

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2013 and Projected Net Plant at Year-End 2014

WHEELING POWER COMPANY

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 138)			\$17,909,131
2	REVENUE CREDITS	(Note A) (Worksheet E)	1,572,975	DA 1.00000	\$ 1,572,975
3	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2)			\$ 16,336,156

MEMO: The Carrying Charge Calculations on lines 6 to 11 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 4 is included in the total on line 3.

4	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J)		33,234	DA 1.00000	\$ 33,234
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	((ln 1 - ln 105 - ln 106) / ((ln 48 + ln 49 + ln 50 + ln 51 + ln 53) x 100))			18.56%
7	Monthly Rate	(ln 6 / 12)			1.55%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((ln 1 - ln 105 - ln 106 - ln 111 - ln 112) / ((ln 48 + ln 49 + ln 50 + ln 51 + ln 53) x 100))			15.92%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	((ln 1 - ln 105 - ln 106 - ln 111 - ln 112 - ln 133 - ln 134) / ((ln 48 + ln 49 + ln 50 + ln 51 + ln 53) x 100))			2.48%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J)				-
13	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
14	Total Load Dispatch & Scheduling (Account 561)	Line 85 Below			125,089
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				-4,212
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				0
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			129,301

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Line No.	(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>
18	GROSS PLANT IN SERVICE				
18	Production	(Worksheet A In 1.C)	0	NA 0.00000	0
19	Less: Production ARO (Enter Negative)	(Worksheet A In 2.C)	0	NA 0.00000	0
20	Transmission	(Worksheet A In 3.E & Ln 142)	112,649,133	DA	112,649,133
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 143)	0	TP 1.00000	0
22	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.D)		9,096,998	DA 1.00000	9,096,998
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I, In 22.D)		0	DA 1.00000	0
24	Distribution	(Worksheet A In 5.C)	144,844,479	NA 0.00000	0
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.C)	0	NA 0.00000	0
26	General Plant	(Worksheet A In 7.C)	5,192,451	W/S 0.07229	375,341
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	-34,819	W/S 0.07229	(2,517)
28	Intangible Plant	(Worksheet A In 9.C)	865,170	W/S 0.07229	62,540
29	TOTAL GROSS PLANT	(sum Ins 18 to 28)	272,613,412		122,181,495
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	Production	(Worksheet A In 12.C)	0	NA 0.00000	0
32	Less: Production ARO (Enter Negative)	(Worksheet A In 13.C)	0	NA 0.00000	0
33	Transmission	(Worksheet A In 14.C & 28.C)	22,705,252	TP1= 1.00000	22,705,252
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	0	TP1= 1.00000	0
35	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.I)		40,213	DA 1.00000	40,213
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I In. 24.D)		0	DA 1.00000	0
37	Plus: Additional Transmission Depreciation for 2014 (In 111)		2,509,273	TP1 1.00000	2,509,273
38	Plus: Additional General & Intangible Depreciation for 2014 (In 113 + In 114)		225,557	W/S 0.07229	16,305
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I In 23.D)		0	DA 1.00000	0
40	Distribution	(Worksheet A In 16.C)	39,195,741	NA 0.00000	0
41	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.C)	0	NA 0.00000	0
42	General Plant	(Worksheet A In 18.C)	2,488,016	W/S 0.07229	179,849
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	-19,225	W/S 0.07229	(1,390)
44	Intangible Plant	(Worksheet A In 20.C)	679,470	W/S 0.07229	49,116
45	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 31 to 44)	67,824,297		25,498,618
46	NET PLANT IN SERVICE				
47	Production	(In 18 + In 19 - In 31 - In 32)	0		0
48	Transmission	(In 20 + In 21 - In 33 - In 34)	89,943,881		89,943,881
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		9,056,785		9,056,785
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		0		0
51	Plus: Additional Transmission Depreciation for 2014 (-In 37)		(2,509,273)		(2,509,273)
52	Plus: Additional General & Intangible Depreciation for 2014 (-In 38)		(225,557)		(16,305)
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		0		0
54	Distribution	(In 24 + In 25 - In 40 - In 41)	105,648,738		0
55	General Plant	(In 26 + In 27 - In 42 - In 43)	2,688,841		194,366
56	Intangible Plant	(In 28 - In 44)	185,700		13,424
57	TOTAL NET PLANT IN SERVICE	(sum Ins 47 to 56)	204,789,115		96,682,877
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
59	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.C)	0	NA	0
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	(36,689,922)	DA	(19,879,857)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(3,942,834)	DA	(321,854)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	2,796,633	DA	772,609
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	(10,622)	DA	(3,511)
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	(37,846,745)		(19,432,613)
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	-	DA	0
66	REGULATORY ASSETS	(Worksheet A In 36. (C))	0	DA	0
67	WORKING CAPITAL	(Note E)			
68	Cash Working Capital	(1/8 * In 88)	125,496		125,496
69	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	1,395	TP 1.00000	1,395
70	A&G Materials & Supplies	(Worksheet C, In 3.(D))	3,880	W/S 0.07229	280
71	Stores Expense	(Worksheet C, In 4.(D))	0	GP(h) 0.42914	0
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 6.G)	7,521,454	W/S 0.07229	543,696
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 6.F)	144,950	GP(h) 0.42914	62,203
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 6.E)	0	DA 1.00000	0
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 6.D)	(7,211,920)	NA 0.00000	0
76	TOTAL WORKING CAPITAL	(sum Ins 68 to 75)	585,255		733,071
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA 1.00000	-
78	RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)		167,527,625		77,983,335

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Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator	(5) Total Transmission
	OPERATION & MAINTENANCE EXPENSE				
79	Production	321.80.b	111,936,767		
80	Distribution	322.156.b	5,669,809		
81	Customer Related Expense	322.164,171,178.b	2,167,885		
82	Regional Marketing Expenses	322.131.b	-		
83	Transmission	321.112.b	1,129,058		
84	TOTAL O&M EXPENSES	(sum Ins 79 to 83)	120,903,519		
85	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	125,089		
86	Less: Account 565	(Note H) 321.96.b	-		
87	Less: State Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
88	Total O&M Allocable to Transmission	(Ins 83 - 85 - 86 - 87)	1,003,969	TP 1.00000	1,003,969
89	Administrative and General	323.197.b (Note J)	2,187,291		
90	Less: Acct. 924, Property Insurance	323.185.b	211,883		
91	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(103,680)		
92	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
93	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(11,535)		
94	Acct. 928, Reg. Com. Exp.	323.189.b	-		
95	Acct. 930.1, Gen. Advert. Exp.	323.191.b	2,842		
96	Acct. 930.2, Misc. Gen. Exp.	323.192.b	119,907		
97	Balance of A & G	(In 89 - sum In 90 to In 96)	1,967,874	W/S 0.07229	142,250
98	Plus: Acct. 924, Property Insurance	(In 90)	211,883	GP(h) 0.42914	90,927
99	Acct. 928 - Transmission Specific	Worksheet F In 18.(E) (Note L)	-	TP 1.00000	-
100	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 30.(E) (Note L)	-	TP 1.00000	-
101	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 36.(E) (Note L)	776	DA 1.00000	776
102	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 7, (Note M)	396,617	W/S 0.07229	28,670
103	A & G Subtotal	(sum Ins 97 to 102)	2,577,150		262,622
104	O & M EXPENSE SUBTOTAL	(In 88 + In 103)	3,581,119		1,266,591
105	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA 1.00000	-
106	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA 1.00000	-
107	TOTAL O & M EXPENSE	(In 104 + In 105 + In 106)	3,581,119		1,266,591
	DEPRECIATION AND AMORTIZATION EXPENSE				
109	Production	336.2-6.f	-	NA 0.00000	-
110	Distribution	336.8.f	4,627,650	NA 0.00000	-
111	Transmission	336.7.f	2,509,273	TP1 1.00000	2,509,273
112	Plus: Transmission Plant-in-Service Additions (Worksheet I In 21.I)		40,213	DA 1.00000	40,213
113	General	336.10.f	148,343	W/S 0.07229	10,723
114	Intangible	336.1.f	77,214	W/S 0.07229	5,581
115	TOTAL DEPRECIATION AND AMORTIZATION	(Lns 109+110+111 +112+113+114)	7,402,693		2,565,791
	TAXES OTHER THAN INCOME				
116	Labor Related				
117	Payroll	Worksheet H In 21.(D)	170,471	W/S 0.07229	12,323
118	Plant Related				
119	Property	Worksheet H In 21.(C) & In 35.(C)	1,829,251	DA	841,187
120	Gross Receipts/Sales & Use	Worksheet H In 21.(F)	6,004,688	NA 0.00000	-
121	Other	Worksheet H In 21.(E)	608,761	GP(h) 0.42914	261,242
122	TOTAL OTHER TAXES	(sum Ins 118 to 122)	8,613,171		1,114,751
	INCOME TAXES				
124		(Note O)			
125	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		39.54%		
126	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		59.69%		
127	where WCLTD=(In 162) and WACC = (In 165)				
128	and FIT, SIT & p are as given in Note O.				
129	$GRCF=1 / (1 - T) =$ (from In 125)		1.6541		
130	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
131	Income Tax Calculation	(In 127 * In 135)	10,408,376		4,845,051
132	ITC adjustment	(In 129 * In 130)	-	NP(h) 0.45424	-
133	TOTAL INCOME TAXES	(sum Ins 131 to 132)	10,408,376		4,845,051
134	RETURN ON RATE BASE (Rate Base * WACC)	(In 78 * In 165)	17,437,224		8,116,947
135	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
136	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
137	Tax Impact on (Gains) / Losses on Sales of Plant Held for Future Use (In 136 * In126)		-		-
138	TOTAL REVENUE REQUIREMENT	(sum Ins 107, 115, 123, 133, 134, 135, 136, 137)	47,442,583		17,909,131

