

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

KENTUCKY POWER COMPANY

Twelve Months Ended 2023

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 130)	Total	DA	Allocator 1.00000	\$83,059,792
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	364,000			\$ 364,000
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				\$ -
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)				\$ 82,695,792

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	((In 1 - In 95)/((In 42) x 100))			15.91%
8	Monthly Rate	(In 7 / 12)			1.33%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	((In 1 - In 95 - In 100) /((In 42) x 100))			11.94%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	((In 1 - In 95 - In 100 - In 125 - In 126) /((In 42) x 100))			4.16%
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			1,957,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				1,145,000
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				344,000
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			468,000

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	(1)	(2)	(3)	(4)	(5)	
	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>	
Line No.	GROSS PLANT IN SERVICE					
19	Production	(Worksheet A in 14.(b))	1,248,945,000	NA	0.00000	-
20	Less: Production ARO (Enter Negative)	(Worksheet A in 14.(c))	(9,185,000)	NA	0.00000	-
21	Transmission	(Worksheet A in 14.(d) & TCOS Ln 134)	786,619,000	DA		774,411,000
22	Less: Transmission ARO (Enter Negative)	(Worksheet A in 14.(e))	-	TP	0.98448	-
23	Distribution	(Worksheet A in 14.(f))	1,054,422,000	NA	0.00000	-
24	Less: Distribution ARO (Enter Negative)	(Worksheet A in 14.(g))	-	NA	0.00000	-
25	General Plant	(Worksheet A in 14.(h))	76,893,000	W/S	0.08723	6,707,153
26	Less: General Plant ARO (Enter Negative)	(Worksheet A in 14.(i))	-	W/S	0.08723	-
27	Intangible Plant	(Worksheet A in 14.(j))	69,299,000	W/S	0.08723	6,044,750
28	TOTAL GROSS PLANT	(sum Ins 19 to 27)	3,226,993,000	GP	0.243931	787,162,903
				GTD=	0.42064	
29	ACCUMULATED DEPRECIATION AND AMORTIZATION					
30	Production	(Worksheet A in 28.(b))	576,711,000	NA	0.00000	-
31	Less: Production ARO (Enter Negative)	(Worksheet A in 28.(c))	(6,296,000)	NA	0.00000	-
32	Transmission	(Worksheet A in 28.(d) & In 43.(c))	259,016,000	TP1=	0.97454	252,422,000
33	Less: Transmission ARO (Enter Negative)	(Worksheet A in 28.(e))	-	TP1=	0.97454	-
34	Distribution	(Worksheet A in 28.(f))	313,510,000	NA	0.00000	-
35	Less: Distribution ARO (Enter Negative)	(Worksheet A in 28.(g))	-	NA	0.00000	-
36	General Plant	(Worksheet A in 28.(h))	23,351,000	W/S	0.08723	2,036,840
37	Less: General Plant ARO (Enter Negative)	(Worksheet A in 28.(i))	-	W/S	0.08723	-
38	Intangible Plant	(Worksheet A in 28.(j))	29,299,000	W/S	0.08723	2,555,667
39	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 30 to 38)	1,195,591,000			257,014,506
40	NET PLANT IN SERVICE					
41	Production	(In 19 + In 20 - In 30 - In 31)	669,345,000			-
42	Transmission	(In 21 + In 22 - In 32 - In 33)	527,603,000			521,989,000
43	Distribution	(In 23 + In 24 - In 34 - In 35)	740,912,000			-
44	General Plant	(In 25 + In 26 - In 36 - In 37)	53,542,000			4,670,313
45	Intangible Plant	(In 27 - In 38)	40,000,000			3,489,084
46	TOTAL NET PLANT IN SERVICE	(sum Ins 41 to 45)	2,031,402,000	NP	0.260977	530,148,397
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
48	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	(49,229,000)	NA		-
49	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(367,826,000)	DA		(92,298,500)
50	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(140,537,000)	DA		(1,995,500)
51	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	65,776,500	DA		53,595,500
52	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA		-
53	TOTAL ADJUSTMENTS	(sum Ins 48 to 52)	(491,815,500)			(40,698,500)
54	PLANT HELD FOR FUTURE USE	(Worksheet A in 44.(e) & In 45.(e))	6,232,000	DA		-
55	REGULATORY ASSETS	(Worksheet A in 51.(e))	-	DA		-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A in 54.(e))	(444,000)	W/S	0.08723	(38,729)
57	WORKING CAPITAL	(Note E)				
58	Cash Working Capital	(1/8 * In 78)	1,524,625			1,500,963
59	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	10,000	TP	0.98448	9,845
60	A&G Materials & Supplies	(Worksheet C, In 3.(F))	45,000	W/S	0.08723	3,925
61	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.24393	-
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	69,685,000	W/S	0.08723	6,078,420
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	1,262,000	GP	0.24393	307,841
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000	-
65	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(68,208,500)	NA	0.00000	-
66	TOTAL WORKING CAPITAL	(sum Ins 58 to 65)	4,318,125			7,900,994
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA	1.00000	-
68	RATE BASE (sum Ins 46, 53, 54, 55, 56, 66, 67)		1,549,692,625			497,312,162

