

Twelve Months Ended 2021

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

KENTUCKY POWER COMPANY

Line No.			Total	DA	Allocator	1.00000	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 130)					\$73,711,628
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	93,154				\$ 93,154
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)					\$ 73,618,473

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)		-	DA	1.00000	\$	-
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)						
7	Annual Rate	((ln 1 - ln 95)/((ln 42) x 100))					15.73%
8	Monthly Rate	(ln 7 / 12)					1.31%
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))					11.60%
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))					4.64%
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					1,650,887
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)						886,000
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)						329,196
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)					435,691

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(1)	(2)	(3)	(4)	(5)
	Data Sources (See "General Notes")	TO Total NOTE C	Allocator	Total Transmission
Line No.	RATE BASE CALCULATION			
19	GROSS PLANT IN SERVICE			
19	Production (Worksheet A in 14.(b))	1,229,626,784	NA	0.00000
20	Less: Production ARO (Enter Negative) (Worksheet A in 14.(c))	(11,221,631)	NA	0.00000
21	Transmission (Worksheet A in 14.(d) & TCOS Ln 134)	719,225,598	DA	707,017,741
22	Less: Transmission ARO (Enter Negative) (Worksheet A in 14.(e))	-	TP	0.98303
23	Distribution (Worksheet A in 14.(f))	980,295,762	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))	62,671,706	W/S	0.09816
26	Less: General Plant ARO (Enter Negative) (Worksheet A in 14.(i))	(158,819)	W/S	0.09816
27	Intangible Plant (Worksheet A in 14.(j))	56,089,554	W/S	0.09816
28	TOTAL GROSS PLANT (sum Ins 19 to 27)	3,036,528,953	GP	0.236672
			GTD=	0.41601
29	ACCUMULATED DEPRECIATION AND AMORTIZATION			
30	Production (Worksheet A in 28.(b))	542,792,674	NA	0.00000
31	Less: Production ARO (Enter Negative) (Worksheet A in 28.(c))	(5,841,312)	NA	0.00000
32	Transmission (Worksheet A in 28.(d) & In 43.(c))	244,827,608	TP1=	0.97414
33	Less: Transmission ARO (Enter Negative) (Worksheet A in 28.(e))	-	TP1=	0.97414
34	Distribution (Worksheet A in 28.(f))	293,208,807	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))	20,401,239	W/S	0.09816
37	Less: General Plant ARO (Enter Negative) (Worksheet A in 28.(i))	(67,378)	W/S	0.09816
38	Intangible Plant (Worksheet A in 28.(j))	23,363,431	W/S	0.09816
39	TOTAL ACCUMULATED DEPRECIATION (sum Ins 30 to 38)	1,118,685,069		242,785,333
40	NET PLANT IN SERVICE			
41	Production (In 19 + In 20 - In 30 - In 31)	681,453,791		-
42	Transmission (In 21 + In 22 - In 32 - In 33)	474,397,990		468,521,893
43	Distribution (In 23 + In 24 - In 34 - In 35)	687,086,955		-
44	General Plant (In 25 + In 26 - In 36 - In 37)	42,179,025		4,140,448
45	Intangible Plant (In 27 - In 38)	32,726,123		3,212,516
46	TOTAL NET PLANT IN SERVICE (sum Ins 41 to 45)	1,917,843,885	NP	0.248130
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE (Note D)			
48	Account No. 281.1 (enter negative) (Worksheet B, in 2 & in 5.E)	(46,726,537)	NA	-
49	Account No. 282.1 (enter negative) (Worksheet B, in 7 & in 10.E)	(365,991,325)	DA	(87,496,516)
50	Account No. 283.1 (enter negative) (Worksheet B, in 12 & in 15.E)	(128,857,756)	DA	(98,297)
51	Account No. 190.1 (Worksheet B, in 17 & in 20.E)	18,952,824	DA	11,659,560
52	Account No. 255 (enter negative) (Worksheet B, in 24 & in 25.E)	(0)	DA	-
53	TOTAL ADJUSTMENTS (sum Ins 48 to 52)	(522,622,795)		(75,935,253)
54	PLANT HELD FOR FUTURE USE (Worksheet A in 44.(e) & in 45.(e))	556,145	DA	-
55	REGULATORY ASSETS (Worksheet A in 51.(e))	-	DA	-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y) (Worksheet A in 54.(e))	(2,134,740)	W/S	0.09816
57	WORKING CAPITAL (Note E)			
58	Cash Working Capital (1/8 * In 78)	1,402,496		1,378,691
59	Transmission Materials & Supplies (Worksheet C, in 2.(F))	6,093	TP	0.98303
60	A&G Materials & Supplies (Worksheet C, in 3.(F))	50,363	W/S	0.09816
61	Stores Expense (Worksheet C, in 4.(F))	-	GP	0.23667
62	Prepayments (Account 165) - Labor Allocated (Worksheet C, in 8.G)	69,765,422	W/S	0.09816
63	Prepayments (Account 165) - Gross Plant (Worksheet C, in 8.F)	950,385	GP	0.23667
64	Prepayments (Account 165) - Transmission Only (Worksheet C, in 8.E)	-	DA	1.00000
65	Prepayments (Account 165) - Unallocable (Worksheet C, in 8.D)	(68,661,100)	NA	0.00000
66	TOTAL WORKING CAPITAL (sum Ins 58 to 65)	3,513,659		8,462,983
67	IPP CONTRIBUTIONS FOR CONSTRUCTION (Note F) (Worksheet D, in 8.B)	(177,339)	DA	1.00000
68	RATE BASE (sum Ins 46, 53, 54, 55, 56, 66, 67)	1,396,978,815		408,015,694

AEP East Companies
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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.				
69	OPERATION & MAINTENANCE EXPENSE			
70	Production	321.80.b		306,567,827
71	Distribution	322.156.b		40,268,086
72	Customer Related Expense	322 & 323.164,171,178.b		7,702,715
73	Regional Marketing Expenses	322.131.b		1,119,915
74	Transmission	321.112.b		77,091,548
75	TOTAL O&M EXPENSES	(sum Ins 69 to 73)		432,750,091
76	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)		1,650,887
77	Less: Account 565	(Note H) 321.96.b		60,477,934
78	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)		3,742,758
	Total O&M Allocable to Transmission	(Ins 73 - 75 - 76 - 77)	TP	11,029,525
79	Administrative and General	323.197.b (Notes J and M)		23,221,122
80	Less: Acct. 924, Property Insurance	323.185.b		879,125
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)		(4,116,274)
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)		(1,364,493)
84	Acct. 928, Reg. Com. Exp.	323.189.b		1,919,336
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b		226,697
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b		966,171
87	Balance of A & G	(In 79 - sum In 80 to In 86)	W/S	2,425,679
88	Plus: Acct. 924, Property Insurance	(In 80)	GP	208,064
89	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	TP	266,402
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	TP	-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 44.(E) (Note L)	DA	5,583
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	W/S	428,258
93	A & G Subtotal	(sum Ins 87 to 92)		3,333,986
94	O & M EXPENSE SUBTOTAL	(In 78 + In 93)		14,363,511
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		DA	-
96	TOTAL O & M EXPENSE	(In 94 + In 95)		14,363,511
97	DEPRECIATION AND AMORTIZATION EXPENSE			
98	Production	336.2-6.f	NA	-
99	Distribution	336.8.f	GP	-
100	Transmission	336.7.f	TP1	19,380,951
101	General	336.10.f	W/S	287,326
102	Intangible	336.1.f	W/S	865,777
103	TOTAL DEPRECIATION AND AMORTIZATION	(In 98+99+100+101+102)		20,534,055
104	TAXES OTHER THAN INCOME	(Note N)		
105	Labor Related			
106	Payroll	Worksheet H In 24.(D)	W/S	171,848
107	Plant Related			
108	Property	Worksheet H In 24.(C)	DA	6,097,610
109	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	NA	-
110	Other	Worksheet H In 24.(E)	GP	(47,054)
111	TOTAL OTHER TAXES	(sum Ins 106 to 110)		6,222,404
112	INCOME TAXES	(Note O)		
113	T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =	25.80%		
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =	24.47%		
115	where WCLTD=(In 154) and WACC = (In 157)			
116	and FIT, SIT & p are as given in Note O.			
117	GRCF=1 / (1 - T) = (from In 113)	1.3478		
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)		-
119	Excess Deferred Income Tax	(Note U)	DA	(30,592,557)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	DA	1,890,956
121	Income Tax Calculation	(In 114 * In 126)		22,481,491
122	ITC adjustment	(In 117 * In 118)	GP	-
123	Excess Deferred Income Tax	(In 117 * In 119)		(41,231,639)
124	Tax Effect of Permanent and Flow-Through Differences	(In 117 * In 120)		2,548,568
125	TOTAL INCOME TAXES	(sum Ins 121 to 124)		5,750,132
126	RETURN ON RATE BASE (Rate Base*WACC)	(In 68 * In 157)		91,887,945
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))	3,808	DA	3,808
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))	-		-
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 128 * In114)	-		-
130	TOTAL REVENUE REQUIREMENT	246,142,037		73,711,628
	(sum Ins 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)						719,225,598
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)							12,207,857
134	Transmission plant included in PJM Tariff	(In 131 - In 132 - In 133)						707,017,741
135	Percent of transmission plant in PJM Tariff	(In 134 / In 131)					TP=	0.98303
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)						
137	Production	354.20.b	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
138	Transmission	354.21.b	12,019,427	7,277,149	19,296,576	NA	0.00000	-
139	Regional Market Expenses	354.22.b	4,275	3,535,802	3,540,077	TP	0.98303	3,479,989
140	Distribution	354.23.b	-	-	-	NA	0.00000	-
141	Other (Excludes A&G)	354.24,25,26.b	8,007,602	978,152	8,985,754	NA	0.00000	-
142	Total	(sum Ins 137 to 141)	1,587,296	2,041,186	3,628,482	NA	0.00000	-
143	Transmission related amount		21,618,600	13,832,289	35,450,889			3,479,989
							W/S=	0.09816
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
145	Long Term Interest	(Worksheet M, In. 37, col. (d))						37,183,531
146	Preferred Dividends	(Worksheet M, In. 71)						-
147	Development of Common Stock:							
148	Proprietary Capital	(Worksheet M, In. 14, col. (b))						853,403,628
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))						898,157
152	Common Stock	(In 148 - In 149 - In 150 - In 151)						852,505,471
153			Capital Structure Percentages				Cost	Weighted
154	Long Term Debt (Note T) Worksheet M, In 28, col. (g), In 38, col. (d))		\$	%	Cap Limit		(Note S)	
155	Preferred Stock (In 149)		1,054,230,769	55.29%	55.29%	3.53%		0.0195
156	Common Stock (In 152)		-	0.00%	0.00%	-		0.0000
157	Total (Sum Ins 154 to 156)		852,505,471	44.71%	44.71%	10.35%		0.0463
			1,906,736,240				WACC=	0.0658
158	Capital Structure Equity Limit (Note Z)	55%						