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
139	Total transmission plant	(In 20)						112,649,133
140	Less transmission plant excluded from PJM Tariff	(Note P)						-
141	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 23, Col. (C)) (Note Q)						-
142	Transmission plant included in PJM Tariff	(In 139 - In 140 - In 141)						<u>112,649,133</u>
143	Percent of transmission plant in PJM Tariff	(In 142 / In 139)					TP	1.00000
144	WAGES & SALARY ALLOCATOR (W/S)	(Note R)						
			Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
145	Production	354.20.b	0	0	-	NA	0.00000	-
146	Transmission	354.21.b	0	157,815	157,815	TP	1.00000	157,815
147	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000	-
148	Distribution	354.23.b	1,169,894	214,808	1,384,702	NA	0.00000	-
149	Other (Excludes A&G)	354.24,25,26.b	332,798	307,888	640,686	NA	0.00000	-
150	Total	(sum Ins 145 to 149)	<u>1,502,692</u>	<u>680,511</u>	<u>2,183,203</u>			<u>157,815</u>
151	Transmission related amount						W/S=	0.07229
152	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
153	Long Term Interest	(Worksheet L, In. 35, col. (D))						<u>1,312,500</u>
154	Preferred Dividends	(Worksheet L, In. 40, col. (D))						-
155	Development of Common Stock:							
156	Proprietary Capital	(FF1 p 112, Ln 16.c)						120,225,152
157	Less: Preferred Stock	(FF1 p 112, Ln 3.c)						-
158	Less: Account 216.1	(FF1 p 112, Ln 12.c)						-
159	Less: Account 219	(FF1 p 112, Ln 15.c)						<u>972,206</u>
160	Common Stock	(In 156 - In 157 - In 158 - In 159)						<u>119,252,946</u>
161							Cost (Note S)	Weighted
162	Long Term Debt (Note T) Worksheet L, In 35, col. (B))		<u>25,000,000</u>	17.33%			0.0525	0.0091
163	Preferred Stock (In 157)		-	0.00%			-	0.0000
164	Common Stock (In 160)		<u>119,252,946</u>	82.67%			11.49%	0.0950
165	Total (Sum Ins 162 to 164)		<u>144,252,946</u>				WACC=	0.1041

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WHEELING POWER COMPANY

Letter

Notes

General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
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.
- C Transmission Plant balances in this study are projected as of December 31, 2014. Other ratebase amounts are as of December 31, 2013.
- D The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 88. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 85.
2) AEP transmission equalization transfers, as shown on line 86
3) The impact of state regulatory deferrals and amortizations, as shown on line 87
4) All A&G Expenses, as shown on line 103.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 77 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 135.
- 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 15 & 16 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 88. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on lines 105 and 106 to determine the total O&M collected in the formula. The amounts on lines 105 and 106 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11.
The addbacks on lines 105 and 106 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 lines 105 and 106 is the WHEELING POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from 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 91 through 93 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 reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. 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, and the process for updating the annual total is documented on Attachment F, Allowable PBOP Expense Formula.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (ln 130) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT= 6.99% (State Income Tax Rate or Composite SIT. Worksheet G))
p = 0.00% (percent of federal income tax deductible for state purposes)
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (ln 153) / long term debt (ln 162). Preferred Stock cost rate = preferred dividends (ln 154) / preferred outstanding (ln 163). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO membership. In the Projected & Historic templates, the interest expense on long-term debt is the sum of a full year's interest expense at the coupon rate for each issuance outstanding as of December 31 of the historic year. The projected expense for variable rate debt will be based on the effective rate at December 31. These conventions ensure that the expense used in the projection will reflect a full year, similar to the actual expense that will appear in the subsequent true-up of the projection, and minimize the impact on the true-up of using a partial year interest expense. The projection will reflect the actual historic-year expense recorded for issuance expenses, discounts and premiums, and gains or losses on reacquired debt. Eligible hedging gains or losses will be limited to five basis points of the projected capital structure. Details and calculations are shown on Worksheet L.
- T This note only applies to Indiana Michigan Power Company.
- U This note only applies to the true-up template.

AEP East Companies
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Line No.			Total	Allocator	Transmission Amount
166	REVENUE REQUIREMENT (w/o incentives)	(In 303)			\$16,783,334
167	REVENUE CREDITS	(Note A) (Worksheet E)	1,572,975	DA 1.00000	\$ 1,572,975
168	REVENUE REQUIREMENT For All Company Facilities	(In 166 less In 167)			\$ 15,210,359

MEMO: The Carrying Charge Calculations on lines 171 to 176 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 169 is included in the total on line 168.

169	Not applicable on this template				
170	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
171	Annual Rate	((In 166 - In 270 - In 271) / In 213 x 100)			18.66%
172	Monthly Rate	(In 171 / 12)			1.55%
173	NET PLANT CARRYING CHARGE ON LINE 171 , w/o depreciation or ROE incentives (Note B)				
174	Annual Rate	((In 166 - In 270 - In 271 - In 276) / In 213 x 100)			15.87%
175	NET PLANT CARRYING CHARGE ON LINE 174, w/o Return, income taxes or ROE incentives (Note B)				
176	Annual Rate	((In 166 - In 270 - In 271 - In 276 - In 298 - In 299) / In 213 x 100)			2.67%
177	Not applicable on this template				
178	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
179	Total Load Dispatch & Scheduling (Account 561)	Line 250 Below			125,089
180	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				(4,212)
181	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
182	Total 561 Internally Developed Costs	(Line 179 - Line 180 - Line 181)			129,301

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2013 with Year-End Rate Base Balances