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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		
	71	Distribution	322.156.b		
	72	Customer Related Expense	322 & 323.164,171,178.b		
	73	Regional Marketing Expenses	322.131.b		
	74	Transmission	321.112.b		
	75	TOTAL O&M EXPENSES	(sum Ins 69 to 73)		
	76	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)		
	77	Less: Account 565	(Note H) 321.96.b		
	78	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)		
	79	Total O&M Allocable to Transmission	(Ins 73 - 75 - 76 - 77)	TP	0.98448
	80	Administrative and General	323.197.b (Notes J and M)		
	81	Less: Acct. 924, Property Insurance	323.185.b		
	82	Acct. 9260057 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)		
	83	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)		
	84	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)		
	85	Acct. 928, Reg. Com. Exp.	323.189.b		
	86	Acct. 930.1, Gen. Advert. Exp.	323.191.b		
	87	Acct. 930.2, Misc. Gen. Exp.	323.192.b		
	88	Balance of A & G	(In 79 - sum In 80 to In 86)	W/S	0.08723
	89	Plus: Acct. 924, Property Insurance	(In 80)	GP	0.24393
	90	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	TP	0.98448
	91	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	TP	0.98448
	92	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	DA	1.00000
	93	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	W/S	0.08723
	94	A & G Subtotal	(sum Ins 87 to 92)		
	95	O & M EXPENSE SUBTOTAL	(In 78 + In 93)		
	96	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		DA	1.00000
	97	TOTAL O & M EXPENSE	(In 94 + In 95)		
	98	DEPRECIATION AND AMORTIZATION EXPENSE			
	99	Production	336.2-6.f	NA	0.00000
	100	Distribution	336.8.f	NA	0.00000
	101	Transmission	336.7.f	TP1	0.97454
	102	General	336.10.f	W/S	0.08723
	103	Intangible	336.1.1	W/S	0.08723
	104	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 98+99+100+101+102)		
	105	TAXES OTHER THAN INCOME	(Note N)		
	106	Labor Related			
	107	Payroll	Worksheet H In 24.(D)	W/S	0.08723
	108	Plant Related			
	109	Property	Worksheet H In 24.(C)	DA	0.24393
	110	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	NA	0.00000
	111	Other	Worksheet H In 24.(E)	GP	0.24393
	112	TOTAL OTHER TAXES	(sum Ins 106 to 110)		
	113	INCOME TAXES	(Note O)		
	114	T=1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =	28.68%		
	115	EIT=((T/(1-T)) * (1-(WCLTD/WACC))) =	28.71%		
	116	where WCLTD=(In 154) and WACC = (In 157)			
	117	and FIT, SIT & p are as given in Note O.			
	118	GRCF=1 / (1 - T) = (from In 113)	1.4021		
	119	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)		
	120	Excess Deferred Income Tax	(Note U)	DA	1.350,000
	121	Tax Effect of Permanent and Flow-Through Differences	(Note U)	DA	707,000
	122	Income Tax Calculation	(In 114 * In 126)		
	123	ITC adjustment	(In 117 * In 118)	GP	0.24393
	124	Excess Deferred Income Tax	(In 117 * In 119)		
	125	Tax Effect of Permanent and Flow-Through Differences	(In 117 * In 120)		
	126	TOTAL INCOME TAXES	(sum Ins 121 to 124)		
	127	RETURN ON RATE BASE (Rate Base*WACC)	(In 68 * In 157)		
	128	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		DA	1.00000
	129	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))			
	130	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 128 * In114)			
	131	TOTAL REVENUE REQUIREMENT			
	132	(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)							786,619,000	
132	Less transmission plant excluded from PJM Tariff (Worksheet A, In 42, Col. (d)) (Note P)								-	
133	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 42, Col. (b)) (Note Q)								12,208,000	
134	Transmission plant included in PJM Tariff	(In 131 - In 132 - In 133)							774,411,000	
135	Percent of transmission plant in PJM Tariff	(In 134 / In 131)						TP=	0.98448	
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)								
137	Production	354.20.b	13,341,000	7,668,000	21,009,000	NA	0.00000		-	
138	Transmission	354.21.b	6,000	3,297,000	3,303,000	TP	0.98448		3,251,739	
139	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000		-	
140	Distribution	354.23.b	8,553,000	1,044,000	9,597,000	NA	0.00000		-	
141	Other (Excludes A&G)	354.24,25,26.b	1,530,000	1,840,000	3,370,000	NA	0.00000		-	
142	Total	(sum Ins 137 to 141)	23,430,000	13,849,000	37,279,000			W/S=	0.08723	
143	Transmission related amount									
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$	
145	Long Term Interest	(Worksheet M, In. 37, col. (d))							37,688,000	
146	Preferred Dividends	(Worksheet M, In. 71)							-	
147	Development of Common Stock:									
148	Proprietary Capital	(Worksheet M, In. 14, col. (b))							909,848,000	
149	Less: Preferred Stock	(Worksheet M, In. 14, col. (c))							-	
150	Less: Account 216.1	(Worksheet M, In. 14, col. (d))							-	
151	Less: Account 219	(Worksheet M, In. 14, col. (e))							895,000	
152	Common Stock	(In 148 - In 149 - In 150 - In 151)							908,953,000	
153										
154	Long Term Debt (Note T) Worksheet M, In 28, col. (g), In 38, col. (d))		1,124,230,769	55.29%	55.29%	3.35%			0.0185	
155	Preferred Stock (In 149)		-	0.00%	0.00%	-			0.0000	
156	Common Stock (In 152)		908,953,000	44.71%	44.71%	10.35%			0.0463	
157	Total (Sum Ins 154 to 156)		2,033,183,769				WACC=		0.0648	
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(f)-1(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 11b) multiplied by (1/(1-T)) - If the applicable tax rates are zero enter 0.
Inputs Required:
- | | |
|-------|---|
| FIT = | 21.00% |
| SIT = | 9.72% (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) / Long-Term Debt (In 154). Preferred Stock cost rate = preferred dividends (In 146) / preferred outstanding (In 155).
Common Stock cost rate (ROE) = 10.35%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO Membership.
The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M.
Eligible Hedging Gains and Losses are computed on Worksheet M. The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.
- T The Long Term Debt balance for I&M includes the accumulated balance of principle and related interest for Spent Nuclear Fuel Disposal Costs collected prior to April 7, 1983.
This total balance of \$265,249,280 at 12/31/12 is not included in the balance in line 154 above.
The cost rates for long-term debt shall include interest expense and related periodic expenses (such as remarketing and letter of credit fees) as recorded in FERC Account 427 or 430, amortization of issuance costs (including insurance) and discounts as recorded in FERC Account 428, issuance premiums as recorded in FERC Account 429 and losses or gains on reacquired debt as recorded in FERC Accounts 428.1 or 429.1, respectively. The cost rates for preferred stock (if applicable) shall include the dividends.
- U Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
- V Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.
- W The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- X Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
- Y The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.
- 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.