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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 Section 1.167(i)-(h)(6)(i). RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. The company will not include the ADIT portion of deferred hedge gains and losses in rate base. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.
- E** Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 78. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 75.
2) Costs of Transmission of Electricity by Others, as described in Note H.
3) The impact of state regulatory deferrals and amortizations, as shown on line 77
4) All A&G Expenses, as shown on line 93.
- F** Consistent with Paragraph 657 of Order 2003-A, the amount on line 67 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 127.
- G** Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H** Removes cost of transmission service provided by others to determine the basis of cash working capital on line 78. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such cost is added back on line 95 to determine the total O&M collected in the formula. The amounts on line 95 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.
The addbacks on line 95 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.
The company records referenced on line 95 is the KENTUCKY POWER COMPANY general ledger.
- I** Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- J** General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K** These deductions on lines 81 through 83 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L** Expenses recorded in FERC Accounts 928 (Regulatory Commission Expense), 930.1 (Safety Related Advertising) and 930.2 (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:
FIT = 21.00%
SIT = 6.08% (State Income Tax Rate or Composite SIT, Worksheet G)
p = 0.00% (percent of federal income tax deductible for state purposes)
- The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable.
If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
- P** Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q** Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R** Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S** Long Term Debt cost rate = long-term interest (In 145) /average long term debt (In 154). Preferred Stock cost rate = preferred dividends (In 146) /preferred outstanding (In 155). Common Stock cost rate (ROE) = 10.35%, per the settlement in FERC Docket No. EL17-13. It includes an additional 50 basis points for PJM RTO membership. 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.
- Z** Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

AEP East Companies
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances
 Worksheet A Rate Base
 KENTUCKY 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)
		Acct. 359.1		Acct. 399.1						
		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	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	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
	(Note A)									
1	December Prior to Rate Year	1,229,981,239	12,837,949	703,308,496	-	954,945,288	-	56,837,942	158,819	51,846,724
2	January	1,230,465,535	12,837,949	704,388,717	-	958,382,010	-	59,512,045	158,819	53,730,264
3	February	1,230,514,636	12,837,949	705,250,428	-	967,443,416	-	61,112,103	158,819	54,333,655
4	March	1,230,960,112	12,837,949	713,239,470	-	969,070,485	-	61,264,635	158,819	54,594,624
5	April	1,231,000,505	12,837,949	712,625,218	-	971,257,291	-	62,092,388	158,819	55,147,797
6	May	1,230,969,007	12,789,016	713,898,478	-	973,198,735	-	63,199,776	158,819	56,122,315
7	June	1,227,455,898	9,026,073	717,931,494	-	975,217,569	-	63,768,538	158,819	55,903,156
8	July	1,227,445,429	9,026,073	717,963,953	-	977,784,813	-	63,820,342	158,819	56,780,152
9	August	1,227,549,853	9,026,073	718,770,233	-	981,156,849	-	63,822,842	158,819	57,606,627
10	September	1,228,248,769	9,026,073	720,112,493	-	984,700,970	-	63,876,194	158,819	57,302,342
11	October	1,229,862,649	10,932,714	726,149,833	-	1,001,955,297	-	63,767,413	158,819	57,969,246
12	November	1,230,306,834	10,932,714	736,035,121	-	1,011,881,859	-	65,201,874	158,819	58,797,792
13	December of Rate Year	1,230,387,724	10,932,714	760,358,840	-	1,016,850,323	-	66,456,088	158,819	59,129,504
14	Average of the 13 Monthly Balances	1,229,626,784	11,221,631	719,225,598	-	980,295,762	-	62,671,706	158,819	56,089,554

		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)
		Company Records			Company Records		Company Records		Company Records	
		FF1, page 219, Ins 20-24, Col. (b)	(Included in total in Column (b))	FF1, page 219, In 25, Col. (b)	(Included in total in Column (d))	FF1, page 219, In 26, Col. (b)	(Included in total in Column (f))	FF1, page 219, In 28, Col. (b)	(Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
	(Note A)									
15	December Prior to Rate Year	526,519,482	5,651,219	238,487,093	-	285,632,968	-	19,117,579	60,370	19,892,552
16	January	529,492,897	5,693,404	240,038,527	-	287,258,564	-	19,323,656	61,538	20,614,584
17	February	532,312,921	5,735,589	240,728,132	-	284,507,929	-	19,541,981	62,706	21,368,008
18	March	534,196,835	5,777,774	241,379,698	-	287,708,571	-	19,802,901	63,874	21,786,188
19	April	537,225,720	5,819,959	242,646,607	-	289,407,799	-	20,022,955	65,042	22,534,069
20	May	540,207,876	5,862,144	243,856,898	-	291,046,850	-	20,222,478	66,210	23,291,169
21	June	542,735,365	5,904,121	244,613,144	-	293,025,954	-	20,472,139	67,378	23,280,098
22	July	545,590,974	5,930,018	246,346,879	-	294,677,847	-	20,711,830	68,546	24,049,758
23	August	548,368,095	5,955,915	247,750,426	-	295,866,867	-	20,944,629	69,714	24,835,702
24	September	551,078,804	5,981,811	248,554,263	-	297,850,079	-	21,175,904	70,882	24,710,829
25	October	553,328,666	5,832,211	249,124,304	-	299,174,964	-	21,137,317	72,050	25,520,886
26	November	556,257,233	5,875,035	250,351,924	-	300,786,320	-	21,241,109	73,217	26,342,058
27	December of Rate Year	558,989,898	5,917,860	248,881,002	-	304,769,753	-	21,501,633	74,385	25,498,698
28	Average of the 13 Monthly Balances	542,792,674	5,841,312	244,827,608	-	293,208,807	-	20,401,239	67,378	23,363,431

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)		
29	December Prior to Rate Year	12,207,857	6,200,555	-	-
30	January	12,207,857	6,222,422	-	-
31	February	12,207,857	6,244,290	-	-
32	March	12,207,857	6,266,158	-	-
33	April	12,207,857	6,288,025	-	-
34	May	12,207,857	6,309,893	-	-
35	June	12,207,857	6,331,760	-	-
36	July	12,207,857	6,353,628	-	-
37	August	12,207,857	6,375,496	-	-
38	September	12,207,857	6,397,363	-	-
39	October	12,207,857	6,419,231	-	-
40	November	12,207,857	6,441,099	-	-
41	December of Rate Year	12,207,857	6,462,966	-	-
42	Average of the 13 Monthly Balances	12,207,857	6,331,760	-	-

43 Transmission Accum Depreciation net of GSU 238,495,847

Plant Held For Future Use

	Source of Data (a)	Balance @ December 31, 2021 (c)	Balance @ December 31, 2020 (d)	Average Balance for 2021 (e)
44	Plant Held For Future Use (b)	556,145	556,145	556,145
45	Transmission Plant Held For Future Use (Included in total on line 44)	-	-	-

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)

	Description	Account			
52					
53a	Accum Prv I/D Worker's Com	2282003	400,473	444,224	422,348
53b	Accm Prv I/D - Asbestos - Curr	2282011	190,958	159,768	175,363
53c	Accm Prv I/D - Asbestos	2282012	1,504,589	1,569,468	1,537,029
54	Total		2,096,019	2,173,461	2,134,740

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

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

Line Number	(A) Description	(B) Source	(C) Balance @ December 31, 2021	(D) Balance @ December 31, 2020	(E) Average Balance for 2021
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	45,613,662	47,839,411	46,726,537
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)	45,613,662	47,839,411	46,726,537
5	Transmission Related Deferrals	Ln 2 - In 3 - In 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	359,773,864	372,208,787	365,991,325
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	15,333,294	15,366,025	15,349,659
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	256,220,090	270,070,210	263,145,150
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	88,220,480	86,772,553	87,496,516
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	128,383,748	129,331,764	128,857,756
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	24,002,485	24,581,053	24,291,769
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	105,039,732	103,895,649	104,467,690
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	(658,469)	855,063	98,297
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	23,243,024	14,662,623	18,952,824
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	3,716,369	5,170,552	4,443,461
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	6,504,585	(804,978)	2,849,803
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	13,022,070	10,297,050	11,659,560
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	0	0	0
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable Ratebase	Ln 22 - In 23	0	0	0
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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