WHEELING POWER COMPANY

	(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				
183	Production	(Worksheet A In 1.C)	-	NA	0.00000
184	Less: Production ARO (Enter Negative)	(Worksheet A In 2.C)	-	NA	0.00000
185	Transmission	(Worksheet A In 3.E & Ln 307)	112,649,133	DA	112,649,133
186	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 308)	-	TP	1.00000
187	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	0.00000
188	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	0.00000
189	Distribution	(Worksheet A In 5.C)	144,844,479	NA	0.00000
190	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.C)	-	NA	0.00000
191	General Plant	(Worksheet A In 7.C)	5,192,451	W/S	0.07229
192	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	(34,819)	W/S	0.07229
193	Intangible Plant	(Worksheet A In 9.C)	865,170	W/S	0.07229
194	TOTAL GROSS PLANT	(sum Ins 183 to 193)	263,516,414	GP(h)=	0.429136
				GTD=	0.43748
195	ACCUMULATED DEPRECIATION AND AMORTIZATION				
196	Production	(Worksheet A In 12.C)	-	NA	0.00000
197	Less: Production ARO (Enter Negative)	(Worksheet A In 13.C)	-	NA	0.00000
198	Transmission	(Worksheet A In 14.C & 28.C)	22,705,252	TP1=	1.00000
199	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	-	TP1=	1.00000
200	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA	1.00000
201	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
202	Plus: Additional Transmission Depreciation for 2014 (In 276)		N/A	TP1	1.00000
203	Plus: Additional General & Intangible Depreciation for 2014 (In 275 + In 276)		N/A	W/S	0.07229
204	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
205	Distribution	(Worksheet A In 16.C)	39,195,741	NA	0.00000
206	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.C)	-	NA	0.00000
207	General Plant	(Worksheet A In 18.C)	2,488,016	W/S	0.07229
208	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	(19,225)	W/S	0.07229
209	Intangible Plant	(Worksheet A In 20.C)	679,470	W/S	0.07229
210	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 196 to 209)	65,049,254		
211	NET PLANT IN SERVICE				
212	Production	(In 183 + In 184 - In 196 - In 197)	-		
213	Transmission	(In 185 + In 186 - In 198 - In 199)	89,943,881		89,943,881
214	Plus: Transmission Plant-in-Service Additions (In 187 - In 200)		N/A		N/A
215	Plus: Additional Trans Plant on Transferred Assets (In 188 - In 201)		N/A		N/A
216	Plus: Additional Transmission Depreciation for 2014 (-In 202)		N/A		N/A
217	Plus: Additional General & Intangible Depreciation for 2014 (-In 203)		N/A		N/A
218	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 204)		N/A		N/A
219	Distribution	(In 189 + In 190 - In 205 - In 206)	105,648,738		
220	General Plant	(In 191 + In 192 - In 207 - In 208)	2,688,841		194,366
221	Intangible Plant	(In 193 - In 209)	185,700		13,424
222	TOTAL NET PLANT IN SERVICE	(sum Ins 212 to 221)	198,467,160	NP(h)=	0.454240
223	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
224	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.C)	-	NA	-
225	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	(36,689,922)	DA	(19,879,857)
226	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(3,942,834)	DA	(321,854)
227	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	2,796,633	DA	772,609
228	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	(10,622)	DA	(3,511)
229	TOTAL ADJUSTMENTS	(sum Ins 224 to 228)	(37,846,745)		(19,432,613)
230	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	-	DA	-
231	REGULATORY ASSETS	(Worksheet A In 36. (C))	-	DA	-
232	WORKING CAPITAL	(Note E)			
233	Cash Working Capital	(1/8 * In 253)	125,496		125,496
234	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	1,395	TP	1.00000
235	A&G Materials & Supplies	(Worksheet C, In 3.(D))	3,880	W/S	0.07229
236	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	0.42914
237	Prepayments (Account 165) - Labor Allocated	(Worksheet D, In 6.G)	7,521,454	W/S	0.07229
238	Prepayments (Account 165) - Gross Plant	(Worksheet D, In 6.F)	144,950	GP(h)	0.42914
239	Prepayments (Account 165) - Transmission Only	(Worksheet D, In 6.E)	-	DA	1.00000
240	Prepayments (Account 165) - Unallocable	(Worksheet D, In 6.D)	(7,211,920)	NA	0.00000
241	TOTAL WORKING CAPITAL	(sum Ins 233 to 240)	585,255		733,071
242	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA	1.00000
243	RATE BASE (sum Ins 222, 229, 230, 231, 241, 242)		161,205,670		71,452,128

AEP East Companies
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WHEELING POWER COMPANY

	(1)	(2)	(3)	(4)	(5)
Line No.	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
244	OPERATION & MAINTENANCE EXPENSE				
244	Production	321.80.b	111,936,767		
245	Distribution	322.156.b	5,669,809		
246	Customer Related Expense	322 & 323.164,171,178.b	2,167,885		
247	Regional Marketing Expenses	322.131.b	-		
248	Transmission	321.112.b	1,129,058		
249	TOTAL O&M EXPENSES	(sum Ins 244 to 248)	120,903,519		
250	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	125,089		
251	Less: Account 565	(Note H) 321.96.b	-		
252	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
253	Total O&M Allocable to Transmission	(Ins 248 - 250 - 251 - 252)	1,003,969	TP	1,003,969
254	Administrative and General	323.197.b (Note J)	2,187,291		
255	Less: Acct. 924, Property Insurance	323.185.b	211,883		
256	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(103,680)		
257	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
258	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(11,535)		
259	Acct. 928, Reg. Com. Exp.	323.189.b	-		
260	Acct. 930.1, Gen. Advert. Exp.	323.191.b	2,842		
261	Acct. 930.2, Misc. Gen. Exp.	323.192.b	119,907		
262	Balance of A & G	(In 254 - sum In 255 to In 261)	1,967,874	W/S	142,250
263	Plus: Acct. 924, Property Insurance	(In 255)	211,883	GP(h)	90,927
264	Acct. 928 - Transmission Specific	Worksheet F In 18.(E) (Note L)	-	TP	-
265	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 30.(E) (Note L)	-	TP	-
266	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 36.(E) (Note L)	776	DA	776
267	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 7, (Note M)	396,617	W/S	28,670
268	A & G Subtotal	(sum Ins 262 to 267)	2,577,150		262,622
269	O & M EXPENSE SUBTOTAL	(In 253 + In 268)	3,581,119		1,266,591
270	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA	-
271	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	-
272	TOTAL O & M EXPENSE	(In 269 + In 270 + In 271)	3,581,119		1,266,591
273	DEPRECIATION AND AMORTIZATION EXPENSE				
274	Production	336.2-6.f	-	NA	-
275	Distribution	336.8.f	4,627,650	NA	-
276	Transmission	336.7.f	2,509,273	TP1	2,509,273
277	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
278	General	336.10.f	148,343	W/S	10,723
279	Intangible	336.1.f	77,214	W/S	5,581
280	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 274+275+276+277+278+279) (Note N)	7,362,480		2,525,578
281	TAXES OTHER THAN INCOME				
282	Labor Related				
283	Payroll	Worksheet H In 21.(D)	170,471	W/S	12,323
284	Plant Related				
285	Property	Worksheet H In 21.(C) & In 35.(C)	1,829,251	DA	841,187
286	Gross Receipts/Sales & Use	Worksheet H In 21.(F)	6,004,688	NA	-
287	Other	Worksheet H In 21.(E)	608,761	GP(h)	261,242
288	TOTAL OTHER TAXES	(sum Ins 283 to 287)	8,613,171		1,114,751
289	INCOME TAXES	(Note O)			
290	$T=1 - \frac{[(1 - SIT) * (1 - FIT)]}{(1 - SIT * FIT * p)}$		39.54%		
291	$EIT=(T/(1-T)) * (1-(WCLTD/WACC))$		59.69%		
292	where WCLTD=(In 327) and WACC = (In 330)				
293	and FIT, SIT & p are as given in Note O.				
294	$GRCF=1 / (1 - T)$ = (from In 290)		1.6541		
295	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
296	Income Tax Calculation	(In 291 * In 299)	10,015,598		4,439,272
297	ITC adjustment	(In 294 * In 295)	-	NP(h)	-
298	TOTAL INCOME TAXES	(sum Ins 296 to 297)	10,015,598		4,439,272
299	RETURN ON RATE BASE (Rate Base*WACC)	(In 243 * In 330)	16,779,199		7,437,142
300	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	-
301	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
302	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 301 * In291)		-		-
303	TOTAL REVENUE REQUIREMENT	(sum Ins 272, 280, 288, 298, 299, 300, 301, 302)	46,351,567		16,783,334

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
304	Total transmission plant	(In 185)						112,649,133
305	Less transmission plant excluded from PJM Tariff	(Note P)						-
306	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 23, Col. (C)) (Note Q)						-
307	Transmission plant included in PJM Tariff	(In 304 - In 305 - In 306)						112,649,133
308	Percent of transmission plant in PJM Tariff	(In 307 / In 304)					TP=	1.00000
309	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
310	Production	354.20.b	0	0	-	NA	0.00000	-
311	Transmission	354.21.b	0	157,815	157,815	TP	1.00000	157,815
312	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000	-
313	Distribution	354.23.b	1,169,894	214,808	1,384,702	NA	0.00000	-
314	Other (Excludes A&G)	354.24,25,26.b	332,798	307,888	640,686	NA	0.00000	-
315	Total	(sum Ins 310 to 314)	1,502,692	680,511	2,183,203			157,815
316	Transmission related amount						W/S=	0.07229
317	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
318	Long Term Interest	(Worksheet L, In. 35, col. (D))						1,312,500
319	Preferred Dividends	(Worksheet L, In. 40, col. (D))						-
320	<u>Development of Common Stock:</u>							
321	Proprietary Capital	(FF1 p 112, Ln 16.c)						120,225,152
322	Less: Preferred Stock	(FF1 p 112, Ln 3.c)						-
323	Less: Account 216.1	(FF1 p 112, Ln 12 .c)						-
324	Less: Account 219	(FF1 p 112, Ln 15.c)						972,206
325	Common Stock	(In 321 - In 322 - In 323 - In 324)						119,252,946
326			\$	%		Cost (Note S)		Weighted
327	Long Term Debt (Note T) Worksheet L, In 35, col. (B))		25,000,000	17.33%		0.0525		0.0091
328	Preferred Stock (In 322)		-	0.00%		-		0.0000
329	Common Stock (In 325)		119,252,946	82.67%		11.49%		0.0950
330	Total (Sum Ins 327 to 329)		144,252,946				WACC=	0.1041

