Twelve Months Ended 2019

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

KENTUCKY POWER COMPANY

Line No.			Total	Allocator			Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 130)					$61,817,027
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	324,000	DA	1.00000	$	324,000
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				$	-
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				$	61,493,027

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.

Line No.			Total	Allocator			Amount
5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)		-	DA	1.00000	$	-
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)						
7	Annual Rate	((ln 1 - ln 95)/((ln 42) x 100))					14.77%
8	Monthly Rate	(ln 7 / 12)					1.23%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)						
10	Annual Rate	((ln 1 - ln 95 - ln 100) /((ln 42) x 100))					10.69%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)						
12	Annual Rate	((ln 1 - ln 95 - ln 100 - ln 125 - ln 126) /((ln 42) x 100))					3.52%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)						

Line No.			Amount
14	**REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES**		
15	Total Load Dispatch & Scheduling (Account 561)	Line 75 Below	2,630,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)		1,159,000
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)		386,000
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)	1,085,000

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Line No.	(1) RATE BASE CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total NOTE C	(4) Allocator		(5) Total Transmission
	GROSS PLANT IN SERVICE					
19	Production	(Worksheet A ln 14.(b))	1,203,919,000	NA	0.00000	-
20	Less: Production ARO (Enter Negative)	(Worksheet A ln 14.(c))	(11,625,000)	NA	0.00000	-
21	Transmission	(Worksheet A ln 14.(d) & TCOS Ln 134)	638,234,000	DA		628,036,000
22	Less: Transmission ARO (Enter Negative)	(Worksheet A ln 14.(e))	-	TP	0.98402	-
23	Distribution	(Worksheet A ln 14.(f))	880,175,000	NA	0.00000	-
24	Less: Distribution ARO (Enter Negative)	(Worksheet A ln 14.(g))	-	NA	0.00000	-
25	General Plant	(Worksheet A ln 14.(h))	49,750,000	W/S	0.07403	3,683,091
26	Less: General Plant ARO (Enter Negative)	(Worksheet A ln 14.(i))	-	W/S	0.07403	-
27	Intangible Plant	(Worksheet A ln 14.(j))	54,461,000	W/S	0.07403	4,031,855
28	TOTAL GROSS PLANT	(sum lns 19 to 27)	2,814,914,000	**GP**	**0.225851**	635,750,946
				GTD=	**0.41361**	
29	ACCUMULATED DEPRECIATION AND AMORTIZATION					
30	Production	(Worksheet A ln 28.(b))	471,695,000	NA	0.00000	-
31	Less: Production ARO (Enter Negative)	(Worksheet A ln 28.(c))	(4,665,000)	NA	0.00000	-
32	Transmission	(Worksheet A ln 28.(d) & ln 43.(c))	215,223,000	**TP1=**	0.97302	209,416,000
33	Less: Transmission ARO (Enter Negative)	(Worksheet A ln 28.(e))	-	**TP1=**	0.97302	-
34	Distribution	(Worksheet A ln 28.(f))	265,636,000	NA	0.00000	-
35	Less: Distribution ARO (Enter Negative)	(Worksheet A ln 28.(g))	-	NA	0.00000	-
36	General Plant	(Worksheet A ln 28.(h))	16,991,000	W/S	0.07403	1,257,877
37	Less: General Plant ARO (Enter Negative)	(Worksheet A ln 28.(i))	-	W/S	0.07403	-
38	Intangible Plant	(Worksheet A ln 28.(j))	20,639,000	W/S	0.07403	1,527,946
39	TOTAL ACCUMULATED DEPRECIATION	(sum lns 30 to 38)	985,519,000			212,201,823
40	NET PLANT IN SERVICE					
41	Production	(ln 19 + ln 20 - ln 30 - ln 31)	725,264,000			-
42	Transmission	(ln 21 + ln 22 - ln 32 - ln 33)	423,011,000			418,620,000
43	Distribution	(ln 23 + ln 24 - ln 34 - ln 35)	614,539,000			-
44	General Plant	(ln 25 + ln 26 - ln 36 - ln 37)	32,759,000			2,425,213
45	Intangible Plant	(ln 27 - ln 38)	33,822,000			2,503,909
46	TOTAL NET PLANT IN SERVICE	(sum lns 41 to 45)	1,829,395,000	**NP**	**0.231524**	423,549,123
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
48	Account No. 281.1 (enter negative)	(Worksheet B, ln 2 & ln 5.E)	(53,906,767)	NA		-
49	Account No. 282.1 (enter negative)	(Worksheet B, ln 7 & ln 10.E)	(259,883,722)	DA		(88,796,948)
50	Account No. 283.1 (enter negative)	(Worksheet B, ln 12 & ln 15.E)	(209,007,868)	DA		713,479
51	Account No. 190.1	(Worksheet B, ln 17 & ln 20.E)	91,087,584	DA		2,628,105
52	Account No. 255 (enter negative)	(Worksheet B, ln 24 & ln 25.E)	-	DA		-
53	TOTAL ADJUSTMENTS	(sum lns 48 to 52)	(431,710,773)			(85,455,364)
54	PLANT HELD FOR FUTURE USE	(Worksheet A ln 44.(e) & ln 45.(e))	6,303,000	DA		628,000
55	REGULATORY ASSETS	(Worksheet A ln 51.(e))	-	DA		-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A ln 54.(e))	(103,000)	W/S	0.07403	(7,625)
57	WORKING CAPITAL	(Note E)				
58	Cash Working Capital	(1/8 * ln 78)	994,750			978,855
59	Transmission Materials & Supplies	(Worksheet C, ln 2.(F))	405,000	TP	0.98402	398,529
60	A&G Materials & Supplies	(Worksheet C, ln 3.(F))	-	W/S	0.07403	-
61	Stores Expense	(Worksheet C, ln 4.(F))	-	GP	0.22585	-
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, ln 8.G)	38,076,858	W/S	0.07403	2,818,905
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, ln 8.F)	509,303	GP	0.22585	115,026
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, ln 8.E)	-	DA	1.00000	-
65	Prepayments (Account 165) - Unallocable	(Worksheet C, ln 8.D)	(33,297,233)	NA	0.00000	-
66	TOTAL WORKING CAPITAL	(sum lns 58 to 65)	6,688,678			4,311,315
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, ln 8.B)	(308,364)	DA	1.00000	(308,364)
68	RATE BASE (sum lns 46, 53, 54, 55, 56, 66, 67)		1,410,264,540			342,717,085

