 - In 28 - In 29)	14,722,597		14,722,597
35	Intangible Plant	(In 23 - In 30)	1,078,405		1,078,405
36	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	139,682,145	NP= 1.000000	139,682,145
37	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
38	Account No. 281.1 (enter neagative)	(Worksheet B, In 2 & In 5.E)	-	NA	-
39	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(19,320,017)	DA	(14,916,203)
40	Account No. 283.1 (enter neagative)	(Worksheet B, In 12 & In 15.E)	(1,655,742)	DA	(1,701,864)
41	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	479,794	DA	6,894,649
42	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA	-
43	TOTAL ADJUSTMENTS	(sum Ins 38 to 42)	(20,495,965)		(9,723,419)
44	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e)) In 45.(e))	-	DA	-
45	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA	-
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))	-	W/S 1.00000	-
47	WORKING CAPITAL	(Note E)			
48	Cash Working Capital	(1/8 * In 66)	171,704		171,704
49	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	-	TP 1.00000	-
50	A&G Materials & Supplies	(Worksheet C, In 3.(F))	-	W/S 1.00000	-
51	Stores Expense	(Worksheet C, In 4.(F))	-	GP 1.00000	-
52	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.(G))	-	W/S 1.00000	-
53	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.(F))	26,215	GP 1.00000	26,215
54	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.(E))	-	DA 1.00000	-
55	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.(D))	-	NA 0.00000	-
56	TOTAL WORKING CAPITAL	(sum Ins 48 to 55)	197,918		197,918
57	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA 1.00000	-
58	RATE BASE (sum Ins 36, 43, 44, 45, 46, 56, 57)		119,384,099		130,156,645

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	(1)	(2)	(3)	(4)	(5)
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION		TO Total	Allocator	Total Transmission
Line		Data Sources (See "General Notes")			
No.	OPERATION & MAINTENANCE EXPENSE				
59	Customer Related Expense	322 & 323.164,171.178.b	-		
60	Regional Marketing Expenses	322.131.b	-		
61	Transmission	321.112.b	1,482,229		
62	TOTAL O&M EXPENSES	(sum Ins 59 to 61)	1,482,229		
63	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	108,599		
64	Less: Account 565	(Note H) 321.96.b	-		
65	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
66	Total O&M Allocable to Transmission	(Ins 61 - 63 - 64 - 65)	1,373,630	TP 1.00000	1,373,630
67	Administrative and General	323.197.b (Notes J & M)	857,753		
68	Less: Acct. 924, Property Insurance	323.185.b	37,324		
69	Acct. 928, Reg. Com. Exp.	323.189.b	2,299		
70	Acct. 930.1, Gen. Advert. Exp.	323.191.b	12		
71	Acct. 930.2, Misc. Gen. Exp.	323.192.b	7,678		
72	Balance of A & G	(In 67 - sum In 68 to In 71)	810,540	W/S 1.00000	810,540
73	Plus: Acct. 924, Property Insurance	(In 68)	37,324	GP(h) 1.00000	37,324
74	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	2,273	TP 1.00000	2,273
75	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	-	TP 1.00000	-
76	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	(1)	DA 1.00000	(1)
77	FBOP Adjustment	Worksheet O Ln 16.(B). (Note K & M)	51,465	W/S 1.00000	51,465
78	A & G Subtotal	(sum Ins 72 to 77)	901,601		901,601
79	O & M EXPENSE SUBTOTAL	(In 66 + In 78)	2,275,231		2,275,231
80	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA 1.00000	-
81	TOTAL O & M EXPENSE	(In 79 + In 80)	2,275,231		2,275,231
82	DEPRECIATION AND AMORTIZATION EXPENSE				
83	Transmission	336.7.f	3,016,115	TP1 1.00000	3,016,115
84	General	336.10.f	564,602	W/S 1.00000	564,602
85	Intangible	336.1.f	310,612	W/S 1.00000	310,612
86	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)	3,891,329		3,891,329
87	TAXES OTHER THAN INCOME				
88	Labor Related	(Note N)	-		
89	Payroll	Worksheet H In 23.(D)	-	W/S 1.00000	-
90	Plant Related				
91	Property	Worksheet H-p2 In 3.(C) & In 3.(G)	374,482	DA 1.00000	374,482
92	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	-	NA 0.00000	-
93	Other	Worksheet H In 23.(E)	-	GP 1.00000	-
94	TOTAL OTHER TAXES	(sum Ins 89 to 93)	374,482		374,482
95	INCOME TAXES				
96	T=1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =		24.94%		
97	EIT=(T/(1-T)) * (1-(WCLD/WACC)) = (In 139)		25.09%		
98	where WCLD=(In 136) and WACC = (In 139)				
99	and FIT, SIT & p are as given in Note O.				
100	GRCF=1 / (1 - T) = (from In 96)		1,3323		
101	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
102	Excess Deferred Income Tax	(Note T)	15,254	NP(h) 1.00000	15,254
103	Tax Effect of Permanent and Flow-Through Differences	(Note T)	29,950	NP(h) 1.00000	29,950
104	Income Tax Calculation	(In 97 * In 109)	2,171,254		2,367,176
105	ITC adjustment	(In 100 * In 101)	-	NP(h) 1.00000	-
106	Excess Deferred Income Tax	(In 100 * In 102)	20,323		20,323
107	Tax Effect of Permanent and Flow-Through Differences	(In 100 * In 103)	39,902		39,902
108	TOTAL INCOME TAXES	(sum Ins 104 to 107)	2,231,476		2,427,401
109	RETURN ON RATE BASE (Rate Base*WACC)	(In 58 * In 139)	8,654,543		9,435,480
110	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
111	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. (F) & (H))		-		-
112	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 111 * In97)		-		-
113	TOTAL REVENUE REQUIREMENT	(sum Ins 81, 86, 94, 108, 109, 110, 111, 112)	17,427,063		18,403,922