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WHEELING POWER COMPANY

Letter

Notes

General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
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.
- C Transmission Plant balances in this study are historic as of December 31, 2013.
- D The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 253. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 250.
2) AEP transmission equalization transfers, as shown on line 251
3) The impact of state regulatory deferrals and amortizations, as shown on line 252
4) All A&G Expenses, as shown on line 268.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 242 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 300.
- 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 180 & 181 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 253. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on lines 270 and 271 to determine the total O&M collected in the formula. The amounts on lines 270 and 271 are also excluded in the calculation of the FCR percentage calculated on lines 170 through 176.
The addbacks on lines 270 and 271 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 lines 270 and 271 is the WHEELING POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from 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 256 through 258 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 reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. 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, and the process for updating the annual total is documented on Attachment F, Allowable PBOP Expense Formula.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (ln 295) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT = 6.99% (State Income Tax Rate or Composite SIT. Worksheet G))
p = 0.00% (percent of federal income tax deductible for state purposes)
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (ln 318) / long term debt (ln 327). Preferred Stock cost rate = preferred dividends (ln 319) / preferred outstanding (ln 328).
Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for remaining a member of the PJM RTO.
- In the Projected & Historic templates, the interest expense on long-term debt is the sum of a full year's interest expense at the coupon rate for each issuance outstanding as of December 31 of the historic year. The projected expense for variable rate debt will be based on the effective rate at December 31. These conventions ensure that the expense used in the projection will reflect a full year, similar to the actual expense that will appear in the subsequent true-up of the projection, and minimize the impact on the true-up of using a partial year interest expense. The projection will reflect the actual historic-year expense recorded for issuance expenses, discounts and premiums, and gains or losses on reacquired debt. Eligible hedging gains or losses will be limited to five basis points of the projected capital structure. Details and calculations are shown on Worksheet L.
- T This note only applies to Indiana Michigan Power Company.
- U This note only applies to the true-up template.

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Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 138)			\$15,181,267
2	REVENUE CREDITS	(Note A) (Worksheet E)	1,572,975	DA 1.00000	\$ 1,572,975
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			\$ 13,608,292

MEMO: The Carrying Charge Calculations on lines 6 to 11 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 4 is included in the total on line 3.

4	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet K)		30,345	DA 1.00000	\$ 30,345
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	((In 1 - In 105 - In 106) / In 48 x 100)			19.18%
7	Monthly Rate	(In 6 / 12)			1.60%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((In 1 - In 105 - In 106 - In 111) / In 48 x 100)			16.01%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	((In 1 - In 105 - In 106 - In 111 - In 133 - In 134) / In 48 x 100)			3.01%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet K)				-
13	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
14	Total Load Dispatch & Scheduling (Account 561)	Line 85 Below			125,089
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				(4,212)
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			129,301

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WHEELING POWER COMPANY

	(1)	(2)	(3)	(4)	(5)
	RATE BASE CALCULATION	Data Sources (See "General Notes")	TO Total NOTE C	Allocator	Total Transmission
Line No.	GROSS PLANT IN SERVICE				
18	Production	(Worksheet A In 1.E)	-	NA	0.00000
19	Less: Production ARO (Enter Negative)	(Worksheet A In 2.E)	-	NA	0.00000
20	Transmission	(Worksheet A In 3.E & Ln 142)	100,618,387	DA	100,618,387
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 143)	-	TP	1.00000
22	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	0.00000
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	0.00000
24	Distribution	(Worksheet A In 5.E)	138,458,519	NA	0.00000
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.E)	-	NA	0.00000
26	General Plant	(Worksheet A In 7.E)	5,113,576	W/S	0.07229
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	(34,819)	W/S	0.07229
28	Intangible Plant	(Worksheet A In 9.E)	923,799	W/S	0.07229
29	TOTAL GROSS PLANT	(sum Ins 18 to 28)	245,079,461	GP(h)=	0.41232
				GTD=	0.00000
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	Production	(Worksheet A In 12.E)	-	NA	0.00000
32	Less: Production ARO (Enter Negative)	(Worksheet A In 13.E)	-	NA	0.00000
33	Transmission	(Worksheet A In 14.E & 28.E)	21,466,222	TP1=	1.00000
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.E)	-	TP1=	1.00000
35	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA	1.00000
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
37	Plus: Additional Transmission Depreciation for 2014 (In 111)		N/A	TP1	1.00000
38	Plus: Additional General & Intangible Depreciation for 2014 (In 110 + In 111)		N/A	W/S	0.07229
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
40	Distribution	(Worksheet A In 16.E)	40,393,593	NA	0.00000
41	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.E)	-	NA	0.00000
42	General Plant	(Worksheet A In 18.E)	2,509,650	W/S	0.07229
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	(18,808)	W/S	0.07229
44	Intangible Plant	(Worksheet A In 20.E)	710,749	W/S	0.07229
45	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 31 to 44)	65,061,406		
46	NET PLANT IN SERVICE				
47	Production	(In 18 + In 19 - In 31 - In 32)	-		-
48	Transmission	(In 20 + In 21 - In 33 - In 34)	79,152,165		79,152,165
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		N/A		N/A
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		N/A		N/A
51	Plus: Additional Transmission Depreciation for 2014 (-In 37)		N/A		N/A
52	Plus: Additional General & Intangible Depreciation for 2014 (-In 38)		N/A		N/A
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		N/A		N/A
54	Distribution	(In 24 + In 25 - In 40 - In 41)	98,064,926		-
55	General Plant	(In 26 + In 27 - In 42 - In 43)	2,587,914		187,070
56	Intangible Plant	(In 28 - In 44)	213,050		15,401
57	TOTAL NET PLANT IN SERVICE	(sum Ins 47 to 56)	180,018,055	NP(h)=	0.44081
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
59	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA	-
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(33,206,272)	DA	(17,400,501)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(3,902,651)	DA	(321,547)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	2,753,762	DA	514,184
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(18,840)	DA	(6,202)
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	(34,374,001)		(17,214,065)
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	-	DA	-
66	REGULATORY ASSETS	(Worksheet A In 36. (E))	-	DA	-
67	WORKING CAPITAL	(Note E)			
68	Cash Working Capital	(1/8 * In 88)	125,496		125,496
69	Transmission Materials & Supplies	(Worksheet C, In 2.F)	1,505	TP	1.00000
70	A&G Materials & Supplies	(Worksheet C, In 3.F)	2,700	W/S	0.07229
71	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	0.41232
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	7,784,465	W/S	0.07229
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	148,913	GP(h)	0.41232
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(7,508,329)	NA	0.00000
76	TOTAL WORKING CAPITAL	(sum Ins 68 to 75)	554,749		751,304
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8 (B))	-	DA	1.00000
78	RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)		146,198,803		62,891,875