KENTUCKY POWER COMPANY
SPECIFIED DEFERRED CREDITS - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2021

(DEBIT) CREDIT

ACCOUNT	PERIODS					FUNCTIONALIZATION AVERAGE					FUNCTIONALIZATION 12/31/2020					FUNCTIONALIZATION 12/31/2021				
	DE 12/31/2020	DE 12/31/2021	DE 12/31/2020	DE 12/31/2021	DE 12/31/2021	DE 12/31/2020	DE 12/31/2021	DE 12/31/2020	DE 12/31/2021	DE 12/31/2021	DE 12/31/2020	DE 12/31/2021	DE 12/31/2020	DE 12/31/2021	DE 12/31/2021	DE 12/31/2020	DE 12/31/2021	DE 12/31/2021		
100 ACCOUNT 281																				
2.01 TX AMORT POLLUTION CONT EOPT	47,839,411	45,613,662			46,726,537	46,726,537	0	0		47,839,411	-	-	-	-	45,613,662	-	-			
2.03 NON-UTILITY DEFERRED FIT 281.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
2.06 SFAS 159 FLOW-THRU 281.3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
2.06 SFAS 159 EXCESS DFT 281.4	(17,694,477)	(17,096,875)	17,694,477	17,096,875																
3 TOTAL ACCOUNT 281	30,144,934	28,516,787	17,694,477	17,096,875	46,726,537	46,726,537	0	0		47,839,411	0	0	0	45,613,662	0	0	0			
4 ACCOUNT 281 - ARD-Related Deferrals																				
5 ACCOUNT 282																				
5.01 BOOK VS. TAX DEPRECIATION	112,367,312	114,160,926	0	0	113,254,119	33,385,131	40,388,475	39,400,514	31,907,283	40,010,462	40,449,567	34,862,978	40,766,468	38,531,460						
5.02 EXCESS FIT % RATE CHANGE	(169)	(169)			(169)				(169)											
5.03 EX LT DFT TX RESERVE - 198 TRX	597	597			597	196	446	(45)	261	569	(58)	142	324	(33)						
5.04 CAPO INTEREST - SECTION 481(a) - CHANGE IN METHOD	4,027	4,027			4,027	2,216	0	2,216	0	0	4,027	0	0	4,027						
5.05 P & I INFORMATION - SEC 481(a) - TRANS. DED. LIABILITY	(18,793)	(18,793)			(18,793)	(18,793)	0	0	(18,793)	0	0	0	0	(18,793)						
5.07 R & D DEDUCTION - SECTION 174	645,970	659,477			652,733	645,481	7,242	0	638,728	7,242	0	652,235	7,242	0						
5.08 ACES - NORM-HR	2,848,869	2,848,869			2,848,869	2,848,869	0	0	2,848,869	0	0	2,848,869	0	0						
5.09 BK PLANT IN SERVICE-SFAS 143-AR0	15,366,025	15,333,294			15,349,650	15,349,650	0	0	15,366,025	-	-	15,333,294	-	-						
5.10 TAX DEPRECIATION - TRANSFERRED PLANTS	2,103,260	2,103,260			2,103,260	0	0	0	2,103,260	0	0	2,103,260	0	0						
5.12 DFT GENERATION - TRANSFERRED PLANTS	805,022	805,022			805,022	805,022	0	0	805,022	0	0	805,022	0	0						
5.13 GANLIONS ON ACROSMARCS PROPERTY	18,663,528	18,666,950			18,665,439	8,431,380	2,005,999	8,628,059	18,643,619	2,126,318	8,893,900	8,219,142	1,885,880	8,362,128						
5.14 GANLIONS ON ACROSMARCS BKCY UNIT PROCP	(805,022)	(805,022)			(805,022)	(805,022)	0	0	(805,022)	0	0	(805,022)	0	0						
5.15 ABRUDC	3,078,257	3,096,723			3,086,950	1,424,571	1,151,860	692,570	1,271,393	1,122,146	684,718	1,213,749	1,181,533	700,422						
5.16 ABRUDC - HR POST IN SERVICE	53,244	48,777			51,010	0	51,010	0	0	53,244	0	48,777	0	0						
5.17 ABRUDC-CP	0	0			0	0	0	0	0	0	0	0	0	0						
5.18 TAXES CAPITALIZED	(0)	(0)			(0)	(0)	0	0	(0)	(0)	0	(0)	(0)	0						
5.19 PENSIONS CAPITALIZED	(0)	(0)			(0)	(0)	0	0	(0)	(0)	0	(0)	(0)	0						
5.20 SEC 481 PENSIOES ADJUSTMENT	(28)	(28)			(28)	(28)	0	0	(28)	0	0	(28)	0	0						
5.21 SAVINGS PLAN CAPITALIZED	(0)	(0)			(0)	(0)	0	0	(0)	(0)	0	(0)	(0)	0						
5.22 PERCENT REPAIR ALLOWANCE	2,039,775	1,842,519			1,941,147	1,148,976	81,510	712,660	1,191,145	89,169	789,661	1,152,808	73,922	656,659						
5.23 BKCY UNIT OF PROPERTY ADJ	31,175,950	45,058,863			42,108,152	18,497,887	6,450,190	17,118,254	17,075,458	6,300,864	14,940,878	15,125,317	6,877,238	10,296,331						
5.24 BKCY UNIT OF PROPERTY ADJ SEC 481 ADJ	38,104,749	39,154,749			38,104,749	12,800,068	6,988,985	19,315,696	12,800,068	6,988,985	19,315,696	12,800,068	6,988,985	19,315,696						
5.25 TX ACCEL AND/OR	509,342	509,342			509,342	239,864	44,067	235,981	239,864	44,067	235,981	239,864	44,067	235,981						
5.26 CAPITALIZED RELOCATION COSTS	736,205	627,717			681,961	0	22,396	659,565	0	22,683	713,372	0	0	0						
5.27 CAPITALIZED LEASES - AC 101 ASSETS	0	0			0	0	0	0	0	0	0	0	0	0						
5.28 REMOVAL COSTS REV - SFAS 143 - AR0	0	0			0	0	0	0	0	0	0	0	0	0						
5.29 BOOK OPERATING LEASE - LAB	2,341,802	2,003,772			2,217,887	103,477	(91,018)	2,209,229	108,760	(66,985)	2,301,827	100,163	(116,052)	2,108,600						
5.30 RENOVAL CST - NORMAL	2,285,899	2,285,899			2,285,899	0	0	0	2,285,899	0	0	2,285,899	0	0						
5.31 2007 IRS ADJUST ADJUSTMENTS - AC 282	0	0			0	0	0	0	0	0	0	0	0	0						
5.32 283 EXCESS ADJUSTMENT	(2,379,069)	-			(2,379,069)	(2,379,069)	0	0	(2,379,069)	0	0	(2,379,069)	0	0						
5.33 EXCESS ADJMT	133,140,573	112,311,280			122,730,927	54,003,075	32,707,944	35,959,908	59,863,804	31,713,026	39,963,743	48,262,346	31,702,822	32,307,072						
5.34 NOL ADJUSTMENT	(14,354,985)	(13,772,056)			(14,354,985)	(14,354,985)	0	0	(14,354,985)	0	0	(14,354,985)	0	0						
5.35 NOL CONT	(14,354,985)	(13,772,056)			(14,354,985)	(14,354,985)	0	0	(14,354,985)	0	0	(14,354,985)	0	0						
5.36 NON-UTILITY DEFERRED FIT	32,001,136	32,492,250			32,001,136	(32,001,136)	0	0	32,001,136	0	0	32,001,136	0	0						
5.37 SFAS 159 FLOW-THRU 282.3	(133,140,573)	(112,311,280)			(133,140,573)	(133,140,573)	0	0	(133,140,573)	0	0	(133,140,573)	0	0						
5.38 SFAS 159 EXCESS DFT 282.4	0	0			0	0	0	0	0	0	0	0	0	0						
6 TOTAL ACCOUNT 282	271,000,250	278,044,834	36,784,452	60,050,961	351,927,787	144,079,545	87,456,510	120,351,738	147,607,131	86,772,533	123,474,119	140,051,960	88,220,480	117,229,356						
7 ACCOUNT 282 - ARD-Related Deferrals	15,366,025	15,333,294	0	0	15,349,659	15,349,659	0	0	15,366,025	0	0	15,333,294	0	0						
8 ACCOUNT 283																				
8.01 NOL-STATE CF DEF TAX ASSET-LT - KY	2,072,027	2,893,783			2,482,905	2,480,746	0	2,159	2,069,869	0	2,159	2,891,624	0	2,159						
8.02 DEF FUEL CUR SET UP AC 283	0	0			0	0	0	0	0	0	0	0	0	0						
8.03 DEF FUEL ACC REVS AC 283	0	0			0	0	0	0	0	0	0	0	0	0						
8.04 DEF FUEL RECD ADJ AC 283	0	0			0	0	0	0	0	0	0	0	0	0						
8.05 UNDERRECOV FUEL COST	(1)	1,725,395			862,687	862,687	0	0	(1)	0	0	1,725,395	0	0						
8.06 PRCP FUEL STATE COLM METHOD-TX	33,816	913,893			610,162	610,162	0	0	33,816	0	0	913,893	0	0						
8.07 MTM BK GAIN - AL - TAX DEF	(869,722)	397,762			14,020	14,020	0	0	(869,722)	0	0	397,762	0	0						
8.08 MARK & SPREAD - DEF - 283 AL	100,947	241,402			117,176	117,176	0	0	100,947	0	0	241,402	0	0						
8.09 BOOK PROV UNCOLL ACCTS	-	-			-	-	0	0	-	-	0	-	-	0						
8.10 ACQUIRED BK PENSIOES COSTS - SFAS 158	(9,311,662)	(6,658,431)			(7,900,647)	(3,462,283)	(526,156)	(4,011,609)	(4,246,540)	(538,507)	(4,536,616)	(6,658,431)	(513,003)	(3,486,801)						
8.12 RATE CASE DEF CHGS	(18,674)	(52,306)			(8,805)	0	(8,805)	0	1,887	13	(18,674)	0	(52,306)	0						
8.13 DEF DEF EXP (AC 196)	1,910	0			955	955	0	0	1,910	0	0	0	0	0						
8.14 DEF BK CONTRACT REVENUE	(18,641)	(0)			(9,320)	0	(9,320)	0	(18,641)	0	0	(0)	0	0						
8.15 REG ASSET DEFERRED COSTS	0	0			0	0	0	0	0	0	0	0	0	0						
8.16 BK DEF DEMAND SIDE INMGMT EXP	0	0			0	0	0	0	0	0	0	0	0	0						
8.17 BOOK TAX - EMA AC 283	1,858,271	1,824,401			1,840,449	1,840,449	0	0	1,858,271	0	0	1,824,401	0	0						
8.18 DEF BK LOSS-NON AFF SALE EMA	64,804	0			32,402	32,402	0	0	64,804	0	0	0	0	0						
8.19 DEF TAX GAIN - INTERESTS - EMA	(143,651)	(0)			(71,825)	(71,825)	0	0	(143,651)	0	0	(0)	0	0						
8.20 DEF TAX GAIN - EPA AUCTION	4,948	(0)			(2,481)	(2,481)	0	0	4,948	0	0	(0)	0	0						
8.21 DEF BOOK GAMEFA AUCTION	52,346	0			26,173	26,173	0	0	52,346	0	0	0	0	0						
8.22 REG ASSET SFAS 158 - AR0	0	0			0	0	0	0	0	0	0	0	0	0						
8.23 REG ASSET SFAS 158 - PENSIOES	(18,696)	4,621,159			5,922,775	1,415,011	528,155	4,011,609	2,209,268	538,507	4,536,616	620,755	513,003	3,486,801						
8.24 REG ASSET SFAS 158 - SERP	(18,696)	(17,361)			(18,696)	1,086	0	(20,020)	1,086	0	(21,106)	1,086	0	(18,900)						
8.25 REG ASSET SFAS 158 - OFEB	(164,059)	(2,034,154)			(1,099,107)</															

KENTUCKY POWER COMPANY
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2021

DEBIT (CREDIT)