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

Line No	Month (a)	Gross Plant In Service								
		Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	FF1, page 205&204, Col.(g)&(b), In 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	1,237,425,000	9,185,000	771,268,000		1,032,986,000		76,749,000		61,761,000
2	January	1,237,624,000	9,185,000	772,372,000		1,037,936,000		76,748,000		63,307,000
3	February	1,238,057,000	9,185,000	772,625,000		1,042,378,000		76,748,000		65,019,000
4	March	1,238,983,000	9,185,000	772,742,000		1,046,226,000		76,746,000		65,078,000
5	April	1,240,570,000	9,185,000	772,847,000		1,049,549,000		76,759,000		66,778,000
6	May	1,245,297,000	9,185,000	773,019,000		1,052,437,000		76,780,000		68,406,000
7	June	1,253,505,000	9,185,000	774,782,000		1,055,312,000		76,807,000		68,756,000
8	July	1,254,458,000	9,185,000	778,528,000		1,058,110,000		76,837,000		70,405,000
9	August	1,254,908,000	9,185,000	782,478,000		1,060,852,000		76,896,000		72,058,000
10	September	1,255,549,000	9,185,000	785,635,000		1,063,713,000		76,971,000		72,979,000
11	October	1,256,537,000	9,185,000	792,085,000		1,066,509,000		77,046,000		74,648,000
12	November	1,257,458,000	9,185,000	836,201,000		1,069,319,000		77,121,000		76,314,000
13	December of Rate Year	1,265,910,000	9,185,000	841,459,000		1,072,165,000		77,400,000		75,384,000
14	Average of the 13 Monthly Balances	1,248,945,000	9,185,000	786,619,000	-	1,054,422,000	-	76,893,000	-	69,299,000

Line No	Month (a)	Accumulated Depreciation								
		Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 219, In 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 26, Col. (b)	Company Records (Included in total in Column (f))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (i))	FF1, page 200, In 21, Col. (b)
15	December Prior to Rate Year	561,368,000	6,134,000	252,155,000		302,676,000		21,819,000		26,078,000
16	January	564,021,000	6,161,000	253,292,000		304,453,000		22,074,000		26,949,000
17	February	566,675,000	6,188,000	254,431,000		306,232,000		22,330,000		27,846,000
18	March	569,180,000	6,215,000	255,570,000		308,024,000		22,585,000		26,992,000
19	April	571,689,000	6,242,000	256,708,000		309,825,000		22,840,000		27,921,000
20	May	574,202,000	6,269,000	257,847,000		311,633,000		23,095,000		28,878,000
21	June	576,662,000	6,296,000	258,986,000		313,451,000		23,350,000		28,584,000
22	July	579,204,000	6,323,000	260,128,000		315,277,000		23,606,000		29,575,000
23	August	581,749,000	6,350,000	261,277,000		317,111,000		23,861,000		30,593,000
24	September	584,296,000	6,377,000	262,433,000		318,953,000		24,116,000		30,897,000
25	October	586,846,000	6,405,000	263,594,000		320,803,000		24,372,000		31,959,000
26	November	589,399,000	6,432,000	264,766,000		322,662,000		24,628,000		33,049,000
27	December of Rate Year	591,955,000	6,459,000	266,017,000		324,529,000		24,884,000		31,566,000
28	Average of the 13 Monthly Balances	576,711,000	6,296,000	259,016,000	-	313,510,000	-	23,351,000	-	29,299,000

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (b) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year	12,208,000	6,463,000		
30	January	12,208,000	6,485,000		
31	February	12,208,000	6,507,000		
32	March	12,208,000	6,529,000		
33	April	12,208,000	6,550,000		
34	May	12,208,000	6,572,000		
35	June	12,208,000	6,594,000		
36	July	12,208,000	6,616,000		
37	August	12,208,000	6,638,000		
38	September	12,208,000	6,660,000		
39	October	12,208,000	6,682,000		
40	November	12,208,000	6,704,000		
41	December of Rate Year	12,208,000	6,725,000		
42	Average of the 13 Monthly Balances	12,208,000	6,594,000	-	-

43 Transmission Accum Depreciation net of GSU 252,422,000

Plant Held For Future Use		Source of Data	Balance @ December 31, 2023	Balance @ December 31, 2022	Average Balance for 2023
(a)	(b)	(c)	(d)	(e)	
44 Plant Held For Future Use	FF1, page 214, ln 47, Col. (d)	6,232,000	6,232,000		6,232,000
45 Transmission Plant Held For Future Use (Included in total on line 44)	Company Records - Note 1	-	-		-
Regulatory Assets and Liabilities Approved for Recovery in Ratebase					
Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.					
46					-
47					-
48					-
49					-
50					-
51	Total Regulatory Deferrals Included in Ratebase		-	-	-

Unfunded Reserves Summary (Company Records)

	Description	Account			
52					
53a	Accum Prv I/D Worker's Com		444,000	444,000	444,000
53b					-
54	Total		444,000	444,000	444,000

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

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

Line Number	(A) Description	(B) Source	(C) Balance @ December 31, 2023	(D) Balance @ December 31, 2022	(E) Average Balance for 2023
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	49,540,000	48,918,000	49,229,000
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)	49,540,000	48,918,000	49,229,000
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	370,374,000	365,278,000	367,826,000
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	15,366,000	15,366,000	15,366,000
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	262,414,000	257,909,000	260,161,500
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	92,594,000	92,003,000	92,298,500
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	141,407,000	139,667,000	140,537,000
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	24,581,000	24,581,000	24,581,000
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	114,818,000	113,103,000	113,960,500
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	2,008,000	1,983,000	1,995,500
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	62,414,000	69,139,000	65,776,500
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	5,171,000	5,171,000	5,171,000
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	6,871,000	7,149,000	7,010,000
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	50,371,000	56,819,000	53,595,500
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section 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.

DEBIT (CREDIT)

3 TOTAL ACCOUNT 190
4 ACCOUNT 190 - ARO-Related Deferrals

KENTUCKY POWER COMPANY, INC.