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

WHEELING POWER COMPANY

	(1)	(2)	(3)	(4)	(5)
Line No.	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
79	OPERATION & MAINTENANCE EXPENSE				
79	Production	321.80.b	111,936,767		
80	Distribution	322.156.b	5,669,809		
81	Customer Related Expense	322.164,171,178.b	2,167,885		
82	Regional Marketing Expenses	322.131.b	-		
83	Transmission	321.112.b	1,129,058		
84	TOTAL O&M EXPENSES	(sum Ins 79 to 83)	120,903,519		
85	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	125,089		
86	Less: Account 565	(Note H) 321.96.b	-		
87	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
88	Total O&M Allocable to Transmission	(Ins 83 - 85 - 86 - 87)	1,003,969	TP	1,003,969
89	Administrative and General	323.197.b (Note J)	2,187,291		
90	Less: Acct. 924, Property Insurance	323.185.b	211,883		
91	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(103,680)		
92	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
93	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(11,535)		
94	Acct. 928, Reg. Com. Exp.	323.189.b	-		
95	Acct. 930.1, Gen. Advert. Exp.	323.191.b	2,842		
96	Acct. 930.2, Misc. Gen. Exp.	323.192.b	119,907		
97	Balance of A & G	(In 89 - sum In 90 to In 96)	1,967,874	W/S	142,250
98	Plus: Acct. 924, Property Insurance	(In 90)	211,883	GP(h)	87,365
99	Acct. 928 - Transmission Specific	Worksheet F In 18.(E) (Note L)	-	TP	-
100	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 30.(E) (Note L)	-	TP	-
101	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 36.(E) (Note L)	776	DA	776
102	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 7, (Note M)	396,617	W/S	28,670
103	A & G Subtotal	(sum Ins 97 to 102)	2,577,150		259,060
104	O & M EXPENSE SUBTOTAL	(In 88 + In 103)	3,581,119		1,263,029
105	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA	-
106	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	-
107	TOTAL O & M EXPENSE	(In 104 + In 105 + In 106)	3,581,119		1,263,029
108	DEPRECIATION AND AMORTIZATION EXPENSE				
109	Production	336.2-6.f	-	NA	-
110	Distribution	336.8.f	4,627,650	NA	-
111	Transmission	336.7.f	2,509,273	TP1	2,509,273
112	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
113	General	336.10.f	148,343	W/S	10,723
114	Intangible	336.1.f	77,214	W/S	5,581
115	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 109+110+ 111+112+113+114)	7,362,480		2,525,578
116	TAXES OTHER THAN INCOME	(Note N)			
117	Labor Related				
118	Payroll	Worksheet H In 21.(D)	170,471	W/S	12,323
119	Plant Related				
120	Property	Worksheet H In 21.(C) & In 35.(C)	1,829,251	DA	841,187
121	Gross Receipts/Sales & Use	Worksheet H In 21.(F)	6,004,688	NA	-
122	Other	Worksheet H In 21.(E)	608,761	GP(h)	251,007
123	TOTAL OTHER TAXES	(sum Ins 118 to 122)	8,613,171		1,104,517
124	INCOME TAXES	(Note O)			
125	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		39.54%		
126	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		58.99%		
127	where WCLTD=(In 162) and WACC = (In 165)				
128	and FIT, SIT & p are as given in Note O.				
129	$GRCF=1 / (1 - T) =$ (from In 125)		1.6541		
130	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
131	Income Tax Calculation	(In 126 * In 134)	8,873,126		3,817,046
132	ITC adjustment	(In 129 * In 130)	-	NP(h)	-
133	TOTAL INCOME TAXES	(sum Ins 131 to 132)	8,873,126		3,817,046
134	RETURN ON RATE BASE (Rate Base*WACC)	(In 78 * In 165)	15,042,750		6,471,098
135	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	-
136	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
137	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 136 * In126)		-		-
138	TOTAL REVENUE REQUIREMENT		43,472,646		15,181,267
	(sum Ins 107, 115, 123, 133, 134, 135)				

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

WHEELING POWER COMPANY

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
139	Total transmission plant	(In 20)						100,618,387
140	Less transmission plant excluded from PJM Tariff (Note P)							-
141	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C)) (Note Q)							-
142	Transmission plant included in PJM Tariff	(In 139 - In 140 - In 141)						100,618,387
143	Percent of transmission plant in PJM Tariff	(In 142 / In 139)					TF	1.00000
144	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
145	Production	354.20.b	0	0	-	NA	0.00000	-
146	Transmission	354.21.b	0	157,815	157,815	TP	1.00000	157,815
147	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000	-
148	Distribution	354.23.b	1,169,894	214,808	1,384,702	NA	0.00000	-
149	Other (Excludes A&G)	354.24,25,26.b	332,798	307,888	640,686	NA	0.00000	-
150	Total	(sum Ins 145 to 149)	1,502,692	680,511	2,183,203			157,815
151	Transmission related amount						W/S=	0.07229
152	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
153	Long Term Interest	(Worksheet M, In. 21, col. (E))						1,312,500
154	Preferred Dividends	(Worksheet M, In. 56, col. (E))						-
155	<u>Development of Common Stock:</u>							<u>Average</u>
156	Proprietary Capital	(Worksheet M, In. 1, col. (E))						105,167,232
157	Less: Preferred Stock	(Worksheet M, In. 2, col. (E))						-
158	Less: Account 216.1	(Worksheet M, In. 3, col. (E))						-
159	Less: Account 219	(Worksheet M, In. 4, col. (E))						249,195
160	Common Stock	(In 156 - In 157 - In 158 - In 159)						104,918,037
161		<u>Average \$</u>						
162	Long Term Debt (Note T) W/S M, In 11, In 22, col. (E))	25,000,000						0.0101
163	Preferred Stock (In 157)	-						0.0000
164	Common Stock (In 160)	104,918,037						0.0928
165	Total (Sum Ins 162 to 164)	129,918,037						WACC= 0.1029
166	Capital Structure Equity Limit (Note U)	100.0%						

Capital Structure Weighting

	Actual	Cap Limit	Cost (Note S)	Weighted
Long Term Debt (Note T) W/S M, In 11, In 22, col. (E))	19.24%	0.00%	0.0525	0.0101
Preferred Stock (In 157)	0.00%	0.00%	-	0.0000
Common Stock (In 160)	80.76%	0.00%	11.49%	0.0928
Total (Sum Ins 162 to 164)			WACC=	0.1029

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

WHEELING POWER COMPANY

<u>Letter</u>	<u>Notes</u>
	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. 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.
C	Transmission Plant balances in this study reflect the average of the balances at December 31, 2012 and December 31, 2013.
D	The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
E	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 88. It excludes: 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 85. 2) AEP transmission equalization transfers, as shown on line 86 3) The impact of state regulatory deferrals and amortizations, as shown on line 87 4) All A&G Expenses, as shown on line 103.
F	Consistent with Paragraph 657 of Order 2003-A, the amount on line 77 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 135.
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 15 & 16 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 88. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on lines 105 and 106 to determine the total O&M collected in the formula. The amounts on lines 105 and 106 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11. The addbacks on lines 105 and 106 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 lines 105 and 106 is the WHEELING POWER COMPANY general ledger.
I	Removes the impact of state regulatory deferrals or their amortization from O&M expense. applicable only for state regulatory purposes.
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 91 through 93 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 reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
M	See note K above. 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, and the process for updating the annual total is documented on Attachment F, Allowable PBOP Expense Formula.
N	Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
O	The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (ln 130) multiplied by (1/1-T). If the applicable tax rates are zero enter 0. Inputs Required: FIT = 35.00% SIT= 6.99% (State Income Tax Rate or Composite SIT. Worksheet G)) p = 0.00% (percent of federal income tax deductible for state purposes)
P	Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
Q	Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
R	Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
S	Long Term Debt cost rate = long-term interest (ln 153) / long term debt (ln 162). Preferred Stock cost rate = preferred dividends (ln 154) / preferred outstanding (ln 163). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO membership. Interest expense for the true-up WACC is based on actual expenses for the true-up year. The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the true-up capital structure. Details and calculations of the true-up weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains and Losses are defined in the Formula Protocols in the tariff, and on Worksheet M.
T	This note only applies to Indiana Michigan Power Company.
U	Per Settlement, equity for WHEELING POWER COMPANY is limited to 100% of Capital Structure. If the percentage of equity exceeds the cap, the excess is included in weighted percentage of long term debt in the capital structure. During the period ended December 31, 2011 the equity cap is in effect. During this period, a change in the cap percentage must be approved via a 205 filing with the FERC.

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet A Supporting Plant Balances
WHEELING POWER COMPANY

<u>Line</u>	<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>
<u>Number</u>	<u>Rate Base Item & Supporting Balance</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2013</u>	<u>Balance @ December 31, 2012</u>	<u>Average Balance for 2013</u>
NOTE: Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.					
Plant Investment Balances					
1	Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 46	-	-	-
2	Production Asset Retirement Obligation (ARO)	FF1, page 205&204, Col.(g)&(b), lns 15,24,34,44	-	-	-
3	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	112,649,133	88,587,641	100,618,387
4	Transmission Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	-	-	-
5	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 75	144,844,479	132,072,558	138,458,519
6	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 74	-	-	-
7	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	5,192,451	5,034,700	5,113,576
8	General Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	34,819	34,819	34,819
9	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5	865,170	982,428	923,799
10	Total Property Investment Balance	(Sum of Lines: 3, 1, 5, 7, 9)	263,551,233	226,677,327	245,114,280
11	Total ARO Balance (included in total on line 10)	(Sum of Lines: 4, 2, 6, 8)	34,819	34,819	34,819
Accumulated Depreciation & Amortization Balances					
12	Production Accumulated Depreciation	FF1, page 219, lns 20-24, Col. (b)	-	-	-
13	Production ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
14	Transmission Accumulated Depreciation	FF1, page 219, ln 25, Col. (b)	22,705,252	20,227,192	21,466,222
15	Transmission ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
16	Distribution Accumulated Depreciation	FF1, page 219, ln 26, Col. (b)	39,195,741	41,591,445	40,393,593
17	Distribution ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
18	General Accumulated Depreciation	FF1, page 219, ln 28, Col. (b)	2,488,016	2,531,284	2,509,650
19	General ARO Accumulated Depreciation	Company Records - Note 1	19,225	18,391	18,808
20	Intangible Accumulated Amortization	FF1, page 200, ln 21, Col. (b)	679,470	742,028	710,749
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 12, 16, 18, 20)	65,068,479	65,091,949	65,080,214
22	Total ARO Balance (included in total on line 21)	(Sum of Lines: 15, 13, 17, 19)	19,225	18,391	18,808
Generation Step-Up Units					
23	GSU Investment Amount	Company Records - Note 1	-	-	-
24	GSU Accumulated Depreciation	Company Records - Note 1	-	-	-
25	GSU Net Balance	(Line 23 - Line 24)	-	-	-
Transmission Accumulated Depreciation Net of GSU Accumulated Depreciation					
26	Transmission Accumulated Depreciation	(Line 14 Above)	22,705,252	20,227,192	21,466,222
27	Less: GSU Accumulated Depreciation	(Line 24 Above)	-	-	-
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)	22,705,252	20,227,192	21,466,222
Plant Held For Future Use					
29	Plant Held For Future Use	FF1, page 214, ln 47, Col. (d)	-	-	-
30	Transmission Plant Held For Future	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.					
31					-
32					-
33					-
34					-
35					-
36	Total Regulatory Deferrals Included in Ratebase		-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's property accounting ledger.

