

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

Twelve Months Ended 2019

Appalachian Power Company

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 130)				\$339,877,110
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	Total	DA	1.00000	\$ 9,383,500
			9,383,500			
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)				\$ 330,493,610

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

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)	25,986,264	DA	1.00000	\$ 25,986,264
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))			13.28%
8	Monthly Rate	(ln 7 / 12)			1.11%
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))			10.84%
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))			3.27%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				
14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
15	Total Load Dispatch & Scheduling (Account 561)	Line 75 Below			13,527,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				6,294,000
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				2,089,000
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			5,144,000

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(1)		(2)	(3)	(4)		(5)
RATE BASE CALCULATION		Data Sources (See "General Notes")	TO Total NOTE C	Allocator		Total Transmission
Line No.						
19	GROSS PLANT IN SERVICE					
19	Production	(Worksheet A In 14.(b))	6,456,654,000	NA	0.00000	-
20	Less: Production ARO (Enter Negative)	(Worksheet A In 14.(c))	(93,906,000)	NA	0.00000	-
21	Transmission	(Worksheet A In 14.(d) & TCOS Ln 134)	3,390,492,000	DA		3,317,674,000
22	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP	0.97852	-
23	Distribution	(Worksheet A In 14.(f))	4,177,629,000	NA	0.00000	-
24	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.(g))	-	NA	0.00000	-
25	General Plant	(Worksheet A In 14.(h))	269,360,000	W/S	0.08520	22,948,356
26	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	-	W/S	0.08520	-
27	Intangible Plant	(Worksheet A In 14.(j))	231,921,000	W/S	0.08520	19,758,708
28	TOTAL GROSS PLANT	(sum Ins 19 to 27)	14,432,150,000	GP GTD=	0.232840 0.43837	3,360,381,065
29	ACCUMULATED DEPRECIATION AND AMORTIZATION					
30	Production	(Worksheet A In 28.(b))	2,539,709,000	NA	0.00000	-
31	Less: Production ARO (Enter Negative)	(Worksheet A In 28.(c))	(38,290,000)	NA	0.00000	-
32	Transmission	(Worksheet A In 28.(d) & In 43.(c))	779,779,000	TP1=	0.97163	757,656,000
33	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1=	0.97163	-
34	Distribution	(Worksheet A In 28.(f))	1,419,229,000	NA	0.00000	-
35	Less: Distribution ARO (Enter Negative)	(Worksheet A In 28.(g))	-	NA	0.00000	-
36	General Plant	(Worksheet A In 28.(h))	84,687,000	W/S	0.08520	7,214,982
37	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	-	W/S	0.08520	-
38	Intangible Plant	(Worksheet A In 28.(j))	106,010,000	W/S	0.08520	9,031,613
39	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 30 to 38)	4,891,124,000			773,902,594
40	NET PLANT IN SERVICE					
41	Production	(In 19 + In 20 - In 30 - In 31)	3,861,329,000			-
42	Transmission	(In 21 + In 22 - In 32 - In 33)	2,610,713,000			2,560,018,000
43	Distribution	(In 23 + In 24 - In 34 - In 35)	2,758,400,000			-
44	General Plant	(In 25 + In 26 - In 36 - In 37)	184,673,000			15,733,375
45	Intangible Plant	(In 27 - In 38)	125,911,000			10,727,096
46	TOTAL NET PLANT IN SERVICE	(sum Ins 41 to 45)	9,541,026,000	NP	0.271090	2,586,478,470
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
48	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	(281,507,367)	NA		-
49	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(1,308,132,480)	DA		(551,739,429)
50	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(595,688,396)	DA		(2,368,976)
51	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	490,284,873	DA		42,670,943
52	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(788,267)	DA		(58,596)
53	TOTAL ADJUSTMENTS	(sum Ins 48 to 52)	(1,695,831,637)			(511,496,059)
54	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e) & In 45.(e))	3,973,000	DA		-
55	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA		-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))	(263,000)	W/S	0.08520	(22,407)
57	WORKING CAPITAL	(Note E)				
58	Cash Working Capital	(1/8 * In 78)	4,629,250			4,529,827
59	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	4,510,257	TP	0.97852	4,413,390
60	A&G Materials & Supplies	(Worksheet C, In 3.(F))	-	W/S	0.08520	-
61	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.23284	-
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	221,944,892	W/S	0.08520	18,908,785
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	6,100,738	GP	0.23284	1,420,495
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000	-
65	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(214,983,217)	NA	0.00000	-
66	TOTAL WORKING CAPITAL	(sum Ins 58 to 65)	22,201,920			29,272,498
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	(2,897,545)	DA	1.00000	(2,897,545)
68	RATE BASE (sum Ins 46, 53, 54, 55, 56, 66, 67)		7,868,208,738			2,101,334,958

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	(1)	(2)	(3)	(4)	(5)	
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission	
Line						
No.	OPERATION & MAINTENANCE EXPENSE					
69	Production	321.80.b	1,189,850,000			
70	Distribution	322.156.b	124,960,000			
71	Customer Related Expense	322 & 323.164,171,178.b	68,751,000			
72	Regional Marketing Expenses	322.131.b	6,480,000			
73	Transmission	321.112.b	284,920,000			
74	TOTAL O&M EXPENSES	(sum lns 69 to 73)	1,674,961,000			
75	Less: Total Account 561	(Note G) (Worksheet F, ln 14.C)	13,527,000			
76	Less: Account 565	(Note H) 321.96.b	225,898,000			
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, ln 4.C)	8,461,000			
78	Total O&M Allocable to Transmission	(lns 73 - 75 - 76 - 77)	37,034,000	TP	0.97852	36,238,616
79	Administrative and General	323.197.b (Notes J and M)	92,157,000			
80	Less: Acct. 924, Property Insurance	323.185.b	3,628,000			
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(9,977,939)			
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)	(808,995)			
84	Acct. 928, Reg. Com. Exp.	323.189.b	1,000			
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	520,000			
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	8,502,000			
87	Balance of A & G	(ln 79 - sum ln 80 to ln 86)	90,292,934	W/S	0.08520	7,692,584
88	Plus: Acct. 924, Property Insurance	(ln 80)	3,628,000	GP	0.23284	844,743
89	Acct. 928 - Transmission Specific	Worksheet F ln 20.(E) (Note L)	-	TP	0.97852	-
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F ln 37.(E) (Note L)	-	TP	0.97852	-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F ln 43.(E) (Note L)	5,559,000	DA	1.00000	5,559,000
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	(45,673,479)	W/S	0.08520	(3,891,191)
93	A & G Subtotal	(sum lns 87 to 92)	53,806,455			10,205,136
94	O & M EXPENSE SUBTOTAL	(ln 78 + ln 93)	90,840,455			46,443,752
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)	90,840,455			46,443,752
97	DEPRECIATION AND AMORTIZATION EXPENSE					
98	Production	336.2-6.f	221,154,000	NA	0.00000	-
99	Distribution	336.8.f	159,274,000	NA	0.00000	-
100	Transmission	336.7.f	64,152,000	TP1	0.97163	62,331,953
101	General	336.10.f	6,041,000	W/S	0.08520	514,668
102	Intangible	336.1.f	34,472,000	W/S	0.08520	2,936,872
103	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 98+99+ 100+101+102)	485,093,000			65,783,492
104	TAXES OTHER THAN INCOME	(Note N)				
105	Labor Related					
106	Payroll	Worksheet H ln 24.(D)	8,460,000	W/S	0.08520	720,757
107	Plant Related					
108	Property	Worksheet H-1 ln 3.(C) & 3.(G)	78,040,000	DA		29,251,900
109	Gross Receipts/Sales & Use	Worksheet H ln 24.(F)	43,444,000	NA	0.00000	-
110	Other	Worksheet H ln 24.(E)	15,818,000	GP	0.23284	3,683,062
111	TOTAL OTHER TAXES	(sum lns 106 to 110)	145,762,000			33,655,720
112	INCOME TAXES	(Note O)				
113	T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =		23.94%			
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		21.20%			
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)		1.3147			
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)				
119	Excess Deferred Income Tax	(Note U)	(74,163,450)	DA		(2,558,931)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	11,524,920	DA		1,990,500
121	Income Tax Calculation	(ln 114 * ln 126)	127,454,871			34,038,926
122	ITC adjustment	(ln 117 * ln 118)	-	GP	0.23284	-
123	Excess Deferred Income Tax	(ln 117 * ln 119)	(97,504,970)			(3,364,305)
124	Tax Effect of Permanent and Flow-Through Differences	(ln 117 * ln 120)	15,152,167			2,616,972
125	TOTAL INCOME TAXES	(sum lns 121 to 124)	45,102,069			33,291,593
126	RETURN ON RATE BASE (Rate Base*WACC)	(ln 68 * ln 157)	601,324,805			160,593,710
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, ln 2.(B))		108,843	DA	1.00000	108,843
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		1,368,231,171			339,877,110
	(sum lns 96, 103, 111, 125, 126, 127, 128, 129)					

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
131	Total transmission plant	(In 21)							3,390,492,000	
132	Less transmission plant excluded from PJM Tariff	(Worksheet A, In 42, Col. (d)) (Note P)							-	
133	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 42, Col. (b)) (Note Q)							72,818,000	
134	Transmission plant included in PJM Tariff	(In 131 - In 132 - In 133)							3,317,674,000	
135	Percent of transmission plant in PJM Tariff	(In 134 / In 131)						TP=	0.97852	
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total					
137	Production	354.20.b	57,495,600	25,637,745	83,133,345	NA	0.00000		-	
138	Transmission	354.21.b	391,808	12,838,015	13,229,823	TP	0.97852	12,945,685		
139	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000		-	
140	Distribution	354.23.b	31,316,167	4,574,319	35,890,486	NA	0.00000		-	
141	Other (Excludes A&G)	354.24,25,26.b	10,615,156	9,083,232	19,698,388	NA	0.00000		-	
142	Total	(sum Ins 137 to 141)	99,818,731	52,133,311	151,952,042				12,945,685	
143	Transmission related amount						W/S=	0.08520		
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$	
145	Long Term Interest	(Worksheet M, In. 37, col. (d))							205,857,000	
146	Preferred Dividends	(Worksheet M, In. 71)							-	
147	Development of Common Stock:									
148	Proprietary Capital	(Worksheet M, In. 14, col. (b))							4,100,786,000	
149	Less: Preferred Stock	(Worksheet M, In. 14, col. (c))							-	
150	Less: Account 216.1	(Worksheet M, In. 14, col. (d))							-	
151	Less: Account 219	(Worksheet M, In. 14, col. (e))							(1,155,000)	
152	Common Stock	(In 148 - In 149 - In 150 - In 151)							4,101,941,000	
153			\$	%			Cost (Note S)	Weighted		
154	Long Term Debt (Note T) Worksheet M, In 28, col. (g), In 38, col. (d))		4,146,813,846	50.27%			4.96%	0.0250		
155	Preferred Stock (In 149)		-	0.00%			-	0.0000		
156	Common Stock (In 152)		4,101,941,000	49.73%			10.35%	0.0515		
157	Total (Sum Ins 154 to 156)		8,248,754,846				WACC=	0.0764		

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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 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(l)-(h)(6)(ii). RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. The company will not include the ADIT portion of deferred hedge gains and losses in rate base. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.						
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 Appalachian 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 (Miscellaneous General Expenses) that are not directly related to or properly allocable to transmission service will be removed from the TCOS. If AEP includes any expenses booked to these accounts in future ATRR updates, AEP must provide supporting information demonstrating that the underlying activities are directly related to providing transmission service. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.						
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 Corporation. 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) (In 118) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0. Inputs Required: <table><tr><td>FIT =</td><td>21.00%</td></tr><tr><td>SIT=</td><td>3.72% (State Income Tax Rate or Composite SIT. Worksheet G))</td></tr><tr><td>p =</td><td>0.00% (percent of federal income tax deductible for state purposes)</td></tr></table> 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.	FIT =	21.00%	SIT=	3.72% (State Income Tax Rate or Composite SIT. Worksheet G))	p =	0.00% (percent of federal income tax deductible for state purposes)
FIT =	21.00%						
SIT=	3.72% (State Income Tax Rate or Composite SIT. Worksheet G))						
p =	0.00% (percent of federal income tax deductible for state purposes)						
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 145) / Long-Term Debt (In 154). Preferred Stock cost rate = preferred dividends (In 146) / preferred outstanding (In 155). Common Stock cost rate (ROE) = 10.35%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO Membership. The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains and Losses are computed on Worksheet M.The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.						
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 liabilities 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
Appalachian Power Company

		Gross Plant In Service								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	6,431,098,000	93,906,000	3,269,611,000		4,045,935,000		261,075,000		209,926,000
2	January	6,434,388,000	93,906,000	3,281,394,000		4,068,113,000		262,509,000		219,538,000
3	February	6,435,296,000	93,906,000	3,285,819,000		4,089,628,000		264,004,000		226,888,000
4	March	6,438,569,000	93,906,000	3,291,931,000		4,109,113,000		264,775,000		230,595,000
5	April	6,442,000,000	93,906,000	3,293,905,000		4,128,770,000		265,982,000		234,126,000
6	May	6,448,147,000	93,906,000	3,342,396,000		4,149,965,000		267,198,000		237,708,000
7	June	6,457,451,000	93,906,000	3,437,222,000		4,179,872,000		268,413,000		224,863,000
8	July	6,459,905,000	93,906,000	3,447,757,000		4,202,965,000		269,629,000		228,604,000
9	August	6,463,304,000	93,906,000	3,459,501,000		4,222,695,000		270,946,000		232,329,000
10	September	6,472,693,000	93,906,000	3,468,571,000		4,243,124,000		272,246,000		236,010,000
11	October	6,478,282,000	93,906,000	3,463,944,000		4,263,584,000		273,474,000		240,108,000
12	November	6,484,517,000	93,906,000	3,475,076,000		4,284,632,000		278,983,000		244,617,000
13	December of Rate Year	6,490,854,000	93,906,000	3,559,275,000		4,320,787,000		282,449,000		249,666,000
14	Average of the 13 Monthly Balances	6,456,654,000	93,906,000	3,390,492,000	-	4,177,629,000	-	269,360,000	-	231,921,000