ACCOUNT 190	COLUMN B		COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
	PER BOOKS		NON-APPLICABLE/NON-UTILITY	BALANCE AS OF 12-31-2020	BALANCE AS OF 12-31-2021	AVERAGE ELECTRIC UTILITY (B+C+D+E)/2	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2020			FUNCTIONALIZATION 12/31/2021		
	BALANCE AS OF 12-31-2020	BALANCE AS OF 12-31-2021					GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
2.01 NOL & TAX CREDIT CF - DEF TAX ASSET	317,342	317,342				317,342	185,354	34,112	97,875	185,354	34,112	97,875	185,354	34,112	97,875
2.02 INT EXP CAPITALIZED FOR TAX	5,545,632	5,756,007				5,650,820	2,252,212	2,168,719	1,229,888	2,301,039	2,094,313	1,180,280	2,203,398	2,273,124	1,279,497
2.03 CAC - BOOK RECEIPTS	1,241,181	1,386,023				1,313,602	70,268	113,646	1,129,688	70,268	113,646	1,057,267	70,268	113,646	1,202,108
2.04 CUST ADV INC FOR TAX	(648)	34,143				16,748	0	0	16,748	0	0	(648)	0	0	34,143
2.05 DEF FUEL EXP-CUR DEFL SET UP	0	0				0	0	0	0	0	0	0	0	0	0
2.06 DEF FUEL ADJ-ACCRD UTIL REV	(0)	(0)				0	0	0	0	(0)	-	-	(0)	-	-
2.07 DEF FUEL ADJ-REG	-	-				0	0	0	0	0	0	0	0	0	0
2.08 PROVS POSS REV RETDS	66,418	(28,026)				19,196	8,616	10,580	0	10,882	55,536	-	6,350	(34,376)	-
2.09 PROV FOR RATE REFUND-TAX REFORM	-	-				0	0	0	0	0	0	0	0	0	0
2.10 PROV FOR RATE REFUND-EXCESS PROTECTED	-	-				0	0	0	0	0	0	0	0	0	0
2.11 EMPLOYER SAVINGS PLAN MATCH	(0)	(0)				0	0	0	0	0	0	0	0	0	0
2.12 MARK & SPREAD-DEF-190-AL	(17,857)	(17,857)				(17,857)	(17,857)	0	0	(17,857)	-	-	(17,857)	-	(0)
2.13 INSURANCE PREMIUMS ACCRUED	(12,862)	(96,159)				(55,521)	(13,955)	(8,489)	(33,078)	5,338	(3,671)	(14,548)	(33,249)	(13,306)	(61,605)
2.14 PROV WORKERS COMP	1,962,355	1,024,468				1,293,412	777,004	7,522	508,886	1,039,521	8,619	514,215	514,487	8,425	503,556
2.15 ACCRUED BK PENSION EXPENSE	(8,965,093)	(8,489,702)				(8,727,398)	(7,084,115)	(59,809)	(1,583,474)	(7,169,602)	(68,930)	(1,726,561)	(6,998,628)	(50,688)	(1,440,397)
2.16 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	38,914	38,028				37,471	357	0	37,114	229	-	36,685	484	-	37,544
2.17 ACCRD SUP EXES RETIR PLAN COSTS-SFAS 158	(19,860)	(17,361)				(18,626)	1,368	0	(20,023)	1,295	-	(21,126)	1,559	-	(18,800)
2.18 ACCRD BK SUP SAVINGS PLAN EXP	12,367	17,532				14,949	12,135	0	12,135	3,356	-	9,011	2,272	-	15,280
2.19 ACCRUED BK BENEFIT COSTS	116,987	25,948				71,468	52,007	0	19,461	104,013	-	12,974	-	-	25,948
2.20 ACCRUED PSI PLAN EXP	(1)	(1)				(1)	(0)	0	(0)	(0)	-	(0)	(0)	-	(0)
2.21 STOCK BASED COMP-CAREER SHARES	(30,907)	(71,213)				(51,060)	(12,702)	0	(38,358)	(7,003)	-	(23,904)	(18,401)	-	(62,812)
2.22 BK PROV UNCOLL ADCTS	18,343	712				9,527	286	0	9,241	23	1	18,318	549	0	163
2.23 PROV TRAINING CREDIT RISK - AL	(2,758)	(3,788)				(3,241)	0	0	(3,241)	0	-	(3,241)	(3,788)	-	(0)
2.24 PROV FAS 157 - AL	-	-				0	0	0	0	0	-	0	0	-	0
2.25 PREL SURVEY INVEST RESERVE-BIG SANDY FGD	(0)	(0)				0	0	0	0	(0)	-	-	(0)	-	-
2.26 DEF COMPENSATION-BOOK EXPENSE	0	0				0	0	0	0	0	0	0	0	0	0
2.27 ACCRD COMPANY INCENT PLAN-ENGAGE TO GAIN	-	-				0	0	0	0	0	0	0	0	0	0
2.28 ACCRD COMPENSIVE INCENTV PLAN	1,488,873	1,092,464				1,290,669	486,677	72,587	751,366	396,616	63,323	1,028,934	536,737	81,871	473,856
2.29 ACCRUED BOOK VACATION PAY	655,259	623,961				639,610	324,117	(14,738)	330,231	340,079	(15,250)	330,431	308,196	(14,225)	330,030
2.30 (ICDP)-INCENTIVE COMP DEFERRAL PLAN	12,373	13,524				12,949	1,209	0	11,740	1,440	-	10,932	977	-	12,547
2.31 BK ACCRD-COOK CT RENT HOLIDAY	(18,490)	(15,465)				(16,978)	0	31	(17,308)	-	-	(16,490)	-	682	(16,071)
2.32 ACCRUED BK SEVERANCE BENEFITS	6,487	(0)				6,487	0	0	6,487	-	-	12,974	-	-	(0)
2.33 ECONOMIC DEVEL FUND - CURRENT	(50,676)	77,001				10,463	0	0	10,463	-	-	(56,076)	-	-	77,001
2.34 BOOK LEASES DEFERRED	-	(12,830)				(6,415)	0	0	(6,415)	-	-	-	-	-	(12,830)
2.35 ACCRUED INTEREST EXP - STATE	(4,381)	(0)				(2,191)	(2,191)	0	0	(4,381)	-	-	(0)	-	0
2.36 ACCRUED INTEREST-LONG-TERM - FN 48	(24,677)	1				(12,338)	(3,099)	(4,620)	(4,620)	(9,240)	(6,197)	(9,240)	(0)	0	0
2.37 ACCRUED INTEREST-SHORT-TERM - FN 48	(603,352)	0				(301,676)	(343,288)	147,089	(105,477)	(686,576)	294,177	(210,954)	(0)	0	(0)
2.38 ACCRUED STATE INCOME TAX EXP	70,324	0				36,162	0	0	36,162	0	0	70,324	0	0	0
2.39 PROV LOSS-CAR CHG-PURCHASE EMA	120,484	120,484				120,484	0	0	120,484	0	0	120,484	0	0	120,484
2.40 FEDERAL MITIGATION PROGRAMS	349,903	197,963				273,933	134,027	0	139,968	171,450	-	178,453	96,603	-	101,380
2.41 STATE MITIGATION PROGRAMS	(28,827)	0				(14,913)	(14,677)	(236)	0	(29,354)	(473)	-	0	-	-
2.42 DEF STORM DAMAGE	(888,954)	(454,976)				(671,965)	0	0	(671,965)	0	0	(888,954)	0	0	(454,976)
2.43 TAX - BOOK BASIS - EMA-AC 190	67,111	0				33,556	0	0	33,556	0	0	67,111	0	0	0
2.44 DEF TAX LOSS-INTERCO SALE-EMA	4,651	0				2,326	0	0	2,326	0	0	4,651	0	0	0
2.45 DEF REV-BONUS LEASE SHORT-TERM	4,781	4,781				4,781	0	0	4,781	0	0	4,781	0	0	4,781
2.46 DEF REV-BONUS LEASE LONG-TERM	10,758	5,976				8,367	0	0	8,367	0	0	10,758	0	0	5,976
2.47 DEF BOOK GAIN EPA AUCTION	-	-				0	0	0	0	0	0	-	-	-	-
2.48 REG LIAB-UNREAL MTM GAIN-DEFL	(348,208)	651,825				152,808	0	0	152,808	(348,208)	-	-	651,825	-	-
2.49 DEF BK CONTRACT REVENUE	1,739	575				1,157	0	1,157	0	0	0	1,739	0	0	575
2.50 ADVANCE RENTAL INC (CUR MO)	30,008	30,849				30,428	0	0	30,428	0	0	30,008	0	0	30,849
2.51 REG ASSET-COS FEES STUDY RESERVE	(0)	(0)				0	0	0	0	(0)	-	-	(0)	-	-
2.52 CAPITALIZED SOFTWARE COSTS-TAX	(18,479)	(11,571)				(14,025)	419	8	(14,452)	361	8	(16,847)	478	8	(12,057)
2.53 ACCRD SFAS 106 PST RETIRE EXP	(3,774,582)	(4,552,846)				(4,163,714)	(2,104,709)	(350,597)	(1,708,408)	(1,868,930)	(325,189)	(1,580,403)	(2,340,428)	(376,005)	(1,836,413)
2.54 SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	145,148	145,148				145,148	(528,023)	618,793	(638,023)	65,378	618,793	(538,023)	66,378	618,793	618,793
2.55 ACCRD SFAS 106 PST RETIRE EXP - SFAS 158	(1,514,620)	(2,384,715)				(1,949,668)	(1,743,703)	228,975	(434,840)	(1,481,087)	227,291	(2,066,824)	(2,006,319)	230,660	(609,056)
2.56 ACCRD SFAS 112 PST EMPLOY BEN	1,070,851	1,071,632				1,071,241	535,203	(0)	535,248	483,245	(0)	577,608	577,608	(0)	494,250
2.57 ACCRD BOOK ARD EXPENSE - SFAS 143	5,170,552	3,716,369				4,443,461	4,441,188	0	42,272	5,122,847	-	47,705	3,679,530	-	36,839
2.58 BOOK OPERATING LEASE - ASSET	2,334,725	2,086,838				2,210,781	103,477	(98,578)	2,205,883	106,760	(74,545)	2,302,510	100,193	(122,812)	2,109,256
2.59 ACCRD BOOK ARD EXPENSE - SFAS 143	(348,244)	(348,244)				(348,244)	0	0	0	(348,244)	-	-	(348,244)	-	-
2.60 SFAS 106 - MEDICARE SUBSIDY - NORM - (PPACA)	504	504				504	0	0	504	0	0	504	0	0	504
2.61 FIN 48 - DEF STATE INCOME TAXES	0	0				0	0	0	0	0	0	0	0	0	0
2.62 ACCRD SIT/FRANCHISE TAX RESERVE	0	0				0	0	0	0	0	0	0	0	0	0
2.63 ACCRD SALES & USE TAX RESERVE	93,272	106,772				100,022	0	1,995	98,027	0	1,281	91,991	0	2,709	104,603
2.64 ACCRD SIT TX RESERVE-LNG-TERM-FN 48	1	1				1	0	0	0	0	0	0	0	0	0
2.65 ACCRD SIT TX RESERVE-SHRT-TERM-FN 48	-	-				0	0	0	0	0	0	0	0	0	0
2.66 DEF STATE INCOME TAXES	638,412	543,343				590,877	590,877	0	0	638,412	-	-	543,343	-	-
2.69 NOL - DEFERRED TAX ASSET RECLASS	-	-				0	0	0	0	0	0	0	0	0	0
2.70 1981-1996 IRS AUDIT SETTLEMENT	34,815	-				17,407	0	0	17,407	-	-	34,815	-	-	-
2.71 IRS CAPITALIZATION ADJUSTMENT	57,436	57,436				57,436	0	0	57,436	0	0	57,436	0	0	57,436
2.72 IRS AUDIT SETTLEMENT	(0)	(0)				0	0	0	0	(0)	0	(0)	0	0	(0)
2.73 RESTRICTED STOCK PLAN	10,147	2,577				6,362	3,785	0	2,577	3,960	-	6,154	3,577	-	(11,000)
2.74 PSI - STOCK BASED COMP	163,111	230,758				196,935	39,180	0	157,755	31,123	-	131,988	47,237	-	183,521
2.75 AMT CREDIT - DEFERRED	-	0				0	0	0	0	0	0	0	0	0	0
2.76 NOL - DEFERRED TAX ASSET RECLASS	-	-				0	0	0	0	0	0	0	0	0	0
2.77 NOL ADJUSTMENT	33,794,301	39,141,184				36,452,744	13,555,374	9,341,996	13,555,374	12,951,712	7,860,879	12,951,712	14,159,036	10,823,112	14,159,036
2.78 NOL CONTRA	(33,784,303)	(39,141,184)				(33,784,303)									