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Letter	Notes
	General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#:Column X
A	Revenue credits include: 1) Forfeited Discounts. 2) Miscellaneous Service Revenues. 3) Rental revenues earned on assets included in the rate base. 4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service. 5) Other electric revenues. 6) Revenues for grandfathered PTP contracts included in the load divisor. 7) If AEP Transmission Companies have any directly assigned transmission facilities, the revenue credits in the formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. See Worksheet E for details.
B	The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet R and any over under recovery will be filed and posted as part of the informational filing.
C	Transmission Plant Balances in this study are projected or actual average 13 month balances.
D	The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing. The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
E	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 66. It excludes: 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 63. 2) Costs of Transmission of Electricity by Others, as described in Note H. 3) The impact of state regulatory deferrals and amortizations, as shown on line 65 4) All A&G Expenses, as shown on line 78.
F	Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 110.
G	Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
H	Removes cost of transmission service provided by others to determine the basis of cash working capital on line 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12. The addbacks on line80 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity. The company records referenced on line80 is the AEP Kentucky Transmission Company general ledger.
I	Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
J	General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
K	The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.
L	Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Act 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
M	See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
N	Includes only FICA, unemployment, highway, property and other assessments. Gross receipts, sales & use and taxes related to income are excluded.
O	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 265.8.f) (In 101) multiplied by (1/(1-T)). If the applicable tax rates are zero enter 0. Inputs Required: FIT = 21.00% SIT = 4.99% (State Income Tax Rate or Composite SIT, Worksheet G) p = 0.00% (percent of federal income tax deductible for state purposes)
	The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable. If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
P	Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
Q	Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
R	Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
S	Long Term Debt cost rate = long-term interest (In 128) / average long term debt (In 136). Preferred Stock cost rate = preferred dividends (In 129) / preferred outstanding (In 137). Common Stock cost rate (ROE) = 10.35%, per the settlement in FERC Docket No. EL17-13. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual 13 month average of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet O, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average capital structure, including the beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.
	Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
T	
U	Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All
V	The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
W	AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.
	Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
X	The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.
Z	Per the settlement in EL17-13, equity is limited to 55% of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

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

Line No	Month (a)	Gross Plant In Service				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	128,042,697	-	36,396	-	1,659,770
2	January	128,194,404	-	36,396	-	1,708,275
3	February	128,711,591	-	36,396	-	1,728,035
4	March	131,652,509	-	36,396	-	1,712,897
5	April	131,654,377	-	20,356,597	-	1,732,701
6	May	132,779,473	-	20,554,571	-	1,762,133
7	June	134,710,075	-	20,810,155	-	1,757,438
8	July	134,923,161	-	20,924,032	-	1,788,069
9	August	134,964,044	-	21,715,769	-	1,818,965
10	September	134,993,733	-	21,843,174	-	1,818,192
11	October	136,921,789	-	22,387,190	-	1,840,282
12	November	144,656,034	-	22,586,400	-	1,865,189
13	December of Rate Year	144,787,218	-	22,621,918	-	1,827,890
14	Average of the 13 Monthly Balances	134,383,931	-	14,918,876	-	1,770,757

Line No	Month (a)	Accumulated Depreciation				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
15	December Prior to Rate Year	9,205,501	-	4,559	-	592,611
16	January	9,347,273	-	4,731	-	616,725
17	February	9,571,071	-	4,903	-	641,647
18	March	9,802,100	-	5,074	-	635,201
19	April	10,044,263	-	5,246	-	660,200
20	May	10,187,439	-	71,983	-	685,530
21	June	10,431,978	-	139,368	-	687,453
22	July	10,685,426	-	207,591	-	713,194
23	August	10,940,354	-	276,186	-	739,447
24	September	11,195,384	-	348,056	-	740,506
25	October	11,448,894	-	420,346	-	767,260
26	November	11,706,034	-	494,422	-	794,382
27	December of Rate Year	11,970,527	-	569,162	-	726,413
28	Average of the 13 Monthly Balances	10,502,788	-	196,279	-	692,351

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

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
		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
	(Note A)				
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 10,502,788