Worksheet B-3

Excess/ Deficient ADIT Worksheet for Total Company and Functional Balances

For Year Ended December 31, 2023

Debit/(Credit)

A	B	C	D	E
TOTAL COMPANY BALANCES				

Line No.	Account (NOTE A)	Description of Account	Protected Unprotected	Tax Rate Change Act
Deferred Tax Account (NOTE B)				
1a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
1b	2811001	ADFIT - Accel Amortization Property	Protected	TCJA 2017
1c	2814001	ADFIT - Accel Amort FAS 109 Excess	Protected	TCJA 2017
1d	2821001	ADFIT - Utility Property	Protected	TCJA 2017
1e	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
1f	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
1g	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
1h	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
1i	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
1j	NOTE E			
Regulatory Deferral Accounts				
2a	182.3	Regulatory Asset		TCJA 2017
2b	254	Regulatory Liability		TCJA 2017
2c	NOTE E			
3	Total For Accounting Entires (Sum of Lines 1a through 2c)			

TRANSMISSION FUNCTION BALANCES

Deferred Tax Account (NOTE B)				
4a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
4b	2821001	ADFIT - Utility Property	Protected	TCJA 2017
4c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
4d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
4e	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
4f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
4g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
4h	NOTE E			
Regulatory Deferral Accounts				
5a	182.3	Regulatory Asset		TCJA 2017
5b	254	Regulatory Liability		TCJA 2017
5c	NOTE E			
6	Total For Accounting Entires (Sum of Lines 4a through 5c)			

GENERAL NOTE: ADIT Tax balances provided in the formula presented in Attachment H-14B are maintained on both a total company and transmission functional summary.

NOTE A: In order to ensure ratebase neutrality, AEP utilizes the fourth digit of its seven digit FERC Tax subaccount number. The fourth digit of a FERC tax account refers to the utility operations balances or activity. Accounts with the "1" in the fourth position of the account number indicates accounts used to track regulatory accounting requirements balance, which will ensure that in the formula rate the excess or deficiency amounts will be part of ratebase, but the amounts recorded in the "4" accounts will be offset on a net basis in the regulatory asset or liability subaccount.

NOTE B: The amount of the FIT gross up to recorded on regulatory assets and liabilities will be reported on the first line.

NOTE C: The amounts of the remeasurement shown here are as of the effective date of the change in tax rates and will

NOTE D: The ten year amortization period for unprotected excess ADIT is consistent with the period agreed upon by the Company and the FERC (FERC #61,125 (2010)).

NOTE E: In the event of future tax rate changes, additional lines will be inserted in both the total company and transmission functional summary that may be necessary to track that tax rate change.

NOTE F: The amount of excess amortization entries shown in lines 1a through 1j and 4a through 4h are shown as a debit and 6 is the offset recorded to the 410/411 account and will tie to the total company and transmission functional summary service.

tal company and transmission functional basis. Because both sets of numbers are presented in the on on this worksheet. Account 281 only applies to the generation function, so is not presented in the

numbers to identify balances associated with utility operations vs regulatory reporting requirements. A "1" in " designation will be included in the determination of ratebase to be recovered in the formula rate. A "4" nts. The excess ADIT amounts recorded in accounts with the "4" designation will be contra to the "1" ut at the total FERC account level the tax liability or asset will be recorded at the current Federal FIT rate. account established for this purpose.

of ADIT accounts provided for each specific change in tax rates.
remain static on this workpaper.

Company and its customers and approved for the Company's PJM formula rates. *Appalachian Power*

modification of accounts above as required to reflect any new ADIT or regulatory account accounts

debit or credit to the ADIT account from which it is being amortized. The total in line 3 al amounts of excess or deficient ADIT amortization shown on line 119 of the cost of

K	L	M	N	O	P
	Balance Sheet Entries		Tax Expense Entries		12/31/2022 Er

Balance Sheet Account Reclassifications	182.3	254	410/411 Excess Amortization	410/411 Deferred Tax Expense/ (Benefit)	Excess ADIT Regulatory Offset
					Sum of Co

					-
					-
					-
					-
					-

				-
				-

-	-	-	-	-	-
---	---	---	---	---	---

NOTE F

					Sum of Co
--	--	--	--	--	-----------

					-
					-
					-
					-

				-
				-

-	-	-	-	-	-
---	---	---	---	---	---

NOTE F

Q
Ending Balance

R

Excess ADIT in Utility
Deferrals

Reference

Cols (I) - (O)

	WS B - 2 Col B/C, ADIT item 2.78
-	Company Records
	WS B-1 Col B/C ADIT item 2.06
-	
-	WS B - 1 Cols M+N+O , ADIT Item 5.33
	WS B - 1 Col C, ADIT Item 5.36
-	WS B - 1 Col C, ADIT Item 9.68
	WS B - 1 Col C, ADIT Item 9.71

Company Records
FERC Form 1 p. 278 Ln. 3 Cols, (b) /(f)

-

Cols (I) - (O)

	Company Records
-	
-	WS B - 1 Col N, ADIT 5.33
	Company Records
-	WS B - 1 Col N, item 9.68
	Company Records

Company Records
Company Records

-

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, 2023	Balance @ December 31, 2022	Average Balance for 2023				
1								
2	Transmission Materials & Supplies	FF1, p. 227, In 8, Col. (c) & (b)	10,000	10,000	10,000			
3	General Materials & Supplies	FF1, p. 227, In 11, Col. (c) & (b)	45,000	45,000	45,000			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, In 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary (Note 1)

		<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>
5							
6	Totals as of December 31, 2023	3,099,000	(68,025,000)	0	1,428,000	69,696,000	71,124,000
7	Totals as of December 31, 2022	2,378,000	(68,392,000)		1,096,000	69,674,000	70,770,000
8	Average Balance	<u>2,738,500</u>	<u>(68,208,500)</u>	<u>-</u>	<u>1,262,000</u>	<u>69,685,000</u>	<u>70,947,000</u>