		Accumulated Depreciation								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 219, Ins 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 26, Col. (b)	Company Records (Included in total in Column (f))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
15	December Prior to Rate Year	2,467,589,000	36,597,000	763,014,000		1,369,011,000		82,147,000		97,810,000
16	January	2,479,301,000	36,879,000	765,347,000		1,376,928,000		82,538,000		100,471,000
17	February	2,490,293,000	37,161,000	767,696,000		1,384,915,000		82,931,000		103,256,000
18	March	2,502,596,000	37,443,000	770,546,000		1,393,264,000		83,361,000		106,136,000
19	April	2,514,667,000	37,725,000	773,404,000		1,401,660,000		83,792,000		109,064,000
20	May	2,527,186,000	38,007,000	776,265,000		1,410,120,000		84,226,000		112,037,000
21	June	2,539,757,000	38,290,000	779,204,000		1,418,649,000		84,662,000		98,560,000
22	July	2,552,437,000	38,572,000	782,295,000		1,427,274,000		85,100,000		101,311,000
23	August	2,565,345,000	38,854,000	785,403,000		1,435,973,000		85,541,000		104,110,000
24	September	2,576,653,000	39,136,000	788,530,000		1,444,737,000		85,984,000		106,955,000
25	October	2,588,007,000	39,418,000	791,671,000		1,453,566,000		86,431,000		109,845,000
26	November	2,599,442,000	39,700,000	794,805,000		1,462,461,000		86,879,000		112,787,000
27	December of Rate Year	2,612,941,000	39,983,000	798,952,000		1,471,425,000		87,339,000		115,785,000
28	Average of the 13 Monthly Balances	2,539,709,000	38,290,000	779,779,000	-	1,419,229,000	-	84,687,000	-	106,010,000

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
			Company Records (included in total in column (d) of gross plant above)		
(Note A)			Company Records (included in total in column (b) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year	72,818,000	21,395,000		
30	January	72,818,000	21,516,000		
31	February	72,818,000	21,637,000		
32	March	72,818,000	21,759,000		
33	April	72,818,000	21,880,000		
34	May	72,818,000	22,002,000		
35	June	72,818,000	22,123,000		
36	July	72,818,000	22,245,000		
37	August	72,818,000	22,366,000		
38	September	72,818,000	22,488,000		
39	October	72,818,000	22,609,000		
40	November	72,818,000	22,731,000		
41	December of Rate Year	72,818,000	22,852,000		
42	Average of the 13 Monthly Balances	72,818,000	22,123,000	-	-
43	Transmission Accum Depreciation net of GSU		757,656,000		

Plant Held For Future Use		Source of Data	Balance @ December 31, 2019 (c)	Balance @ December 31, 2018 (d)	Average Balance for 2019 (e)
44	Plant Held For Future Use (a)	FF1, page 214, ln 47, Col. (d) (b)	3,973,000	3,973,000	3,973,000
45	Transmission Plant Held For Future Use (Included in total on line 44)	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			
53a	Accum Prv I/D Worker's Com		263,000	263,000	263,000
53b					-
54	Total		263,000	263,000	263,000

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

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2019</u>	<u>(D) Balance @ December 31, 2018</u>	<u>(E) Average Balance for 2019</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	280,594,840	282,419,893	281,507,367
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)	280,594,840	282,419,893	281,507,367
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	1,297,568,398	1,318,696,562	1,308,132,480
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	18,375,714	18,375,714	18,375,714
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	728,823,725	747,210,947	738,017,336
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	550,368,958	553,109,900	551,739,429
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	594,682,645	596,694,148	595,688,396
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	12,274,742	12,274,742	12,274,742
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	579,999,956	582,089,400	581,044,678
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	2,407,947	2,330,006	2,368,976
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	490,284,873	490,284,873	490,284,873
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	49,125,163	49,125,163	49,125,163
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	398,488,766	398,488,766	398,488,766
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	42,670,943	42,670,943	42,670,943
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	767,497	809,037	788,267
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	767,497	809,037	788,267
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	58,596	58,596	58,596

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section I.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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

(DEBIT) CREDIT

18.01
18.02

Appalachian Power Company
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2019

DEBIT (CREDIT)

[illegible]

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

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number		Source	Balance @ December 31, 2019	Balance @ December 31, 2018	Average Balance for 2019			
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	4,510,257	4,510,257	4,510,257			
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)			-			

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, 2019	14,943,913	(245,949,236)	0	6,979,483	253,913,666	260,893,149
7	Totals as of December 31, 2018	11,180,912	(184,017,198)		5,221,992	189,976,118	195,198,110
8	Average Balance	13,062,412	(214,983,217)	-	6,100,738	221,944,892	228,045,630

Prepayments Account 165 - Balance @ 12/31/2019

	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
9									
10	1650001	Prepaid Insurance	3,332,893	-		3,332,893		3,332,893	Plant Related Insurance Policies
11	165000218	Prepaid Taxes	3,840,390	3,840,390				-	Prepayed Taxes-Dist.
12	1650004	Prepaid Interest	28,895	28,895				-	Prepayed Interest-Dist.
13	1650005	Prepaid Employee Benefits	32,794	-			32,794	32,794	Employee Benefits - All functions
14	1650006	Other Prepayments	3,540,984	-		3,540,984	-	3,540,984	Other prepayments not included elsewhere
15	1650009	Prepaid Carry Cost-Factored AR	140,121	140,121				-	AR Factoring
16	1650010	Prepaid Pension Benefits	194,627,067	-			194,627,067	194,627,067	Prepaid Pension
17	165001117	Prepaid Sales Taxes	0	-			-	-	
18	165001118	Prepaid Sales Taxes	93	93			-	-	Sales Tax - Dist
19	165001216	Prepaid Use Taxes	0	-			-	-	
20	165001217	Prepaid Use Taxes	0	-			-	-	
21	165001218	Prepaid Use Taxes	11,574	11,574		-	-	-	Prepaid Use Taxes Gen
22	1650014	FAS 158 Qual Contra Asset	(194,627,067)	(194,627,067)			-	-	
23	1650016	FAS 112 ASSETS	0	-			-	-	
24	1650021	Prepaid Insurance - EIS	3,611,667	-			3,611,667	3,611,667	Prepaid Insurance EIS
25	1650023	Prepaid Lease	105,606	-		105,606	-	105,606	Prepaid Lease
26	1650031	Prepaid OCIP Work Comp	142,957	-			142,957	142,957	Workers Compensation
27	1650032	Prepaid OCIP Work Comp LT	0	-			-	-	
28	1650033	Prepaid OCIP Work Comp - Aff	155,938	-			155,938	155,938	Workers Compensation
29	1650034	PPD OCIP Work Comp LT - Aff	0	-			-	-	
30	1650035	PRW Without MED-D Benefits	55,343,242	-			55,343,242	55,343,242	Pension Benefits - All functions
31	1650036	PRW for Med-D Benefits	0	-	-			-	
32	1650037	FAS158 Contra-PRW Exclud Med-D	(55,343,242)	(55,343,242)	-			-	
33			-	-	-			-	
	Subtotal - Form 1, p 111.57.c		14,943,913	(245,949,236)	0	6,979,483	253,913,666	260,893,149	

Prepayments Account 165 - Balance @ 12/31/ 2018

	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
34									
35	1650001	Prepaid Insurance	2,493,643	-		2,493,643		2,493,643	Plant Related Insurance Policies
36	165000217	Prepaid Taxes	2,873,349	2,873,349				-	Prepayed Taxes-Dist.
37	1650004	Prepaid Interest	21,619	21,619				-	Prepayed Interest-Dist.
38	1650005	Prepaid Employee Benefits	24,536	-			24,536	24,536	Employee Benefits - All functions
39	1650006	Other Prepayments	2,649,335	-		2,649,335	-	2,649,335	Other prepayments not included elsewhere
40	1650009	Prepaid Carry Cost-Factored AR	104,837	104,837				-	AR Factoring
41	1650010	Prepaid Pension Benefits	145,618,372	-			145,618,372	145,618,372	Prepaid Pension
42	165001116	Prepaid Sales Taxes	0	-			-	-	
43	165001117	Prepaid Sales Taxes	70	70			-	-	Sales Tax - Dist
44	165001215	Prepaid Use Taxes	0	-			-	-	
45	165001216	Prepaid Use Taxes	0	-		-	-	-	
46	165001217	Prepaid Use Taxes	8,659	8,659		-	-	-	Prepaid Use Taxes Gen
47	1650014	FAS 158 Qual Contra Asset	(145,618,372)	(145,618,372)			-	-	
48	1650016	FAS 112 ASSETS	0	-			-	-	
49	1650021	Prepaid Insurance - EIS	2,702,220	-			2,702,220	2,702,220	Prepaid Insurance EIS
50	1650023	Prepaid Lease	79,014	-		79,014	-	79,014	Prepaid Lease
51	1650031	Prepaid OCIP Work Comp	106,959	-			106,959	106,959	Workers Compensation
52	1650032	Prepaid OCIP Work Comp LT	0	-			-	-	
53	1650033	Prepaid OCIP Work Comp - Aff	116,672	-			116,672	116,672	Workers Compensation
54	1650034	PPD OCIP Work Comp LT - Aff	0	-			-	-	
55	1650035	PRW Without MED-D Benefits	41,407,359	-			41,407,359	41,407,359	Pension Benefits - All functions
56	1650036	PRW for Med-D Benefits	0	-	-			-	
57	1650037	FAS158 Contra-PRW Exclud Med-D	(41,407,359)	(41,407,359)	-			-	
58			-	-	-			-	
	Subtotal - Form 1, p 111.57.d		11,180,912	(184,017,198)		5,221,992	189,976,118	195,198,110	

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

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2019</u>
1	Net Funds from IPP Customers 12/31/2018 (2019 FORM 1, P269)	(2,788,702)
2	Interest Accrual (Company Records - Note 1)	(108,843)
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2019 (2019 FORM 1, P269)	(2,897,545)
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	(2,843,124)

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

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

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	4,970,000	4,970,000	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	3,174,000	2,805,500	368,500
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	26,252,000	23,418,000	2,834,000
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	10,492,000	4,311,000	6,181,000
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	138,097,000	138,097,000	
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	182,985,000	173,601,500	9,383,500
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	182,985,000	173,601,500	9,383,500

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

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

9	Facility Credits under PJM OATT Section 30.9			-
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AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
Appalachian Power Company

(A)		(B)	(C)	(D)	(E)	(F)
<u>Line</u>	<u>Item No.</u>	<u>Description</u>	<u>2019</u>	<u>100%</u>	<u>100%</u>	
<u>Number</u>			<u>Expense</u>	<u>Non-Transmission</u>	<u>Transmission</u>	<u>Explanation</u>
					<u>Specific</u>	
<u>Regulatory O&M Deferrals & Amortizations</u>						
1	5660007	Virginia T-RAC UnderRecovery	8,461,000			
2						
3						
4		Total	8,461,000			
<u>Detail of Account 561 Per FERC Form 1</u>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	13,500			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	2,920,000			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling				
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	7,627,000			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	555,000			
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	2,411,500			
14		Total of Account 561	13,527,000			
<u>Account 928</u>						
15	9280000	Regulatory Commission Exp	1,000	1,000	-	
16				-	-	
17				-	-	
18				-		
19						
20		Total (FERC Form 1 p.323.189.b)	1,000	1,000	-	
<u>Account 930.1</u>						
21	9301000	General Advertising Expenses	520,000	520,000	-	
22	9301001	Newspaper Advertising Space	-	-	-	
23	9301002	Radio Station Advertising Time	-	-	-	
24	9301003	TV Station Advertising Time	-	-	-	
25	9301004	Newspaper Advertising Prod Exp	-	-	-	
26	9301005	Radio &TV Advertising Prod Exp	-	-	-	
27	9301006	Spec Corporate Comm Info Proj	-	-	-	
28	9301007	Special Adv Space & Prod Exp	-	-	-	
29	9301008	Direct Mail and Handouts	-			
30	9301009	Fairs, Shows, and Exhibits	-			
31	9301010	Publicity	-	-		
32	9301011	Dedications, Tours, & Openings	-	-	-	
33	9301012	Public Opinion Surveys	-	-	-	
34	9301013	Movies Slide Films & Speeches		-	-	
35	9301014	Video Communications	-	-	-	
36	9301015	Other Corporate Comm Exp	-	-	-	
37		Total (FERC Form 1 p.323.191.b)	520,000	520,000	-	
<u>Account 930.2</u>						
38	9302000	Misc General Expenses	1,007,000	1,007,000		
39	9302003	Corporate & Fiscal Expenses	-	-		
40	9302004	Research, Develop&Demonstr Exp	-	-		
41	9302006	Assoc Business Development Materials Sold	-	-	-	
42	9302007	Assoc Business Development Exp	7,494,000	1,935,000	5,559,000	
43		Total (FERC Form 1 p.323.192.b)	8,501,000	2,942,000	5,559,000	

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

Tennessee Income Tax Rate	6.50%	
Apportionment Factor - Note 2	2.34%	
Effective State Tax Rate		0.15%
West Virginia Net Income Tax Rate	6.50%	
Apportionment Factor - Note 2	54.27%	
Effective State Tax Rate		3.53%
Virginia Income Tax Rate	6.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Ohio Franchise Tax Rate	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Michigan Business Income Tax Rate	6.00%	
Apportionment Factor - Note 2	0.02%	
Effective State Tax Rate		0.00%
Illinois Corporation Income Tax Rate	9.50%	
Apportionment Factor - Note 2	0.47%	
Effective State Tax Rate		0.04%
Total Effective State Income Tax Rate		<u>3.72%</u>

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

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

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	<u>Revenue Taxes</u>					
2	Gross Receipts Tax	13,680,000				13,680,000
3	<u>Real Estate and Personal Property Taxes</u>					
4	Real and Personal Property - West Virginia	52,265,000	52,265,000			
5	Real and Personal Property - Virginia	22,742,000	22,742,000			
6	Real and Personal Property - Tennessee	1,488,000	1,488,000			
7	Real and Personal Property - Other Jurisdictions	1,545,000	1,545,000			
8	<u>Payroll Taxes</u>					
9	Federal Insurance Contribution (FICA)	8,267,000		8,267,000		
10	Federal Unemployment Tax	46,000		46,000		
11	State Unemployment Insurance	147,000		147,000		
12	<u>Production Taxes</u>					
13	State Severance Taxes	-				-
14	<u>Miscellaneous Taxes</u>					
15	State Business & Occupation Tax	29,764,000				29,764,000
16	State Public Service Commission Fees	5,018,000			5,018,000	
17	State Franchise Taxes	10,800,000			10,800,000	
18		-			-	
19		-			-	
20		-				-
21		-				-
22		-				-
23						
24	Total Taxes by Allocable Basis	145,762,000	78,040,000	8,460,000	15,818,000	43,444,000