NOTE: The ratebase should not include the unamortized balance of hedging gains or losses.

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2013</u>	<u>(D) Balance @ December 31, 2012</u>	<u>(E) Average Balance for 2013</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
4	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
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)	36,689,922	29,722,622	33,206,272
8	Less: ARO Related Deferrals	Company Records - Note 1	(1,578)	(994)	(1,286)
9	Less: Other Excluded Deferrals	Company Records - Note 1	16,811,643	14,802,472	15,807,058
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	19,879,857	14,921,144	17,400,501
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	3,942,834	3,862,468	3,902,651
13	Less: ARO Related Deferrals	Company Records - Note 1	0	0	-
14	Less: Other Excluded Deferrals	Company Records - Note 1	3,620,980	3,541,229	3,581,105
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	321,854	321,239	321,547
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	2,796,633	2,710,890	2,753,762
18	Less: ARO Related Deferrals	Company Records - Note 1	42,850	40,281	41,566
19	Less: Other Excluded Deferrals	Company Records - Note 1	1,981,174	2,414,850	2,198,012
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	772,609	255,759	514,184
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	10,622	27,057	18,840
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	0	0	-
24	ITC Balances Includeable Ratebase	Ln 22 - In 23	10,622	27,057	18,840
25	Transmission Related Deferrals	Company Records - Note 1	3,511	8,892	6,202

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax accounting ledger.

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

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
WHEELING POWER COMPANY

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number	Source	Balance @ December 31, 2013	Balance @ December 31, 2012	Average Balance for 2013				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	1,395	1,614	1,505			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	3,880	1,519	2,700			
4	Stores Expense (Undistributed)	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary

	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, 2013	454,484	(7,211,920)	0	144,950	7,521,454	7,666,404
7	Totals as of December 31, 2012	395,614	(7,804,737)		152,876	8,047,475	8,200,351
8	Average Balance	425,049	(7,508,329)	-	148,913	7,784,465	7,933,378

Prepayments Account 165 - Balance @ 12/31/2013

9	Acc. No.	Description	2013 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	42,064	-		42,064		42,064	Plant Related Insurance Policies
11	165000213	Prepaid Taxes	309,534	309,534				-	Prepaid Taxes-Distribution
12	1650010	Prepaid Pension Benefits	7,521,454				7,521,454	7,521,454	Prefunded Pension Expense
13	1650014	FAS 158 Qual Contra Asset	(7,521,454)	(7,521,454)				-	SFAS 158 Offset
14	1650016	FAS 112 ASSETS	0	-				-	
15	1650021	Prepaid Insurance - EIS	102,886	-		102,886		102,886	
		Subtotal - Form 1, p 111.57.c	454,484	(7,211,920)	0	144,950	7,521,454	7,666,404	

Prepayments Account 165 - Balance @ 12/31/ 2012

16	Acc. No.	Description	2012 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
17	1650001	Prepaid Insurance	43,469			43,469		43,469	Plant Related Insurance Policies
18	165000212	Prepaid Taxes	242,738	242,738		0		-	Prepaid Taxes
19	1650010	Prepaid Pension Benefits	8,047,475				8,047,475	8,047,475	Prefunded Pension Expense
20	1650014	FAS 158 Qual Contra Asset	(8,047,475)	(8,047,475)				-	SFAS 158 Offset
21	1650016	FAS 112 ASSETS	0	0				-	
	1650021	Prepaid Insurance - EIS	109,407			109,407		109,407	Energy INS Services
		Subtotal - Form 1, p 111.57.d	395,614	(7,804,737)		152,876	8,047,475	8,200,351	

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet D Supporting IPP Credits
WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2013</u>
1	Net Funds from IPP Customers 12/31/2012 (2013 FORM 1, P269, line 24.b)	-
2	Interest Accrual (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2013 (2013 FORM 1, P269, line 24.f)	-
8	Average Balance for Year as Indicated in Column ((ln 1 + ln 7)/2)	-

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

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet E Supporting Revenue Credits
WHEELING 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)	149,258	149,258	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	1,382	1,382	-
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	(165,677)	(360,110)	194,433
4	Account 4560015, Associated Business Development - (Company Records - Note 1)	118,985	118,985	-
5	Account 456 - Other Electric Revenues - (Company Records - Note 1)	15,852,999	14,474,457	1,378,542
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	15,956,947	14,383,972	1,572,975
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	15,956,947	14,383,972	1,572,975

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

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Item No.</u>	<u>(B) Description</u>	<u>(C) 2013 Expense</u>	<u>(D) 100% Non-Transmission</u>	<u>(E) 100% Transmission Specific</u>	<u>(F) Explanation</u>
Regulatory O&M Deferrals & Amortizations						
1	5700005	Maint Station-Reliability-Df	-			
2						
3						
4		Total	<u>0</u>			
Detail of Account 561 Per FERC Form 1						
5	FF1 p 321.84.b	561 - Load Dispatching	0			
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	1,503			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	108,688			
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	(4,212)			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	19,110			
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 Serv	0			
14		Total of Account 561	<u>125,089</u>			
Account 928						
15	9280000	Regulatory Commission Exp	-	-	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	-	-	-	
18		Total	<u>-</u>	<u>-</u>	<u>-</u>	
Account 930.1						
19	9301000	General Advertising Expenses	4	4	-	
20	9301001	Newspaper Advertising Space	-	-	-	
21	9301002	Radio Station Advertising Time	8	8	-	
22	9301007	Special Adv Space & Prod Exp	-	-	-	
23	9301008	Direct Mail and Handouts	-	-	-	
24	9301009	Fairs, Shows, and Exhibits	-	-	-	
25	9301010	Publicity	179	179	-	
26	9301011	Dedications, Tours, & Openings	-	-	-	
27	9301012	Public Opinion Surveys	1,043	1,043	-	
28	9301014	Video Communications	1	1	-	
29	9301015	Other Corporate Comm Exp	1,606	1,606	-	
30		Total	<u>2,842</u>	<u>2,842</u>	<u>-</u>	
Account 930.2						
31	9302000	Misc General Expenses	23,915	23,915		
32	9302003	Corporate & Fiscal Expenses	1,634	1,634		
33	9302004	Research, Develop&Demonstr Exp	765	765		
34	9302006	Assoc Bus Dev-Materials Sold	4,644	4,644		
35	9302007	Assoc Business Development Exp	88,949	88,173	776	
36		Total	<u>119,907</u>	<u>119,131</u>	<u>776</u>	

AEP East Companies
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet G Supporting - Development of Composite State Income Tax Rate
 WHEELING POWER COMPANY

West Virginia Corporate Income Tax	7.00%	
Apportionment Factor - Note 2	99.92%	
Effective State Tax Rate		6.99%
State Income Tax Rate - Ohio	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate		6.99%

Note 1 The Ohio State Income Tax is being phased-out prorata over a 5 year period from 2005 through 2009. The taxable portion of income is 20% in 2009. The phase-out factors can be found in the Ohio Revised Code at 5733.01(G)2(a)(v). This tax has been replaced with a Commercial Activities Tax that is included in Schedule H and H-1.