Prepayments Account 165 - Balance @ 12/31/2023

9	Acc. No.	Description	2023 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	687,000	-		687,000		687,000	Plant Related Insurance Policies
11	1650005	Prepaid Employee Benefits	0	-				-	
12	1650006	Other Prepayments	90,000	90,000				-	Prepaid - Gen
13	165000220	Prepaid Taxes	853,000	853,000				-	Prepaid Interest - Distribution
14	1650009	Prepaid Carry Cost-Factored AR	246,000	246,000				-	AR Factoring
15	1650010	Prepaid Pension Benefits	39,557,000	-			39,557,000	39,557,000	Pension
16	1650014	FAS 158 Qual Contra Asset	(39,557,000)	(39,557,000)				-	SFAS 158 Contra Acct
17	1650016	FAS 112 ASSETS	0	-				-	
18	165001220	Prepaid Use Taxes	33,000	33,000				-	Prepaid Tax - Dist
19	1650011120	Prepaid Sales Taxes	403,000	403,000				-	SFAS 112 Overfunding Asset
20	1650021	Prepaid Insurance - EIS	741,000	-		741,000		741,000	Plant Related Insurance Policies
21	1650023	Prepaid Lease	46,000	46,000				-	Prepaid Lease - Dist
22	1650031	Prepaid OCIP Work Comp	0	-				-	
23	1650033	Prepaid OCIP Work Comp-Alt	0	-				-	
24	1650035	PRW Without Med-D Benefits	30,139,000	-			30,139,000	30,139,000	Labor Related Expense
25	1650036	PRW for Med-D Benefits	0	-				-	
26	1650037	FAS 158 Contra-PRW Exc Med-D	(30,139,000)	(30,139,000)				-	SFAS 158 Offset
27									
28									
29									
30		Subtotal - Form 1, p 111.57.c	3,099,000	(68,025,000)	0	1,428,000	69,696,000	71,124,000	

Prepayments Account 165 - Balance @ 12/31/ 2022

31	Acc. No.	Description	2022 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	527,000	-		527,000		527,000	Plant Related Insurance Policies
33	1650005	Prepaid Employee Benefits	0	-				-	
34	1650006	Other Prepayments	69,000	69,000				-	Prepaid - Gen
35	165000220	Prepaid Taxes	655,000	655,000				-	Prepaid Interest - Distribution
36	1650009	Prepaid Carry Cost-Factored AR	189,000	189,000				-	AR Factoring
37	1650010	Prepaid Pension Benefits	42,933,000	-			42,933,000	42,933,000	Pension
38	1650014	FAS 158 Qual Contra Asset	(42,933,000)	(42,933,000)				-	SFAS 158 Contra Acct
39	1650016	FAS 112 ASSETS	0	-				-	
40	165001220	Prepaid Use Taxes	25,000	25,000				-	Prepaid Tax - Dist
41	1650011120	Prepaid Sales Taxes	309,000	309,000				-	SFAS 112 Overfunding Asset
42	1650021	Prepaid Insurance - EIS	569,000	-		569,000		569,000	Plant Related Insurance Policies
43	1650023	Prepaid Lease	35,000	35,000				-	Prepaid Lease - Dist
44	1650031	Prepaid OCIP Work Comp	0	-				-	
45	1650033	Prepaid OCIP Work Comp-Alt	0	-				-	
46	1650035	PRW Without Med-D Benefits	26,741,000	-			26,741,000	26,741,000	Labor Related Expense
47	1650036	PRW for Med-D Benefits	0	-				-	
48	1650037	FAS 158 Contra-PRW Exc Med-D	(26,741,000)	(26,741,000)				-	SFAS 158 Offset
49									
50									
51									
52		Subtotal - Form 1, p 111.57.d	2,378,000	(68,392,000)		1,096,000	69,674,000	70,770,000	

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 USdA 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) 2023</u>
1	Net Funds from IPP Customers 12/31/2022 (2023 FORM 1, P269)	0
2	Interest Accrual (Company Records - Note 1)	0
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2023 (2023 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	-
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)	4,493,000	4,493,000	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	-	-	-
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	7,502,000	7,138,000	364,000
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	82,000	82,000	-
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	28,245,000	28,245,000	-
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	40,322,000	39,958,000	364,000
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	40,322,000	39,958,000	364,000

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

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

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

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

<u>Line</u> <u>Number</u>	<u>(A)</u> <u>Item No.</u>	<u>(B)</u> <u>Description</u>	<u>(C)</u> <u>2023</u> <u>Expense</u>	<u>(D)</u> <u>100%</u> <u>Non-Transmission</u>	<u>(E)</u> <u>100%</u> <u>Transmission</u> <u>Specific</u>	<u>(F)</u> <u>Explanation</u>
<u>Regulatory O&M Deferrals & Amortizations</u>						
1	5660009	PJM/OATT Over/Under Recovery	(4,568,000)			
2						
3						
4		Total	(4,568,000)			
<u>Detail of Account 561 Per FERC Form 1</u>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	0			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	367,000			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	0			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	1,145,000			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	101,000			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	0			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	0			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	344,000			
14		Total of Account 561	1,957,000			
<u>Account 928</u>						
15	9280000	Regulatory Commission Exp	-	-	-	
16	9280001	Regulatory Commission Exp-Case	-	-	-	
17	9280002	Regulatory Commission Exp-Case	112,000	112,000	-	
18	9280005	Reg Com Exp-FERC Trans Cases	1,000	1,000	-	
19						
20		Total (FERC Form 1 p.323.189.b)	113,000	113,000	-	
<u>Account 930.1</u>						
21	9301000	General Advertising Expenses	7,000	7,000	-	
22	9301001	Newspaper Advertising Space	2,000	2,000	-	
23	9301002	Radio Station Advertising Time	12,000	12,000	-	
24	9301003	TV Station Advertising Time	-	-	-	
25	9301009	Fairs, Shows, and Exhibits	-	-	-	
26	9301010	Publicity	-	-	-	
27	9301012	Public Opinion Surveys	12,000	12,000	-	
28	9301014	Video Communications	-	-	-	
29	9301015	Other Corporate Comm Exp	4,000	4,000	-	
30						
31						
32						
33						
34						
35						
36						
37		Total (FERC Form 1 p.323.191.b)	37,000	37,000	-	
<u>Account 930.2</u>						
38	9302000	Misc General Expenses	99,000	99,000		
39	9302003	Corporate & Fiscal Expenses	25,000	25,000		
40	9302004	Research, Develop&Demonstr Exp	-	-		
41	9302006	Assoc Business Development Materials Sold	69,000	69,000		
42	9302007	Assoc Business Development Exp	994,000	976,000	18,000	
43		Total (FERC Form 1 p.323.192.b)	1,187,000	1,169,000	18,000	