(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						
		Production	Transmsission	Distribution	General	Total
25	Functionalized Net Plant (TCOS, Lns 41 thru 46)	3,861,329,000	2,610,713,000	2,758,400,000	184,673,000	9,415,115,000
VIRGINIA JURISDICTION						
26	Percentage of Plant in VIRGINIA JURISDICTION	7.44%	45.60%	55.78%	51.55%	
27	Net Plant in VIRGINIA JURISDICTION (Ln 25 * Ln 26)	287,282,878	1,190,485,128	1,538,635,520	95,198,932	3,111,602,457
28	Less: Net Value of Exempted Generation Plant	43,340,713				
29	Taxable Property Basis (Ln 27 - Ln 28)	243,942,165	1,190,485,128	1,538,635,520	95,198,932	3,068,261,744
30	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
31	Weighted Net Plant (Ln 29 * Ln 30)	243,942,165	1,190,485,128	1,538,635,520	95,198,932	
32	General Plant Allocator (Ln 31 / (Total - General Plant))	8.21%	40.04%	51.75%	-100.00%	
33	Functionalized General Plant (Ln 32 * General Plant)	7,811,148	38,119,919	49,267,865	(95,198,932)	-
34	Weighted VIRGINIA JURISDICTION Plant (Ln 31 + 33)	251,753,313	1,228,605,047	1,587,903,385	(1)	3,068,261,744
35	Functional Percentage (Ln 34/Total Ln 34)	8.21%	40.04%	51.75%		
WEST VA JURISDICTION						
36	Percentage of Plant in WEST VA JURISDICTION	92.02%	51.69%	44.22%	48.27%	
37	Net Plant in WEST VA JURISDICTION (Ln 25 * Ln 36)	3,553,194,946	1,349,477,550	1,219,764,480	89,141,657	6,211,578,633
38	Less: Net Value of Exempted Generation Plant	2,337,891,422				
39	Taxable Property Basis (Ln 37 - Ln 38)	1,215,303,524	1,349,477,550	1,219,764,480	89,141,657	3,873,687,211
40	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
41	Weighted Net Plant (Ln 39 * Ln 40)	1,215,303,524	1,349,477,550	1,219,764,480	89,141,657	
42	General Plant Allocator (Ln 41 / (Total - General Plant))	32.11%	35.66%	32.23%	-100.00%	
43	Functionalized General Plant (Ln 42 * General Plant)	28,625,410	31,785,762	28,730,484	(89,141,657)	-
44	Weighted WEST VA JURISDICTION Plant (Ln 41 + 43)	1,243,928,934	1,381,263,312	1,248,494,964	0	3,873,687,211
45	Functional Percentage (Ln 44/Total Ln 44)	32.11%	35.66%	32.23%		
TENNESSEE JURISDICTION						
46	Net Plant in TENNESSEE JURISDICTION (Ln 25 - Ln 27 - Ln 37)	20,851,177	70,750,322	-	332,411	91,933,910
47	Less: Net Value Exempted Generation Plant					
48	Taxable Property Basis	20,851,177	70,750,322	-	332,411	91,933,910
49	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
50	Weighted Net Plant (Ln 48 * Ln 49)	20,851,177	70,750,322	-	332,411	
51	General Plant Allocator (Ln 50 / (Total - General Plant))	22.76%	77.24%	0.00%	-100.00%	
52	Functionalized General Plant (Ln 52 * General Plant)	75,667	256,745	-	(332,411)	
53	Weighted TENNESSEE JURISDICTION Plant (Ln 50 + 52)	20,926,844	71,007,067	-	0	91,933,910
54	Functional Percentage (Ln 53/Total Ln 53)	22.76%	77.24%	0.00%		

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

	(A)	(B)	(C)	(D)
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference

1 Revenue Taxes
2 Gross Receipts Tax

13,680,000

13,680,000

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)	Tax Year	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Tax Year Factor (Note 2)	Transmission Function (Note 2)

3 Real Estate and Personal Property Taxes Total
(Ln 4 + Ln 5 + Ln 6 + Ln 7)

78,040,000

29,251,900

4 Real and Personal Property - West Virginia

52,265,000

52,265,000

35.66%

18,636,437

18,636,437

-

-

-

5 Real and Personal Property - Virginia

22,742,000

22,742,000

40.04%

9,106,438

9,106,438

-

-

-

-

-

-

6 Real and Personal Property - Tennessee

1,488,000

1,488,000

77.24%

1,149,288

1,149,288

-

-

-

7 Real and Personal Property - Other Jurisdictions

1,545,000

1,545,000

23.28%

359,738

359,738

-

-

	(A)	(B)	(C)	(D)
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference

8 Payroll Taxes

9 Federal Insurance Contribution (FICA)

8,267,000

8,267,000

10 Federal Unemployment Tax

46,000

46,000

11 State Unemployment Insurance

147,000

147,000

12 Production Taxes

13 State Severance Taxes

-

14 Miscellaneous Taxes

15 State Business & Occupation Tax

29,764,000

29,764,000

16 State Public Service Commission Fees

5,018,000

5,018,000

17 State Franchise Taxes

10,800,000

10,800,000

18 State Lic/Registration Fee

-

19 Misc. State and Local Tax

-

20 Sales & Use

-

21 Federal Excise Tax

-

22 Michigan Single Business Tax

-

23 Total Taxes by Allocable Basis

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

140,744,000

145,762,000

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 assessed. Real and Personal Property - Other Jurisdictions will be allocated using the Gross Plant Allocator from the applicable year.

AEP East Companies
Cost of Service Formula Rate Using 2019 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
Appalachian 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
Appalachian Power Company

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

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

ROE w/o incentives (TCOS, ln 156)				10.35%
Project ROE Incentive Adder				
ROE with additional basis point incentive				10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through156)				
	%	Cost	Weighted cost	
Long Term Debt	50.27%	4.96%	2.496%	
Preferred Stock	0.00%	0.00%	0.000%	
Common Stock	49.73%	10.35%	5.147%	
R =			7.642%	

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

Rate Base (TCOS, ln 68)	2,101,334,958
R (from A. above)	7.642%
Return (Rate Base x R)	160,593,710

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

Return (from B. above)	160,593,710
Effective Tax Rate (TCOS, ln 114)	21.20%
Income Tax Calculation (Return x CIT)	34,038,926
ITC Adjustment	-
Excess Deferred Income Tax	(3,364,305)
Tax Affect of Permanent Differences	2,616,972
Income Taxes	33,291,593

SUMMARY OF PROJECTED ANNUAL RTEP		REVENUE REQUIREMENTS		
		Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2019	25,986,264	25,986,264	\$ -

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)	339,877,110
Lease Payments (TCOS, ln 95)	-
Return (TCOS, ln 126)	160,593,710
Income Taxes (TCOS, ln 125)	33,291,593
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	145,991,808

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	145,991,808
Return (from I.B. above)	160,593,710
Income Taxes (from I.C. above)	33,291,593
Annual Revenue Requirement, with Basis Point ROE increase	339,877,110
Depreciation (TCOS, ln 100)	62,331,953
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	277,545,158

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (TCOS, ln 42)	2,560,018,000
Annual Revenue Requirement, with Basis Point ROE increase	339,877,110
FCR with Basis Point increase in ROE	13.28%
Annual Rev. Req. w / Basis Point ROE increase, less Dep.	277,545,158
FCR with Basis Point ROE increase, less Depreciation	10.84%
FCR less Depreciation (TCOS, ln 10)	10.84%
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)	3,317,674,000
Annual Depreciation and Amortization Expense (TCOS, ln 100)	62,331,953
Composite Depreciation Rate	1.88%
Depreciable Life for Composite Depreciation Rate	53.23
Round to nearest whole year	53

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b0318 (Amos 765/138 kV Transformer)

Current Projected Year ARR	1,444,867
Current Projected Year ARR w/ Incentive	1,444,867
Current Projected Year Incentive ARR	-

Details						
Investment	13,789,272	Current Year		2019		
Service Year (yyyy)	2008	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	6	FCR w/o incentives, less depreciation		10.84%		
Useful life	53	FCR w/incentives approved for these facilities, less dep.		10.84%		
CIAC (Yes or No)	No	Annual Depreciation Expense		260,175		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2008	13,789,272	130,087	13,659,185	1,618,004	1,618,004	\$ -
2009	13,659,185	260,175	13,399,010	1,726,936	1,726,936	\$ -
2010	13,399,010	260,175	13,138,835	1,698,729	1,698,729	\$ -
2011	13,138,835	260,175	12,878,660	1,670,522	1,670,522	\$ -
2012	12,878,660	260,175	12,618,485	1,642,315	1,642,315	\$ -
2013	12,618,485	260,175	12,358,310	1,614,108	1,614,108	\$ -
2014	12,358,310	260,175	12,098,135	1,585,902	1,585,902	\$ -
2015	12,098,135	260,175	11,837,960	1,557,695	1,557,695	\$ -
2016	11,837,960	260,175	11,577,785	1,529,488	1,529,488	\$ -
2017	11,577,785	260,175	11,317,610	1,501,281	1,501,281	\$ -
2018	11,317,610	260,175	11,057,435	1,473,074	1,473,074	\$ -
2019	11,057,435	260,175	10,797,260	1,444,867	1,444,867	\$ -
2020	10,797,260	260,175	10,537,085	1,416,660	1,416,660	\$ -
2021	10,537,085	260,175	10,276,910	1,388,453	1,388,453	\$ -
2022	10,276,910	260,175	10,016,735	1,360,246	1,360,246	\$ -
2023	10,016,735	260,175	9,756,560	1,332,039	1,332,039	\$ -
2024	9,756,560	260,175	9,496,385	1,303,832	1,303,832	\$ -
2025	9,496,385	260,175	9,236,210	1,275,625	1,275,625	\$ -
2026	9,236,210	260,175	8,976,036	1,247,418	1,247,418	\$ -
2027	8,976,036	260,175	8,715,861	1,219,211	1,219,211	\$ -
2028	8,715,861	260,175	8,455,686	1,191,004	1,191,004	\$ -
2029	8,455,686	260,175	8,195,511	1,162,797	1,162,797	\$ -
2030	8,195,511	260,175	7,935,336	1,134,590	1,134,590	\$ -
2031	7,935,336	260,175	7,675,161	1,106,383	1,106,383	\$ -
2032	7,675,161	260,175	7,414,986	1,078,176	1,078,176	\$ -
2033	7,414,986	260,175	7,154,811	1,049,969	1,049,969	\$ -
2034	7,154,811	260,175	6,894,636	1,021,763	1,021,763	\$ -
2035	6,894,636	260,175	6,634,461	993,556	993,556	\$ -
2036	6,634,461	260,175	6,374,286	965,349	965,349	\$ -
2037	6,374,286	260,175	6,114,111	937,142	937,142	\$ -
2038	6,114,111	260,175	5,853,936	908,935	908,935	\$ -
2039	5,853,936	260,175	5,593,761	880,728	880,728	\$ -
2040	5,593,761	260,175	5,333,586	852,521	852,521	\$ -
2041	5,333,586	260,175	5,073,411	824,314	824,314	\$ -
2042	5,073,411	260,175	4,813,236	796,107	796,107	\$ -
2043	4,813,236	260,175	4,553,062	767,900	767,900	\$ -
2044	4,553,062	260,175	4,292,887	739,693	739,693	\$ -
2045	4,292,887	260,175	4,032,712	711,486	711,486	\$ -
2046	4,032,712	260,175	3,772,537	683,279	683,279	\$ -
2047	3,772,537	260,175	3,512,362	655,072	655,072	\$ -
2048	3,512,362	260,175	3,252,187	626,865	626,865	\$ -
2049	3,252,187	260,175	2,992,012	598,658	598,658	\$ -
2050	2,992,012	260,175	2,731,837	570,451	570,451	\$ -
2051	2,731,837	260,175	2,471,662	542,244	542,244	\$ -
2052	2,471,662	260,175	2,211,487	514,037	514,037	\$ -
2053	2,211,487	260,175	1,951,312	485,831	485,831	\$ -
2054	1,951,312	260,175	1,691,137	457,624	457,624	\$ -
2055	1,691,137	260,175	1,430,962	429,417	429,417	\$ -
2056	1,430,962	260,175	1,170,787	401,210	401,210	\$ -
2057	1,170,787	260,175	910,612	373,003	373,003	\$ -
2058	910,612	260,175	650,437	344,796	344,796	\$ -
2059	650,437	260,175	390,262	316,589	316,589	\$ -
2060	390,262	260,175	130,087	288,382	288,382	\$ -
2061	130,087	130,087	-	137,139	137,139	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
Project Totals		13,789,272		54,153,415	54,153,415	-

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 1,124,469		\$ 1,124,469		
\$ 2,027,403		\$ 2,027,403		
\$ 2,050,107		\$ 2,050,107		
\$ 1,906,118		\$ 1,906,118		
\$ 1,915,150		\$ 1,915,150		
\$ 1,778,172		\$ 1,778,172		
\$ 1,790,894		\$ 1,790,894		
\$ 1,719,834		\$ 1,719,834		
\$ 1,790,894		\$ 1,790,894		
\$ 1,501,804		\$ 1,501,804		

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

Page 3 of 15 1

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	289,092
Current Projected Year ARR w/ Incentive	289,092
Current Projected Year Incentive ARR	-