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KENTUCKY POWER COMPANY

Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator		(5) Total Transmission
	OPERATION & MAINTENANCE EXPENSE					
69	Production	321.80.b	284,383,000			
70	Distribution	322.156.b	41,095,000			
71	Customer Related Expense	322 & 323.164,171,178.b	7,114,000			
72	Regional Marketing Expenses	322.131.b	1,228,000			
73	Transmission	321.112.b	47,453,000			
74	TOTAL O&M EXPENSES	(sum lns 69 to 73)	381,273,000			
75	Less: Total Account 561	(Note G) (Worksheet F, ln 14.C)	2,630,000			
76	Less: Account 565	(Note H) 321.96.b	41,544,000			
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, ln 4.C)	(4,679,000)			
78	Total O&M Allocable to Transmission	(lns 73 - 75 - 76 - 77)	7,958,000	TP	0.98402	7,830,843
79	Administrative and General	323.197.b (Notes J and M)	17,596,000			
80	Less: Acct. 924, Property Insurance	323.185.b	651,000			
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(2,264,541)			
82	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-			
83	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(232,529)			
84	Acct. 928, Reg. Com. Exp.	323.189.b	-			
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	48,000			
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	374,000			
87	Balance of A & G	(ln 79 - sum ln 80 to ln 86)	19,020,070	W/S	0.07403	1,408,093
88	Plus: Acct. 924, Property Insurance	(ln 80)	651,000	GP	0.22585	147,029
89	Acct. 928 - Transmission Specific	Worksheet F ln 20.(E) (Note L)	-	TP	0.98402	-
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F ln 37.(E) (Note L)	-	TP	0.98402	-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F ln 43.(E) (Note L)	24,000	DA	1.00000	24,000
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	(10,572,965)	W/S	0.07403	(782,737)
93	A & G Subtotal	(sum lns 87 to 92)	9,122,105			796,385
94	O & M EXPENSE SUBTOTAL	(ln 78 + ln 93)	17,080,105			8,627,228
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	1.00000	-
96	TOTAL O & M EXPENSE	(ln 94 + ln 95)	17,080,105			8,627,228
97	DEPRECIATION AND AMORTIZATION EXPENSE					
98	Production	336.2-6.f	36,152,000	NA	0.00000	-
99	Distribution	336.8.f	31,090,000	NA	0.00000	-
100	Transmission	336.7.f	17,522,000	TP1	0.97302	17,049,233
101	General	336.10.f	2,212,000	W/S	0.07403	163,759
102	Intangible	336.1.f	9,430,000	W/S	0.07403	698,121
103	TOTAL DEPRECIATION AND AMORTIZATI0N	(Ln 98+99+ 100+101+102)	96,406,000			17,911,114
104	TAXES OTHER THAN INCOME	(Note N)				
105	Labor Related					
106	Payroll	Worksheet H ln 24.(D)	2,538,000	W/S	0.07403	187,893
107	Plant Related					
108	Property	Worksheet H-1 ln 3.(C) & 3.(G)	14,708,000	DA		4,574,593
109	Gross Receipts/Sales & Use	Worksheet H ln 24.(F)	5,969,000	NA	0.00000	-
110	Other	Worksheet H ln 24.(E)	2,141,000	GP	0.22585	483,547
111	TOTAL OTHER TAXES	(sum lns 106 to 110)	25,356,000			5,246,033
112	INCOME TAXES	(Note O)				
113	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		25.10%			
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		21.97%			
115	where WCLTD=(ln 154) and WACC = (ln 157)					
116	and FIT, SIT & p are as given in Note O.					
117	GRCF=1 / (1 - T) = (from ln 113)		1.3351			
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	-			
119	Excess Deferred Income Tax	(Note U)	(15,344,766)	DA		(854,048)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	2,724,414	DA		767,004
121	Income Tax Calculation	(ln 114 * ln 126)	22,335,562			5,427,903
122	ITC adjustment	(ln 117 * ln 118)	-	GP	0.22585	-
123	Excess Deferred Income Tax	(ln 117 * ln 119)	(20,487,031)			(1,140,253)
124	Tax Effect of Permanent and Flow-Through Differences	(ln 117 * ln 120)	3,637,407			1,024,039
125	TOTAL INCOME TAXES	(sum lns 121 to 124)	5,485,937			5,311,689
126	RETURN ON RATE BASE (Rate Base*WACC)	(ln 68 * ln 157)	101,677,928			24,709,380
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, ln 2.(B))		11,583	DA	1.00000	11,583
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, ln 4, Cols. ((F) & (H))		-			-
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (ln 128 * ln114)		-			-
130	TOTAL REVENUE REQUIREMENT (sum lns 96, 103, 111, 125, 126, 127, 128, 129)		246,017,553			61,817,027

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SUPPORTING CALCULATIONS

In No.									
	TRANSMISSION PLANT INCLUDED IN PJM TARIFF								
131	Total transmission plant	(ln 21)							638,234,000
132	Less transmission plant excluded from PJM Tariff (Worksheet A, ln 42, Col. (d)) (Note P)								-
133	Less transmission plant included in OATT Ancillary Services (Worksheet A, ln 42, Col. (b)) (Note Q)								10,198,000
134	Transmission plant included in PJM Tariff	(ln 131 - ln 132 - ln 133)							628,036,000
135	Percent of transmission plant in PJM Tariff	(ln 134 / ln 131)						TP=	0.98402

			Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)						
137	Production	354.20.b	13,845,145	7,110,916	20,956,061	NA	0.00000	-
138	Transmission	354.21.b	51,992	2,704,772	2,756,764	TP	0.98402	2,712,715
139	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000	-
140	Distribution	354.23.b	8,033,721	985,830	9,019,551	NA	0.00000	-
141	Other (Excludes A&G)	354.24,25,26.b	1,934,134	1,975,971	3,910,105	NA	0.00000	-
142	Total	(sum lns 137 to 141)	23,864,992	12,777,489	36,642,481			2,712,715
143	Transmission related amount						W/S=	0.07403

144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)		$
145	Long Term Interest	(Worksheet M, ln. 37, col. (d))	42,229,000
146	Preferred Dividends	(Worksheet M, ln. 71)	-
147	Development of Common Stock:		
148	Proprietary Capital	(Worksheet M, ln. 14, col. (b))	776,718,923
149	Less: Preferred Stock	(Worksheet M, ln. 14, col. (c))	-
150	Less: Account 216.1	(Worksheet M, ln. 14, col. (d))	-
151	Less: Account 219	(Worksheet M, ln. 14, col. (e))	358,385
152	Common Stock	(ln 148 - ln 149 - ln 150 - ln 151)	776,360,538

		$	%	Cost (Note S)	Weighted
153					
154	Long Term Debt (Note T) Worksheet M, ln 28, col. (g), ln 38, col. (d))	923,846,154	54.34%	4.57%	0.0248
155	Preferred Stock (ln 149)	-	0.00%	-	0.0000
156	Common Stock (ln 152)	776,360,538	45.66%	10.35%	0.0473
157	Total (Sum lns 154 to 156)	1,700,206,692		WACC=	0.0721