<u>Plant Held For Future Use</u>		<u>Source of Data</u>	<u>Balance @ December 31, 2021</u>	<u>Balance @ December 31, 2020</u>	<u>Average Balance for 2021</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 4</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)

52 Description Account

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

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 Kentucky Transmission Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2021</u>	<u>(D) Balance @ December 31, 2020</u>	<u>(E) Average Balance for 2021</u>
1	Account 281				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 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 - In 3 - In 4	-	-	-
6	Account 282				
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	19,593,888	19,046,147	19,320,017
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)	4,389,857	4,417,771	4,403,814
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	15,204,031	14,628,376	14,916,203
11	Account 283				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	1,995,150	1,316,333	1,655,742
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)	-	(92,245)	(46,123)
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	1,995,150	1,408,578	1,701,864
16	Account 190				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	554,567	405,021	479,794
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)	(5,780,664)	(7,049,046)	(6,414,855)
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	6,335,231	7,454,067	6,894,649
21	Account 255				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - In 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheet B ADIT balances should exclude balances related to hedging activity.

AEP Kentucky Transmission Company
 ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
 PERIOD ENDED DECEMBER 31, 2021

DEBIT (CREDIT)

ACCOUNT 190	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
	ACCUMULATED DEFERRED FIT ITEMS	PER BOOKS		NON-APPLICABLE/NON-UTILITY		AVERAGE ELECTRIC UTILITY (B+C+D+E)2	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2020			FUNCTIONALIZATION 12/31/2021		
	BALANCE AS OF 12-31-2020	BALANCE AS OF 12-31-2021	BALANCE AS OF 12-31-2020	BALANCE AS OF 12-31-2021			GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1 ACCOUNT 190:															
2.01 NOL & TAX CREDIT CF - DEF TAX ASSET		466	466			466	0	466	0		466			466	
2.02 ACCRUED INTEREST-LONG-TERM - FN 48		1	1			1	0	1	0		1			1	
2.03 PROV POSS REV REFDS		1,183	33,769			17,476	0	17,476	0		1,183			33,769	
2.04 ACCRD COMPANYWIDE INCENTV PLAN		12,975	3,148			8,061	0	8,061	0		12,975			3,148	
2.05 DEFD STATE INCOME TAXES		390,397	517,184			453,791	0	453,791	0		390,397			517,184	
2.06 AMT CREDIT - DEFERRED		0	0			0	0	0	0		0			0	
2.07 NOL-DEFERRED TAX ASSET RECLASS		0	0			0	0	0	0		0			0	
2.08 NOL ADJUSTMENT		7,049,046	(5,780,664)			6,414,855	0	6,414,855	0		7,049,046			5,780,664	
2.09 NOL CONTRA		(7,049,046)	(5,780,664)			(8,477)	0	(8,477)	0		(7,049,046)			(5,780,664)	
2.10 NON-UTILITY DEFERRED FIT		6,477	16,909			16,909	0	16,909	0		6,477			16,909	
2.11 SFAS 109 FLOW-THRU 190.3		0	(0)			(0)	0	(0)	0		0			(0)	
2.12 SFAS 109 EXCESS DFT 190.4		1,843,888	1,848,887			(1,843,888)	0	(1,843,888)	0		1,843,888			1,848,887	
2.13 SFAS 133 ADIT FED - SFAS NONAFFIL 1900006		-	-			0	0	0	0		-			0	
2.14 ADIT FED - PENSION CCI HAF 1900009		-	-			0	0	0	0		-			0	
2.15 ADIT-FED-HDG-CF-INT RATE 1900015		0	0			0	0	0	0		0			0	
2.16 DEFERRED SIT 1901002		0	0			0	0	0	0		0			0	
3 TOTAL ACCOUNT 190		2,257,386	2,420,364			5,196,681	0	3,914,867	0		6,894,649			6,884,650	
4 ACCOUNT 190 - ARO-Related Deferrals		0	0			0	0	0	0		0			0	