Details						
Investment	2,582,526	Current Year				2019
Service Year (yyyy)	2011	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				10.84%
Useful life	53	FCR w/incentives approved for these facilities, less dep.				10.84%
CIAC (Yes or No)	No	Annual Depreciation Expense				48,727
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2011	2,582,526	-	2,582,526	279,985	279,985	\$ -
2012	2,582,526	48,727	2,533,799	326,071	326,071	\$ -
2013	2,533,799	48,727	2,485,072	320,788	320,788	\$ -
2014	2,485,072	48,727	2,436,345	315,505	315,505	\$ -
2015	2,436,345	48,727	2,387,618	310,223	310,223	\$ -
2016	2,387,618	48,727	2,338,891	304,940	304,940	\$ -
2017	2,338,891	48,727	2,290,165	299,657	299,657	\$ -
2018	2,290,165	48,727	2,241,438	294,374	294,374	\$ -
2019	2,241,438	48,727	2,192,711	289,092	289,092	\$ -
2020	2,192,711	48,727	2,143,984	283,809	283,809	\$ -
2021	2,143,984	48,727	2,095,257	278,526	278,526	\$ -
2022	2,095,257	48,727	2,046,530	273,243	273,243	\$ -
2023	2,046,530	48,727	1,997,803	267,961	267,961	\$ -
2024	1,997,803	48,727	1,949,076	262,678	262,678	\$ -
2025	1,949,076	48,727	1,900,349	257,395	257,395	\$ -
2026	1,900,349	48,727	1,851,622	252,113	252,113	\$ -
2027	1,851,622	48,727	1,802,896	246,830	246,830	\$ -
2028	1,802,896	48,727	1,754,169	241,547	241,547	\$ -
2029	1,754,169	48,727	1,705,442	236,264	236,264	\$ -
2030	1,705,442	48,727	1,656,715	230,982	230,982	\$ -
2031	1,656,715	48,727	1,607,988	225,699	225,699	\$ -
2032	1,607,988	48,727	1,559,261	220,416	220,416	\$ -
2033	1,559,261	48,727	1,510,534	215,133	215,133	\$ -
2034	1,510,534	48,727	1,461,807	209,851	209,851	\$ -
2035	1,461,807	48,727	1,413,080	204,568	204,568	\$ -
2036	1,413,080	48,727	1,364,353	199,285	199,285	\$ -
2037	1,364,353	48,727	1,315,626	194,002	194,002	\$ -
2038	1,315,626	48,727	1,266,900	188,720	188,720	\$ -
2039	1,266,900	48,727	1,218,173	183,437	183,437	\$ -
2040	1,218,173	48,727	1,169,446	178,154	178,154	\$ -
2041	1,169,446	48,727	1,120,719	172,871	172,871	\$ -
2042	1,120,719	48,727	1,071,992	167,589	167,589	\$ -
2043	1,071,992	48,727	1,023,265	162,306	162,306	\$ -
2044	1,023,265	48,727	974,538	157,023	157,023	\$ -
2045	974,538	48,727	925,811	151,740	151,740	\$ -
2046	925,811	48,727	877,084	146,458	146,458	\$ -
2047	877,084	48,727	828,357	141,175	141,175	\$ -
2048	828,357	48,727	779,630	135,892	135,892	\$ -
2049	779,630	48,727	730,904	130,609	130,609	\$ -
2050	730,904	48,727	682,177	125,327	125,327	\$ -
2051	682,177	48,727	633,450	120,044	120,044	\$ -
2052	633,450	48,727	584,723	114,761	114,761	\$ -
2053	584,723	48,727	535,996	109,478	109,478	\$ -
2054	535,996	48,727	487,269	104,196	104,196	\$ -
2055	487,269	48,727	438,542	98,913	98,913	\$ -
2056	438,542	48,727	389,815	93,630	93,630	\$ -
2057	389,815	48,727	341,088	88,347	88,347	\$ -
2058	341,088	48,727	292,361	83,065	83,065	\$ -
2059	292,361	48,727	243,635	77,782	77,782	\$ -
2060	243,635	48,727	194,908	72,499	72,499	\$ -
2061	194,908	48,727	146,181	67,217	67,217	\$ -
2062	146,181	48,727	97,454	61,934	61,934	\$ -
2063	97,454	48,727	48,727	56,651	56,651	\$ -
2064	48,727	48,727	0	51,368	51,368	\$ -
2065	0	0	-	0	0	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
Project Totals		2,582,526		10,282,124	10,282,124	

[illegible]

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description:

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

Current Projected Year ARR	1,902,48
Current Projected Year ARR w/ Incentive	1,902,48
Current Projected Year Incentive ARR	-

Details						
Investment	16,182,164	Current Year			2019	
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	9	FCR w/o incentives, less depreciation				10.84%
Useful life	53	FCR w/incentives approved for these facilities, less dep.				10.84%
CIAC (Yes or No)	No	Annual Depreciation Expense				305,324
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2014	16,182,164	76,331	16,105,833	1,826,588	1,826,588	\$ -
2015	16,105,833	305,324	15,800,509	2,034,892	2,034,892	\$ -
2016	15,800,509	305,324	15,495,185	2,001,790	2,001,790	\$ -
2017	15,495,185	305,324	15,189,861	1,968,688	1,968,688	\$ -
2018	15,189,861	305,324	14,884,538	1,935,587	1,935,587	\$ -
2019	14,884,538	305,324	14,579,214	1,902,485	1,902,485	\$ -
2020	14,579,214	305,324	14,273,890	1,869,383	1,869,383	\$ -
2021	14,273,890	305,324	13,968,566	1,836,281	1,836,281	\$ -
2022	13,968,566	305,324	13,663,242	1,803,179	1,803,179	\$ -
2023	13,663,242	305,324	13,357,918	1,770,078	1,770,078	\$ -
2024	13,357,918	305,324	13,052,595	1,736,976	1,736,976	\$ -
2025	13,052,595	305,324	12,747,271	1,703,874	1,703,874	\$ -
2026	12,747,271	305,324	12,441,947	1,670,772	1,670,772	\$ -
2027	12,441,947	305,324	12,136,623	1,637,671	1,637,671	\$ -
2028	12,136,623	305,324	11,831,299	1,604,569	1,604,569	\$ -
2029	11,831,299	305,324	11,525,975	1,571,467	1,571,467	\$ -
2030	11,525,975	305,324	11,220,651	1,538,365	1,538,365	\$ -
2031	11,220,651	305,324	10,915,328	1,505,263	1,505,263	\$ -
2032	10,915,328	305,324	10,610,004	1,472,162	1,472,162	\$ -
2033	10,610,004	305,324	10,304,680	1,439,060	1,439,060	\$ -
2034	10,304,680	305,324	9,999,356	1,405,958	1,405,958	\$ -
2035	9,999,356	305,324	9,694,032	1,372,856	1,372,856	\$ -
2036	9,694,032	305,324	9,388,708	1,339,755	1,339,755	\$ -
2037	9,388,708	305,324	9,083,385	1,306,653	1,306,653	\$ -
2038	9,083,385	305,324	8,778,061	1,273,551	1,273,551	\$ -
2039	8,778,061	305,324	8,472,737	1,240,449	1,240,449	\$ -
2040	8,472,737	305,324	8,167,413	1,207,347	1,207,347	\$ -
2041	8,167,413	305,324	7,862,089	1,174,246	1,174,246	\$ -
2042	7,862,089	305,324	7,556,765	1,141,144	1,141,144	\$ -
2043	7,556,765	305,324	7,251,441	1,108,042	1,108,042	\$ -
2044	7,251,441	305,324	6,946,118	1,074,940	1,074,940	\$ -
2045	6,946,118	305,324	6,640,794	1,041,838	1,041,838	\$ -
2046	6,640,794	305,324	6,335,470	1,008,737	1,008,737	\$ -
2047	6,335,470	305,324	6,030,146	975,635	975,635	\$ -
2048	6,030,146	305,324	5,724,822	942,533	942,533	\$ -
2049	5,724,822	305,324	5,419,498	909,431	909,431	\$ -
2050	5,419,498	305,324	5,114,174	876,330	876,330	\$ -
2051	5,114,174	305,324	4,808,851	843,228	843,228	\$ -
2052	4,808,851	305,324	4,503,527	810,126	810,126	\$ -
2053	4,503,527	305,324	4,198,203	777,024	777,024	\$ -
2054	4,198,203	305,324	3,892,879	743,922	743,922	\$ -
2055	3,892,879	305,324	3,587,555	710,821	710,821	\$ -

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.

LIFE OF THE PROJECT:					
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **			
\$ 184,681		\$ 184,681			
\$ 1,644,963		\$ 1,644,963			
\$ 1,563,801		\$ 1,563,801			
\$ 1,644,963		\$ 1,644,963			
\$ 1,909,994		\$ 1,909,994			

** 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 12 months of annualized (shown at the full-year level) that PJM will collect the correct monthly billings.

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

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

A. Base Plan Facilities

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

Project Description:	RTEP ID: b2021 (Kanawha River Gen Retirement - Upgrades)
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Current Projected Year ARR	285,739
Current Projected Year ARR w/ Incentive	285,739
Current Projected Year Incentive ARR	-

Details						
Investment	2,419,910	Current Year				2019
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				10.84%
Useful life	53	FCR w/incentives approved for these facilities, less dep.				10.84%
CIAC (Yes or No)	No	Annual Depreciation Expense				45,659
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	2,419,910	-	2,419,910	262,355	262,355	\$ -
2015	2,419,910	45,659	2,374,251	305,539	305,539	\$ -
2016	2,374,251	45,659	2,328,593	300,589	300,589	\$ -
2017	2,328,593	45,659	2,282,934	295,639	295,639	\$ -
2018	2,282,934	45,659	2,237,275	290,689	290,689	\$ -
2019	2,237,275	45,659	2,191,617	285,739	285,739	\$ -
2020	2,191,617	45,659	2,145,958	280,788	280,788	\$ -
2021	2,145,958	45,659	2,100,299	275,838	275,838	\$ -
2022	2,100,299	45,659	2,054,641	270,888	270,888	\$ -
2023	2,054,641	45,659	2,008,982	265,938	265,938	\$ -
2024	2,008,982	45,659	1,963,323	260,988	260,988	\$ -
2025	1,963,323	45,659	1,917,665	256,038	256,038	\$ -
2026	1,917,665	45,659	1,872,006	251,088	251,088	\$ -
2027	1,872,006	45,659	1,826,347	246,138	246,138	\$ -
2028	1,826,347	45,659	1,780,688	241,188	241,188	\$ -
2029	1,780,688	45,659	1,735,030	236,238	236,238	\$ -
2030	1,735,030	45,659	1,689,371	231,287	231,287	\$ -
2031	1,689,371	45,659	1,643,712	226,337	226,337	\$ -
2032	1,643,712	45,659	1,598,054	221,387	221,387	\$ -
2033	1,598,054	45,659	1,552,395	216,437	216,437	\$ -
2034	1,552,395	45,659	1,506,736	211,487	211,487	\$ -
2035	1,506,736	45,659	1,461,078	206,537	206,537	\$ -
2036	1,461,078	45,659	1,415,419	201,587	201,587	\$ -
2037	1,415,419	45,659	1,369,760	196,637	196,637	\$ -
2038	1,369,760	45,659	1,324,102	191,687	191,687	\$ -
2039	1,324,102	45,659	1,278,443	186,737	186,737	\$ -
2040	1,278,443	45,659	1,232,784	181,786	181,786	\$ -
2041	1,232,784	45,659	1,187,126	176,836	176,836	\$ -
2042	1,187,126	45,659	1,141,467	171,886	171,886	\$ -
2043	1,141,467	45,659	1,095,808	166,936	166,936	\$ -
2044	1,095,808	45,659	1,050,150	161,986	161,986	\$ -
2045	1,050,150	45,659	1,004,491	157,036	157,036	\$ -
2046	1,004,491	45,659	958,832	152,086	152,086	\$ -
2047	958,832	45,659	913,174	147,136	147,136	\$ -
2048	913,174	45,659	867,515	142,186	142,186	\$ -
2049	867,515	45,659	821,856	137,236	137,236	\$ -
2050	821,856	45,659	776,198	132,285	132,285	\$ -
2051	776,198	45,659	730,539	127,335	127,335	\$ -
2052	730,539	45,659	684,880	122,385	122,385	\$ -
2053	684,880	45,659	639,222	117,435	117,435	\$ -
2054	639,222	45,659	593,563	112,485	112,485	\$ -
2055	593,563	45,659	547,904	107,535	107,535	\$ -
2056	547,904	45,659	502,245	102,585	102,585	\$ -
2057	502,245	45,659	456,587	97,635	97,635	\$ -
2058	456,587	45,659	410,928	92,685	92,685	\$ -
2059	410,928	45,659	365,269	87,735	87,735	\$ -
2060	365,269	45,659	319,611	82,784	82,784	\$ -
2061	319,611	45,659	273,952	77,834	77,834	\$ -
2062	273,952	45,659	228,293	72,884	72,884	\$ -
2063	228,293	45,659	182,635	67,934	67,934	\$ -
2064	182,635	45,659	136,976	62,984	62,984	\$ -
2065	136,976	45,659	91,317	58,034	58,034	\$ -
2066	91,317	45,659	45,659	53,084	53,084	\$ -
2067	45,659	45,659	-	48,134	48,134	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals	2,419,910	2,419,910		9,634,681	9,634,681	

[illegible]

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b2017 (Rebuild Sporn-Waterford-Muskingum River 345 kV line)

Current Projected Year ARR	1,803,485
Current Projected Year ARR w/ Incentive	1,803,485
Current Projected Year Incentive ARR	-

Details						
Investment	15,164,191	Current Year	2019			
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-			
Service Month (1-12)	5	FCR w/o incentives, less depreciation	10.84%			
Useful life	53	FCR w/incentives approved for these facilities, less dep.	10.84%			
CIAC (Yes or No)	No	Annual Depreciation Expense	286,117			
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	15,164,191	166,901	14,997,290	1,801,885	1,801,885	\$ -
2016	14,997,290	286,117	14,711,173	1,896,543	1,896,543	\$ -
2017	14,711,173	286,117	14,425,056	1,865,524	1,865,524	\$ -
2018	14,425,056	286,117	14,138,939	1,834,504	1,834,504	\$ -
2019	14,138,939	286,117	13,852,822	1,803,485	1,803,485	\$ -
2020	13,852,822	286,117	13,566,705	1,772,465	1,772,465	\$ -
2021	13,566,705	286,117	13,280,589	1,741,446	1,741,446	\$ -
2022	13,280,589	286,117	12,994,472	1,710,426	1,710,426	\$ -
2023	12,994,472	286,117	12,708,355	1,679,407	1,679,407	\$ -
2024	12,708,355	286,117	12,422,238	1,648,387	1,648,387	\$ -
2025	12,422,238	286,117	12,136,121	1,617,368	1,617,368	\$ -
2026	12,136,121	286,117	11,850,005	1,586,349	1,586,349	\$ -
2027	11,850,005	286,117	11,563,888	1,555,329	1,555,329	\$ -
2028	11,563,888	286,117	11,277,771	1,524,310	1,524,310	\$ -
2029	11,277,771	286,117	10,991,654	1,493,290	1,493,290	\$ -
2030	10,991,654	286,117	10,705,537	1,462,271	1,462,271	\$ -
2031	10,705,537	286,117	10,419,421	1,431,251	1,431,251	\$ -
2032	10,419,421	286,117	10,133,304	1,400,232	1,400,232	\$ -
2033	10,133,304	286,117	9,847,187	1,369,212	1,369,212	\$ -
2034	9,847,187	286,117	9,561,070	1,338,193	1,338,193	\$ -
2035	9,561,070	286,117	9,274,953	1,307,174	1,307,174	\$ -
2036	9,274,953	286,117	8,988,836	1,276,154	1,276,154	\$ -
2037	8,988,836	286,117	8,702,720	1,245,135	1,245,135	\$ -
2038	8,702,720	286,117	8,416,603	1,214,115	1,214,115	\$ -
2039	8,416,603	286,117	8,130,486	1,183,096	1,183,096	\$ -
2040	8,130,486	286,117	7,844,369	1,152,076	1,152,076	\$ -
2041	7,844,369	286,117	7,558,252	1,121,057	1,121,057	\$ -
2042	7,558,252	286,117	7,272,136	1,090,037	1,090,037	\$ -
2043	7,272,136	286,117	6,986,019	1,059,018	1,059,018	\$ -
2044	6,986,019	286,117	6,699,902	1,027,999	1,027,999	\$ -
2045	6,699,902	286,117	6,413,785	996,979	996,979	\$ -
2046	6,413,785	286,117	6,127,668	965,960	965,960	\$ -
2047	6,127,668	286,117	5,841,552	934,940	934,940	\$ -
2048	5,841,552	286,117	5,555,435	903,921	903,921	\$ -
2049	5,555,435	286,117	5,269,318	872,901	872,901	\$ -
2050	5,269,318	286,117	4,983,201	841,882	841,882	\$ -
2051	4,983,201	286,117	4,697,084	810,862	810,862	\$ -
2052	4,697,084	286,117	4,410,968	779,843	779,843	\$ -
2053	4,410,968	286,117	4,124,851	748,824	748,824	\$ -
2054	4,124,851	286,117	3,838,734	717,804	717,804	\$ -
2055	3,838,734	286,117	3,552,617	686,785	686,785	\$ -
2056	3,552,617	286,117	3,266,500	655,765	655,765	\$ -
2057	3,266,500	286,117	2,980,383	624,746	624,746	\$ -
2058	2,980,383	286,117	2,694,267	593,726	593,726	\$ -
2059	2,694,267	286,117	2,408,150	562,707	562,707	\$ -
2060	2,408,150	286,117	2,122,033	531,687	531,687	\$ -
2061	2,122,033	286,117	1,835,916	500,668	500,668	\$ -
2062	1,835,916	286,117	1,549,799	469,649	469,649	\$ -
2063	1,549,799	286,117	1,263,683	438,629	438,629	\$ -
2064	1,263,683	286,117	977,566	407,610	407,610	\$ -
2065	977,566	286,117	691,449	376,590	376,590	\$ -
2066	691,449	286,117	405,332	345,571	345,571	\$ -
2067	405,332	286,117	119,215	314,551	314,551	\$ -
2068	119,215	119,215	-	125,678	125,678	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals		15,164,191		59,416,013	59,416,013	-