KENTUCKY POWER COMPANY, INC.
Worksheet B-3
Excess/ Deficient ADIT Worksheet for Total Company and Functional Balances
For Year Ended December 31, 2021
Debit/(Credit)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
TOTAL COMPANY BALANCES																	
								1/1/2021 Beginning Balances		Balance Sheet Entries		Tax Expense Entries			12/31/2021 Ending Balance		
Line No.	Utility Account (NOTE A)	Description of Account	Protected Unprotected	Tax Rate Change Act	Excess / Deficient Balance at Remeasurement	Amortization Methodology (NOTE C)	Amortization Period	Excess / Deficient ADIT Regulatory Offset	Excess / Deficient ADIT in Utility Deferrals	Balance Sheet Account Reclassifications	182.3	254	410/411 Excess / Deficient Amortization NOTE C/NOTE F	410/411 Deferred Tax Expense/ (Benefit)	Excess/ Deficient ADIT Regulatory Offset	Excess / Deficient ADIT in Utility Deferrals	Reference
Sum of Cols (I) - (O)																	
Deferred Tax Account (NOTE B)																	
1a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017				62,525,816					(10,772,026)		51,753,790		WS B - 2 Col B/C, ADIT item 2.81
1b	2811001	ADFIT - Accel Amortization Property	Protected	TCJA 2017	(22,201,492)			(17,694,477)						628,007	(406)	(17,066,876)	Company Records
1c	2814001	ADFIT - Accel Amort FAS 109 Excess	Protected	TCJA 2017				17,694,477					(627,601)		17,066,876		WS B-1 Col B/C ADIT item 2.06
1d	2821001	ADFIT - Utility Property	Protected	TCJA 2017	(92,216,055)	ARAM	Life of Asset	(74,171,826)					3,379,218	(98,052)		(70,890,661)	WS B - 1 Cols M+N+O, ADIT item 5.33
1e	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017	(58,572,784)	10 Years	1/2018 - 12/2027	(58,968,746)					17,538,129			(41,430,619)	
1f	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017				75,930,579					(3,281,165)		72,649,414		WS B - 1 Col C, ADIT item 5.38
1g	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017				57,209,992					(17,538,129)		39,671,863		WS B - 1 Col C, ADIT item 9.72
1h	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017	(39,072,283)	10 Years	1/2018 - 12/2027	(30,679,911)					9,824,727		(20,855,184)		WS B - 1 Col C, ADIT item 9.77
1i	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017				30,679,911					(9,824,727)		20,855,184		
1j	NOTE D																
Regulatory Deferral Accounts																	
2a	182.3	Regulatory Asset		TCJA 2017				-							-		Company Records
2b	254	Regulatory Liability		TCJA 2017				(244,040,777)					42,043,649		(201,997,128)		Company Records
2c	NOTE D																
3	Total For Accounting Entries (Sum of Lines 1a through 2c)							(2)	(181,514,962)	-	-	-	(31,370,081)	98,458	(2)	(150,243,339)	
TRANSMISSION FUNCTION BALANCES																	
Sum of Cols (I) - (O)																	
Deferred Tax Account (NOTE B)																	
4a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017				10,640,106					(539,135)		10,100,971		Company Records
4b	2821001	ADFIT - Utility Property	Protected	TCJA 2017	(35,312,263)	ARAM	Life of Asset	(26,385,940)					1,015,528	(93,644)		(25,464,056)	WS B - 1 Col N, ADIT 5.33
4c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017	(434,774)	10 Years	1/2018 - 12/2027	(7,327,086)					1,088,281		(6,238,805)		Company Records
4d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017				26,385,940					(921,884)		25,464,056		Company Records
4e	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017				7,327,086					(1,088,281)		6,238,805		Company Records
4f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017	1,632,023	10 Years	1/2018 - 12/2027	2,824,372					(445,035)		2,379,337		WS B - 1 Col N, item 9.72
4g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017				(2,824,373)					445,035		(2,379,338)		Company Records
4h	NOTE D																
Regulatory Deferral Accounts																	
5a	182.3	Regulatory Asset		TCJA 2017				-							-		Company Records
5b	254	Regulatory Liability		TCJA 2017				(41,528,759)							(41,528,759)		Company Records
5c	NOTE D																
6	Total For Accounting Entries (Sum of Lines 4a through 5c)							-	(30,888,654)	-	-	(2,104,264)	(1,658,773)	93,644	(2,104,264)	(29,323,525)	
NOTE E																	

GENERAL NOTE: ADIT Tax balances provided in the formula presented in Attachment H-14B are maintained on both a total company and transmission functional basis. Because both sets of numbers are presented in the formula, the information for excess and deficient ADIT is also presented for both total company and the transmission function on this worksheet. Account 281 only applies to the transmission functional summary.

TAX CUT and JOBS ACT of 2017

A	B	C	D	E	F=E/C	G	H = E + G	I	J = C - H
Line No.	Utility Account	12/31/17 Pre-remeasurement Balance	Reference	Remeasurement Amount (NOTE 1)	Remeasurement Percentage (NOTE 2)	Adjustments (NOTE 3)	Total Excess/Deficiency by Account (NOTE 4)	Protected / Unprotected	ADIT Deferral After Remeasurement
TOTAL COMPANY									
1	190 - Utility	19,789,201	2018 FF1 P. 234 Col (b) Line 8						
2		<u>9,030,721</u>	Less: Deferred State Taxes						
3	1901001	10,758,480		4,187,586	39%	(4,187,586)	-		10,758,480
4	2811001	(55,503,729)	2018 FF1 P. 272 Col (b) Line 8	(22,201,492)	40%	-	(22,201,492)	Unprotected	(33,302,237)
5	2821001	(371,506,325)	2018 FF1 P. 274 Col (b) Line 5	(148,733,827)	40%	(2,055,012)	(92,216,054)	Protected	(220,717,486)
6	283 - Utility	(118,472,531)	2018 FF1 P. 276 Col (b) Line 9				(58,572,785)	Unprotected	
7	2831001	<u>(5,185,328)</u>	Less: Accrued Deferred State Tax						
		(113,287,203)		(45,314,881)	40%	6,242,598	(39,072,283)	Unprotected	(74,214,920)
8	Total	<u>(529,538,777)</u>	(Sum of Lns. 3+4+5+7)	<u>(212,062,614)</u>		<u>-</u>	<u>(212,062,614)</u>		<u>(317,476,163)</u>
TRANSMISSION FUNCTION									
9	1901001	3,999,147	Account 1901001	1,592,807	40%	(1,592,807)	-		3,999,147
10	2821001	(87,657,515)	Account 2821001	(35,180,892)	40%	(566,145)	(35,312,263)	Protected	(51,910,478)
							(434,774)	Unprotected	
11	2831001	(1,317,322)	Account 2831001	(526,929)	40%	2,158,952	1,632,024	Unprotected	(2,949,345)
12	Total	<u>(84,975,690)</u>		<u>(34,115,014)</u>		<u>-</u>	<u>(34,115,014)</u>		<u>(50,860,677)</u>

GENERAL NOTE: This worksheet will summarize remeasurement adjustments in ADIT Accounts for both the total company and transmission function required by changes in either Federal or State Income Tax Rates. A new sheet will be included in the working formula for each change to tax rates that may occur while this formula rate is in effect. New pages will be designated by incrementing the suffix letter in the workpaper name (i.e. B-3-A, B-3-B, etc.)

NOTE 1: Amount of remeasurement in Column E will be based on supporting workpapers showing the remeasurement of individual ADIT items in each tax deferral account, and will indicate whether each remeasured ADIT item will be treated as protected or unprotected. The resulting totals will be shown on this worksheet for each ADIT account.

NOTE 2: Remeasurement calculation may not equal 40% of the December 31, 2017 deferral balance because of specific ADIT items that are not subject to remeasurement.

NOTE 3: As part of the remeasurement calculation, the remeasurement ADIT balances in account 1901001 were reclassified to account 2831001 to group nonproperty utility deferrals together as one timing difference.

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

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

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number	Source	Balance @ December 31, 2021	Balance @ December 31, 2020	Average Balance for 2021				
1								
2	Transmission Materials & Supplies	FF1, p. 227, In 8, Col. (c) & (b)	2,428	9,758	6.093			
3	General Materials & Supplies	FF1, p. 227, In 11, Col. (c) & (b)	55,324	45,402	50.363			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, In 16, Col. (c) & (b)	-	-	-			

Prepayment Balance Summary (Note 1)

	Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	
5							
6	Totals as of December 31, 2021	1,995,946	(69,367,307)	0	926,493	70,436,761	71,363,254
7	Totals as of December 31, 2020	2,113,467	(67,954,893)		974,276	69,094,084	70,068,360
8	Average Balance	2,054,706	(68,661,100)	-	950,385	69,765,422	70,715,807