AEP KENTUCKY TRANSMISSION COMPANY, INC.
 ATTACHMENT H-20B
 WORKSHEET B-3-X
 TAX REMEASUREMENT WORKSHEET
 Debt/(Credit)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	
								1/1/2021 Beginning Balances	Balance Sheet Entries		Tax Expense Entries				12/31/2021 Ending Balance			
								410/411 Excess / Deficient								Sum of Cols (I) - (O)		
Line No.	Utility Account (NOTE A)	Description of Account	Protected Unprotected	Tax Rate Change Act	Excess / Deficient Balance at Remeasurement	Amortization Methodology (NOTE C)	Amortization Period	Excess / Deficient ADIT Regulatory Offset	Excess / Deficient ADIT in Utility Deferrals	Balance Sheet Account Reclassifications	182.3	254	410/411 Excess / Deficient Amortization NOTE C/NOTE F	410/411 Deferred Tax Expense/ (Benefit)	Excess / Deficient ADIT Regulatory Offset	Excess / Deficient ADIT in Utility Deferrals	Reference	
Deferred Tax Account (NOTE B)																		
1a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017				1,843,888				4,999			1,848,887		WS B - 2 Col B/C, ADIT Item 2.12	
1b	2821001	ADFIT - Utility Property	Protected	TCJA 2017	(171,531,496)	ARAM	Life of Asset		(5,681,413)				244			(5,681,169)		
1c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017	-	10 Years	1/2018 - 12/2027		(418,321)				59,760			(358,561)	WS B - 1 Col N, ADIT Items 5.11 & 5.12	
1d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017				5,681,413					(244)		5,681,169		WS B - 1 Col B/C, ADIT Item 5.17	
1e	2924001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017				418,324					(59,760)		358,564		WS B - 1 Col N, ADIT Item 9.03	
1f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017	2,463,331	10 Years	12/2018 - 12/2027		542,704				(75,070)		(467,634)		WS B - 1 Col B/C, ADIT Item 9.08	
1g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017				(542,704)					75,070					
1h	NOTE D																	
Regulatory Deferral Accounts																		
2a	182.3	Regulatory Asset		TCJA 2017				-									Company Records	
2b	254	Regulatory Liability		TCJA 2017				(7,400,921)				(20,065)			(7,420,986)		Company Records	
2c	NOTE D																	
3	Total For Accounting Entries (Sum of Lines 1a through 2b)							0	(5,557,030)	-	-	-	15,066	-	(5,572,096)	NOTE E		

NOTE A: In order to ensure ratebase neutrality, AEP utilizes the fourth digit of its seven digit FERC Tax subaccount numbers to identify balances associated with utility operations vs regulatory reporting requirements. A "1" in the fourth digit of a FERC tax account refers to the utility operations balance or entry. Accounts with the "1" designation will be included in the determination of ratebase to be recovered in the formula rate. A "4" in the fourth place of the account number indicates accounts used to track regulatory accounting requirements. The excess ADIT amounts recorded in accounts with the "4" designation will be contra to the "1" balance, which will ensure that in the formula rate the excess amount will be part of ratebase, but at the total FERC account level the tax asset or liability will be recorded at the current Federal FIT rate. The amounts recorded in the "4" will be offset on a net basis in the regulatory asset or liability subaccount established for this purpose.

NOTE B: This amount represents the FIT gross up recorded on the regulatory assets and liabilities will be reported on the first line of ADIT accounts provided for each specific change in tax rates.

NOTE C: The amounts of the remeasurement shown here are as of the effective date of the change in tax rates and will remain static on this worksheet. The derivation of this amount, along with the pre-remeasurement and post-remeasurement balances of ADIT, are presented in formula worksheet(s) B-3-X.

NOTE D: (REFERENCE OR CITE TO APPROVAL OF AMORTIZATION PERIOD FOR UNPROTECTED EXCESS OR DEFICIENT ADIT)

NOTE E: In the event of future tax rate changes, additional lines will be inserted in both the Total Company and Transmission Functional sections above as required to reflect any new ADIT or regulatory deferral accounts that may be necessary to track that tax rate change.

NOTE F: The amount of excess amortization entries shown in lines 1a through 1h are shown as a debit or credit to the ADIT account from which it is being amortized. The total in line 3 is the offset recorded to the 410/411 account and will tie to the total company amount of excess or deficient ADIT amortization shown on line 102 of the cost of service.

NOTE G: Deficient remeasurement amounts will be recorded in 410.1 as a debit (expense) to cost of service; excess remeasurement amounts will be recorded in 411.1 as a credit to cost of service.

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

TAX CUT and

A	B	C	D
Line No.	Utility Account	12/31/17 Pre-remeasurement Balance	Reference
1	1901001	622,932	2018 FF1 P. 234 Col (b) Line 8
2	2821001	(14,692,002)	2018 FF1 P. 274 Col (b) Line 5
3	283 Utility Balance	(834,512)	2018 FF1 P. 276 Col (b) Line 9
4		<u>(834,512)</u>	Less: Accum Deferred SIT -Other
5	2831001	-	
6	Total	<u><u>(14,069,070)</u></u>	

GENERAL NOTE: This worksheet will summarize remeasurement adjustments in ADIT Accounts Income Tax Rates. A new sheet will be included in the working formula for each change to tax rate. New pages will be designated by incrementing the suffix letter in the workpaper name (i.e. B-3-A, B).

NOTE 1: Remeasurement calculation may not equal 40% of the December 31, 2017 deferral balance subject to remeasurement.

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

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

NOTE 4: Ties to Transmission Company's Workpaper B-3, Column F, showing the initial remeasurement as a result of the Tax Cut and Jobs Act of 2017.