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 2,647,738		\$ 2,647,738		
\$ 2,089,493		\$ 2,089,493		
\$ 2,647,738		\$ 2,647,738		
\$ 1,845,050		\$ 1,845,050		

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1660 (Install a 765/500 kV transformer at Cloverdale)

Current Projected Year ARR	403,595
Current Projected Year ARR w/ Incentive	403,595
Current Projected Year Incentive ARR	-

Details						
Investment	3,308,186	Current Year				2019
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	11	FCR w/o incentives, less depreciation				10.84%
Useful life	53	FCR w/incentives approved for these facilities, less dep.				10.84%
CIAC (Yes or No)	No	Annual Depreciation Expense				62,419
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	3,308,186	5,202	3,302,984	363,578	363,578	\$ -
2017	3,302,984	62,419	3,240,566	417,129	417,129	\$ -
2018	3,240,566	62,419	3,178,147	410,362	410,362	\$ -
2019	3,178,147	62,419	3,115,729	403,595	403,595	\$ -
2020	3,115,729	62,419	3,053,310	396,828	396,828	\$ -
2021	3,053,310	62,419	2,990,891	390,061	390,061	\$ -
2022	2,990,891	62,419	2,928,473	383,293	383,293	\$ -
2023	2,928,473	62,419	2,866,054	376,526	376,526	\$ -
2024	2,866,054	62,419	2,803,636	369,759	369,759	\$ -
2025	2,803,636	62,419	2,741,217	362,992	362,992	\$ -
2026	2,741,217	62,419	2,678,798	356,225	356,225	\$ -
2027	2,678,798	62,419	2,616,380	349,458	349,458	\$ -
2028	2,616,380	62,419	2,553,961	342,691	342,691	\$ -
2029	2,553,961	62,419	2,491,543	335,924	335,924	\$ -
2030	2,491,543	62,419	2,429,124	329,156	329,156	\$ -
2031	2,429,124	62,419	2,366,705	322,389	322,389	\$ -
2032	2,366,705	62,419	2,304,287	315,622	315,622	\$ -
2033	2,304,287	62,419	2,241,868	308,855	308,855	\$ -
2034	2,241,868	62,419	2,179,450	302,088	302,088	\$ -
2035	2,179,450	62,419	2,117,031	295,321	295,321	\$ -
2036	2,117,031	62,419	2,054,612	288,554	288,554	\$ -
2037	2,054,612	62,419	1,992,194	281,786	281,786	\$ -
2038	1,992,194	62,419	1,929,775	275,019	275,019	\$ -
2039	1,929,775	62,419	1,867,357	268,252	268,252	\$ -
2040	1,867,357	62,419	1,804,938	261,485	261,485	\$ -
2041	1,804,938	62,419	1,742,519	254,718	254,718	\$ -
2042	1,742,519	62,419	1,680,101	247,951	247,951	\$ -
2043	1,680,101	62,419	1,617,682	241,184	241,184	\$ -
2044	1,617,682	62,419	1,555,264	234,417	234,417	\$ -
2045	1,555,264	62,419	1,492,845	227,649	227,649	\$ -
2046	1,492,845	62,419	1,430,426	220,882	220,882	\$ -
2047	1,430,426	62,419	1,368,008	214,115	214,115	\$ -
2048	1,368,008	62,419	1,305,589	207,348	207,348	\$ -
2049	1,305,589	62,419	1,243,171	200,581	200,581	\$ -
2050	1,243,171	62,419	1,180,752	193,814	193,814	\$ -
2051	1,180,752	62,419	1,118,333	187,047	187,047	\$ -
2052	1,118,333	62,419	1,055,915	180,279	180,279	\$ -
2053	1,055,915	62,419	993,496	173,512	173,512	\$ -
2054	993,496	62,419	931,078	166,745	166,745	\$ -
2055	931,078	62,419	868,659	159,978	159,978	\$ -
2056	868,659	62,419	806,240	153,211	153,211	\$ -
2057	806,240	62,419	743,822	146,444	146,444	\$ -
2058	743,822	62,419	681,403	139,677	139,677	\$ -
2059	681,403	62,419	618,984	132,910	132,910	\$ -
2060	618,984	62,419	556,566	126,142	126,142	\$ -
2061	556,566	62,419	494,147	119,375	119,375	\$ -
2062	494,147	62,419	431,729	112,608	112,608	\$ -
2063	431,729	62,419	369,310	105,841	105,841	\$ -
2064	369,310	62,419	306,891	99,074	99,074	\$ -
2065	306,891	62,419	244,473	92,307	92,307	\$ -
2066	244,473	62,419	182,054	85,540	85,540	\$ -
2067	182,054	62,419	119,636	78,773	78,773	\$ -
2068	119,636	62,419	57,217	72,005	72,005	\$ -
2069	57,217	57,217	-	60,319	60,319	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals		3,308,186		13,141,394	13,141,394	

[illegible]

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1660.1 (Cloverdale: Establish 500 kV station and 500 to 765 kV tie)

Current Projected Year ARR	3,572,182
Current Projected Year ARR w/ Incentive	3,572,182
Current Projected Year Incentive ARR	-

Details						
Investment	29,280,459	Current Year				2019
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	11	FCR w/o incentives, less depreciation				10.84%
Useful life	53	FCR w/incentives approved for these facilities, less dep.				10.84%
CIAC (Yes or No)	No	Annual Depreciation Expense				552,461
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	29,280,459	46,038	29,234,421	3,217,993	3,217,993	\$ -
2017	29,234,421	552,461	28,681,959	3,691,973	3,691,973	\$ -
2018	28,681,959	552,461	28,129,498	3,632,077	3,632,077	\$ -
2019	28,129,498	552,461	27,577,036	3,572,182	3,572,182	\$ -
2020	27,577,036	552,461	27,024,575	3,512,287	3,512,287	\$ -
2021	27,024,575	552,461	26,472,113	3,452,392	3,452,392	\$ -
2022	26,472,113	552,461	25,919,652	3,392,496	3,392,496	\$ -
2023	25,919,652	552,461	25,367,190	3,332,601	3,332,601	\$ -
2024	25,367,190	552,461	24,814,729	3,272,706	3,272,706	\$ -
2025	24,814,729	552,461	24,262,267	3,212,810	3,212,810	\$ -
2026	24,262,267	552,461	23,709,806	3,152,915	3,152,915	\$ -
2027	23,709,806	552,461	23,157,344	3,093,020	3,093,020	\$ -
2028	23,157,344	552,461	22,604,883	3,033,125	3,033,125	\$ -
2029	22,604,883	552,461	22,052,421	2,973,229	2,973,229	\$ -
2030	22,052,421	552,461	21,499,960	2,913,334	2,913,334	\$ -
2031	21,499,960	552,461	20,947,498	2,853,439	2,853,439	\$ -
2032	20,947,498	552,461	20,395,037	2,793,543	2,793,543	\$ -
2033	20,395,037	552,461	19,842,575	2,733,648	2,733,648	\$ -
2034	19,842,575	552,461	19,290,114	2,673,753	2,673,753	\$ -
2035	19,290,114	552,461	18,737,652	2,613,858	2,613,858	\$ -
2036	18,737,652	552,461	18,185,191	2,553,962	2,553,962	\$ -
2037	18,185,191	552,461	17,632,729	2,494,067	2,494,067	\$ -
2038	17,632,729	552,461	17,080,268	2,434,172	2,434,172	\$ -
2039	17,080,268	552,461	16,527,806	2,374,276	2,374,276	\$ -
2040	16,527,806	552,461	15,975,345	2,314,381	2,314,381	\$ -
2041	15,975,345	552,461	15,422,883	2,254,486	2,254,486	\$ -
2042	15,422,883	552,461	14,870,422	2,194,591	2,194,591	\$ -
2043	14,870,422	552,461	14,317,960	2,134,695	2,134,695	\$ -
2044	14,317,960	552,461	13,765,499	2,074,800	2,074,800	\$ -
2045	13,765,499	552,461	13,213,037	2,014,905	2,014,905	\$ -
2046	13,213,037	552,461	12,660,576	1,955,009	1,955,009	\$ -
2047	12,660,576	552,461	12,108,114	1,895,114	1,895,114	\$ -
2048	12,108,114	552,461	11,555,653	1,835,219	1,835,219	\$ -
2049	11,555,653	552,461	11,003,191	1,775,324	1,775,324	\$ -
2050	11,003,191	552,461	10,450,730	1,715,428	1,715,428	\$ -
2051	10,450,730	552,461	9,898,268	1,655,533	1,655,533	\$ -
2052	9,898,268	552,461	9,345,807	1,595,638	1,595,638	\$ -
2053	9,345,807	552,461	8,793,345	1,535,742	1,535,742	\$ -
2054	8,793,345	552,461	8,240,884	1,475,847	1,475,847	\$ -
2055	8,240,884	552,461	7,688,422	1,415,952	1,415,952	\$ -
2056	7,688,422	552,461	7,135,961	1,356,057	1,356,057	\$ -
2057	7,135,961	552,461	6,583,499	1,296,161	1,296,161	\$ -
2058	6,583,499	552,461	6,031,038	1,236,266	1,236,266	\$ -
2059	6,031,038	552,461	5,478,576	1,176,371	1,176,371	\$ -
2060	5,478,576	552,461	4,926,115	1,116,475	1,116,475	\$ -
2061	4,926,115	552,461	4,373,653	1,056,580	1,056,580	\$ -
2062	4,373,653	552,461	3,821,192	996,685	996,685	\$ -
2063	3,821,192	552,461	3,268,730	936,790	936,790	\$ -
2064	3,268,730	552,461	2,716,269	876,894	876,894	\$ -
2065	2,716,269	552,461	2,163,808	816,999	816,999	\$ -
2066	2,163,808	552,461	1,611,346	757,104	757,104	\$ -
2067	1,611,346	552,461	1,058,885	697,208	697,208	\$ -
2068	1,058,885	552,461	506,423	637,313	637,313	\$ -
2069	506,423	506,423	-	533,875	533,875	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals		29,280,459		116,313,301	116,313,301	

[illegible]

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1663.2 (Jacksn

Current Projected Year ARR	658,757
Current Projected Year ARR w/ Incentive	658,757
Current Projected Year Incentive ARR	-