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KENTUCKY POWER COMPANY

Letter	Notes
	General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X
A	Revenue credits include: 1) Forfeited Discounts. 2) Miscellaneous Service Revenues. 3) Rental revenues earned on assets included in the rate base. 4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service. 5) Other electric revenues. 6) Revenues for grandfathered PTP contracts included in the load divisor. 7) If AEP East companies have any directly assigned transmission facilities, the revenue credits in the AEP East formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. See Worksheet E for details.
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 Q 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 of 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 flowthrough and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section1.167(I)-I(h)(6)(ii). RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. The company will not include the ADIT portion of deferred hedge gains and losses in rate base. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.
E	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 78. It excludes: 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 75. 2) Costs of Transmission of Electricity by Others, as described in Note H. 3) The impact of state regulatory deferrals and amortizations, as shown on line 77 4) All A&G Expenses, as shown on line 93.
F	Consistent with Paragraph 657 of Order 2003-A, the amount on line 67 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 127.
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 78. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such cost is added back on line 95 to determine the total O&M collected in the formula. The amounts on line 95 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12. The addbacks on line 95 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity. The company records referenced on line 95 is the KENTUCKY POWER 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	These deductions on lines 81 through 83 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
L	Expenses recorded in FERC Accounts 928 (Regulatory Commission Expense), 930.1 (Safety Related Advertising) and 930.2 (Miscellaneouse General Expenses) that are not directly related to or properly allocable to transmission service will be removed from the TCOS. If AEP includes any expenses booked to these accounts in future ATRR updates, AEP must provide supporting information demonstrating that the underlying activities are directly related to providing transmission service. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
M	See note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corportation. The calculation of the recoverable amount for each company is shown on Worksheet O.
N	Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
O	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (ln 118) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0. Inputs Required: FIT = 21.00% SIT= 5.19% (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 (ln 145) / Long-Term Debt (ln 154). Preferred Stock cost rate = preferred dividends (ln 146) / preferred outstanding (ln 155). Common Stock cost rate (ROE) = 10.35%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO Membership. The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of captial are shown on Worksheet M. Eligible Hedging Gains and Losses are computed on Worksheet M.The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.
T	The Long Term Debt balance for I&M includes the accumulated balance of principle and related interest for Spent Nuclear Fuel Disposal Costs collected prior to April 7, 1983. This total balance of $265,249,280 at 12/31/12 is not included in the balance in line 154 above. The cost rates for long-term debt shall include interest expense and related periodic expenses (such as remarketing and letter of credit fees) as recorded in FERC Account 427 or 430, amortization of issuance costs (including insurance) and discounts as recorded in FERC Account 428, issuance premiums as recorded in FERC Account 429 and losses or gains on reacquired debt as recorded in FERC Accounts 428.1 or 429.1, respectively. The cost rates for preferred stock (if applicable) shall include the dividends.
U	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.
V	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 other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.
W	The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
X	Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
Y	The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilites recorded to Accounts 228.1-228.4 from rate base.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
KENTUCKY POWER COMPANY

Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		Gross Plant In Service								
	(Note A)	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 46	FF1, page 205&204, Col.(g)&(b), lns 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	Acct. 399.1 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	1,193,728,000	11,625,000	618,942,000		854,453,000		47,613,000		48,655,000
2	January	1,194,489,000	11,625,000	620,693,000		859,555,000		47,700,000		51,070,000
3	February	1,194,667,000	11,625,000	621,987,000		864,387,000		47,778,000		52,833,000
4	March	1,195,071,000	11,625,000	622,660,000		868,313,000		47,748,000		53,794,000
5	April	1,200,009,000	11,625,000	623,411,000		872,213,000		50,329,000		54,708,000
6	May	1,204,965,000	11,625,000	624,456,000		876,142,000		50,402,000		55,610,000
7	June	1,205,611,000	11,625,000	635,466,000		880,156,000		50,475,000		52,925,000
8	July	1,205,956,000	11,625,000	642,287,000		884,093,000		50,548,000		53,871,000
9	August	1,206,080,000	11,625,000	643,664,000		888,025,000		50,648,000		54,819,000
10	September	1,206,996,000	11,625,000	645,147,000		891,941,000		50,746,000		55,749,000
11	October	1,208,178,000	11,625,000	646,627,000		895,853,000		50,833,000		56,784,000
12	November	1,209,480,000	11,625,000	648,016,000		899,789,000		50,920,000		57,940,000
13	December of Rate Year	1,225,721,000	11,625,000	703,688,000		907,360,000		51,008,000		59,241,000
14	Average of the 13 Monthly Balances	1,203,919,000	11,625,000	638,234,000	-	880,175,000	-	49,750,000	-	54,461,000

Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		Accumulated Depreciation								
	(Note A)	FF1, page 219, lns 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, ln 26, Col. (b)	Company Records (Included in total in Column (f))	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	463,932,000	4,554,000	209,209,000		257,234,000		16,021,000		17,942,000
16	January	465,199,000	4,572,000	210,203,000		258,579,000		16,177,000		18,656,000
17	February	466,645,000	4,591,000	211,188,000		259,951,000		16,334,000		19,405,000
18	March	467,989,000	4,610,000	212,177,000		261,337,000		16,491,000		20,180,000
19	April	469,175,000	4,628,000	213,168,000		262,733,000		16,648,000		20,970,000
20	May	470,277,000	4,647,000	214,160,000		264,138,000		16,814,000		21,773,000
21	June	471,511,000	4,665,000	215,154,000		265,555,000		16,982,000		18,984,000
22	July	472,917,000	4,684,000	216,174,000		266,984,000		17,149,000		19,746,000
23	August	474,330,000	4,702,000	217,209,000		268,424,000		17,317,000		20,522,000
24	September	474,610,000	4,721,000	218,248,000		269,876,000		17,485,000		21,311,000
25	October	476,398,000	4,739,000	219,290,000		271,340,000		17,653,000		22,114,000
26	November	478,384,000	4,758,000	220,335,000		272,815,000		17,822,000		22,932,000
27	December of Rate Year	480,673,000	4,776,000	221,383,000		274,301,000		17,991,000		23,767,000
28	Average of the 13 Monthly Balances	471,695,000	4,665,000	215,223,000	-	265,636,000	-	16,991,000	-	20,639,000

Line No	Month (a) (Note A)	OATT Ancillary Services (GSU) Plant In Service (b) Company Records (included in total in column (d) of gross plant above)	OATT Ancillary Services (GSU) Accumulated Depreciation (c) Company Records (included in total in column (b) of accumulated depreciation above)	Excluded Plant - Plant In Service (d) Company Records	Excluded Plant - Accumulated Depreciation (e) Company Records
29	December Prior to Rate Year	10,198,000	5,698,000		
30	January	10,198,000	5,716,000		
31	February	10,198,000	5,734,000		
32	March	10,198,000	5,752,000		
33	April	10,198,000	5,771,000		
34	May	10,198,000	5,789,000		
35	June	10,198,000	5,807,000		
36	July	10,198,000	5,825,000		
37	August	10,198,000	5,844,000		
38	September	10,198,000	5,862,000		
39	October	10,198,000	5,880,000		
40	November	10,198,000	5,898,000		
41	December of Rate Year	10,198,000	5,917,000		
42	Average of the 13 Monthly Balances	10,198,000	5,807,000	-	-
43	Transmission Accum Depreciation net of GSU		209,416,000		

	Plant Held For Future Use (a)	Source of Data (b)	Balance @ December 31, 2019 (c)	Balance @ December 31, 2018 (d)	Average Balance for 2019 (e)
44	**Plant Held For Future Use**	FF1, page 214, ln 47, Col. (d)	6,303,000	6,303,000	6,303,000
45	**Transmission Plant Held For Future Use (Included in total on line 44)**	Company Records - Note 1	628,000	628,000	628,000

Regulatory Assets and Liabilities Approved for Recovery In Ratebase

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

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

Unfunded Reserves Summary (Company Records)

52	Description	Account			
53a	Accum Prv I/D Worker's Com		144,000	62,000	103,000
53b					-
54		Total	144,000	62,000	103,000

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
KENTUCKY POWER COMPANY

Line Number	(A) Description	(B) Source	(C) Balance @ December 31, 2019	(D) Balance @ December 31, 2018	(E) Average Balance for 2019
1	**Account 281**				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	53,976,637	53,836,897	53,906,767
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)	53,976,637	53,836,897	53,906,767
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	**Account 282**				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	260,693,438	259,074,006	259,883,722
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	24,695,530	24,695,530	24,695,530
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	147,112,253	145,670,236	146,391,244
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	88,885,655	88,708,240	88,796,948
11	**Account 283**				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	209,243,593	208,772,144	209,007,868
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	22,984,712	22,984,712	22,984,712
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	186,973,889	186,499,381	186,736,635
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	(715,008)	(711,949)	(713,479)
16	**Account 190**				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	91,087,584	91,087,584	91,087,584
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	25,204,320	25,204,320	25,204,320
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	63,255,160	63,255,160	63,255,160
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	2,628,105	2,628,105	2,628,105
21	**Account 255**				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section I.I67(I)-I(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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