Note 2 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 2013 FF1 Balances
Worksheet H Supporting Taxes Other than Income
WHEELING 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	3,958,248				3,958,248
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - West Virginia	1,829,251	1,829,251			
5	Real and Personal Property - Other	0	-			
6	Payroll Taxes					
7	Federal Insurance Contribution (FICA)	162,468		162,468		
8	Federal Unemployment Tax	1,619		1,619		
9	State Unemployment Insurance	6,384		6,384		
10	Production Taxes					
11	State Severance Taxes	-				-
12	Miscellaneous Taxes					
13	State Business & Occupation Tax	2,046,343				2,046,343
14	State Public Service Commission Fees	602,326			602,326	
15	State Franchise Taxes	6,410			6,410	
16	State Lic/Registration Fee	25			25	
17	Misc. State and Local Tax	-			-	
18	Sales & Use	97				97
19	Federal Excise Tax	-				-
20	Michigan Single Business Tax	-				-
21	Total Taxes by Allocable Basis	8,613,171	1,829,251	170,471	608,761	6,004,688

(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	
22	Functionalized Net Plant (Hist. TCOS, Lns 212 thru 222)	-	89,943,881	105,648,738	2,688,841	198,281,460
WEST VIRGINIA JURISDICTION						
23	Percentage of Plant in WEST VIRGINIA JURISDICTION	100.00%	100.00%	100.00%		
24	Net Plant in WEST VIRGINIA JURISDICTION (Ln 22 * Ln 23)	-	89,943,881	105,648,738	2,688,841	198,281,460
25	Less: Net Value of Exempted Generation Plant	-	-	-	-	
26	Taxable Property Basis (Ln 24 - Ln 25)	-	89,943,881	105,648,738	2,688,841	198,281,460
27	Relative Valuation Factor	100%	100%	100%		
28	Weighted Net Plant (Ln 26 * Ln 27)	-	89,943,881	105,648,738	2,688,841	
29	General Plant Allocator (Ln 28 / (Total - General Plant))	0.00%	45.99%	54.01%	-100.00%	
30	Functionalized General Plant (Ln 29 * General Plant)	-	1,236,472	1,452,369	(2,688,841)	-
31	Weighted WEST VIRGINIA JURISDICTION Plant (Ln 28 + 30)	-	91,180,353	107,101,107	0	198,281,460
32	Functional Percentage (Ln 31/Total Ln 31)	0.00%	45.99%	54.01%		
33	Functionalized Expense in WEST VIRGINIA JURISDICTION	-	841,187	988,064		1,829,251
34	Total Other Jurisdictions: (Line 5 * Net Plant Allocator)		-			-
35	Total Func. Property Taxes (Sum Lns 33, 34)	-	841,187	988,064		1,829,251

AEP East Companies
Cost of Service Formula Rate Using 2008 FF1 Balances
Worksheet H-1 Form 1 Source Reference of Company Amounts on WS H
WHEELING POWER COMPANY

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
1	Revenue Taxes			
2	Gross Receipts Tax	3,958,248	3,958,248	P.263 ln 37 (i)
3	Real Estate and Personal Property Taxes			
4	Real and Personal Property - West Virginia	1,829,251	868,972	P.263 ln 26 (i)
			958,182	P.263 ln 27 (i)
			439	P.263 ln 30 (i)
			(591)	P.263 ln 31 (i)
			2,249	P.263 ln 32 (i)
5	Real and Personal Property - Ohio	-		
6	Payroll Taxes			
7	Federal Insurance Contribution (FICA)	162,468	162,468	P.263 ln 4 (i)
8	Federal Unemployment Tax	1,619	1,619	P.263 ln 5 (i)
9	State Unemployment Insurance	6,384	6,384	P.263 ln 38 (i)
10	Production Taxes			
11	State Severance Taxes	-		
12	Miscellaneous Taxes			
13	Muni Business & Occupation Tax	2,046,343	2,046,343	P.263.1 ln 8 (i)
14	State Public Service Commission Fees	602,326	235,710	P.263 ln 39 (i)
			366,616	P.263 ln 40 (i)
15	State Franchise Taxes	6,410	(774)	P.263 ln 23 (i)
			1,184	P.263 ln 24 (i)
			6,000	P.263.1 ln 9 (i)
			-	P.263.1 ln 10 (i)
16	State Lic/Registration Fee	25	25	P.263.1 ln 2 (i)
			-	P.263.1 ln 10 (i)
			-	P.263.1 ln 14 (i)
			-	P.263.1 ln 16 (i)
17	Misc. State and Local Tax	-		
18	Sales & Use	97	97	P.263 ln 35 (i)
19	Federal Excise Tax	-		
20	Michigan Single Business Tax	-		
21	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	8,613,171	8,613,171	

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 of the Ferc Form 1.

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet I Supporting Transmission Plant in Service Additions
WHEELING POWER COMPANY

(A) (B) (C) (D) (E) (F) (G) (H) (I)

I. Calculation of Composite Depreciation Rate

1	Transmission Plant @ Beginning of Historic Period (2013) (P.206, In 58,(b)):	88,587,641
2	Transmission Plant @ End of Historic Period (2013) (P.207, In 58,(g)):	112,649,133
3		<u>201,236,774</u>
4	Average Balance of Transmission Investment	100,618,387
5	Annual Depreciation Expense, Historic TCOS, In 276	2,509,273
6	Composite Depreciation Rate	2.49%
7	Round to 2.49% to Reflect a Composite Life of 40 Years	2.49%

II. Calculation of Property Placed in Service by Month and the Related Depreciation Expense

8	Month in Service	Capitalized Balance	Composite Annual Depreciation Rate	Annual Depreciation	Monthly Depreciation	No. Months Depreciation	First Year Depreciation Expense
9	January	\$ 393,780	2.49%	\$ 9,805	\$ 817	11	\$ 8,987
10	February	\$ 158,244	2.49%	\$ 3,940	\$ 328	10	\$ 3,280
11	March	\$ 315,903	2.49%	\$ 7,866	\$ 655	9	\$ 5,895
12	April	\$ 298,263	2.49%	\$ 7,427	\$ 619	8	\$ 4,952
13	May	\$ 298,426	2.49%	\$ 7,431	\$ 619	7	\$ 4,333
14	June	\$ 292,486	2.49%	\$ 7,283	\$ 607	6	\$ 3,642
15	July	\$ 302,036	2.49%	\$ 7,521	\$ 627	5	\$ 3,135
16	August	\$ 296,850	2.49%	\$ 7,392	\$ 616	4	\$ 2,464
17	September	\$ 286,197	2.49%	\$ 7,126	\$ 594	3	\$ 1,782
18	October	\$ 280,258	2.49%	\$ 6,978	\$ 582	2	\$ 1,164
19	November	\$ 278,908	2.49%	\$ 6,945	\$ 579	1	\$ 579
20	December	\$ 5,895,647	2.49%	\$ 146,802	\$ 12,233	0	\$ -
21	Investment	<u>\$ 9,096,998</u>				Depreciation Expense	<u>\$ 40,213</u>

III. Plant Transferred

22	\$ -	<== This input area is for original cost plant
23	\$ -	<== This input area is for accumulated depreciation that may be associated with capital expenditures. It would have an impact if a company had assets transferred from a subsidiary.
24 (Ln 7 * Ln 22)	\$ -	<== This input area is for additional Depreciation Expense

IV. List of Major Projects Expected to be In-Service in 2014

	<u>Estimated Cost</u> <u>(000's)</u>	<u>Month in Service</u>
25 <u>Major Zonal Projects</u>		
26 N/A	\$0	Multiple
27	<u>Subtotal</u>	\$0
28 <u>PJM Socialized/Beneficiary Allocated Regional Projects</u>		
29 N/A	\$0	
30	<u>Subtotal</u>	\$0

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
WHEELING POWER COMPANY

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

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

ROE w/o incentives (Projected TCOS, ln 164)			11.49%
Project ROE Incentive Adder			<==ROE Adder Cannot Exceed 125 Basis Points
ROE with additional basis point incentive		11.49%	<== ROE Including Incentives Cannot Exceed 12.74% Until July 1, 2012
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the Projected TCOS, lns 162 through 164)			
	%	Cost	Weighted cost
Long Term Debt	17.33%	5.25%	0.910%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	82.67%	11.49%	<u>9.499%</u>
		R =	10.409%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
	Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2014	33,234	33,234 \$ -

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

Rate Base (Projected TCOS, ln 78)	77,983,335
R (from A. above)	10.409%
Return (Rate Base x R)	8,116,947

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

Return (from B. above)	8,116,947
Effective Tax Rate (Projected TCOS, ln 126)	59.69%
Income Tax Calculation (Return x CIT)	4,845,051
ITC Adjustment	-
Income Taxes	4,845,051