Details						
Investment	5,483,986	Current Year		2019		
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	12	FCR w/o incentives, less depreciation		10.84%		
Useful life	53	FCR w/incentives approved for these facilities, less dep.		10.84%		
CIAC (Yes or No)	No	Annual Depreciation Expense		103,471		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	5,483,986	-	5,483,986	594,548	594,548	\$ -
2016	5,483,986	103,471	5,380,515	692,411	692,411	\$ -
2017	5,380,515	103,471	5,277,043	681,193	681,193	\$ -
2018	5,277,043	103,471	5,173,572	669,975	669,975	\$ -
2019	5,173,572	103,471	5,070,100	658,757	658,757	\$ -
2020	5,070,100	103,471	4,966,629	647,539	647,539	\$ -
2021	4,966,629	103,471	4,863,157	636,321	636,321	\$ -
2022	4,863,157	103,471	4,759,686	625,103	625,103	\$ -
2023	4,759,686	103,471	4,656,215	613,885	613,885	\$ -
2024	4,656,215	103,471	4,552,743	602,667	602,667	\$ -
2025	4,552,743	103,471	4,449,272	591,450	591,450	\$ -
2026	4,449,272	103,471	4,345,800	580,232	580,232	\$ -
2027	4,345,800	103,471	4,242,329	569,014	569,014	\$ -
2028	4,242,329	103,471	4,138,857	557,796	557,796	\$ -
2029	4,138,857	103,471	4,035,386	546,578	546,578	\$ -
2030	4,035,386	103,471	3,931,914	535,360	535,360	\$ -
2031	3,931,914	103,471	3,828,443	524,142	524,142	\$ -
2032	3,828,443	103,471	3,724,972	512,924	512,924	\$ -
2033	3,724,972	103,471	3,621,500	501,706	501,706	\$ -
2034	3,621,500	103,471	3,518,029	490,489	490,489	\$ -
2035	3,518,029	103,471	3,414,557	479,271	479,271	\$ -
2036	3,414,557	103,471	3,311,086	468,053	468,053	\$ -
2037	3,311,086	103,471	3,207,614	456,835	456,835	\$ -
2038	3,207,614	103,471	3,104,143	445,617	445,617	\$ -
2039	3,104,143	103,471	3,000,672	434,399	434,399	\$ -
2040	3,000,672	103,471	2,897,200	423,181	423,181	\$ -
2041	2,897,200	103,471	2,793,729	411,963	411,963	\$ -
2042	2,793,729	103,471	2,690,257	400,745	400,745	\$ -
2043	2,690,257	103,471	2,586,786	389,528	389,528	\$ -
2044	2,586,786	103,471	2,483,314	378,310	378,310	\$ -
2045	2,483,314	103,471	2,379,843	367,092	367,092	\$ -
2046	2,379,843	103,471	2,276,372	355,874	355,874	\$ -
2047	2,276,372	103,471	2,172,900	344,656	344,656	\$ -
2048	2,172,900	103,471	2,069,429	333,438	333,438	\$ -
2049	2,069,429	103,471	1,965,957	322,220	322,220	\$ -
2050	1,965,957	103,471	1,862,486	311,002	311,002	\$ -
2051	1,862,486	103,471	1,759,014	299,784	299,784	\$ -
2052	1,759,014	103,471	1,655,543	288,567	288,567	\$ -
2053	1,655,543	103,471	1,552,072	277,349	277,349	\$ -
2054	1,552,072	103,471	1,448,600	266,131	266,131	\$ -
2055	1,448,600	103,471	1,345,129	254,913	254,913	\$ -
2056	1,345,129	103,471	1,241,657	243,695	243,695	\$ -
2057	1,241,657	103,471	1,138,186	232,477	232,477	\$ -
2058	1,138,186	103,471	1,034,714	221,259	221,259	\$ -
2059	1,034,714	103,471	931,243	210,041	210,041	\$ -
2060	931,243	103,471	827,771	198,823	198,823	\$ -
2061	827,771	103,471	724,300	187,606	187,606	\$ -
2062	724,300	103,471	620,829	176,388	176,388	\$ -
2063	620,829	103,471	517,357	165,170	165,170	\$ -
2064	517,357	103,471	413,886	153,952	153,952	\$ -
2065	413,886	103,471	310,414	142,734	142,734	\$ -
2066	310,414	103,471	206,943	131,516	131,516	\$ -
2067	206,943	103,471	103,471	120,298	120,298	\$ -
2068	103,471	103,471	0	109,080	109,080	\$ -
2069	0	0	-	0	0	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals		5,483,986		21,834,058	21,834,058	-

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ -		\$ -		
\$ 780,577		\$ 780,577		
\$ 779,062		\$ 779,062		
\$ 672,821		\$ 672,821		

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

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

A. Base Plan Facilities

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

Project Description:	RTEP ID: b1875 (138 kV Bradley to McClung upgrades)
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Current Projected Year ARR	52,090
Current Projected Year ARR w/ Incentive	52,090
Current Projected Year Incentive ARR	-

Details						
Investment	443,065	Current Year				2019
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	9	FCR w/o incentives, less depreciation				10.84%
Useful life	53	FCR w/incentives approved for these facilities, less dep.				10.84%
CIAC (Yes or No)	No	Annual Depreciation Expense				8,360
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	443,065	2,090	440,975	50,012	50,012	\$ -
2015	440,975	8,360	432,615	55,715	55,715	\$ -
2016	432,615	8,360	424,256	54,809	54,809	\$ -
2017	424,256	8,360	415,896	53,902	53,902	\$ -
2018	415,896	8,360	407,536	52,996	52,996	\$ -
2019	407,536	8,360	399,176	52,090	52,090	\$ -
2020	399,176	8,360	390,817	51,183	51,183	\$ -
2021	390,817	8,360	382,457	50,277	50,277	\$ -
2022	382,457	8,360	374,097	49,371	49,371	\$ -
2023	374,097	8,360	365,738	48,464	48,464	\$ -
2024	365,738	8,360	357,378	47,558	47,558	\$ -
2025	357,378	8,360	349,018	46,652	46,652	\$ -
2026	349,018	8,360	340,658	45,745	45,745	\$ -
2027	340,658	8,360	332,299	44,839	44,839	\$ -
2028	332,299	8,360	323,939	43,933	43,933	\$ -
2029	323,939	8,360	315,579	43,027	43,027	\$ -
2030	315,579	8,360	307,220	42,120	42,120	\$ -
2031	307,220	8,360	298,860	41,214	41,214	\$ -
2032	298,860	8,360	290,500	40,308	40,308	\$ -
2033	290,500	8,360	282,140	39,401	39,401	\$ -
2034	282,140	8,360	273,781	38,495	38,495	\$ -
2035	273,781	8,360	265,421	37,589	37,589	\$ -
2036	265,421	8,360	257,061	36,682	36,682	\$ -
2037	257,061	8,360	248,702	35,776	35,776	\$ -
2038	248,702	8,360	240,342	34,870	34,870	\$ -
2039	240,342	8,360	231,982	33,963	33,963	\$ -
2040	231,982	8,360	223,622	33,057	33,057	\$ -
2041	223,622	8,360	215,263	32,151	32,151	\$ -
2042	215,263	8,360	206,903	31,244	31,244	\$ -
2043	206,903	8,360	198,543	30,338	30,338	\$ -
2044	198,543	8,360	190,184	29,432	29,432	\$ -
2045	190,184	8,360	181,824	28,525	28,525	\$ -
2046	181,824	8,360	173,464	27,619	27,619	\$ -
2047	173,464	8,360	165,104	26,713	26,713	\$ -
2048	165,104	8,360	156,745	25,806	25,806	\$ -
2049	156,745	8,360	148,385	24,900	24,900	\$ -
2050	148,385	8,360	140,025	23,994	23,994	\$ -
2051	140,025	8,360	131,666	23,087	23,087	\$ -
2052	131,666	8,360	123,306	22,181	22,181	\$ -
2053	123,306	8,360	114,946	21,275	21,275	\$ -
2054	114,946	8,360	106,586	20,368	20,368	\$ -
2055	106,586	8,360	98,227	19,462	19,462	\$ -
2056	98,227	8,360	89,867	18,556	18,556	\$ -
2057	89,867	8,360	81,507	17,650	17,650	\$ -
2058	81,507	8,360	73,148	16,743	16,743	\$ -
2059	73,148	8,360	64,788	15,837	15,837	\$ -
2060	64,788	8,360	56,428	14,931	14,931	\$ -
2061	56,428	8,360	48,068	14,024	14,024	\$ -
2062	48,068	8,360	39,709	13,118	13,118	\$ -
2063	39,709	8,360	31,349	12,212	12,212	\$ -
2064	31,349	8,360	22,989	11,305	11,305	\$ -
2065	22,989	8,360	14,630	10,399	10,399	\$ -
2066	14,630	8,360	6,270	9,493	9,493	\$ -
2067	6,270	6,270	-	6,610	6,610	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals	443,065	443,065	-	1,752,020	1,752,020	-

[illegible]

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1797.1 (Reconductor portion of Cloverdale-Lexington 500 kV line)

Current Projected Year ARR	5,898,632
Current Projected Year ARR w/ Incentive	5,898,632
Current Projected Year Incentive ARR	-

Details						
Investment	48,690,062	Current Year		2019		
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	6	FCR w/o incentives, less depreciation		10.84%		
Useful life	53	FCR w/incentives approved for these facilities, less dep.		10.84%		
CIAC (Yes or No)	No	Annual Depreciation Expense		918,680		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	48,690,062	459,340	48,230,722	5,713,189	5,713,189	\$ -
2017	48,230,722	918,680	47,312,041	6,097,830	6,097,830	\$ -
2018	47,312,041	918,680	46,393,361	5,998,231	5,998,231	\$ -
2019	46,393,361	918,680	45,474,681	5,898,632	5,898,632	\$ -
2020	45,474,681	918,680	44,556,000	5,799,033	5,799,033	\$ -
2021	44,556,000	918,680	43,637,320	5,699,434	5,699,434	\$ -
2022	43,637,320	918,680	42,718,639	5,599,835	5,599,835	\$ -
2023	42,718,639	918,680	41,799,959	5,500,236	5,500,236	\$ -
2024	41,799,959	918,680	40,881,278	5,400,637	5,400,637	\$ -
2025	40,881,278	918,680	39,962,598	5,301,038	5,301,038	\$ -
2026	39,962,598	918,680	39,043,918	5,201,439	5,201,439	\$ -
2027	39,043,918	918,680	38,125,237	5,101,840	5,101,840	\$ -
2028	38,125,237	918,680	37,206,557	5,002,241	5,002,241	\$ -
2029	37,206,557	918,680	36,287,876	4,902,641	4,902,641	\$ -
2030	36,287,876	918,680	35,369,196	4,803,042	4,803,042	\$ -
2031	35,369,196	918,680	34,450,516	4,703,443	4,703,443	\$ -
2032	34,450,516	918,680	33,531,835	4,603,844	4,603,844	\$ -
2033	33,531,835	918,680	32,613,155	4,504,245	4,504,245	\$ -
2034	32,613,155	918,680	31,694,474	4,404,646	4,404,646	\$ -
2035	31,694,474	918,680	30,775,794	4,305,047	4,305,047	\$ -
2036	30,775,794	918,680	29,857,113	4,205,448	4,205,448	\$ -
2037	29,857,113	918,680	28,938,433	4,105,849	4,105,849	\$ -
2038	28,938,433	918,680	28,019,753	4,006,250	4,006,250	\$ -
2039	28,019,753	918,680	27,101,072	3,906,651	3,906,651	\$ -
2040	27,101,072	918,680	26,182,392	3,807,052	3,807,052	\$ -
2041	26,182,392	918,680	25,263,711	3,707,453	3,707,453	\$ -
2042	25,263,711	918,680	24,345,031	3,607,854	3,607,854	\$ -
2043	24,345,031	918,680	23,426,351	3,508,255	3,508,255	\$ -
2044	23,426,351	918,680	22,507,670	3,408,656	3,408,656	\$ -
2045	22,507,670	918,680	21,588,990	3,309,057	3,309,057	\$ -
2046	21,588,990	918,680	20,670,309	3,209,458	3,209,458	\$ -
2047	20,670,309	918,680	19,751,629	3,109,859	3,109,859	\$ -
2048	19,751,629	918,680	18,832,949	3,010,260	3,010,260	\$ -
2049	18,832,949	918,680	17,914,268	2,910,661	2,910,661	\$ -
2050	17,914,268	918,680	16,995,588	2,811,062	2,811,062	\$ -
2051	16,995,588	918,680	16,076,907	2,711,463	2,711,463	\$ -
2052	16,076,907	918,680	15,158,227	2,611,864	2,611,864	\$ -
2053	15,158,227	918,680	14,239,546	2,512,265	2,512,265	\$ -
2054	14,239,546	918,680	13,320,866	2,412,666	2,412,666	\$ -
2055	13,320,866	918,680	12,402,186	2,313,067	2,313,067	\$ -
2056	12,402,186	918,680	11,483,505	2,213,468	2,213,468	\$ -
2057	11,483,505	918,680	10,564,825	2,113,869	2,113,869	\$ -
2058	10,564,825	918,680	9,646,144	2,014,270	2,014,270	\$ -
2059	9,646,144	918,680	8,727,464	1,914,671	1,914,671	\$ -
2060	8,727,464	918,680	7,808,784	1,815,072	1,815,072	\$ -
2061	7,808,784	918,680	6,890,103	1,715,473	1,715,473	\$ -
2062	6,890,103	918,680	5,971,423	1,615,874	1,615,874	\$ -
2063	5,971,423	918,680	5,052,742	1,516,275	1,516,275	\$ -
2064	5,052,742	918,680	4,134,062	1,416,676	1,416,676	\$ -
2065	4,134,062	918,680	3,215,381	1,317,077	1,317,077	\$ -
2066	3,215,381	918,680	2,296,701	1,217,477	1,217,477	\$ -
2067	2,296,701	918,680	1,378,021	1,117,878	1,117,878	\$ -
2068	1,378,021	918,680	459,340	1,018,279	1,018,279	\$ -
2069	459,340	459,340	-	484,240	484,240	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals		48,690,062		191,216,269	191,216,269	-

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 5,862,811		\$ 5,862,811		
\$ 3,438,786		\$ 3,438,786		
\$ 5,966,416		\$ 5,966,416		

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1712.1 (Altavista-Leesville 138kV line)

Current Projected Year ARR	31,141
Current Projected Year ARR w/ Incentive	31,141
Current Projected Year Incentive ARR	-

Details						
Investment	267,989	Current Year		2019		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	1	FCR w/o incentives, less depreciation		10.84%		
Useful life	53	FCR w/incentives approved for these facilities, less dep.		10.84%		
CIAC (Yes or No)	No	Annual Depreciation Expense		5,056		
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	267,989	4,635	263,354	33,438	33,438	\$ -
2015	263,354	5,056	258,298	33,334	33,334	\$ -
2016	258,298	5,056	253,241	32,786	32,786	\$ -
2017	253,241	5,056	248,185	32,238	32,238	\$ -
2018	248,185	5,056	243,128	31,689	31,689	\$ -
2019	243,128	5,056	238,072	31,141	31,141	\$ -
2020	238,072	5,056	233,016	30,593	30,593	\$ -
2021	233,016	5,056	227,959	30,045	30,045	\$ -
2022	227,959	5,056	222,903	29,497	29,497	\$ -
2023	222,903	5,056	217,846	28,948	28,948	\$ -
2024	217,846	5,056	212,790	28,400	28,400	\$ -
2025	212,790	5,056	207,734	27,852	27,852	\$ -
2026	207,734	5,056	202,677	27,304	27,304	\$ -
2027	202,677	5,056	197,621	26,756	26,756	\$ -
2028	197,621	5,056	192,564	26,207	26,207	\$ -
2029	192,564	5,056	187,508	25,659	25,659	\$ -
2030	187,508	5,056	182,452	25,111	25,111	\$ -
2031	182,452	5,056	177,395	24,563	24,563	\$ -
2032	177,395	5,056	172,339	24,015	24,015	\$ -
2033	172,339	5,056	167,282	23,466	23,466	\$ -
2034	167,282	5,056	162,226	22,918	22,918	\$ -
2035	162,226	5,056	157,170	22,370	22,370	\$ -
2036	157,170	5,056	152,113	21,822	21,822	\$ -
2037	152,113	5,056	147,057	21,274	21,274	\$ -
2038	147,057	5,056	142,000	20,726	20,726	\$ -
2039	142,000	5,056	136,944	20,177	20,177	\$ -
2040	136,944	5,056	131,888	19,629	19,629	\$ -
2041	131,888	5,056	126,831	19,081	19,081	\$ -
2042	126,831	5,056	121,775	18,533	18,533	\$ -
2043	121,775	5,056	116,718	17,985	17,985	\$ -
2044	116,718	5,056	111,662	17,436	17,436	\$ -
2045	111,662	5,056	106,606	16,888	16,888	\$ -
2046	106,606	5,056	101,549	16,340	16,340	\$ -
2047	101,549	5,056	96,493	15,792	15,792	\$ -
2048	96,493	5,056	91,436	15,244	15,244	\$ -
2049	91,436	5,056	86,380	14,695	14,695	\$ -
2050	86,380	5,056	81,324	14,147	14,147	\$ -
2051	81,324	5,056	76,267	13,599	13,599	\$ -
2052	76,267	5,056	71,211	13,051	13,051	\$ -
2053	71,211	5,056	66,155	12,503	12,503	\$ -
2054	66,155	5,056	61,098	11,954	11,954	\$ -
2055	61,098	5,056	56,042	11,406	11,406	\$ -
2056	56,042	5,056	50,985	10,858	10,858	\$ -
2057	50,985	5,056	45,929	10,310	10,310	\$ -
2058	45,929	5,056	40,873	9,762	9,762	\$ -
2059	40,873	5,056	35,816	9,214	9,214	\$ -
2060	35,816	5,056	30,760	8,665	8,665	\$ -
2061	30,760	5,056	25,703	8,117	8,117	\$ -
2062	25,703	5,056	20,647	7,569	7,569	\$ -
2063	20,647	5,056	15,591	7,021	7,021	\$ -
2064	15,591	5,056	10,534	6,473	6,473	\$ -
2065	10,534	5,056	5,478	5,924	5,924	\$ -
2066	5,478	5,056	421	5,376	5,376	\$ -
2067	421	421	-	444	444	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals		267,989		1,040,344	1,040,344	-