KENTUCKY POWER COMPANY
SPECIFIED DEFERRED CREDITS - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2019

(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	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2018			FUNCTIONALIZATION 12/31/2019		
ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2018	BALANCE AS OF 12-31-2019	BALANCE AS OF 12-31-2018	BALANCE AS OF 12-31-2019	(B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1.00 ACCOUNT 281:														
2.01														
2.02	0	0			0	0	0	0	-	-		-	-	
2.03														
2.04	0	0	0	0	0									
2.05	0	0	0	0	0									
2.06	0	0	0	0	0									
3 TOTAL ACCOUNT 281	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 ACCOUNT 281 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 ACCOUNT 282:														
5.01	0	0			0	0	0	0	-	-		-	-	
5.02	0	0			0	0	0	0		-			-	
5.03	0	0			0	0	0	0						
5.04	0	0			0	0	0	0						
5.05	0	0			0	0	0	0						
5.06	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 ACCOUNT 282 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 ACCOUNT 283:														
9.01	0	0			0	0	0	0	-	-		-	-	
9.02	0	0			0	0	0	0		-			-	
9.03	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 DEFD STATE INCOME TAXES	0	0			0	0	0	0						
11.01			0	0	0									
12 TOTAL ACCOUNT 283	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 ACCOUNT 283 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 JURISDICTIONAL AMOUNTS FUNCTIONALIZED														
15 TOTAL COMPANY AMOUNTS FUNCTIONALIZED														
16 REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT														
17 NOTE: POST 1970 ACCUMULATED DEFERRED														
18 INV TAX CRED. (JDITC) IN A/C 255														
18.01	0	0			0	0	0	0						
18.02	0	0			0	0	0	0						
19														
20 TOTAL ACCOUNT 255	0	0	0	0	0	0	0	0	0	0	0	0	0	0

KENTUCKY POWER COMPANY
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2019

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	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2018			FUNCTIONALIZATION 12/31/2019		
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2018	BALANCE AS OF 12-31-2019	BALANCE AS OF 12-31-2018	BALANCE AS OF 12-31-2019	(B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1	ACCOUNT 190:														
2.01		0	0			0	0	0	0	-	-		-	-	
2.02		0	0			0	0	0	0		-			-	
2.03		0	0			0	0	0	0						
2.04		0	0			0	0	0	0						
2.05		0	0			0	0	0	0						
2.06		0	0			0	0	0	0						
2.07		0	0			0	0	0	0						
2.08		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						
2.21		0	0			0	0	0	0						
2.22		0	0			0	0	0	0						
2.23		0	0			0	0	0	0						
2.24		0	0			0	0	0	0						
2.25		0	0			0	0	0	0						
2.26		0	0			0	0	0	0						
2.27		0	0			0	0	0	0						
2.28		0	0			0	0	0	0						
2.29		0	0			0	0	0	0						
2.30		0	0			0	0	0	0						
2.31		0	0			0	0	0	0						
2.32		0	0			0	0	0	0						
2.33		0	0			0	0	0	0						
2.34		0	0			0	0	0	0						
2.35		0	0			0	0	0	0						
2.36		0	0			0	0	0	0						
2.37		0	0			0	0	0	0						
2.38		0	0			0	0	0	0						
2.39		0	0			0	0	0	0						
2.40		0	0			0	0	0	0						
2.41		0	0			0	0	0	0						
2.42		0	0			0	0	0	0						
2.43		0	0			0	0	0	0						
2.44		0	0			0	0	0	0						
2.45		0	0			0	0	0	0						
2.46		0	0			0	0	0	0						
2.47		0	0			0	0	0	0						
2.48		0	0			0	0	0	0						
2.49		0	0			0	0	0	0						
2.50		0	0			0	0	0	0						
2.51		0	0			0	0	0	0						
2.52		0	0			0	0	0	0						
2.53		0	0			0	0	0	0						
2.54		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									
2.88				0	0	0									
2.89				0	0	0									
2.90				0	0	0	0	0	0						
2.91		0	0			0	0	0	0						
3	TOTAL ACCOUNT 190	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4	ACCOUNT 190 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0	0	0	0	0

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
KENTUCKY POWER COMPANY

Materials & Supplies

Line Number	(A)	(B)	(C) Source	(D) Balance @ December 31, 2019	(E) Balance @ December 31, 2018	(F) Average Balance for 2019
1						
2		Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	405,000	405,000	405,000
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	-

Prepayment Balance Summary (Note 1)

Line		(C) Average of YE Balance	(D) Excludable Balances	(E) 100% Transmission Related	(F) Transmission Plant Related	(G) Transmission Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)
5							
6	Totals as of December 31, 2019	7,280,928	(45,838,165)	0	701,124	52,417,968	53,119,093
7	Totals as of December 31, 2018	3,296,927	(20,756,300)		317,481	23,735,747	24,053,228
8	**Average Balance**	5,288,927	(33,297,233)	-	509,303	38,076,858	38,586,160

Prepayments Account 165 - Balance @ 12/31/2019

9	Acc. No.	Description	2019 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	423,023	-		423,023		423,023	Plant Related Insurance Policies
11	1650005	Prepaid Employee Benefits	0	-			-	-	Health Savings Program
12	1650006	Other Prepayments	504,444	504,444				-	Distribution Prepayments
13	165000217	Prepaid Taxes	520,137	520,137			-	-	Prepaid Taxes-Distribution
14	1650009	Prepaid Carry Cost-Factored AR	24,441	24,441			-	-	AR Factoring - Retail Only
15	1650017	Prepayment-Coal	5,190,305	5,190,305					Coal
16	1650010	Prepaid Pension Benefits	41,970,398	-			41,970,398	41,970,398	Prefunded Pension Expense
17	1650014	FAS 158 Qual Contra Asset	(41,970,398)	(41,970,398)			-	-	SFAS 158 Offset
18	1650016	FAS 112 ASSETS	0	-			-	-	
19	165001217	Prepaid Use Taxes	52,521	52,521			-	-	Use Taxes-Distribution
20	165001117	Prepaid Sales Taxes	273,347	273,347			-	-	Sales Taxes-Distribution
21	1650021	Prepaid Insurance - EIS	278,102	-		278,102		278,102	Prepaid Ins. - EIS
22	1650023	Prepaid Lease	14,608	14,608		-	-	-	Distribution Lease
23	1650031	Prepaid OCIP Work Comp	0	-			-	-	
24	1650033	Prepaid OCIP Work Comp-Aff	0	-			-	-	
25	1650035	PRW Without Med-D Benefits	10,447,570	-			10,447,570	10,447,570	Med-D Benefits
26	1650036	PRW for Med-D Benefits	0	-			-	-	
27	1650037	FAS 158 Contra-PRW Exc Med-D	(10,447,570)	(10,447,570)			-	-	SFAS 158 Offset
28									
29									
30									
		Subtotal - Form 1, p 111.57.c	7,280,928	(45,838,165)	0	701,124	52,417,968	53,119,093	