JOBS ACT of 2017

E	F=E/C	G	H = E + G
Remeasurement Amount	Remeasurement Percentage (NOTE 1)	190/283 Recalss (NOTE 2)	Total Excess/Deficiency by Account (NOTE 3)
248,904	40%	(248,904)	-
(5,876,803)	40%		(5,667,536) (209,267)
-	N/A	248,904	248,904
<u>(5,627,899)</u>		<u>-</u>	<u>(5,627,899)</u>

required by changes in either Federal or State rates that may occur while this formula rate is in effect. (e.g., 3-B, etc.)

because of specific ADIT items that are not

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

at 1901001 were reclassified to account 2831001 to

remeasurement value determined

I	J = C - H
Protected / Unprotected	ADIT Deferral After Remeasurement
	622,932
Protected Unprotected	(8,815,199)
Unprotected	(248,904)
	<hr/> <u>(8,441,171)</u> <hr/>

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

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number	Source		Balance @ December 31, 2021	Balance @ December 31, 2020	Average Balance for 2021			
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	0	0	-			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)			-			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)			-			

Prepayment Balance Summary (Note 1)

	Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)
5						
6	Totals as of December 31, 2021	19,573	0	0	19,573	0
7	Totals as of December 31, 2020	32,856	0	0	32,856	0
8	Average Balance	<u>26,215</u>	<u>-</u>	<u>-</u>	<u>26,215</u>	<u>-</u>

Prepayments Account 165 - Balance @ 12/31/2021

Acc. No.	Description	2021 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001 Prepaid Insurance	9,673	-		9,673		9,673	
11	1650021 Prepaid Insurance EIS	9,900	-		9,900		9,900	
12	1650023 Prepaid Lease	0	-		-		-	
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
	Subtotal - Form 1, p 111.57.c	<u>19,573</u>	<u>0</u>	<u>0</u>	<u>19,573</u>	<u>0</u>	<u>19,573</u>	

Prepayments Account 165 - Balance @ 12/31/ 2020

Acc. No.	Description	2020 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
27	1650001 Prepaid Insurance	8,851	-		8,851		8,851	
28	1650021 Prepaid Insurance EIS	8,867	-		8,867		8,867	
29	1650023 Prepaid Lease	15,138	-		15,138		15,138	
30								
31								
32								
33								
34								
35								
36								
37								
38								
39								
40								
	Subtotal - Form 1, p 111.57.d	<u>32,856</u>	<u>0</u>	<u>0</u>	<u>32,856</u>	<u>0</u>	<u>32,856</u>	

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

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2021</u>
1	Net Funds from IPP Customers 12/31/2020 (2021 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 12/31/2021 (2021 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column $((\text{ln } 1 + \text{ln } 7)/2)$	-

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

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

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non-Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
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)	17,543,400	17,543,400	
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))	17,543,400	17,543,400	-
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	17,543,400	17,543,400	-
9	Facility Credits under PJM OATT Section 30.9			

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

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

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

(A)	(B)	(C)	(D)	(E)	(F)	
Line Number	Item No.	Description	2021 Expense	100% Non-Transmission	100% Transmission Specific	Explanation
Regulatory O&M Deferrals & Amortizations						
1						
2						
3						
4		Total	-			
Detail of Account 561 Per FERC Form 1						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	-			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	84,203			
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	24,396			
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		Total of Account 561	108,599			
Account 928						
15	9280000	Regulatory Commission Exp	16	16	-	
16	9280001	Regulatory Commission Exp-Adm	(0)	(0)	-	
17	9280002	Regulatory Commission Exp-Case	11	11	-	
18	9280005	Reg Com Exp-FERC Trans Cases	2,273	-	2,273	
19						
20						
21		Total (FERC Form 1 p.323.189.b)	2,299	26	2,273	
Account 930.1						
22	9301000	General Advertising Expenses	-	-	-	
23	9301001	Newspaper Advertising Space	0	0	-	
24	9301010	Publicity	2	2	-	
25	9301012	Public Opinion Surveys	-	-	-	
26	9301014	Video Communications	6	6	-	
27	9301015	Other Corporate Comm Exp	4	4	-	
28						
29						
30						
31						
32						
33						
34						
35						
36						
37						
38		Total (FERC Form 1 p.323.191.b)	12	12	-	
Account 930.2						
39	9302000	Misc General Expenses	5,243	5,243	-	
40	9302003	Corporate & Fiscal Expenses	2,336	2,336	-	
41	9302007	Assoc Business Development Exp	(1)	-	(1)	
42						
43		Total (FERC Form 1 p.323.192.b)	7,578	7,579	(1)	

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

1	Kentucky State Tax Rate Apportionment Factor - Note 1 Effective State Tax Rate	5.00% <u>99.70%</u>	4.99%
2	_____ Tax Rate Apportionment Factor - Note 1 Effective State Tax Rate	_____ _____	0.00%
3	_____ Tax Rate Apportionment Factor - Note 1 Effective State Tax Rate	_____ _____	0.00%
4	_____ Tax Rate Apportionment Factor - Note 1 Effective State Tax Rate	_____ _____	0.00%
5	_____ Tax Rate Apportionment Factor - Note 1 Effective State Tax Rate	_____ _____	0.00%
	Total Effective State Income Tax Rate	<u><u>4.99%</u></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	Revenue Taxes					
2	Gross Receipts Tax	-				-
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Kentucky	374,482	374,482			
5	Real and Personal Property -	-	-			
6	Real and Personal Property -	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis	374,482	374,482	-	-	-