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 31,947		\$ 31,947		
\$ 35,555		\$ 35,555		

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b2687.2 (Install a 300 MVAR shunt line reactor Broadford-Jacksons Ferry 765 kV line)

Current Projected Year ARR	1,181,808
Current Projected Year ARR w/ Incentive	1,181,808
Current Projected Year Incentive ARR	-

Details						
Investment	9,514,223	Current Year				2019
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				10.84%
Useful life	53	FCR w/incentives approved for these facilities, less dep.				10.84%
CIAC (Yes or No)	No	Annual Depreciation Expense				179,514
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2017	9,514,223	-	9,514,223	1,031,487	1,031,487	\$ -
2018	9,514,223	179,514	9,334,709	1,201,270	1,201,270	\$ -
2019	9,334,709	179,514	9,155,196	1,181,808	1,181,808.08	\$ -
2020	9,155,196	179,514	8,975,682	1,162,346	1,162,346.05	\$ -
2021	8,975,682	179,514	8,796,168	1,142,884	1,142,884.03	\$ -
2022	8,796,168	179,514	8,616,655	1,123,422	1,123,422.00	\$ -
2023	8,616,655	179,514	8,437,141	1,103,960	1,103,959.97	\$ -
2024	8,437,141	179,514	8,257,628	1,084,498	1,084,497.94	\$ -
2025	8,257,628	179,514	8,078,114	1,065,036	1,065,035.91	\$ -
2026	8,078,114	179,514	7,898,600	1,045,574	1,045,573.89	\$ -
2027	7,898,600	179,514	7,719,087	1,026,112	1,026,111.86	\$ -
2028	7,719,087	179,514	7,539,573	1,006,650	1,006,649.83	\$ -
2029	7,539,573	179,514	7,360,059	987,188	987,187.80	\$ -
2030	7,360,059	179,514	7,180,546	967,726	967,725.77	\$ -
2031	7,180,546	179,514	7,001,032	948,264	948,263.75	\$ -
2032	7,001,032	179,514	6,821,518	928,802	928,801.72	\$ -
2033	6,821,518	179,514	6,642,005	909,340	909,339.69	\$ -
2034	6,642,005	179,514	6,462,491	889,878	889,877.66	\$ -
2035	6,462,491	179,514	6,282,977	870,416	870,415.63	\$ -
2036	6,282,977	179,514	6,103,464	850,954	850,953.61	\$ -
2037	6,103,464	179,514	5,923,950	831,492	831,491.58	\$ -
2038	5,923,950	179,514	5,744,437	812,030	812,029.55	\$ -
2039	5,744,437	179,514	5,564,923	792,568	792,567.52	\$ -
2040	5,564,923	179,514	5,385,409	773,105	773,105.49	\$ -
2041	5,385,409	179,514	5,205,896	753,643	753,643.47	\$ -
2042	5,205,896	179,514	5,026,382	734,181	734,181.44	\$ -
2043	5,026,382	179,514	4,846,868	714,719	714,719.41	\$ -
2044	4,846,868	179,514	4,667,355	695,257	695,257.38	\$ -
2045	4,667,355	179,514	4,487,841	675,795	675,795.35	\$ -
2046	4,487,841	179,514	4,308,327	656,333	656,333.33	\$ -
2047	4,308,327	179,514	4,128,814	636,871	636,871.30	\$ -
2048	4,128,814	179,514	3,949,300	617,409	617,409.27	\$ -
2049	3,949,300	179,514	3,769,786	597,947	597,947.24	\$ -
2050	3,769,786	179,514	3,590,273	578,485	578,485.21	\$ -
2051	3,590,273	179,514	3,410,759	559,023	559,023.19	\$ -
2052	3,410,759	179,514	3,231,246	539,561	539,561.16	\$ -
2053	3,231,246	179,514	3,051,732	520,099	520,099.13	\$ -
2054	3,051,732	179,514	2,872,218	500,637	500,637.10	\$ -
2055	2,872,218	179,514	2,692,705	481,175	481,175.07	\$ -
2056	2,692,705	179,514	2,513,191	461,713	461,713.05	\$ -
2057	2,513,191	179,514	2,333,677	442,251	442,251.02	\$ -
2058	2,333,677	179,514	2,154,164	422,789	422,788.99	\$ -
2059	2,154,164	179,514	1,974,650	403,327	403,326.96	\$ -
2060	1,974,650	179,514	1,795,136	383,865	383,864.94	\$ -
2061	1,795,136	179,514	1,615,623	364,403	364,402.91	\$ -
2062	1,615,623	179,514	1,436,109	344,941	344,940.88	\$ -
2063	1,436,109	179,514	1,256,595	325,479	325,478.85	\$ -
2064	1,256,595	179,514	1,077,082	306,017	306,016.82	\$ -
2065	1,077,082	179,514	897,568	286,555	286,554.80	\$ -
2066	897,568	179,514	718,055	267,093	267,092.77	\$ -
2067	718,055	179,514	538,541	247,631	247,630.74	\$ -
2068	538,541	179,514	359,027	228,169	228,168.71	\$ -
2069	359,027	179,514	179,514	208,707	208,706.68	\$ -
2070	179,514	179,514	-	189,245	189,244.66	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
2076	-	-	-	-	-	\$ -
Project Totals		9,514,223		37,880,129	37,880,129	

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ 1,174,872		\$ 1,174,872		

** 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.

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b2687.1 (Install a 450 MVAR SVC Jacksons Ferry 765kv Substation)

Current Projected Year ARR	8,376,163
Current Projected Year ARR w/ Incentive	8,376,163
Current Projected Year Incentive ARR	-

Details						
Investment	66,519,969	Current Year				2019
Service Year (yyyy)	2018	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	10	FCR w/o incentives, less depreciation				10.84%
Useful life	53	FCR w/incentives approved for these facilities, less dep.				10.84%
CIAC (Yes or No)	No	Annual Depreciation Expense				1,255,094
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2018	66,519,969	209,182	66,310,787	7,409,626	7,409,626	\$ -
2019	66,310,787	1,255,094	65,055,693	8,376,163	8,376,163	\$ -
2020	65,055,693	1,255,094	63,800,599	8,240,091	8,240,091	\$ -
2021	63,800,599	1,255,094	62,545,505	8,104,020	8,104,020	\$ -
2022	62,545,505	1,255,094	61,290,412	7,967,949	7,967,949	\$ -
2023	61,290,412	1,255,094	60,035,318	7,831,877	7,831,877	\$ -
2024	60,035,318	1,255,094	58,780,224	7,695,806	7,695,806	\$ -
2025	58,780,224	1,255,094	57,525,130	7,559,735	7,559,735	\$ -
2026	57,525,130	1,255,094	56,270,037	7,423,663	7,423,663	\$ -
2027	56,270,037	1,255,094	55,014,943	7,287,592	7,287,592	\$ -
2028	55,014,943	1,255,094	53,759,849	7,151,520	7,151,520	\$ -
2029	53,759,849	1,255,094	52,504,755	7,015,449	7,015,449	\$ -
2030	52,504,755	1,255,094	51,249,662	6,879,378	6,879,378	\$ -
2031	51,249,662	1,255,094	49,994,568	6,743,306	6,743,306	\$ -
2032	49,994,568	1,255,094	48,739,474	6,607,235	6,607,235	\$ -
2033	48,739,474	1,255,094	47,484,380	6,471,163	6,471,163	\$ -
2034	47,484,380	1,255,094	46,229,287	6,335,092	6,335,092	\$ -
2035	46,229,287	1,255,094	44,974,193	6,199,021	6,199,021	\$ -
2036	44,974,193	1,255,094	43,719,099	6,062,949	6,062,949	\$ -
2037	43,719,099	1,255,094	42,464,005	5,926,878	5,926,878	\$ -
2038	42,464,005	1,255,094	41,208,912	5,790,807	5,790,807	\$ -
2039	41,208,912	1,255,094	39,953,818	5,654,735	5,654,735	\$ -
2040	39,953,818	1,255,094	38,698,724	5,518,664	5,518,664	\$ -
2041	38,698,724	1,255,094	37,443,630	5,382,592	5,382,592	\$ -
2042	37,443,630	1,255,094	36,188,537	5,246,521	5,246,521	\$ -
2043	36,188,537	1,255,094	34,933,443	5,110,450	5,110,450	\$ -
2044	34,933,443	1,255,094	33,678,349	4,974,378	4,974,378	\$ -
2045	33,678,349	1,255,094	32,423,255	4,838,307	4,838,307	\$ -
2046	32,423,255	1,255,094	31,168,162	4,702,235	4,702,235	\$ -
2047	31,168,162	1,255,094	29,913,068	4,566,164	4,566,164	\$ -
2048	29,913,068	1,255,094	28,657,974	4,430,093	4,430,093	\$ -
2049	28,657,974	1,255,094	27,402,880	4,294,021	4,294,021	\$ -
2050	27,402,880	1,255,094	26,147,787	4,157,950	4,157,950	\$ -
2051	26,147,787	1,255,094	24,892,693	4,021,879	4,021,879	\$ -
2052	24,892,693	1,255,094	23,637,599	3,885,807	3,885,807	\$ -
2053	23,637,599	1,255,094	22,382,505	3,749,736	3,749,736	\$ -
2054	22,382,505	1,255,094	21,127,412	3,613,664	3,613,664	\$ -
2055	21,127,412	1,255,094	19,872,318	3,477,593	3,477,593	\$ -
2056	19,872,318	1,255,094	18,617,224	3,341,522	3,341,522	\$ -
2057	18,617,224	1,255,094	17,362,130	3,205,450	3,205,450	\$ -
2058	17,362,130	1,255,094	16,107,037	3,069,379	3,069,379	\$ -
2059	16,107,037	1,255,094	14,851,943	2,933,307	2,933,307	\$ -
2060	14,851,943	1,255,094	13,596,849	2,797,236	2,797,236	\$ -
2061	13,596,849	1,255,094	12,341,755	2,661,165	2,661,165	\$ -
2062	12,341,755	1,255,094	11,086,662	2,525,093	2,525,093	\$ -
2063	11,086,662	1,255,094	9,831,568	2,389,022	2,389,022	\$ -
2064	9,831,568	1,255,094	8,576,474	2,252,951	2,252,951	\$ -
2065	8,576,474	1,255,094	7,321,380	2,116,879	2,116,879	\$ -
2066	7,321,380	1,255,094	6,066,286	1,980,808	1,980,808	\$ -
2067	6,066,286	1,255,094	4,811,193	1,844,736	1,844,736	\$ -
2068	4,811,193	1,255,094	3,556,099	1,708,665	1,708,665	\$ -
2069	3,556,099	1,255,094	2,301,005	1,572,594	1,572,594	\$ -
2070	2,301,005	1,255,094	1,045,911	1,436,522	1,436,522	\$ -
2071	1,045,911	1,045,911	-	1,102,608	1,102,608	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
2076	-	-	-	-	-	\$ -
2077	-	-	-	-	-	\$ -
Project Totals		66,519,969		263,642,048	263,642,048	

[illegible]

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	86,230
Current Projected Year ARR w/ Incentive	86,230
Current Projected Year Incentive ARR	-