Prepayments Account 165 - Balance @ 12/31/ 2018

31	Acc. No.	Description	2018 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
32	1650001	Prepaid Insurance	191,552	-		191,552		191,552	Plant Related Insurance Policies
33	1650005	Prepaid Employee Benefits	0	-			-	-	Health Savings Program
34	1650006	Other Prepayments	228,421	228,421				-	Distribution Prepayments
35	165000217	Prepaid Taxes	235,527	235,527			-	-	Prepaid Taxes-Distribution
36	1650009	Prepaid Carry Cost-Factored AR	11,067	11,067			-	-	AR Factoring - Retail Only
37	1650017	Prepayment-Coal	2,350,258	2,350,258					Coal
38	1650010	Prepaid Pension Benefits	19,004,910	-			19,004,910	19,004,910	Prefunded Pension Expense
39	1650014	FAS 158 Qual Contra Asset	(19,004,910)	(19,004,910)			-	-	SFAS 158 Offset
40	1650016	FAS 112 ASSETS	0	-			-	-	
41	165001217	Prepaid Use Taxes	23,783	23,783			-	-	Use Taxes-Distribution
42	165001117	Prepaid Sales Taxes	123,776	123,776			-	-	Sales Taxes-Distribution
43	1650021	Prepaid Insurance - EIS	125,929	-		125,929		125,929	Prepaid Ins. - EIS
44	1650023	Prepaid Lease	6,615	6,615		-	-	-	Distribution Lease
45	1650031	Prepaid OCIP Work Comp	0	-			-	-	
46	1650033	Prepaid OCIP Work Comp-Aff	0	-			-	-	
47	1650035	PRW Without Med-D Benefits	4,730,837	-			4,730,837	4,730,837	Med-D Benefits
48	1650036	PRW for Med-D Benefits	0	-			-	-	
49	1650037	FAS 158 Contra-PRW Exc Med-D	(4,730,837)	(4,730,837)			-	-	SFAS 158 Offset
50									
51									
52									
		Subtotal - Form 1, p 111.57.d	3,296,927	(20,756,300)		317,481	23,735,747	24,053,228	

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
KENTUCKY POWER COMPANY

Line Number	(A) Description	(B) 2019
1	Net Funds from IPP Customers 12/31/2018 (2019 FORM 1, P269)	(296,781)
2	Interest Accrual (Company Records - Note 1)	(11,583)
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	Other Adjustments	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2019 (2019 FORM 1, P269)	(308,364)
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	(302,573)

Note 1 On this worksheet Company Records refers to KENTUCKY POWER COMPANY's general ledger.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
KENTUCKY POWER COMPANY

Line Number	Description	Total Company	Non-Transmission	Transmission
1	**Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)**	4,537,000	4,537,000	-
2	**Account 451,Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)**	771,000	757,000	14,000
3	**Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)**	6,495,000	6,185,000	310,000
4	**Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)**	410,000	410,000	-
5	**Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)**	31,255,000	31,255,000	-
5a	**Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)**		-	
5b	**Account 457.2, Miscellaneous Revenues (FF1p.300.24.(b); Company Records - Note 1)**		-	
6	**Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))**	43,468,000	43,144,000	324,000
7	**Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)**		-	
8	**Total Other Operating Revenues To Reduce Revenue Requirement**	43,468,000	43,144,000	324,000

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

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

9	**Facility Credits under PJM OATT Section 30.9**	-

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

	(A)	(B)	(C)	(D)	(E)	(F)
Line Number	**Item No.**	**Description**	**2019 Expense**	**100% Non-Transmission**	**100% Transmission Specific**	**Explanation**
		Regulatory O&M Deferrals & Amortizations				
1	5660009	T-RAC UnderRecovery	(4,679,000)			
2			-			
3						
4		**Total**	(4,679,000)			
		Detail of Account 561 Per FERC Form 1				
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	0			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	1,085,000			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	0			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	1,159,000			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	0			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	0			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	0			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	386,000			
14		**Total of Account 561**	2,630,000			
		Account 928				
15	9280000	Regulatory Commission Exp	-	-	-	
16				-	-	
17				-	-	
18				-		
19						
20		**Total (FERC Form 1 p.323.189.b)**	-	-	-	
		Account 930.1				
21	9301000	General Advertising Expenses	48,000	48,000	-	
22				-	-	
23				-	-	
24				-	-	
25				-	-	
26				-	-	
27				-	-	
28				-	-	
29						
30						
31				-		
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37		**Total (FERC Form 1 p.323.191.b)**	48,000	48,000	-	
		Account 930.2				
38	9302000	Misc General Expenses	166,000	166,000		
39	9302003	Corporate & Fiscal Expenses	-	-		
40	9302004	Research, Develop&Demonstr Exp	-	-		
41	9302006	Assoc Business Development Materials Sold	-	-	-	
42	9302007	Assoc Business Development Exp	207,000	183,000	24,000	
43		**Total (FERC Form 1 p.323.192.b)**	373,000	349,000	24,000	

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

Kentucky Corporate Income Tax Rate	5.00%	
Apportionment Factor - Note 1	72.06%	
Effective State Tax Rate		3.60%
West Virginia Corporate Tax Rate	6.50%	
Apportionment Factor - Note 1	21.62%	
Effective State Tax Rate		1.41%
Michigan Corporate Income Tax	6.00%	
Apportionment Factor - Note 1	0.08%	
Effective State Tax Rate		0.01%
Ohio Franchise Tax Rate	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
_____________ Tax Rate	0.00%	
Apportionment Factor - Note 1	0.00%	
Effective State Tax Rate		0.00%
Illinois Corporation Income Tax Rate	9.50%	
Apportionment Factor - Note 1	1.81%	
Effective State Tax Rate		0.17%
Total Effective State Income Tax Rate		5.19%

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H Supporting Taxes Other than Income
KENTUCKY POWER COMPANY

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	Gross Receipts Tax	(6,000)				(6,000)
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Kentucky	10,998,000	10,998,000			
5	Real and Personal Property - West Virginia	3,705,000	3,705,000			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	5,000	5,000			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	2,485,000		2,485,000		
10	Federal Unemployment Tax	14,000		14,000		
11	State Unemployment Insurance	39,000		39,000		
12	Production Taxes					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State B&O Tax	5,926,000				5,926,000
16	State Public Service Commission Fee	1,181,000			1,181,000	
17	State Franchise Tax	960,000			960,000	
18		-			-	
19		-			-	
20	Sales & Use	49,000				49,000
21		-				-
22		-				-
23						
24	Total Taxes by Allocable Basis	25,356,000	14,708,000	2,538,000	2,141,000	5,969,000