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

Kentucky Income Tax Rate	5.00%	
Apportionment Factor - Note 1	92.00%	
Effective State Tax Rate		4.60%
West Virginia Income Tax Rate	6.50%	
Apportionment Factor - Note 1	77.29%	
Effective State Tax Rate		5.02%
Michigan Corporate Income Tax	6.00%	
Apportionment Factor - Note 1	0.00%	
Effective State Tax Rate		0.00%
Ohio Franchise Tax Rate	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Indiana Income Tax Rate	4.90%	
Apportionment Factor - Note 1	0.00%	
Effective State Tax Rate		0.00%
Illinois Corporation Income Tax Rate	9.50%	
Apportionment Factor - Note 1	1.00%	
Effective State Tax Rate		0.10%
Total Effective State Income Tax Rate		9.72%

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

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

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	Gross Receipts Tax	30,000				30,000
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Kentucky	15,333,000	15,333,000			
5	Real and Personal Property - West Virginia	3,249,000	3,249,000			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	1,913,000		1,913,000		
10	Federal Unemployment Tax	2,000		2,000		
11	State Unemployment Insurance	8,000		8,000		
12	Production Taxes					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	6,343,000				6,343,000
16	State Public Service Commission Fees	1,217,000			1,217,000	
17	State Franchise Taxes	545,000			545,000	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	93,000				93,000
21	Federal Excise Tax	6,000				6,000
22	Michigan Single Business Tax	-				-
23						
24	Total Taxes by Allocable Basis	28,739,000	18,582,000	1,923,000	1,762,000	6,472,000

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

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

Functional Property Tax Allocation

	Production	Transmission	Distribution	General	Total
25 Functionalized Net Plant (TCOS, Lns 41 thru 46)	669,345,000	527,603,000	740,912,000	53,542,000	1,991,402,000
KENTUCKY JURISDICTION					
26 Percentage of Plant in KENTUCKY JURISDICTION	14.77%	98.35%	100.00%	99.76%	
27 Net Plant in KENTUCKY JURISDICTION (Ln 25 * Ln 26)	98,866,425	518,904,970	740,885,964	53,413,956	1,412,071,315
28 Less: Net Value of Exempted Generation Plant	18,779,038				
29 Taxable Property Basis (Ln 27 - Ln 28)	80,087,387	518,904,970	740,885,964	53,413,956	1,393,292,277
30 Relative Valuation Factor	33.00%	100.00%	100.00%	100.00%	
31 Weighted Net Plant (Ln 29 * Ln 30)	26,428,838	518,904,970	740,885,964	53,413,956	
32 General Plant Allocator (Ln 31 / (Total - General Plant))	2.05%	40.34%	57.60%	-100.00%	
33 Functionalized General Plant (Ln 32 * General Plant)	1,097,533	21,549,013	30,767,409	(53,413,956)	-
34 Weighted KENTUCKY JURISDICTION Plant (Ln 31 + 33)	27,526,371	540,453,983	771,653,373	(0)	1,339,633,727
35 Functional Percentage (Ln 34/Total Ln 34)	2.05%	40.34%	57.60%		
WEST VIRGINIA JURISDICTION					
46 Net Plant in WEST VIRGINIA JURISDICTION (Ln 25 - Ln 27 - Ln 37)	570,478,575	8,698,030	26,036	128,044	579,330,685
47 Less: Net Value Exempted Generation Plant	371,595,665				
48 Taxable Property Basis	198,882,910	8,698,030	26,036	128,044	207,735,020
49 Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
50 Weighted Net Plant (Ln 48 * Ln 49)	198,882,910	8,698,030	26,036	128,044	
51 General Plant Allocator (Ln 50 / (Total - General Plant))	95.80%	4.19%	0.01%	-100.00%	
52 Functionalized General Plant (Ln 52 * General Plant)	122,663	5,365	16	(128,044)	
53 Weighted WEST VIRGINIA JURISDICTION Plant (Ln 50 + 52)	199,005,573	8,703,395	26,052	0	207,735,020
54 Functional Percentage (Ln 53/Total Ln 53)	95.80%	4.19%	0.01%		

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
----------	---	----------------------	-----------------------------	------------------------------

Revenue Taxes

Gross Receipts Tax

30,000

30,000

Line No.	(A) Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
----------	---	-----------------	----------------------	-----------------------------	------------------------------	---------------------------------	---------------------------------------

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

18,582,000

6,321,978

Real and Personal Property - Kentucky

2022

15,333,000

15,333,000

40.34%

6,185,856

Real and Personal Property - W Va

2022

3,249,000

3,249,000

4.19%

136,122

Real and Personal Property - Tennessee

-

-

0.00%

-

Real and Personal Property - Other Jurisdictions

-

-

0.00%

-

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

Payroll Taxes

Federal Insurance Contribution (FICA)

1,913,000

1,913,000

Federal Unemployment Tax

2,000

2,000

State Unemployment Insurance

8,000

8,000

Production Taxes

State Severance Taxes

-

Miscellaneous Taxes

State Business & Occupation Tax

6,343,000

6,343,000

State Public Service Commission Fees

1,217,000

1,217,000

State Franchise Taxes

545,000

545,000

State Lic/Registration Fee

-

-

Misc. State and Local Tax

-

-

Sales & Use

93,000

93,000

Federal Excise Tax

6,000

6,000

Michigan Single Business Tax

-

-

Total Taxes by Allocable Basis
(Total Company Amount Ties to FF1 p.114, Ln 14.(c))

28,739,000

28,739,000

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

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

13984000

AEP East Companies
Cost of Service Formula Rate Using 2023 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
KENTUCKY POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using 2023 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
KENTUCKY POWER COMPANY

Page 1 of 2

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

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

ROE w/o incentives (TCOS, ln 156)			10.35%
Project ROE Incentive Adder			
ROE with additional basis point incentive			10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through 156)			
	%	Cost	Weighted cost
Long Term Debt	55.29%	3.35%	1.854%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	44.71%	10.35%	4.627%
		R =	6.481%

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

Rate Base (TCOS, ln 68)	497,312,162
R (from A. above)	6.481%
Return (Rate Base x R)	32,229,333