Details						
Investment	705,825	Current Year				2019
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				10.84%
Useful life	53	FCR w/incentives approved for these facilities, less dep.				10.84%
CIAC (Yes or No)	No	Annual Depreciation Expense				13,317
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	705,825	-	705,825	76,522	76,522	\$ -
2017	705,825	13,317	692,508	89,118	89,118	\$ -
2018	692,508	13,317	679,190	87,674	87,674	\$ -
2019	679,190	13,317	665,873	86,230	86,230	\$ -
2020	665,873	13,317	652,555	84,786	84,786	\$ -
2021	652,555	13,317	639,238	83,343	83,343	\$ -
2022	639,238	13,317	625,920	81,899	81,899	\$ -
2023	625,920	13,317	612,603	80,455	80,455	\$ -
2024	612,603	13,317	599,285	79,011	79,011	\$ -
2025	599,285	13,317	585,968	77,567	77,567	\$ -
2026	585,968	13,317	572,650	76,123	76,123	\$ -
2027	572,650	13,317	559,333	74,680	74,680	\$ -
2028	559,333	13,317	546,016	73,236	73,236	\$ -
2029	546,016	13,317	532,698	71,792	71,792	\$ -
2030	532,698	13,317	519,381	70,348	70,348	\$ -
2031	519,381	13,317	506,063	68,904	68,904	\$ -
2032	506,063	13,317	492,746	67,461	67,461	\$ -
2033	492,746	13,317	479,428	66,017	66,017	\$ -
2034	479,428	13,317	466,111	64,573	64,573	\$ -
2035	466,111	13,317	452,793	63,129	63,129	\$ -
2036	452,793	13,317	439,476	61,685	61,685	\$ -
2037	439,476	13,317	426,158	60,241	60,241	\$ -
2038	426,158	13,317	412,841	58,798	58,798	\$ -
2039	412,841	13,317	399,524	57,354	57,354	\$ -
2040	399,524	13,317	386,206	55,910	55,910	\$ -
2041	386,206	13,317	372,889	54,466	54,466	\$ -
2042	372,889	13,317	359,571	53,022	53,022	\$ -
2043	359,571	13,317	346,254	51,579	51,579	\$ -
2044	346,254	13,317	332,936	50,135	50,135	\$ -
2045	332,936	13,317	319,619	48,691	48,691	\$ -
2046	319,619	13,317	306,301	47,247	47,247	\$ -
2047	306,301	13,317	292,984	45,803	45,803	\$ -
2048	292,984	13,317	279,667	44,359	44,359	\$ -
2049	279,667	13,317	266,349	42,916	42,916	\$ -
2050	266,349	13,317	253,032	41,472	41,472	\$ -
2051	253,032	13,317	239,714	40,028	40,028	\$ -
2052	239,714	13,317	226,397	38,584	38,584	\$ -
2053	226,397	13,317	213,079	37,140	37,140	\$ -
2054	213,079	13,317	199,762	35,697	35,697	\$ -
2055	199,762	13,317	186,444	34,253	34,253	\$ -
2056	186,444	13,317	173,127	32,809	32,809	\$ -
2057	173,127	13,317	159,809	31,365	31,365	\$ -
2058	159,809	13,317	146,492	29,921	29,921	\$ -
2059	146,492	13,317	133,175	28,478	28,478	\$ -
2060	133,175	13,317	119,857	27,034	27,034	\$ -
2061	119,857	13,317	106,540	25,590	25,590	\$ -
2062	106,540	13,317	93,222	24,146	24,146	\$ -
2063	93,222	13,317	79,905	22,702	22,702	\$ -
2064	79,905	13,317	66,587	21,258	21,258	\$ -
2065	66,587	13,317	53,270	19,815	19,815	\$ -
2066	53,270	13,317	39,952	18,371	18,371	\$ -
2067	39,952	13,317	26,635	16,927	16,927	\$ -
2068	26,635	13,317	13,317	15,483	15,483	\$ -
2069	13,317	13,317	0	14,039	14,039	\$ -
2070	0	0		0	0	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals	705,825			2,810,187	2,810,187	

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ -		\$ -		

** 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
Appalachian Power Company

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

Line No	Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	4,004,938,000			(764,000)	4,005,702,000
2	January	4,056,775,000			(829,000)	4,057,604,000
3	February	4,048,981,000			(894,000)	4,049,875,000
4	March	4,087,250,000			(959,000)	4,088,209,000
5	April	4,103,644,000			(1,025,000)	4,104,669,000
6	May	4,074,457,000			(1,090,000)	4,075,547,000
7	June	4,095,962,000			(1,155,000)	4,097,117,000
8	July	4,134,329,000			(1,220,000)	4,135,549,000
9	August	4,115,709,000			(1,285,000)	4,116,994,000
10	September	4,129,554,000			(1,351,000)	4,130,905,000
11	October	4,149,220,000			(1,416,000)	4,150,636,000
12	November	4,130,836,000			(1,481,000)	4,132,317,000
13	December of Rate Year	4,178,558,000			(1,546,000)	4,180,104,000
14	Average of the 13 Monthly Balances	4,100,786,000	-	-	(1,155,000)	4,101,940,615

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Acct 221 Bonds (b)	Less: Acct 222 Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year				3,820,660,000		3,820,660,000
16	January				4,220,660,000		4,220,660,000
17	February				4,220,660,000		4,220,660,000
18	March				4,220,660,000		4,220,660,000
19	April				4,220,660,000		4,220,660,000
20	May				4,150,660,000		4,150,660,000
21	June				4,150,660,000		4,150,660,000
22	July				4,150,660,000		4,150,660,000
23	August				4,150,660,000		4,150,660,000
24	September				4,150,660,000		4,150,660,000
25	October				4,150,660,000		4,150,660,000
26	November				4,150,660,000		4,150,660,000
27	December of Rate Year				4,150,660,000		4,150,660,000
28	Average of the 13 Monthly Balances	-	-	-	4,146,814,000	-	4,146,813,846

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)			199,266,000			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.			(1,128,890)			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			(1,128,890)			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			3,179,000			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			3,412,000			
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)			205,857,000			
38	Average Cost of Debt for 2019 (Ln 37/ Ln 28 (g))			4.96%			

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

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

Amortization Period

HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)		Total Hedge (Gain)/Loss for 2019	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Beginning	Ending
40	Senior Unsecured Notes - Series I	-		-	-	Jan-05	Jul-14
41	Senior Unsecured Notes - Series K	-		-	-	Jun-05	May-15
42	Senior Unsecured Notes - Series L	-		-	-	Sep-05	Sep-15
43	Senior Unsecured Notes - Series H	37,068		37,068	568,476	May-03	May-33
44	Senior Unsecured Notes - Series N	(194,198)		(194,198)	(3,544,122)	Apr-06	Apr-36
45	Senior Unsecured Notes - Series Q	159,672		159,672	3,226,683	Mar-08	Apr-38
46	Senior Unsecured Notes - Series S	-		-	-	May-10	May-15
47	Senior Unsecured Notes - Series T	(1,131,432)		(1,131,432)	(3,645,728)	Mar-11	Mar-21
48				-			
49					(3,394,691)		
50	Total Hedge Amortization	(1,128,890)	-				
51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			(1,128,890)			
52	Total Average Capital Structure Balance for 2019 (TCOS, Ln 157)			8,248,754,846			
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
54	Limit of Recoverable Amount			4,124,377			
55	Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			(1,128,890)			

Development of Cost of Preferred Stock

Preferred Stock		Average	
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
Appalachian Power Company

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

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

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

Allocation of PBOP Settlement Amount for 2019

		Total Company Amount						
Line#	Company	Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 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%	(45,673,479)	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%	(32,623,461)	11.590%	(892,964)	(3,780,944)	2,887,979
7	WPCo	(435,072)	1.45%	(1,842,161)	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

	<u>APCo</u>	<u>I&M</u>	<u>KPCo</u>	<u>KNGSPT</u>	<u>OPCo</u>	<u>WPCo</u>	<u>AEP East Total</u>
9 Direct Charged PBOP Expense per Actuarial Report	(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)	(27,656,349)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(808,995)	(562,339)	(232,529)	(26,249)	(690,642)	(26,923)	(2,347,678)
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 KINGSFORT			COMPANY
	(1)				(2)			(3)			(4)			
	PLANT ACCT.	VA SCC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	PSC OF WV APPROVED RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	WTD AVG. DEPREC. RATE
TRANSMISSION PLANT														
Land Rights - Va.	350.1	0.66%	1.000000	0.66%										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	351.0	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	351.0	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 1, 2018
FOR MULTIPLE JURISDICTION COMPANIES
INDIANA MICHIGAN POWER COMPANY

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

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

GENERAL NOTES:

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

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

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

Reference:

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

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

General Note

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

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

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

Reference:

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

General Note

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

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

	PLANT ACCT.	RATES Note 1
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 138KV	356.0	1.91%
Overhead Conductor & Devices 69KV	356.0	1.91%
Overhead Conductor & Devices CLR	356.0	1.91%
Underground Conduit	351.0	2.26%
Underground Conductors	351.0	3.27%

Reference:

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

General Note:

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

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

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
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	351.0	2.00%
Underground Conductors	351.0	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
\$285,704,506		\$289,522,846		\$3,818,340

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 prorata over 2019

Calculation of Interest			Monthly				
January	Year 2017	318,195	0.3420%	12	(13,059)		(331,254)
February	Year 2017	318,195	0.3420%	11	(11,970)		(330,165)
March	Year 2017	318,195	0.3420%	10	(10,882)		(329,077)
April	Year 2017	318,195	0.3420%	9	(9,794)		(327,989)
May	Year 2017	318,195	0.3420%	8	(8,706)		(326,901)
June	Year 2017	318,195	0.3420%	7	(7,618)		(325,813)
July	Year 2017	318,195	0.3420%	6	(6,529)		(324,724)
August	Year 2017	318,195	0.3420%	5	(5,441)		(323,636)
September	Year 2017	318,195	0.3420%	4	(4,353)		(322,548)
October	Year 2017	318,195	0.3420%	3	(3,265)		(321,460)
November	Year 2017	318,195	0.3420%	2	(2,176)		(320,371)
December	Year 2017	318,195	0.3420%	1	(1,088)		(319,283)
					(84,882)		(3,903,222)
			Annual				
January through December	Year 2018	(3,903,222)	0.3420%	12	(160,188)		(4,063,410)
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months			Monthly				
January	Year 2019	4,063,410	0.3420%		(13,897)	346,192	(3,731,115)
February	Year 2019	3,731,115	0.3420%		(12,760)	346,192	(3,397,683)
March	Year 2019	3,397,683	0.3420%		(11,620)	346,192	(3,063,111)
April	Year 2019	3,063,111	0.3420%		(10,476)	346,192	(2,727,395)
May	Year 2019	2,727,395	0.3420%		(9,328)	346,192	(2,390,530)
June	Year 2019	2,390,530	0.3420%		(8,176)	346,192	(2,052,514)
July	Year 2019	2,052,514	0.3420%		(7,020)	346,192	(1,713,341)
August	Year 2019	1,713,341	0.3420%		(5,860)	346,192	(1,373,009)
September	Year 2019	1,373,009	0.3420%		(4,696)	346,192	(1,031,513)
October	Year 2019	1,031,513	0.3420%		(3,528)	346,192	(688,848)
November	Year 2019	688,848	0.3420%		(2,356)	346,192	(345,012)
December	Year 2019	345,012	0.3420%		(1,180)	346,192	0
					(90,895)		
True-Up Adjustment with Interest						(4,154,305)	
Less Over (Under) Recovery						3,818,340	
Total Interest						(335,965)	

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
\$20,041,492	-	\$23,376,588	=	\$3,335,096

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	
		0.3420%				
An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorata over 2019						
<u>Calculation of Interest</u>				Monthly		
January	Year 2017	277,925	0.3420%	12	(11,406)	
February	Year 2017	277,925	0.3420%	11	(10,456)	
March	Year 2017	277,925	0.3420%	10	(9,505)	
April	Year 2017	277,925	0.3420%	9	(8,555)	
May	Year 2017	277,925	0.3420%	8	(7,604)	
June	Year 2017	277,925	0.3420%	7	(6,654)	
July	Year 2017	277,925	0.3420%	6	(5,703)	
August	Year 2017	277,925	0.3420%	5	(4,753)	
September	Year 2017	277,925	0.3420%	4	(3,802)	
October	Year 2017	277,925	0.3420%	3	(2,852)	
November	Year 2017	277,925	0.3420%	2	(1,901)	
December	Year 2017	277,925	0.3420%	1	(951)	
					(74,139)	
				Annual		
January through December	Year 2018	(3,409,235)	0.3420%	12	(139,915)	
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2019	3,549,150	0.3420%		(12,138)	302,378
February	Year 2019	3,258,910	0.3420%		(11,145)	302,378
March	Year 2019	2,967,677	0.3420%		(10,149)	302,378
April	Year 2019	2,675,448	0.3420%		(9,150)	302,378
May	Year 2019	2,382,219	0.3420%		(8,147)	302,378
June	Year 2019	2,087,988	0.3420%		(7,141)	302,378
July	Year 2019	1,792,751	0.3420%		(6,131)	302,378
August	Year 2019	1,496,503	0.3420%		(5,118)	302,378
September	Year 2019	1,199,243	0.3420%		(4,101)	302,378
October	Year 2019	900,966	0.3420%		(3,081)	302,378
November	Year 2019	601,669	0.3420%		(2,058)	302,378
December	Year 2019	301,348	0.3420%		(1,031)	302,378
					(79,391)	
True-Up Adjustment with Interest						(3,628,542)
Less Over (Under) Recovery						3,335,096
Total Interest						(293,446)

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

Surcharge (Refund)
Owed

(289,331)
(288,380)
(287,430)
(286,479)
(285,529)
(284,578)
(283,628)
(282,677)
(281,727)
(280,776)
(279,826)
(278,875)
(3,409,235)

(3,549,150)

(3,258,910)
(2,967,677)
(2,675,448)
(2,382,219)
(2,087,988)
(1,792,751)
(1,496,503)
(1,199,243)
(900,966)
(601,669)
(301,348)
0

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

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018		2017 Forecasted Revenue Requirement For Year 2017		True-up Adjustment - Over (Under) Recovery
\$2,596,340	-	\$4,697,975	=	\$2,101,635

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

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

Calculation of Interest				Monthly		
January	Year 2017	175,136	0.3420%	12	(7,188)	(182,324)
February	Year 2017	175,136	0.3420%	11	(6,589)	(181,725)
March	Year 2017	175,136	0.3420%	10	(5,990)	(181,126)
April	Year 2017	175,136	0.3420%	9	(5,391)	(180,527)
May	Year 2017	175,136	0.3420%	8	(4,792)	(179,928)
June	Year 2017	175,136	0.3420%	7	(4,193)	(179,329)
July	Year 2017	175,136	0.3420%	6	(3,594)	(178,730)
August	Year 2017	175,136	0.3420%	5	(2,995)	(178,131)
September	Year 2017	175,136	0.3420%	4	(2,396)	(177,532)
October	Year 2017	175,136	0.3420%	3	(1,797)	(176,933)
November	Year 2017	175,136	0.3420%	2	(1,198)	(176,334)
December	Year 2017	175,136	0.3420%	1	(599)	(175,735)
					(46,719)	(2,148,354)

Annual				Annual		
January through December	Year 2018	(2,148,354)	0.3420%	12	(88,168)	(2,236,523)

Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months				Monthly		
January	Year 2019	2,236,523	0.3420%		(7,649)	190,546
February	Year 2019	2,053,626	0.3420%		(7,023)	190,546
March	Year 2019	1,870,103	0.3420%		(6,396)	190,546
April	Year 2019	1,685,953	0.3420%		(5,766)	190,546
May	Year 2019	1,501,173	0.3420%		(5,134)	190,546
June	Year 2019	1,315,761	0.3420%		(4,500)	190,546
July	Year 2019	1,129,715	0.3420%		(3,864)	190,546
August	Year 2019	943,032	0.3420%		(3,225)	190,546
September	Year 2019	755,712	0.3420%		(2,585)	190,546
October	Year 2019	567,750	0.3420%		(1,942)	190,546
November	Year 2019	379,146	0.3420%		(1,297)	190,546
December	Year 2019	189,897	0.3420%		(649)	190,546
					(50,029)	

True-Up Adjustment with Interest	(2,286,552)
Less Over (Under) Recovery	2,101,635
Total Interest	(184,917)

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