(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.	Account	Production	Transmission	Distribution	General	Total
25	Functionalized Net Plant (TCOS, Lns 41 thru 46)	725,264,000	423,011,000	614,539,000	32,759,000	1,795,573,000
	KENTUCKY JURISDICTION					
26	Percentage of Plant in KENTUCKY JURISDICTION	3.37%	98.31%	100.00%	99.95%	
27	Net Plant in KENTUCKY JURISDICTION (Ln 25 * Ln 26)	24,441,397	415,862,114	614,539,000	32,742,621	1,087,585,131
28	Less: Net Value of Exempted Generation Plant	43,340,713				
29	Taxable Property Basis (Ln 27 - Ln 28)	(18,899,316)	415,862,114	614,539,000	32,742,621	1,044,244,418
30	Relative Valuation Factor	33.00%	100.00%	100.00%	100.00%	
31	Weighted Net Plant (Ln 29 * Ln 30)	(6,236,774)	415,862,114	614,539,000	32,742,621	
32	General Plant Allocator (Ln 31 / (Total - General Plant))	-0.61%	40.61%	60.00%	-100.00%	
33	Functionalized General Plant (Ln 32 * General Plant)	(199,390)	13,295,147	19,646,864	(32,742,621)	-
34	Weighted KENTUCKY JURISDICTION Plant (Ln 31 + 33)	(6,436,164)	429,157,261	634,185,864	(1)	1,056,906,960
35	Functional Percentage (Ln 34/Total Ln 34)	-0.61%	40.61%	60.00%		
	STATE JURISDICTION #2					
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)	#DIV/0!	#DIV/0!	#DIV/0!		
	WEST VIRGINIA JURISDICTION					
46	Net Plant in WEST VIRGINIA JURISDICTION (Ln 25 - Ln 27 - Ln 37)	700,822,603	7,148,886	-	16,380	707,987,869
47	Less: Net Value Exempted Generation Plant	464,647,356				
48	Taxable Property Basis	236,175,247	7,148,886	-	16,380	243,340,513
49	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
50	Weighted Net Plant (Ln 48 * Ln 49)	236,175,247	7,148,886	-	16,380	
51	General Plant Allocator (Ln 50 / (Total - General Plant)	97.06%	2.94%	0.00%	-100.00%	
52	Functionalized General Plant (Ln 52 * General Plant)	15,898	481	-	(16,380)	
53	Weighted WEST VIRGINIA JURISDICTION Plant (Ln 50 + 52)	236,191,145	7,149,367	-	(1)	243,340,513
54	Functional Percentage (Ln 53/Total Ln 53)	97.06%	2.94%	0.00%		

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

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
1	Revenue Taxes			
2	Gross Receipts Tax	(6,000)		
			(6,000)	

Line No.	(A) Real Estate and Personal Propety Tax Detail Annual Tax Expenses by Type (Note 1)	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
3	Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)		**14,708,000**				**4,574,593**
4	Real and Personal Property - Kentucky		10,998,000				4,465,740
				10,998,000		40.61%	4,465,740
							-
							-
							-
							-
5	Real and Personal Property - W Va		3,705,000				108,853
				3,705,000		2.94%	108,853
							-
							-
							-
							-
							-
							-
							-
							-
6	Real and Personal Property - Tennessee		-				-
						0.00%	-
							-
							-
							-
							-
			5,000				-
7	Real and Personal Property - Other Jurisdictions			5,000		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
8	Payroll Taxes			
9	Federal Insurance Contribution (FICA)	2,485,000		
			2,485,000	
10	Federal Unemployment Tax	14,000		
			14,000	
11	State Unemployment Insurance	39,000		
			39,000	
12	Production Taxes	-		
13	State Severance Taxes			
14	Miscellaneous Taxes			
15	State Business & Occupation Tax	5,926,000		
			5,926,000	
16	State Public Service Commission Fees	1,181,000		
			1,181,000	
17	State Franchise Taxes	960,000		
			960,000	
18	State Lic/Registration Fee	-		
19	Misc. State and Local Tax	-		
20	Sales & Use	49,000		
			49,000	
21	Federal Excise Tax	-		
22	Michigan Single Business Tax	-		
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	25,356,000	25,356,000	

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

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

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AEP East Companies
Cost of Service Formula Rate Using 2019 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
KENTUCKY POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using 2019 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
KENTUCKY POWER COMPANY

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

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

ROE w/o incentives (TCOS, ln 156)			10.35%
Project ROE Incentive Adder			
ROE with additional basis point incentive			10.35%

Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through156)

	%	Cost	Weighted cost
Long Term Debt	54.34%	4.57%	2.484%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	45.66%	10.35%	4.726%
		R =	7.210%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS		Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2019	-	-	$ -

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

Rate Base (TCOS, ln 68)	342,717,085
R (from A. above)	7.210%
Return (Rate Base x R)	24,709,380

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

Return (from B. above)	24,709,380
Effective Tax Rate (TCOS, ln 114)	21.97%
Income Tax Calculation (Return x CIT)	5,427,903
ITC Adjustment	-
Excess Deferred Income Tax	(1,140,253)
Tax Affect of Permanent Differences	1,024,039
Income Taxes	5,311,689

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)	61,817,027
Lease Payments (TCOS, Ln 95)	-
Return (TCOS, ln 126)	24,709,380
Income Taxes (TCOS, ln 125)	5,311,689
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	31,795,958

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	31,795,958
Return (from I.B. above)	24,709,380
Income Taxes (from I.C. above)	5,311,689
Annual Revenue Requirement, with Basis Point ROE increase	61,817,027
Depreciation (TCOS, ln 100)	17,049,233
Annual Rev. Req, w/ Basis Point ROE increase, less Depreciation	44,767,794

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (TCOS, ln 42)	418,620,000
Annual Revenue Requirement, with Basis Point ROE increase	61,817,027
FCR with Basis Point increase in ROE	14.77%
Annual Rev. Req, w / Basis Point ROE increase, less Dep.	44,767,794
FCR with Basis Point ROE increase, less Depreciation	10.69%
FCR less Depreciation (TCOS, ln 10)	10.69%
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2019 (TCOS, ln 21)	628,036,000
Annual Depreciation and Amortization Expense (TCOS, ln 100)	17,049,233
Composite Depreciation Rate	2.71%
Depreciable Life for Composite Depreciation Rate	36.84
Round to nearest whole year	37

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

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

A. Base Plan Facilities

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

Project Description:

Current Projected Year ARR	**#N/A**
Current Projected Year ARR w/ Incentive	**#N/A**
Current Projected Year Incentive ARR	#N/A

Details			
Investment	-	Current Year	**2019**
Service Year (yyyy)		ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	-	FCR w/o incentives, less depreciation	10.69%
Useful life	37	FCR w/incentives approved for these facilities, less dep.	10.69%
CIAC (Yes or No)		Annual Depreciation Expense	-

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.

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 **		
-	-	-	-	-	-	$ -					
-	-	-	-	-	-	$ -					
-	-	-	-	-	-	$ -					
-	-	-	-	-	-	$ -					
-	-	-	-	-	-	$ -					
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-	-	-	-	-	-	$ -					
-	-	-	-	-	-	$ -					
-	-	-	-	-	-	$ -					
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.

AEP East Companies
Cost of Service Formula Rate Using 2019 FF1 Balances
Worksheet L Reserved for Future Use
KENTUCKY POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
KENTUCKY POWER COMPANY

Line No	Month (a)	Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Average Balance of Common Equity				
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	739,890,000			312,000	739,578,000
2	January	748,051,000			320,000	747,731,000
3	February	755,282,000			327,000	754,955,000
4	March	761,932,000			335,000	761,597,000
5	April	765,555,000			343,000	765,212,000
6	May	771,193,000			351,000	770,842,000
7	June	778,193,000			358,000	777,835,000
8	July	784,155,000			366,000	783,789,000
9	August	790,443,000			374,000	790,069,000
10	September	792,451,000			382,000	792,069,000
11	October	795,385,000			389,000	794,996,000
12	November	802,863,000			397,000	802,466,000
13	December of Rate Year	811,953,000			405,000	811,548,000
14	Average of the 13 Monthly Balances	776,718,923	-	-	358,385	776,360,538