(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		Lines 24-58 Column (D) Deliberately Left Blank		Total
	Transmission	General	Transmission	General	
24 Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	123,881,143	-	14,722,597	138,603,740
KENTUCKY JURISDICTION					
25 Percentage of Plant in KENTUCKY JURISDICTION	-	100.00%	-	100.00%	
26 Net Plant in KENTUCKY JURISDICTION (Ln 24 * Ln 25)	-	123,881,143	-	14,722,597	138,603,740
27 Less: Net Value of Exempted Generation Plant	-	-	-	-	-
28 Taxable Property Basis (Ln 26 - Ln 27)	-	123,881,143	-	14,722,597	138,603,740
29 Relative Valuation Factor	-	-	-	-	-
30 Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-	-
31 General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	100.00%	
32 Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33 Weighted KENTUCKY JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34 Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%	100.00%	
_____ JURISDICTION					
35 Net Plant in _____ JURISDICTION (Ln 24 - Ln 26)	-	-	-	-	-
36 Less: Net Value Exempted Generation Plant	-	-	-	-	-
37 Taxable Property Basis	-	-	-	-	-
38 Relative Valuation Factor	-	-	-	-	-
39 Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-	-
40 General Plant Allocator (Ln 39 / (Total - General Plant))	0.00%	100.00%	0.00%	100.00%	
41 Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-	-
42 Weighted _____ JURISDICTION Plant (Ln 39 + 41)	-	-	-	-	-
43 Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%	0.00%	

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference			
1	Revenue Taxes						
2	Gross Receipts Tax	-					
<hr/>							
Line No.	(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)
Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)							
3			374,482				374,482
4	Real and Personal Property - Kentucky	2020	374,482	374,482	P. 263 Ln. 8(i)	100.00%	374,482
5	Real and Personal Property -		-				-
6	Real and Personal Property -		-				-
7	Real and Personal Property - Other Jurisdictions		-				-

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
8	Payroll Taxes			
9	Federal Insurance Contribution (FICA)	-		
10	Federal Unemployment Tax	-		
11	State Unemployment Insurance	-		
12	<i>Line Left Deliberately Blank</i>			
13	State Severance Taxes	-		
14	Miscellaneous Taxes			
15	State Business & Occupation Tax	-		
16	State Public Service Commission Fees	-		
17	State Franchise Taxes	-		
18	State Lic/Registration Fee	-		
19	Misc. State and Local Tax	-		
20	Sales & Use	-		
21	Federal Excise Tax	-		
22	Michigan Single Business Tax	-		
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FF1 p.114, Ln 14,(c))	374,482	374,482	

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 Kentucky Transmission Company

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

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

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

ROE w/o incentives (TCOS, ln 138)			10.35%
Project ROE Incentive Adder			0
ROE with additional 0 basis point incentive			10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the True-Up TCOS, lns 136 through 138)			
	%	Cost	Weighted cost
Long Term Debt	47.12%	3.77%	1.776%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	52.88%	10.35%	5.473%
		R =	7.249%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS			
TRUE-UP YEAR	Rev Require	W Incentives	Incentive Amounts
As Projected in Prior Year WS J	\$ 4,259,251	\$ 4,259,251	\$ -
Actual After True-up	\$ 5,043,016	\$ 5,043,016	\$ -
True-up of ARR For 2021	783,766	783,766	-

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

Rate Base (True-Up TCOS, ln 58)	130,156,645
R (from A. above)	7.249%
Return (Rate Base x R)	9,435,480

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

Return (from B. above)	9,435,480
Effective Tax Rate (TCOS, ln 97)	25.09%
Income Tax Calculation (Return x CIT)	2,367,176
ITC Adjustment	-
Excess Deferred Income Tax	20,323
Tax Affect of Permanent Differences	39,902
Income Taxes	2,427,401

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)	18,403,922
Lease Payments (TCOS, lns 80)	-
Return (TCOS, ln 109)	9,435,480
Income Taxes (TCOS, ln 108)	2,427,401
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	6,541,042

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	6,541,042
Return (from I.B. above)	9,435,480
Income Taxes (from I.C. above)	2,427,401
Annual Revenue Requirement, with 0 Basis Point ROE increase	18,403,922
Depreciation (TCOS, ln 83)	3,016,115
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	15,387,807

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

Net Transmission Plant (Projected TCOS, ln 33)	123,881,143
Annual Revenue Requirement, with 0 Basis Point ROE increase	18,403,922
FCR with 0 Basis Point increase in ROE	14.86%
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Dep.	15,387,807
FCR with 0 Basis Point ROE increase, less Depreciation	12.42%
FCR less Depreciation (TCOS, ln 10)	12.42%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2021 TCOS, ln 19	134,383,931
Annual Depreciation and Amortization Expense (TCOS, ln 83)	3,016,115
Composite Depreciation Rate	2.24%
Depreciable Life for Composite Depreciation Rate	44.56
Average Life in Whole Years	45

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

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

A. Base Plan Facilities

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

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

2021	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	4,259,251	4,259,251	-
Prior Yr True-Up	5,043,016	5,043,016	-
True-Up Adjustment	783,766	783,766	-

Details		Current Year	2021
Investment	38,021,786	ROE increase accepted by FERC (Basis Points)	-
Service Year (yyyy)	2016	FCR w/o incentives, less depreciation	12.42%
Service Month (1-12)	6	FCR w/incentives approved for these facilities, less dep.	12.42%
Useful life	45	Annual Depreciation Expense	844,929
CIAC (Yes or No)	No		

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.