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

Return (from B. above)	32,229,333
Effective Tax Rate (TCOS, ln 114)	28.71%
Income Tax Calculation (Return x CIT)	9,252,872
ITC Adjustment	-
Excess Deferred Income Tax	(1,892,845)
Tax Affect of Permanent Differences	991,290
Income Taxes	8,351,317

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
	Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2023	-	\$ -

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

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

Annual Revenue Requirement (TCOS, ln 1)	83,059,792
Lease Payments (TCOS, Ln 95)	-
Return (TCOS, ln 126)	32,229,333
Income Taxes (TCOS, ln 125)	8,351,317
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	42,479,143

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	42,479,143
Return (from I.B. above)	32,229,333
Income Taxes (from I.C. above)	8,351,317
Annual Revenue Requirement, with Basis Point ROE increase	83,059,792
Depreciation (TCOS, ln 100)	20,754,823
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	62,304,969

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (TCOS, ln 42)	521,989,000
Annual Revenue Requirement, with Basis Point ROE increase	83,059,792
FCR with Basis Point increase in ROE	15.91%
Annual Rev. Req. w / Basis Point ROE increase, less Dep.	62,304,969
FCR with Basis Point ROE increase, less Depreciation	11.94%
FCR less Depreciation (TCOS, ln 10)	11.94%
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2023 (TCOS, ln 21)	774,411,000
Annual Depreciation and Amortization Expense (TCOS, ln 100)	20,754,823
Composite Depreciation Rate	2.68%
Depreciable Life for Composite Depreciation Rate	37.31
Round to nearest whole year	37

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

AEP East Companies
Cost of Service Formula Rate Using 2023 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	879,917,000			849,000	879,068,000
2	January	891,317,000			857,000	890,460,000
3	February	896,567,000			864,000	895,703,000
4	March	900,772,000			872,000	899,900,000
5	April	900,527,000			880,000	899,647,000
6	May	902,484,000			888,000	901,596,000
7	June	909,358,000			895,000	908,463,000
8	July	916,147,000			903,000	915,244,000
9	August	921,660,000			911,000	920,749,000
10	September	922,223,000			919,000	921,304,000
11	October	922,298,000			926,000	921,372,000
12	November	926,625,000			934,000	925,691,000
13	December of Rate Year	938,133,000			942,000	937,191,000
14	Average of the 13 Monthly Balances	909,848,000	-	-	895,000	908,952,923

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		-		1,105,000,000		1,105,000,000
16	January		-		1,105,000,000		1,105,000,000
17	February		-		1,105,000,000		1,105,000,000
18	March		-		1,130,000,000		1,130,000,000
19	April		-		1,130,000,000		1,130,000,000
20	May		-		1,130,000,000		1,130,000,000
21	June		-		1,130,000,000		1,130,000,000
22	July		-		1,130,000,000		1,130,000,000
23	August		-		1,130,000,000		1,130,000,000
24	September		-		1,130,000,000		1,130,000,000
25	October		-		1,130,000,000		1,130,000,000
26	November		-		1,130,000,000		1,130,000,000
27	December of Rate Year		-		1,130,000,000		1,130,000,000
28	Average of the 13 Monthly Balances	-	-	-	1,124,231,000	-	1,124,230,769

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 2023						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			37,196,000			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.			-			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			-			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			425,000			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			67,000			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
37	Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)			37,688,000			
38	Average Cost of Debt for 2023 (Ln 37/ Ln 28 (g))			3.35%			

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

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

					Amortization Period		
HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)		Total Hedge (Gain)/Loss for 2023	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Beginning	Ending
40	Senior Unsecured Notes - Series G	-	-	-	-		
41	Senior Unsecured Notes - Series H	-	-	-	-		
42	Senior Unsecured Notes - Series J	-	-	-	-		
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 2023 (TCOS, Ln 157)				2,033,183,769		
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital				0.0005		
54	Limit of Recoverable Amount				1,016,592		
55	Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)				-		

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

56 0% Series - 0 - Dividend Rate (p. 250-251)
 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)

	0.000%		0.000%
\$	-	\$	-
	-		-
	-		-
	-		-

61 0% Series - 0 - Dividend Rate (p. 250-251)
 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)

	0.000%		0.000%
\$	-	\$	-
	-		-
	-		-
	-		-

66 0% Series - 0 - Dividend Rate (p. 250-251)
 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)

	0.000%		0.000%
\$	-	\$	-
	-		-
	-		-
	-		-

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

-	-	-
-	-	-
0.00%	0.00%	0.00%

Average

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
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				Net (Gain) or Loss for 2023		-		-	

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

1 Total AEP East Operating Company PBOP Settlement Amount (127,042,000)

Allocation of PBOP Settlement Amount for 2023

Line#	Company	Actual Expense (Including AEPSC Billed OPEB)	Total Company Amount			Labor Allocator for 2023	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
			Ratio of Company Actual to Total	Allocation of PBOP Recovery Allowance					
		(A)	(B)=(A)/Total (A)	(C)=(B) * -127042000	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)	
		(Line 14)							
2	APCo	(21,654,000)	35.88%	(45,576,757)	10.559%	(2,286,344)	(4,812,235)	2,525,891	
3	I&M	(16,229,000)	26.89%	(34,158,363)	4.637%	(752,490)	(1,583,820)	831,330	
4	KPCo	(5,029,000)	8.33%	(10,584,904)	8.698%	(437,439)	(920,709)	483,270	
5	KNGP	(537,000)	0.89%	(1,130,263)	12.563%	(67,464)	(141,997)	74,533	
6	OPCo	(15,972,000)	26.46%	(33,617,436)	12.672%	(2,023,979)	(4,260,016)	2,236,037	
7	WPCo	(938,000)	1.55%	(1,974,277)	3.775%	(35,411)	(74,533)	39,122	
8	Sum of Lines 2 to 7	(60,359,000)		(127,042,000)		(5,603,126)	(11,793,309)	6,190,183	