Line No	Month (a)	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)	Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Average Balance of Long Term Debt					
	(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		-		870,000,000		870,000,000
16	January		-		870,000,000		870,000,000
17	February		-		870,000,000		870,000,000
18	March		-		870,000,000		870,000,000
19	April		-		870,000,000		870,000,000
20	May		-		870,000,000		870,000,000
21	June		-		970,000,000		970,000,000
22	July		-		970,000,000		970,000,000
23	August		-		970,000,000		970,000,000
24	September		-		970,000,000		970,000,000
25	October		-		970,000,000		970,000,000
26	November		-		970,000,000		970,000,000
27	December of Rate Year		-		970,000,000		970,000,000
28	Average of the 13 Monthly Balances	-	-	-	923,846,154	-	923,846,154

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

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	**Annual Interest Expense for 2019**						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			41,741,000			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.			61,972			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			61,972			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			421,000			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			67,000			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
37	**Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)**			42,229,000			
38	**Average Cost of Debt for 2019 (Ln 37/ ln 28 (g))**			**4.57%**			

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. <u>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.</u>

	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2019	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Amortization Period Beginning	Amortization Period Ending
40	Senior Unsecured Notes - Series E	61,972	-	61,972	0	September 2007	September 2017
41		-		-			
42		-		-			
43				-			
44				-			
45				-			
46				-			
47				-			
48				-			
49					-		
50	Total Hedge Amortization	61,972	-				

51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)	61,972
52	Total Average Capital Structure Balance for 2019 (TCOS, Ln 157)	1,700,206,692
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital	0.0005
54	Limit of Recoverable Amount	850,103
55	**Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)**	**61,972**

Development of Cost of Preferred Stock

				Average	
	Preferred Stock				
56	4.125% Series - 100 - Dividend Rate (p. 250-251)	4.125%	4.125%		
57	4.125% Series - 100 - Par Value (p. 250-251)	$ 100.00	$ 100.00		
58	4.125% Series - 100 - Shares O/S (p.250-251)	-	-		
59	4.125% Series - 100 - Monetary Value (Ln 57 * Ln 58)	-	-	-	
60	4.125% Series - 100 - Dividend Amount (Ln 56 * Ln 59)	-	-	-	
61	4.12% Series - 100 - Dividend Rate (p. 250-251)	4.120%	4.120%		
62	4.12% Series - 100 - Par Value (p. 250-251)	$ 100.00	$ 100.00		
63	4.12% Series - 100 - Shares O/S (p.250-251)	-	-		
64	4.12% Series - 100 - Monetary Value (Ln 62 * Ln 63)	-	-	-	
65	4.12% Series - 100 - Dividend Amount (Ln 61 * Ln 64)	-	-	-	
66	4.56% Series - 100 - Dividend Rate (p. 250-251)	4.560%	4.560%		
67	4.56% Series - 100 - Par Value (p. 250-251)	$ 100.00	$ 100.00		
68	4.56% Series - 100 - Shares O/S (p.250-251)	-	-		
69	4.56% Series - 100 - Monetary Value (Ln 67 * Ln 68)	-	-	-	
70	4.56% Series - 100 - Dividend Amount (Ln 66 * Ln 69)	-	-	-	
71	**Balance of Preferred Stock (Lns 59, 64, 69)**	-	-	-	Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)
72	**Dividends on Preferred Stock (Lns 60, 65, 70)**	-	-	**-**	
73	**Average Cost of Preferred Stock (Ln 72/71)**	0.00%	0.00%	**0.00%**	

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

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

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line	**Date**	**Property Description**	**Function (T) or (G)** T = Transmission G = General	**Basis**	**Proceeds**	**(Gain) / Loss**	**Functional Allocator**	**Functionalized Proceeds (Gain) / Loss**	**FERC Account**
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4				Net (Gain) or Loss for 2019		-		-	

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
KENTUCKY POWER COMPANY

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

Allocation of PBOP Settlement Amount for 2019

Line#	Company	Actual Expense (Including AEPSC Billed OPEB)	Total Company Amount Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 2019	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * -127041505	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
2	APCo	(10,786,934)	35.95%	(45,673,480)	8.520%	(919,002)	(3,891,191)	2,972,189
3	I&M	(8,341,369)	27.80%	(35,318,595)	3.886%	(324,112)	(1,372,337)	1,048,225
4	KPCo	(2,497,070)	8.32%	(10,572,965)	7.403%	(184,863)	(782,737)	597,874
5	KNGP	(238,736)	0.80%	(1,010,844)	10.505%	(25,079)	(106,188)	81,109
6	OPCo	(7,704,846)	25.68%	(32,623,462)	11.590%	(892,964)	(3,780,944)	2,887,979
7	WPCo	(435,072)	1.45%	(1,842,159)	2.524%	(10,981)	(46,495)	35,514
8	**Sum of Lines 2 to 7**	(30,004,027)		(127,041,505)		(2,357,001)	(9,979,892)	7,622,891

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	(10,200,682)	(7,960,375)	(2,383,555)	(210,469)	(6,946,810)	(266,258)	(27,968,149)
10 Additional PBOP Ledger Entries (from Company Records)	222,743	181,345	119,014	(2,018)	(67,394)	(141,891)	
11 Medicare Subsidy							-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(9,977,939)	(7,779,030)	(2,264,541)	(212,487)	(7,014,204)	(408,149)	(27,656,350)
			-				
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(808,995)	(562,339)	(232,529)	(26,249)	(690,642)	(26,923)	(2,347,677)
14 Company PBOP Expense (Ln 12 + Ln 13)	(10,786,934)	(8,341,369)	(2,497,070)	(238,736)	(7,704,846)	(435,072)	(30,004,027)

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

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF 6/1/2015
FOR MULTIPLE JURISDICTION COMPANIES

Appalachian Power Company

		VIRGINIA			**WEST VIRGINIA**			**FERC WHOLESALE**			**FERC KINGSPORT**			**COMPANY**
		(1)			*(2)*			*(3)*			*(4)*			
	PLANT ACCT.	*VA SCC RATES*	*ALLOCATION FACTOR (5)*	*WTD AVG. DEPREC. RATE*	*PSC OF WV APPROVED RATES*	*ALLOCATION FACTOR (5)*	*WTD AVG. DEPREC. RATE*	*FERC RATES*	*ALLOCATION FACTOR (5)*	*WTD AVG. DEPREC. RATE*	*FERC RATES*	*ALLOCATION FACTOR (5)*	*WTD AVG. DEPREC. RATE*	*WTD AVG. DEPREC. RATE*
TRANSMISSION PLANT														
Land Rights - Va.	350.1	0.66%	1.000000	0.66%										0.66%
Energy Storage Equip	351.0				6.67%	1.000000	6.67%							6.67%
Structures & Improvements	352.0	1.55%	0.469583	0.73%	1.52%	0.437847	0.67%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.60%
Station Equipment	353.0	1.95%	0.469583	0.92%	1.68%	0.437847	0.74%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.86%
Towers & Fixtures	354.0	1.14%	0.469583	0.54%	1.54%	0.437847	0.67%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.41%
Poles & Fixtures	355.0	2.77%	0.469583	1.30%	2.64%	0.437847	1.16%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	2.66%
Overhead Conductor	356.0	1.01%	0.469583	0.47%	1.19%	0.437847	0.52%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.19%
Underground Conduit	357.0	1.23%	0.469583	0.58%	1.45%	0.437847	0.63%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.41%
Underground Conductors	358.0	3.18%	0.469583	1.49%	7.23%	0.437847	3.17%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	4.86%

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

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

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

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

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

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

GENERAL NOTES:

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

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF October 31, 2018
FOR MULTIPLE JURISDICTION COMPANIES
INDIANA MICHIGAN POWER COMPANY

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

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

GENERAL NOTES:

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

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

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
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
Composite Transmission Depreciation Rate		**1.46%**
GENERAL PLANT		
Structures & Improvements	390.0	1.71%
Office Furniture & Equipment	391.0	2.82%
Stores Equipment	393.0	2.22%
Tools Shop & Garage Equipment	394.0	3.12%
Laboratory Equipment	395.0	3.17%
Communication Equipment	397.0	3.32%
Miscellaneous Equipment	398.0	4.92%
Total General Plant		3.25%

Reference:

Note 1: Rates Approved In Tennessee Regulatory Authority Docket No. 16-00001.
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Note 2: Kingsport Power Company does not have investment in plant accounts 357 or 358. Therefore, there are no depreciation rates approved

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

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

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

Reference:

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

General Note

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

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

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Structures & Improvements	352.0	2.02%
Station Equipment	353.0	2.29%
Twrs and Fixtures Above 69 KV	354.0	1.88%
Twrs and Fixtures Below 69 KV	354.0	1.88%
Poles and Fixtures Above 69 KV	355.0	3.52%
Poles and Fixtures Below 69 KV	355.0	3.52%
Overhead Conductor & Devices Above	356.0	1.91%
Overhead Conductor & Devices MSP	356.0	1.91%
Overhead Conductor & Devices 138K	356.0	1.91%
Overhead Conductor & Devices 69KV	356.0	1.91%
Overhead Conductor & Devices CLR	356.0	1.91%
Underground Conduit	357.0	2.26%
Underground Conductors	358.0	3.27%

Reference:

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

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

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 06/1/2015
FOR SINGLE JURISDICTION COMPANIES
WHEELING POWER COMPANY

	PLANT ACCT.	**RATES** Note 1
TRANSMISSION PLANT		
Structures & Improvements	352.0	0.69%
Station Equipment	353.0	1.70%
Towers & Fixtures	354.0	0.04%
Poles & Fixtures	355.0	2.65%
Overhead Conductors	356.0	1.12%
Underground Conduit	357.0	2.00%
Underground Conductors	358.0	5.00%
Trails & Roads	359.0	-

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

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

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

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018		2017 Forecasted Revenue Requirement For Year 2017		True-up Adjustment - Over (Under) Recovery
$62,909,817	-	$65,893,758	=	$2,983,941

Interest Rate on Amount of Refunds or Surcharges from 35.19a		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
			0.3420%				

An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorate over 2019

Calculation of Interest					Monthly		
January	Year 2017	248,662	0.3420%	12	(10,205)		(258,867)
February	Year 2017	248,662	0.3420%	11	(9,355)		(258,016)
March	Year 2017	248,662	0.3420%	10	(8,504)		(257,166)
April	Year 2017	248,662	0.3420%	9	(7,654)		(256,316)
May	Year 2017	248,662	0.3420%	8	(6,803)		(255,465)
June	Year 2017	248,662	0.3420%	7	(5,953)		(254,615)
July	Year 2017	248,662	0.3420%	6	(5,103)		(253,764)
August	Year 2017	248,662	0.3420%	5	(4,252)		(252,914)
September	Year 2017	248,662	0.3420%	4	(3,402)		(252,063)
October	Year 2017	248,662	0.3420%	3	(2,551)		(251,213)
November	Year 2017	248,662	0.3420%	2	(1,701)		(250,363)
December	Year 2017	248,662	0.3420%	1	(850)		(249,512)
					(66,333)		(3,050,274)
					Annual		
January through December	Year 2018	(3,050,274)	0.3420%	12	(125,183)		(3,175,457)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly		
January	Year 2019	3,175,457	0.3420%		(10,860)	270,541	(2,915,777)
February	Year 2019	2,915,777	0.3420%		(9,972)	270,541	(2,655,208)
March	Year 2019	2,655,208	0.3420%		(9,081)	270,541	(2,393,748)
April	Year 2019	2,393,748	0.3420%		(8,187)	270,541	(2,131,394)
May	Year 2019	2,131,394	0.3420%		(7,289)	270,541	(1,868,142)
June	Year 2019	1,868,142	0.3420%		(6,389)	270,541	(1,603,990)
July	Year 2019	1,603,990	0.3420%		(5,486)	270,541	(1,338,935)
August	Year 2019	1,338,935	0.3420%		(4,579)	270,541	(1,072,974)
September	Year 2019	1,072,974	0.3420%		(3,670)	270,541	(806,102)
October	Year 2019	806,102	0.3420%		(2,757)	270,541	(538,318)
November	Year 2019	538,318	0.3420%		(1,841)	270,541	(269,619)
December	Year 2019	269,619	0.3420%		(922)	270,541	0
					(71,032)		

True-Up Adjustment with Interest	(3,246,490)
Less Over (Under) Recovery	2,983,941
Total Interest	(262,549)

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

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

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018		2017 Forecasted Revenue Requirement For Year 2017		True-up Adjustment - Over (Under) Recovery
$447,990	-	$1,055,779	=	$607,789

Interest Rate on Amount of Refunds or Surcharges from 35.19a		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
			0.3420%				
An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorate over 2019							
Calculation of Interest					Monthly		
January	Year 2017	50,649	0.3420%	12	(2,079)		(52,728)
February	Year 2017	50,649	0.3420%	11	(1,905)		(52,555)
March	Year 2017	50,649	0.3420%	10	(1,732)		(52,381)
April	Year 2017	50,649	0.3420%	9	(1,559)		(52,208)
May	Year 2017	50,649	0.3420%	8	(1,386)		(52,035)
June	Year 2017	50,649	0.3420%	7	(1,213)		(51,862)
July	Year 2017	50,649	0.3420%	6	(1,039)		(51,688)
August	Year 2017	50,649	0.3420%	5	(866)		(51,515)
September	Year 2017	50,649	0.3420%	4	(693)		(51,342)
October	Year 2017	50,649	0.3420%	3	(520)		(51,169)
November	Year 2017	50,649	0.3420%	2	(346)		(50,996)
December	Year 2017	50,649	0.3420%	1	(173)		(50,822)
					(13,511)		(621,300)
					Annual		
January through December	Year 2018	(621,300)	0.3420%	12	(25,498)		(646,798)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly		
January	Year 2019	646,798	0.3420%		(2,212)	55,106	(593,905)
February	Year 2019	593,905	0.3420%		(2,031)	55,106	(540,830)
March	Year 2019	540,830	0.3420%		(1,850)	55,106	(487,574)
April	Year 2019	487,574	0.3420%		(1,668)	55,106	(434,136)
May	Year 2019	434,136	0.3420%		(1,485)	55,106	(380,516)
June	Year 2019	380,516	0.3420%		(1,301)	55,106	(326,711)
July	Year 2019	326,711	0.3420%		(1,117)	55,106	(272,723)
August	Year 2019	272,723	0.3420%		(933)	55,106	(218,550)
September	Year 2019	218,550	0.3420%		(747)	55,106	(164,192)
October	Year 2019	164,192	0.3420%		(562)	55,106	(109,648)
November	Year 2019	109,648	0.3420%		(375)	55,106	(54,918)
December	Year 2019	54,918	0.3420%		(188)	55,106	0
					(14,468)		
True-Up Adjustment with Interest						(661,267)	
Less Over (Under) Recovery						607,789	
Total Interest						(53,478)	

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.