Prepayments Account 165 - Balance @ 12/31/2021

9	Acc. No.	Description	2021 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	467,426	-	-	467,426	-	467,426	Plant Related Insurance Policies
11	16500219	Prepaid Taxes	0	-	-	-	-	-	-
12	16500220	Prepaid Taxes	0	-	-	-	-	-	-
13	16500221	Prepaid Taxes	520,178	520,178	-	-	-	-	Prepaid - Gen
14	1650006	Other Prepayments	137,662	137,662	-	-	-	-	Prepaid Interest - Distribution
15	1650009	Prepaid Carry Cost-Factored AR	13,967	13,967	-	-	-	-	AR Factoring
16	1650010	Prepaid Pension Benefits	42,544,932	-	-	-	42,544,932	42,544,932	Pension
17	16500119	Prepaid Sales Taxes	0	-	-	-	-	-	-
18	16500120	Prepaid Sales Taxes	0	-	-	-	-	-	-
19	16500121	Prepaid Sales Taxes	334,025	334,025	-	-	-	-	SFAS 112 Overfunding Asset
20	165001219	Prepaid Use Taxes	0	-	-	-	-	-	-
21	165001220	Prepaid Use Taxes	0	-	-	-	-	-	-
22	165001221	Prepaid Use Taxes	45,053	45,053	-	-	-	-	Prepaid Tax - Dist
23	1650014	FAS 158 Qual Contra Asset	(42,544,932)	(42,544,932)	-	-	-	-	SFAS 158 Contra Acct
24	1650021	Prepaid Insurance - EIS	459,067	-	-	459,067	-	459,067	Plant Related Insurance Policies
25	1650023	Prepaid Lease	18,568	18,568	-	-	-	-	Prepaid Lease - Dist
26	1650030	Other Prepayments - Long Term	0	-	-	-	-	-	-
27	1650035	PRW Without MED-D Benefits	27,891,830	-	-	-	27,891,830	27,891,830	Labor Related Expense
28	1650037	FAS158 Contra-PRW Excl Med-D	(27,891,830)	(27,891,830)	-	-	-	-	SFAS 158 Offset
29									
30		Subtotal - Form 1, p 111.57.c	1,995,946	(69,367,307)	0	926,493	70,436,761	71,363,254	

Prepayments Account 165 - Balance @ 12/31/ 2020

31	Acc. No.	Description	2020 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
32	1650001	Prepaid Insurance	468,677	-	-	468,677	-	468,677	Plant Related Insurance Policies
33	1650005	Prepaid Employee Benefits	0	-	-	-	-	-	-
34	1650006	Other Prepayments	61,205	61,205	-	-	-	-	Prepaid - Gen
35	16500220	Prepaid Taxes	582,268	582,268	-	-	-	-	Prepaid Interest - Distribution
36	1650009	Prepaid Carry Cost-Factored AR	167,612	167,612	-	-	-	-	AR Factoring
37	1650010	Prepaid Pension Benefits	45,792,020	-	-	-	45,792,020	45,792,020	Pension
38	1650014	FAS 158 Qual Contra Asset	(45,792,020)	(45,792,020)	-	-	-	-	SFAS 158 Contra Acct
39	1650016	FAS 112 ASSETS	0	-	-	-	-	-	-
40	165001220	Prepaid Use Taxes	22,184	-	-	-	-	-	Prepaid Tax - Dist
41	165001120	Prepaid Sales Taxes	274,779	274,779	-	-	-	-	SFAS 112 Overfunding Asset
42	1650021	Prepaid Insurance - EIS	505,599	-	-	505,599	-	505,599	Plant Related Insurance Policies
43	1650023	Prepaid Lease	31,142	31,142	-	-	-	-	Prepaid Lease - Dist
44	1650031	Prepaid OCIP Work Comp	0	-	-	-	-	-	-
45	1650033	Prepaid OCIP Work Comp-Aff	0	-	-	-	-	-	-
46	1650035	PRW Without Med-D Benefits	23,302,064	-	-	-	23,302,064	23,302,064	Labor Related Expense
47	1650036	PRW for Med-D Benefits	0	-	-	-	-	-	-
48	1650037	FAS 158 Contra-PRW Exc Med-D	(23,302,064)	(23,302,064)	-	-	-	-	SFAS 158 Offset
49									
50									
51									
52		Subtotal - Form 1, p 111.57.d	2,113,467	(67,954,893)		974,276	69,094,084	70,068,360	

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

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2021</u>
1	Net Funds from IPP Customers 12/31/2020 (2021 FORM 1, P269)	(354,678)
2	Interest Accrual (Company Records - Note 1)	(3,808)
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	358,486
6		-
7	Net Funds from IPP Customers 12/31/2021 (2021 FORM 1, P269)	0
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	(177,339)

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

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

<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)	1,311,974	1,311,974	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	256,524	250,980	5,544
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	5,841,043	5,820,956	20,087
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	554,013	486,491	67,523
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	22,539,027	22,539,027	-
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))	30,502,581	30,409,427	93,154
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	30,502,581	30,409,427	93,154

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

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

9	Facility Credits under PJM OATT Section 30.9			-
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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
KENTUCKY POWER COMPANY

<u>Line Number</u>	<u>(A) Item No.</u>	<u>(B) Description</u>	<u>(C) 2021 Expense</u>	<u>(D) 100% Non-Transmission</u>	<u>(E) 100% Transmission Specific</u>	<u>(F) Explanation</u>
Regulatory O&M Deferrals & Amortizations						
1	5660009	PJM OATT Over/Under Rec	3,742,758			
2			-			
3						
4		Total	3,742,758			
Detail of Account 561 Per FERC Form 1						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	-			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	309,116			
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	886,000			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	126,575			
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	329,196			
14		Total of Account 561	1,650,887			
Account 928						
15	9280000	Regulatory Commission Exp	1,108,240	847,322	260,918	
16	9280001	Regulatory Commission Exp-Case	(3)	(3)	-	
17	9280002	Regulatory Commission Exp-Case	794,279	794,279	-	
18	9280005	Reg Com Exp-FERC Trans Cases	16,820	6,736	10,084	
19						
20		Total (FERC Form 1 p.323.189.b)	1,919,336	1,648,334	271,002	
Account 930.1						
21	9301000	General Advertising Expenses	94,902	94,902	-	
22	9301001	Newspaper Advertising Space	1,614	1,614	-	
23	9301002	Radio Station Advertising Time	22,000	22,000	-	
24	9301003	TV Station Advertising Time	65	65	-	
25	9301010	Publicity	46	46	-	
26	9301012	Public Opinion Surveys	98,977	98,977	-	
27	9301014	Video Communications	148	148	-	
28	9301015	Other Corporate Comm Exp	8,945	8,945	-	
29						
30						
31						
32						
33						
34						
35						
36						
37		Total (FERC Form 1 p.323.191.b)	226,697	226,697	-	
Account 930.2						
38	9302000	Misc General Expenses	286,074	286,074	-	
39	9302003	Corporate & Fiscal Expenses	68,622	68,622	-	
40	9302004	Research, Develop&Demonstr Exp	388	388	-	
41	9302006	Assoc Bus Dev - Materials Sold	137,006	137,006	-	
42	9302007	Assoc Business Development Exp	474,081	468,498	5,583	
43	9302017	SellingPrice Normalization Exp	(0)	(0)	-	
44		Total (FERC Form 1 p.323.192.b)	966,171	960,587	5,583	

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

Kentucky Corporate Income Tax Rate	5.00%	
Apportionment Factor - Note 1	95.13%	
Effective State Tax Rate		4.76%
Michigan Corporate Income Tax Rate	6.00%	
Apportionment Factor - Note 1	0.02%	
Effective State Tax Rate		0.00%
West Virginia Corporate Income Tax	6.50%	
Apportionment Factor - Note 1	19.80%	
Effective State Tax Rate		1.29%
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%
Illinois Corporation Income Tax Rate	9.50%	
Apportionment Factor - Note 1	0.34%	
Effective State Tax Rate		0.03%
Illinois Corporation Income Tax Rate	0.00%	
Apportionment Factor - Note 1	0.00%	
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate		<u>6.08%</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
KENTUCKY POWER COMPANY

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
NOTE 1						
1	Revenue Taxes					
2	Gross Receipts Tax	10,727				10,727
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Kentucky	15,616,739	15,616,739			
5	Real and Personal Property - West Virginia	3,063,658	3,063,658			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	1,714,097		1,714,097		
10	Federal Unemployment Tax	11,846		11,846		
11	State Unemployment Insurance	24,689		24,689		
12	Production Taxes					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	6,193,181				6,193,181
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	(205,172)			(205,172)	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	6,355			6,355	
20	Sales & Use	102,684				102,684
21	Federal Excise Tax	5,276				5,276
22	Michigan Single Business Tax	-				-
23						
24	Total Taxes by Allocable Basis	<u>26,544,080</u>	<u>18,680,397</u>	<u>1,750,632</u>	<u>(198,817)</u>	<u>6,311,868</u>

(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	Transmission	Distribution	General	Total	
25	Functionalized Net Plant (TCOS, Lns 41 thru 46)	681,453,791	474,397,990	687,086,955	42,179,025	1,885,117,762
KENTUCKY JURISDICTION						
26	Percentage of Plant in KENTUCKY JURISDICTION	33.82%	98.48%	100.00%	99.59%	
27	Net Plant in KENTUCKY JURISDICTION (Ln 25 * Ln 26)	230,453,937	467,163,903	687,086,955	42,005,164	1,426,709,959
28	Less: Net Value of Exempted Generation Plant	21,678,122				
29	Taxable Property Basis (Ln 27 - Ln 28)	208,775,815	467,163,903	687,086,955	42,005,164	1,405,031,837
30	Relative Valuation Factor	33.00%	100.00%	100.00%	100.00%	
31	Weighted Net Plant (Ln 29 * Ln 30)	68,896,019	467,163,903	687,086,955	42,005,164	
32	General Plant Allocator (Ln 31 / (Total - General Plant))	5.63%	38.19%	56.17%	-100.00%	
33	Functionalized General Plant (Ln 32 * General Plant)	2,366,019	16,043,287	23,595,858	(42,005,164)	-
34	Weighted KENTUCKY JURISDICTION Plant (Ln 31 + 33)	71,262,038	483,207,190	710,682,813	0	1,265,152,041
35	Functional Percentage (Ln 34/Total Ln 34)	5.63%	38.19%	56.17%		
WEST VIRGINIA JURISDICTION						
46	Net Plant in WEST VIRGINIA JURISDICTION (Ln 25 - Ln 27 - Ln 37)	450,999,854	7,234,088	-	173,861	458,407,803
47	Less: Net Value Exempted Generation Plant	\$345,285,794				
48	Taxable Property Basis	105,714,060	7,234,088	-	173,861	113,122,009
49	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
50	Weighted Net Plant (Ln 48 * Ln 49)	105,714,060	7,234,088	-	173,861	
51	General Plant Allocator (Ln 50 / (Total - General Plant))	93.60%	6.40%	0.00%	-100.00%	
52	Functionalized General Plant (Ln 52 * General Plant)	162,725	11,135	-	(173,861)	
53	Weighted WEST VIRGINIA JURISDICTION Plant (Ln 50 + 52)	105,876,785	7,245,223	-	(0)	113,122,009
54	Functional Percentage (Ln 53/Total Ln 53)	93.60%	6.40%	0.00%		

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

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

2	Gross Receipts Tax	10,727	(4,724) (2,397) 17,848	pg. 263, Ln. 8(i)
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Line No.	(A) Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
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3	Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)		18,680,397				6,097,610
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4	Real and Personal Property - Kentucky	2018 2019 2020 2021	15,616,739	1,391 - 15,114,940 500,408		36.36% 38.19% 38.46% 38.19%	6,004,168 506 - 5,812,538 191,124 -
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5	Real and Personal Property - W Va	2019 2020 2021	3,063,658	1,523,798 1,533,260 6,600		3.08% 3.01% 6.40%	93,442 46,933 46,086 423 - - -
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Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
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Payroll Taxes