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	(18,399,000)	(15,727,000)	(4,563,000)	(409,000)	(12,905,000)	(478,000)	(52,481,000)
10 Additional PBOP Ledger Entries (from Company Records)	519,000	1,847,000	418,000	-	-	(376,000)	
11 Medicare Subsidy	-	-	-	-	-	-	-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(17,880,000)	(13,880,000)	(4,145,000)	(409,000)	(12,905,000)	(854,000)	(50,073,000)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(5,244,000)	(3,720,000)	(1,263,000)	(166,000)	(4,133,000)	(120,000)	(14,646,000)
14 Company PBOP Expense (Ln 12 + Ln 13)	(23,124,000)	(17,600,000)	(5,408,000)	(575,000)	(17,038,000)	(974,000)	(64,719,000)

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.	(1) 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

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

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

(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.	(1) 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%	4.6800%	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
TRANSMISSION PLANT		
Structures & Improvements	352.0	1.04%
Station Equipment	353.0	1.49%
Towers & Fixtures	354.0	0.12%
Poles & Fixtures	355.0	2.14%
Overhead Conductors	356.0	0.77%
Underground Conduit	357.0	Note 2
Underground Conductors	358.0	Note 2
Composite Transmission Depreciation Rate		1.46%
GENERAL PLANT		
Structures & Improvements	390.0	1.71%
Office Furniture & Equipment	391.0	2.82%
Stores Equipment	393.0	2.22%
Tools Shop & Garage 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 2021 Available May 25, 2022		2021 Forecasted Revenue Requirement For Year 2021		True-up Adjustment - Over (Under) Recovery
\$73,618,473	-	\$67,075,880	=	(\$6,542,593)

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
		0.2770%				

An over or under collection will be recovered prorata over 2021, held for 2022 and returned prorata over 2023

<u>Calculation of Interest</u>				<u>Monthly</u>		
January	Year 2021	(545,216)	0.2770%	12	18,123	563,339
February	Year 2021	(545,216)	0.2770%	11	16,613	561,829
March	Year 2021	(545,216)	0.2770%	10	15,102	560,319
April	Year 2021	(545,216)	0.2770%	9	13,592	558,808
May	Year 2021	(545,216)	0.2770%	8	12,082	557,298
June	Year 2021	(545,216)	0.2770%	7	10,572	555,788
July	Year 2021	(545,216)	0.2770%	6	9,061	554,278
August	Year 2021	(545,216)	0.2770%	5	7,551	552,767
September	Year 2021	(545,216)	0.2770%	4	6,041	551,257
October	Year 2021	(545,216)	0.2770%	3	4,531	549,747
November	Year 2021	(545,216)	0.2770%	2	3,020	548,237
December	Year 2021	(545,216)	0.2770%	1	1,510	546,726
					117,799	6,660,392

January through December	Year 2022	6,660,392	0.2770%	12	221,391	6,881,784
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<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				<u>Monthly</u>		
January	Year 2023	(6,881,784)	0.2770%		19,063	6,316,987
February	Year 2023	(6,316,987)	0.2770%		17,498	5,750,625
March	Year 2023	(5,750,625)	0.2770%		15,929	5,182,694
April	Year 2023	(5,182,694)	0.2770%		14,356	4,613,190
May	Year 2023	(4,613,190)	0.2770%		12,779	4,042,109
June	Year 2023	(4,042,109)	0.2770%		11,197	3,469,446
July	Year 2023	(3,469,446)	0.2770%		9,610	2,895,196
August	Year 2023	(2,895,196)	0.2770%		8,020	2,319,356
September	Year 2023	(2,319,356)	0.2770%		6,425	1,741,921
October	Year 2023	(1,741,921)	0.2770%		4,825	1,162,886
November	Year 2023	(1,162,886)	0.2770%		3,221	582,247
December	Year 2023	(582,247)	0.2770%		1,613	0
					124,535	

True-Up Adjustment with Interest	7,006,319
Less Over (Under) Recovery	(6,542,593)
Total Interest	463,726

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.

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

Reconciliation Revenue Requirement For Year 2021 Available May 25, 2022		2021 Collections		True-up Adjustment - Over (Under) Recovery
\$437,160	-	\$615,862	=	\$178,703

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
		0.2770%				

An over or under collection will be recovered prorata over 2021, held for 2022 and returned prorata over 2023

<u>Calculation of Interest</u>				Monthly		
January	Year 2021	14,892	0.2770%	12	(495)	(15,387)
February	Year 2021	14,892	0.2770%	11	(454)	(15,346)
March	Year 2021	14,892	0.2770%	10	(413)	(15,304)
April	Year 2021	14,892	0.2770%	9	(371)	(15,263)
May	Year 2021	14,892	0.2770%	8	(330)	(15,222)
June	Year 2021	14,892	0.2770%	7	(289)	(15,181)
July	Year 2021	14,892	0.2770%	6	(248)	(15,139)
August	Year 2021	14,892	0.2770%	5	(206)	(15,098)
September	Year 2021	14,892	0.2770%	4	(165)	(15,057)
October	Year 2021	14,892	0.2770%	3	(124)	(15,016)
November	Year 2021	14,892	0.2770%	2	(83)	(14,974)
December	Year 2021	14,892	0.2770%	1	(41)	(14,933)
					(3,218)	(181,920)

January through December	Year 2022	(181,920)	0.2770%	12	(6,047)	(187,967)
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<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2023	187,967	0.2770%		(521)	(172,541)
February	Year 2023	172,541	0.2770%		(478)	(157,071)
March	Year 2023	157,071	0.2770%		(435)	(141,559)
April	Year 2023	141,559	0.2770%		(392)	(126,004)
May	Year 2023	126,004	0.2770%		(349)	(110,405)
June	Year 2023	110,405	0.2770%		(306)	(94,764)
July	Year 2023	94,764	0.2770%		(262)	(79,079)
August	Year 2023	79,079	0.2770%		(219)	(63,350)
September	Year 2023	63,350	0.2770%		(175)	(47,578)
October	Year 2023	47,578	0.2770%		(132)	(31,763)
November	Year 2023	31,763	0.2770%		(88)	(15,903)
December	Year 2023	15,903	0.2770%		(44)	(0)
					(3,402)	

True-Up Adjustment with Interest	(191,369)
Less Over (Under) Recovery	178,703
Total Interest	(12,666)

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.