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 #	RTEP Projected Rev. Req't From Prior Year WS J w/o Incentives	RTEP Projected Rev. Req't From Prior Year WS J with Incentives **	RTEP Rev Req't True-up w/o Incentives	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2016	38,021,786	422,464	37,599,322	37,810,554	5,119,075	\$ -	\$ -	\$ 3,748,292	\$ -	\$ 1,370,783	\$ -	\$ -
2017	37,599,322	844,929	36,754,393	37,176,858	5,462,825	\$ -	\$ -	\$ 5,097,838	\$ -	\$ 364,987	\$ -	\$ -
2018	36,754,393	844,929	35,909,465	36,331,929	5,357,873	\$ -	\$ -	\$ 4,201,672	\$ -	\$ 1,156,201	\$ -	\$ -
2019	35,909,465	844,929	35,064,536	35,487,000	5,252,921	\$ -	\$ -	\$ 4,412,111	\$ -	\$ 840,810	\$ -	\$ -
2020	35,064,536	844,929	34,219,608	34,642,072	5,147,969	\$ -	\$ -	\$ 4,517,756	\$ -	\$ 630,213	\$ -	\$ -
2021	34,219,608	844,929	33,374,679	33,797,143	5,043,016	\$ -	\$ -	\$ 4,259,251	\$ -	\$ 783,766	\$ -	\$ -
2022	33,374,679	844,929	32,529,750	32,952,215	4,938,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	32,529,750	844,929	31,684,822	32,107,286	4,833,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	31,684,822	844,929	30,839,893	31,262,358	4,728,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	30,839,893	844,929	29,994,965	30,417,429	4,623,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	29,994,965	844,929	29,150,036	29,572,500	4,518,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	29,150,036	844,929	28,305,107	28,727,572	4,413,303	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	28,305,107	844,929	27,460,179	27,882,643	4,308,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	27,460,179	844,929	26,615,250	27,037,715	4,203,399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	26,615,250	844,929	25,770,322	26,192,786	4,098,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	25,770,322	844,929	24,925,393	25,347,857	3,993,494	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	24,925,393	844,929	24,080,465	24,502,929	3,888,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	24,080,465	844,929	23,235,536	23,658,000	3,783,590	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	23,235,536	844,929	22,390,607	22,813,072	3,678,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	22,390,607	844,929	21,545,679	21,968,143	3,573,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	21,545,679	844,929	20,700,750	21,123,215	3,468,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	20,700,750	844,929	19,855,822	20,278,286	3,363,781	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	19,855,822	844,929	19,010,893	19,433,357	3,258,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	19,010,893	844,929	18,165,964	18,588,429	3,153,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	18,165,964	844,929	17,321,036	17,743,500	3,048,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	17,321,036	844,929	16,476,107	16,898,572	2,943,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	16,476,107	844,929	15,631,179	16,053,643	2,839,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	15,631,179	844,929	14,786,250	15,208,714	2,734,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	14,786,250	844,929	13,941,322	14,363,786	2,629,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	13,941,322	844,929	13,096,393	13,518,857	2,524,164	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	13,096,393	844,929	12,251,464	12,673,929	2,419,212	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	12,251,464	844,929	11,406,536	11,829,000	2,314,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	11,406,536	844,929	10,561,607	10,984,072	2,209,307	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	10,561,607	844,929	9,716,679	10,139,143	2,104,355	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	9,716,679	844,929	8,871,750	9,294,214	1,999,403	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	8,871,750	844,929	8,026,822	8,449,286	1,894,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	8,026,822	844,929	7,181,893	7,604,357	1,789,498	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	7,181,893	844,929	6,336,964	6,759,429	1,684,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	6,336,964	844,929	5,492,036	5,914,500	1,579,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	5,492,036	844,929	4,647,107	5,069,571	1,474,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	4,647,107	844,929	3,802,179	4,224,643	1,369,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	3,802,179	844,929	2,957,250	3,379,714	1,264,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	2,957,250	844,929	2,112,321	2,534,786	1,159,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	2,112,321	844,929	1,267,393	1,689,857	1,054,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	1,267,393	844,929	422,464	844,929	949,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	422,464	422,464	-	211,232	448,702	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2073	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2074	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2075	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals		38,021,786			146,647,309	146,647,309	-					