8	Federal Insurance Contribution (FICA)	1,714,097	1,714,097	
10	Federal Unemployment Tax	11,846	11,846	
11	State Unemployment Insurance	24,689	12,864 11,825	

Production Taxes

13	State Severance Taxes	-		
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Miscellaneous Taxes

15	State Business & Occupation Tax	6,193,181	(65,088) 6,258,269	
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16	State Public Service Commission Fees	-		
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17	State Franchise Taxes	(205,172)	(205,172)	
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18	State Lic/Registration Fee	-		
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19	Misc. State and Local Tax	6,355	6,355	
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20	Sales & Use	102,684	46,300 1,574 54,813 (3)	
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21	Federal Excise Tax	5,276	725 4,551	
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22	Michigan Single Business Tax	-		
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23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	26,544,080	26,544,080	
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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 2021 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
KENTUCKY POWER COMPANY

AEP East Companies
 Cost of Service Formula Rate Using 2021 FF1 Balances
 Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
 KENTUCKY POWER COMPANY

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

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

ROE w/o incentives (TCOS, ln 156)			10.35%
Project ROE Incentive Adder			0
ROE with additional 0 basis point incentive			10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through 156)			
	%	Cost	Weighted cost
Long Term Debt	55.29%	3.53%	1.950%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	44.71%	10.35%	4.628%
		R =	6.578%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR	2021	Rev Require	W Incentives	Incentive Amounts
	As Projected in Prior Year WS J	\$ -	\$ -	\$ -
	Actual after True-up	\$ -	\$ -	\$ -
	True-up of ARR For 2021	-	-	-

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

Rate Base (TCOS, ln 68)	408,015,694
R (from A. above)	6.578%
Return (Rate Base x R)	26,837,718

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

Return (from B. above)	26,837,718
Effective Tax Rate (TCOS, ln 114)	24.47%
Income Tax Calculation (Return x CIT)	6,566,171
ITC Adjustment	-
Excess Deferred Income Tax	(1,956,745)
Tax Affect of Permanent Differences	1,140,707
Income Taxes	5,750,132

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

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

Annual Revenue Requirement (TCOS, ln 1)	73,711,628
Lease Payments (TCOS, ln 95)	-
Return (TCOS, ln 126)	26,837,718
Income Taxes (TCOS, ln 125)	5,750,132
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	41,123,777

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	41,123,777
Return (from I.B. above)	26,837,718
Income Taxes (from I.C. above)	5,750,132
Annual Revenue Requirement, with 0 Basis Point ROE increase	73,711,628
Depreciation (TCOS, ln 100)	19,380,951
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	54,330,676

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

Net Transmission Plant (TCOS, ln 42)	468,521,893
Annual Revenue Requirement, with 0 Basis Point ROE increase	73,711,628
FCR with 0 Basis Point increase in ROE	15.73%
Annual Rev. Req. w / 0 Basis Point ROE increase, less Dep.	54,330,676
FCR with 0 Basis Point ROE increase, less Depreciation	11.60%
FCR less Depreciation (TCOS, ln 10)	11.60%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2021 (TCOS, ln 21)	707,017,741
Annual Depreciation and Amortization Expense (TCOS, ln 100)	19,380,951
Composite Depreciation Rate	2.74%
Depreciable Life for Composite Depreciation Rate	36.48
Round to nearest whole year	36

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

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

A. Base Plan Facilities

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

Project Description: [redacted]

2019	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details		2019
Investment	-	-
Service Year (yyyy)	0	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	-	FCR w/o incentives, less depreciation
Useful life	36	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	0	Annual Depreciation Expense

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

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

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

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

AEP East Companies
Cost of Service Formula Rate Using 2021 FF1 Balances
Worksheet L Reserved for Future Use
KENTUCKY POWER COMPANY

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

Line No	Month (a)	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	823,334,069	-	-	878,395	822,455,674
2	January	838,922,822	-	-	878,395	838,044,428
3	February	858,145,634	-	-	878,395	857,267,240
4	March	837,150,896	-	-	844,254	836,306,642
5	April	836,775,773	-	-	844,254	835,931,519
6	May	839,857,976	-	-	844,254	839,013,722
7	June	847,413,300	-	-	810,113	846,603,187
8	July	854,841,357	-	-	810,113	854,031,244
9	August	868,920,960	-	-	810,113	868,110,847
10	September	868,062,290	-	-	775,972	867,286,318
11	October	868,824,937	-	-	775,972	868,048,965
12	November	877,641,821	-	-	775,972	876,865,849
13	December of Rate Year	874,355,328	-	-	1,749,841	872,605,486
14	Average of the 13 Monthly Balances	853,403,628	-	-	898,157	852,505,471

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	-	-	-	995,000,000	-	995,000,000
16	January	-	-	-	995,000,000	-	995,000,000
17	February	-	-	-	995,000,000	-	995,000,000
18	March	-	-	-	995,000,000	-	995,000,000
19	April	-	-	-	995,000,000	-	995,000,000
20	May	-	-	-	995,000,000	-	995,000,000
21	June	-	-	-	1,105,000,000	-	1,105,000,000
22	July	-	-	-	1,105,000,000	-	1,105,000,000
23	August	-	-	-	1,105,000,000	-	1,105,000,000
24	September	-	-	-	1,105,000,000	-	1,105,000,000
25	October	-	-	-	1,105,000,000	-	1,105,000,000
26	November	-	-	-	1,105,000,000	-	1,105,000,000
27	December of Rate Year	-	-	-	1,105,000,000	-	1,105,000,000
28	Average of the 13 Monthly Balances	-	-	-	1,054,230,769	-	1,054,230,769

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 2021						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)				36,669,034		
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.				-		
32	Plus: Allowed Hedge Recovery From Ln 55 below.				-		
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)				480,846		
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)				33,651		
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)				37,183,531		
38	Average Cost of Debt for 2021 (Ln 37/ Ln 28 (g))						3.53%

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

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

HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2021	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Amortization Period		
				Remaining Unamortized Balance	Beginning	Ending
40 Senior Unsecured Notes - Series E	-	-	-	-	September 2007	September 2017
41	-	-	-	-		
42	-	-	-	-		
43	-	-	-	-		
44	-	-	-	-		
45	-	-	-	-		
46	-	-	-	-		
47	-	-	-	-		
48	-	-	-	-		
49	-	-	-	-		
50 Total Hedge Amortization	-	-	-	-		
51 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)				-		
52 Total Average Capital Structure Balance for 2021 (TCOS, Ln 157)				1,906,736,240		
53 Financial Hedge Recovery Limit - Five Basis Points of Total Capital				0.0005		
54 Limit of Recoverable Amount				953,368		
55 Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)				-		

Development of Cost of Preferred Stock

Preferred Stock			Average
56 0% Series - 0 - Dividend Rate (p. 250-251)		0.000%	0.000%
57 0% Series - 0 - Par Value (p. 250-251)	\$	-	\$ -
58 0% Series - 0 - Shares O/S (p.250-251)		-	-
59 0% Series - 0 - Monetary Value (Ln 57 * Ln 58)		-	-
60 0% Series - 0 - Dividend Amount (Ln 56 * Ln 59)		-	-
61 0% Series - 0 - Dividend Rate (p. 250-251)		0.000%	0.000%

62 0% Series - 0 - Par Value (p. 250-251)	\$	-	\$	-	
63 0% Series - 0 - Shares O/S (p.250-251)		-		-	
64 0% Series - 0 - Monetary Value (Ln 62 * Ln 63)		-		-	-
65 0% Series - 0 - Dividend Amount (Ln 61 * Ln 64)		-		-	-
66 0% Series - 0 - Dividend Rate (p. 250-251)		0.000%		0.000%	
67 0% Series - 0 - Par Value (p. 250-251)	\$	-	\$	-	
68 0% Series - 0 - Shares O/S (p.250-251)		-		-	
69 0% Series - 0 - Monetary Value (Ln 67 * Ln 68)		-		-	-
70 0% Series - 0 - Dividend Amount (Ln 66 * Ln 69)		-		-	-
71 Balance of Preferred Stock (Lns 59, 64, 69)		-		-	- Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)
72 Dividends on Preferred Stock (Lns 60, 65, 70)		-		-	
73 Average Cost of Preferred Stock (Ln 72/71)		0.00%		0.00%	0.00%

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

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

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

Net (Gain) or Loss for 2021

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet O - Calculation of Postemployment Benefits Other than Pensions Expenses Allocable to Transmission Service
KENTUCKY POWER COMPANY

1 Total AEP East Operating Company PBOP Settlement Amount 52,287,952

Allocation of PBOP Settlement Amount for 2021

Line#	Company	Total Company Amount						
		Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOP Recovery Allowance	Labor Allocator for 2021	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * 52287952	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
2	APCo	(23,618,642)	35.96%	18,800,431	10.674%	(2,520,994)	2,006,710	(4,527,704)
3	I&M	(17,706,525)	26.96%	14,094,387	4.922%	(871,558)	693,760	(1,565,318)
4	KPCo	(5,480,767)	8.34%	4,362,689	9.803%	(537,269)	427,666	(964,935)
5	KNGP	(551,450)	0.84%	438,954	10.629%	(58,612)	46,656	(105,268)
6	OPCo	(17,282,862)	26.31%	13,757,152	12.769%	(2,206,858)	1,756,658	(3,963,516)
7	WPCo	(1,048,165)	1.60%	834,339	2.864%	(30,020)	23,896	(53,917)
8	Sum of Lines 2 to 7	(65,688,411)		52,287,952		(6,225,311)	4,955,346	(11,180,657)

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

	APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report	(18,515,130)	(15,962,872)	(4,599,013)	(411,310)	(12,990,946)	(492,981)	(52,972,252)
10 Additional PBOP Ledger Entries (from Company Records)	567,303	2,049,361	482,739	0	(0)	(440,209)	
11 Medicare Subsidy							-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(17,947,827)	(13,913,511)	(4,116,274)	(411,310)	(12,990,946)	(933,190)	(50,313,058)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(5,670,815)	(3,793,014)	(1,364,493)	(140,140)	(4,291,916)	(114,975)	(15,375,353)
14 Company PBOP Expense (Ln 12 + Ln 13)	(23,618,642)	(17,706,525)	(5,480,767)	(551,450)	(17,282,862)	(1,048,165)	(65,688,411)

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 allowance will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

**AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF 1/1/2020
FOR MULTIPLE JURISDICTION COMPANIES
Appalachian Power Company**

	VIRGINIA				WEST VIRGINIA			FERC WHOLESALE			FERC KINGSFORT			COMPANY
	(1) PLANT ACCT.	VA SCC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(2) PSC OF WV APPROVED RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(3) FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(4) 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				14.22%	1.000000	14.22%							14.22%
Structures & Improvements	352.0	1.99%	0.494821	0.98%	1.62%	0.411083	0.67%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	1.86%
Station Equipment	353.0	2.70%	0.494821	1.34%	2.37%	0.411083	0.97%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	2.52%
Towers & Fixtures	354.0	1.64%	0.494821	0.81%	1.59%	0.411083	0.65%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	1.67%
Poles & Fixtures	355.0	3.46%	0.494821	1.71%	2.71%	0.411083	1.11%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	3.03%
Overhead Conductor	356.0	1.65%	0.494821	0.82%	1.53%	0.411083	0.63%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	1.66%
Underground Conduit	357.0	2.49%	0.494821	1.23%	3.71%	0.411083	1.53%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	2.97%
Underground Conductors	358.0	4.72%	0.494821	2.34%	5.24%	0.411083	2.15%	2.19%	0.036533	0.08%	2.19%	0.057563	0.13%	4.70%
GENERAL PLANT														
Structures & Improvements	390.0	1.89%	0.523756	0.99%	1.91%	0.425941	0.81%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	1.98%
Office Furniture & Equipment	391.0	3.21%	0.523756	1.68%	3.17%	0.425941	1.35%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	3.21%
Transportation Equipment	392.0	3.46%	0.523756	1.81%	3.40%	0.425941	1.45%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	3.44%
Stores Equipment	393.0	1.78%	0.523756	0.93%	1.80%	0.425941	0.77%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	1.88%
Tools Shop & Garage Equipment	394.0	2.59%	0.523756	1.36%	2.57%	0.425941	1.09%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	2.63%
Laboratory Equipment	395.0	3.87%	0.523756	2.03%	4.01%	0.425941	1.71%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	3.92%
Power Operated Equipment	396.0	0.00%	0.523756	0.00%	3.90%	0.425941	1.66%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	1.84%
Communication Equipment	397.0	5.05%	0.523756	2.64%	4.98%	0.425941	2.12%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	4.94%
Miscellaneous Equipment	398.0	2.67%	0.523756	1.40%	2.70%	0.425941	1.15%	3.43%	0.019295	0.07%	3.43%	0.031009	0.11%	2.73%

(1) As approved in VA Case No. PUE 2020-00015 on Nov. 24, 2020
Depreciation rates were made effective on January 1, 2020.

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

(2) Approved by PSC of WV Order dated 2/27/2019 in
Case No. 18-0645-E-D effective 03/06/2019.

(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) Distribution Plant (recorded by state) is assigned only to
jurisdictions within each state.

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 MARCH 11, 2020
FOR MULTIPLE JURISDICTION COMPANIES
INDIANA MICHIGAN POWER COMPANY

	INDIANA				MICHIGAN AND FERC			COMPANY
	(1) PLANT ACCT.	IURC RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	(2) MPSC APPROVED RATES	ALLOCATION FACTOR (4)	WTD AVG. DEPREC. RATE	WTD AVG. DEPREC. RATE
TRANSMISSION PLANT								
Land Improvements	350.1	1.6600%	0.662335	1.0995%	1.6200%	0.337665	0.5470%	1.65%
Structures & Improvements	352.0	1.7700%	0.662335	1.1723%	1.7400%	0.337665	0.5875%	1.76%
Station Equipment	353.0	2.4300%	0.662335	1.6095%	2.4100%	0.337665	0.8138%	2.42%
Towers & Fixtures	354.0	2.5700%	0.662335	1.7022%	2.4500%	0.337665	0.8273%	2.53%
Poles & Fixtures	355.0	3.1900%	0.662335	2.1128%	3.1700%	0.337665	1.0704%	3.18%
Overhead Conductors	356.0	2.3500%	0.662335	1.5565%	2.2800%	0.337665	0.7699%	2.33%
Underground Conduit	357.0	2.3000%	0.662335	1.5234%	2.2100%	0.337665	0.7462%	2.27%
Underground Conductors	358.0	1.9300%	0.662335	1.2783%	1.9000%	0.337665	0.6416%	1.92%
Trails & Roads	359.0	1.6100%	0.662335	1.0664%	1.5900%	0.337665	0.5369%	1.60%
GENERAL PLANT								
	390.0	2.0800%	0.681868	1.4183%	2.0800%	0.318132	0.6617%	2.08%
	391.0	4.7900%	0.681868	3.2661%	4.8400%	0.318132	1.5398%	4.81%
\$0 at Dec 2018 - use old rate	392.0	4.6400%	0.681868	3.1639%	4.6900%	0.318132	1.4889%	4.65%
	393.0	7.3500%	0.681868	5.0117%	7.3800%	0.318132	2.3478%	7.36%
	394.0	6.9900%	0.681868	4.7663%	7.0700%	0.318132	2.2492%	7.02%
	395.0	5.4100%	0.681868	3.6889%	5.4600%	0.318132	1.7370%	5.43%
	396.0	4.8100%	0.681868	3.2798%	4.9000%	0.318132	1.5588%	4.84%
	397.0	3.9100%	0.681868	2.6661%	3.9300%	0.318132	1.2503%	3.92%
	398.0	3.3200%	0.681868	2.2638%	3.3500%	0.318132	1.0657%	3.33%

(1) As approved in Indiana Cause No. 45235 effective March 11, 2020.

(2) As approved in Michigan Case No. U-20359 effective February 1, 2020.

(3) FERC wholesale formula rate agreements specify that the depreciation rates in the formula rates change upon approval of MPSC rates in the Michigan jurisdiction.

(4) The rates approved for each jurisdiction are updated when approved by that commission. These demand-based allocation factors for all jurisdictions are updated when new rates are approved in one of the jurisdictions. These allocation factors reflect I&M's 12 monthly Coincident Peaks during test year of the most recent rate case.

GENERAL NOTES:

The rates for each AEP company have been approved by their respective regulatory commissions. I&M falls under the authority of Indiana, Michigan and the FERC. Therefore, I&M's rates are a composite of the jurisdictions under which it operates. Each jurisdiction's rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate. 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	357.0	Note 2
Underground Conductors	358.0	Note 2
Composite Transmission Depreciation Rate		1.46%
GENERAL PLANT		
Structures & Improvements	390.0	1.71%
Office Furniture & Equipment	391.0	2.82%
Stores Equipment	393.0	2.22%
Tools Shop & Garage Equipmen	394.0	3.12%
Laboratory Equipment	395.0	3.17%
Communication Equipment	397.0	3.32%
Miscellaneous Equipment	398.0	4.92%
Total General Plant		3.25%

Reference:

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

General Note

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

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

	PLANT ACCT.	RATES Note 1
<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	357.0	2.99%
Underground Conductors	358.0	2.62%

Reference:

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

General Note

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

**AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 4/1/2012
FOR SINGLE JURISDICTION COMPANIES
OHIO POWER COMPANY**

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

Reference:

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

General Note:

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

**AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 3/1/2019
FOR SINGLE JURISDICTION COMPANIES
WHEELING POWER COMPANY**

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Structures & Improvements	352.0	1.15%
Station Equipment	353.0	2.22%
Towers & Fixtures	354.0	2.65%
Poles & Fixtures	355.0	2.41%
Overhead Conductors	356.0	1.32%
Underground Conduit	351.0	9.94%
Underground Conductors	351.0	13.98%
Trails & Roads	359.0	-
<i>GENERAL PLANT</i>		
Structures & Improvements	390.0	1.08%
Office Furniture & Equipment	391.0	2.13%
Stores Equipment	393.0	1.78%
Tools Shop & Garage Equipment	394.0	1.65%
Communication Equipment	397.0	5.09%
Miscellaneous Equipment	398.0	2.76%

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

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.4095%				

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

<u>Calculation of Interest</u>				Monthly		
January	Year 2018	-	0.4095%	12	-	-
February	Year 2018	-	0.4095%	11	-	-
March	Year 2018	-	0.4095%	10	-	-
April	Year 2018	-	0.4095%	9	-	-
May	Year 2018	-	0.4095%	8	-	-
June	Year 2018	-	0.4095%	7	-	-
July	Year 2018	-	0.4095%	6	-	-
August	Year 2018	-	0.4095%	5	-	-
September	Year 2018	-	0.4095%	4	-	-
October	Year 2018	-	0.4095%	3	-	-
November	Year 2018	-	0.4095%	2	-	-
December	Year 2018	-	0.4095%	1	-	-
				-	-	-

				Annual		
January through December	Year 2019	-	0.4095%	12	-	-

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2020	-	0.4095%	-	-	-
February	Year 2020	-	0.4095%	-	-	-
March	Year 2020	-	0.4095%	-	-	-
April	Year 2020	-	0.4095%	-	-	-
May	Year 2020	-	0.4095%	-	-	-
June	Year 2020	-	0.4095%	-	-	-
July	Year 2020	-	0.4095%	-	-	-
August	Year 2020	-	0.4095%	-	-	-
September	Year 2020	-	0.4095%	-	-	-
October	Year 2020	-	0.4095%	-	-	-
November	Year 2020	-	0.4095%	-	-	-
December	Year 2020	-	0.4095%	-	-	-
				-	-	-

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

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

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

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

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.4095%				

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

<u>Calculation of Interest</u>			Monthly			
January	Year 2018	-	0.4095%	12	-	-
February	Year 2018	-	0.4095%	11	-	-
March	Year 2018	-	0.4095%	10	-	-
April	Year 2018	-	0.4095%	9	-	-
May	Year 2018	-	0.4095%	8	-	-
June	Year 2018	-	0.4095%	7	-	-
July	Year 2018	-	0.4095%	6	-	-
August	Year 2018	-	0.4095%	5	-	-
September	Year 2018	-	0.4095%	4	-	-
October	Year 2018	-	0.4095%	3	-	-
November	Year 2018	-	0.4095%	2	-	-
December	Year 2018	-	0.4095%	1	-	-
				-	-	-

			Annual			
January through December	Year 2019	-	0.4095%	12	-	-

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>			Monthly			
January	Year 2020	-	0.4095%	-	-	-
February	Year 2020	-	0.4095%	-	-	-
March	Year 2020	-	0.4095%	-	-	-
April	Year 2020	-	0.4095%	-	-	-
May	Year 2020	-	0.4095%	-	-	-
June	Year 2020	-	0.4095%	-	-	-
July	Year 2020	-	0.4095%	-	-	-
August	Year 2020	-	0.4095%	-	-	-
September	Year 2020	-	0.4095%	-	-	-
October	Year 2020	-	0.4095%	-	-	-
November	Year 2020	-	0.4095%	-	-	-
December	Year 2020	-	0.4095%	-	-	-
				-	-	-

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

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