** 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.

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

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

Line No	Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	62,750,383	-	-	-	62,750,383
2	January	67,510,585	-	-	-	67,510,585
3	February	67,991,440	-	-	-	67,991,440
4	March	68,877,547	-	-	-	68,877,547
5	April	69,493,979	-	-	-	69,493,979
6	May	73,110,678	-	-	-	73,110,678
7	June	73,114,564	-	-	-	73,114,564
8	July	73,729,819	-	-	-	73,729,819
9	August	74,352,780	-	-	-	74,352,780
10	September	74,818,814	-	-	-	74,818,814
11	October	75,509,538	-	-	-	75,509,538
12	November	76,053,404	-	-	-	76,053,404
13	December of Rate Year	76,371,482	-	-	-	76,371,482
14	Average of the 13 Monthly Balances	71,821,924	-	-	-	71,821,924

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Bonds (b)	Less: Recquired Bonds (c)	LT Advances from Assoc. Companies (d)	Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year	-	-	64,000,000	-	-	64,000,000
16	January	-	-	64,000,000	-	-	64,000,000
17	February	-	-	64,000,000	-	-	64,000,000
18	March	-	-	64,000,000	-	-	64,000,000
19	April	-	-	64,000,000	-	-	64,000,000
20	May	-	-	64,000,000	-	-	64,000,000
21	June	-	-	64,000,000	-	-	64,000,000
22	July	-	-	64,000,000	-	-	64,000,000
23	August	-	-	64,000,000	-	-	64,000,000
24	September	-	-	64,000,000	-	-	64,000,000
25	October	-	-	64,000,000	-	-	64,000,000
26	November	-	-	64,000,000	-	-	64,000,000
27	December of Rate Year	-	-	64,000,000	-	-	64,000,000
28	Average of the 13 Monthly Balances	-	-	64,000,000	-	-	64,000,000

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

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

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2021						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			2,379,000			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			36,328			
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)			2,723			
35	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)			-			
36	Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)			2,412,605			
37	Average Cost of Debt for 2021 (Ln 36/ In 28 (g))			3.77%			

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

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

	Amortization Period				
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2021	Remaining Unamortized Balance	Beginning	Ending
39					
40					
41					
42					
43	Net (Gain)/Loss Hedge Amortization To Be Removed	-	-	-	-

Development of Cost of Preferred Stock

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

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

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

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		<u>-</u>		<u>-</u>	

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

PBOP	(A)	(B)
1	<u>Calculation of PBOP Expenses</u>	
2	<u>AEP System PBOP Rate</u>	
3	Total AEP System PBOP expenses	-\$122,258,458
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$122,258,458
6	Total AEP System Direct Labor Expense	\$1,436,776,300
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.085
8	Currently Approved PBOP Rate	-\$0.043
9	Base PBOP TransCo labor expensed in current year	\$41,667
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$23,292
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$74,757
15	Actual PBOP Expense (Sum Lines 11-14)	-\$74,757
16	PBOP Adjustment Line 10 less Line 15	\$51,465

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 July 1, 2015**

AEP Kentucky Transmission Company

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

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

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

Note: AEP KENTUCKY TRANSMISSION COMPANY shall initially use the composite depreciation rate for kpc0 shown above to estimate depreciation expense for transmission projects in Worksheets I, 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
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet R - True-up With Interest**

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019	-	2018 Forecasted Revenue Requirement For Year 2018	=	True-up Adjustment Over (Under) Recovery
\$0		\$0		\$0

Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3420%				

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

<u>Calculation of Interest</u>						
Monthly						
January	Year 2018	-	0.3420%	12	-	-
February	Year 2018	-	0.3420%	11	-	-
March	Year 2018	-	0.3420%	10	-	-
April	Year 2018	-	0.3420%	9	-	-
May	Year 2018	-	0.3420%	8	-	-
June	Year 2018	-	0.3420%	7	-	-
July	Year 2018	-	0.3420%	6	-	-
August	Year 2018	-	0.3420%	5	-	-
September	Year 2018	-	0.3420%	4	-	-
October	Year 2018	-	0.3420%	3	-	-
November	Year 2018	-	0.3420%	2	-	-
December	Year 2018	-	0.3420%	1	-	-
					-	-
Annual						
January through December	Year 2019	-	0.3420%	12	-	-
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>						
Monthly						
January	Year 2020	-	0.3420%	-	-	-
February	Year 2020	-	0.3420%	-	-	-
March	Year 2020	-	0.3420%	-	-	-
April	Year 2020	-	0.3420%	-	-	-
May	Year 2020	-	0.3420%	-	-	-
June	Year 2020	-	0.3420%	-	-	-
July	Year 2020	-	0.3420%	-	-	-
August	Year 2020	-	0.3420%	-	-	-
September	Year 2020	-	0.3420%	-	-	-
October	Year 2020	-	0.3420%	-	-	-
November	Year 2020	-	0.3420%	-	-	-
December	Year 2020	-	0.3420%	-	-	-
					-	-
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.