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 (Projected TCOS, ln 1)	17,909,131
T.E.A. & Lease Payments (Projected TCOS, lns 105 & 106)	-
Return (Projected TCOS, ln 134)	8,116,947
Income Taxes (Projected TCOS, ln 133)	<u>4,845,051</u>
Annual Revenue Requirement, Less TEA Charges, Return and Taxes	4,947,133

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	4,947,133
Return (from I.B. above)	8,116,947
Income Taxes (from I.C. above)	<u>4,845,051</u>
Annual Revenue Requirement, with Basis Point ROE increase	17,909,131
Depreciation (Projected TCOS, ln 111)	<u>2,509,273</u>
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	15,399,858

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (Projected TCOS, ln 48)	89,943,881
Annual Revenue Requirement, with Basis Point ROE increase	17,909,131
FCR with Basis Point increase in ROE	19.91%
Annual Rev. Req. w/ Basis Point ROE increase, less Dep.	15,399,858
FCR with Basis Point ROE increase, less Depreciation	17.12%
FCR less Depreciation (Projected TCOS, ln 9)	<u>15.92%</u>
Incremental FCR with Basis Point ROE increase, less Depreciation	1.20%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Historic Period (2013) (P.206, ln 58,(b)):	88,587,641
Transmission Plant @ End of Historic Period (2013) (P.207, ln 58,(g)):	<u>112,649,133</u>
Subtotal	201,236,774
Average Transmission Plant Balance for 2013	100,618,387
Annual Depreciation Rate (Projected TCOS, ln 111)	2,509,273
Composite Depreciation Rate	2.49%
Depreciable Life for Composite Depreciation Rate	40.10
Round to nearest whole year	40

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1864.1 (Two additional 345/138 kV transformers at Kammer)

Current Projected Year ARR	-
Current Projected Year ARR w/ Incentive	-
Current Projected Year Incentive ARR	-

Details		2014
Investment	-	Current Year
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	11	FCR w/o incentives, less depreciation
Useful life	40	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2013	-	-	-	-	-	-		
2014	-	-	-	-	-	-		
2015	-	-	-	-	-	-		
2016	-	-	-	-	-	-		
2017	-	-	-	-	-	-		
2018	-	-	-	-	-	-		
2019	-	-	-	-	-	-		
2020	-	-	-	-	-	-		
2021	-	-	-	-	-	-		
2022	-	-	-	-	-	-		
2023	-	-	-	-	-	-		
2024	-	-	-	-	-	-		
2025	-	-	-	-	-	-		
2026	-	-	-	-	-	-		
2027	-	-	-	-	-	-		
2028	-	-	-	-	-	-		
2029	-	-	-	-	-	-		
2030	-	-	-	-	-	-		
2031	-	-	-	-	-	-		
2032	-	-	-	-	-	-		
2033	-	-	-	-	-	-		
2034	-	-	-	-	-	-		
2035	-	-	-	-	-	-		
2036	-	-	-	-	-	-		
2037	-	-	-	-	-	-		
2038	-	-	-	-	-	-		
2039	-	-	-	-	-	-		
2040	-	-	-	-	-	-		
2041	-	-	-	-	-	-		
2042	-	-	-	-	-	-		
2043	-	-	-	-	-	-		
2044	-	-	-	-	-	-		
2045	-	-	-	-	-	-		
2046	-	-	-	-	-	-		
2047	-	-	-	-	-	-		
2048	-	-	-	-	-	-		
2049	-	-	-	-	-	-		
2050	-	-	-	-	-	-		
2051	-	-	-	-	-	-		
2052	-	-	-	-	-	-		
2053	-	-	-	-	-	-		
2054	-	-	-	-	-	-		
2055	-	-	-	-	-	-		
2056	-	-	-	-	-	-		
2057	-	-	-	-	-	-		
2058	-	-	-	-	-	-		
2059	-	-	-	-	-	-		
2060	-	-	-	-	-	-		
2061	-	-	-	-	-	-		
2062	-	-	-	-	-	-		
2063	-	-	-	-	-	-		
2064	-	-	-	-	-	-		
2065	-	-	-	-	-	-		
2066	-	-	-	-	-	-		
2067	-	-	-	-	-	-		
2068	-	-	-	-	-	-		
2069	-	-	-	-	-	-		
2070	-	-	-	-	-	-		
2071	-	-	-	-	-	-		
2072	-	-	-	-	-	-		
Project Totals	-	-	-	-	-	-		

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

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

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

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1864.2 (West Bellaire-Brues 138 kV Circuit)

Current Projected Year ARR	33,234
Current Projected Year ARR w/ Incentive	33,234
Current Projected Year Incentive ARR	-

Details		2014
Investment	185,110	Current Year
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	10	FCR w/o incentives, less depreciation
Useful life	40	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #	RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2013	185,110	771	184,339	30,115	30,115	\$ -	\$ -	\$ -
2014	184,339	4,628	179,711	33,234.41	33,234	\$ -	\$ 44,166	\$ 44,166
2015	179,711	4,628	175,083	32,498	32,498	\$ -		
2016	175,083	4,628	170,455	31,761	31,761	\$ -		
2017	170,455	4,628	165,828	31,024	31,024	\$ -		
2018	165,828	4,628	161,200	30,288	30,288	\$ -		
2019	161,200	4,628	156,572	29,551	29,551	\$ -		
2020	156,572	4,628	151,944	28,814	28,814	\$ -		
2021	151,944	4,628	147,317	28,078	28,078	\$ -		
2022	147,317	4,628	142,689	27,341	27,341	\$ -		
2023	142,689	4,628	138,061	26,605	26,605	\$ -		
2024	138,061	4,628	133,433	25,868	25,868	\$ -		
2025	133,433	4,628	128,806	25,131	25,131	\$ -		
2026	128,806	4,628	124,178	24,395	24,395	\$ -		
2027	124,178	4,628	119,550	23,658	23,658	\$ -		
2028	119,550	4,628	114,922	22,921	22,921	\$ -		
2029	114,922	4,628	110,295	22,185	22,185	\$ -		
2030	110,295	4,628	105,667	21,448	21,448	\$ -		
2031	105,667	4,628	101,039	20,711	20,711	\$ -		
2032	101,039	4,628	96,411	19,975	19,975	\$ -		
2033	96,411	4,628	91,784	19,238	19,238	\$ -		
2034	91,784	4,628	87,156	18,501	18,501	\$ -		
2035	87,156	4,628	82,528	17,765	17,765	\$ -		
2036	82,528	4,628	77,900	17,028	17,028	\$ -		
2037	77,900	4,628	73,273	16,291	16,291	\$ -		
2038	73,273	4,628	68,645	15,555	15,555	\$ -		
2039	68,645	4,628	64,017	14,818	14,818	\$ -		
2040	64,017	4,628	59,389	14,081	14,081	\$ -		
2041	59,389	4,628	54,762	13,345	13,345	\$ -		
2042	54,762	4,628	50,134	12,608	12,608	\$ -		
2043	50,134	4,628	45,506	11,871	11,871	\$ -		
2044	45,506	4,628	40,878	11,135	11,135	\$ -		
2045	40,878	4,628	36,251	10,398	10,398	\$ -		
2046	36,251	4,628	31,623	9,662	9,662	\$ -		
2047	31,623	4,628	26,995	8,925	8,925	\$ -		
2048	26,995	4,628	22,367	8,188	8,188	\$ -		
2049	22,367	4,628	17,740	7,452	7,452	\$ -		
2050	17,740	4,628	13,112	6,715	6,715	\$ -		
2051	13,112	4,628	8,484	5,978	5,978	\$ -		
2052	8,484	4,628	3,856	5,242	5,242	\$ -		
2053	3,856	3,856	-	3,856	3,856	\$ -		
2054	-	-	-	-	-	\$ -		
2055	-	-	-	-	-	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals	185,110			784,254	784,254	-		

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

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

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

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
WHEELING 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 (True-Up TCOS, In 164)			11.49%
Project ROE Incentive Adder			0 <==ROE Adder Cannot Exceed 100 Basis Points
ROE with additional 0 basis point incentive			11.49% <== ROE Including Incentives Cannot Exceed 12.5% Until July 1, 2012
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the True-Up TCOS, Ins 162 through 164)			
	%	Cost	Weighted cost
Long Term Debt	19.24%	5.25%	1.010%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	80.76%	11.49%	9.279%
		R =	10.289%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS					
TRUE-UP YEAR	2013	Rev Require	W Incentives	Incentive Amounts	
As Projected in Prior Year WS J	\$	393,660	\$	393,660	\$ -
Actual after True-up	\$	30,345	\$	30,345	\$ -
True-up of ARR For 2013		(363,315)		(363,315)	-

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

Rate Base (True-Up TCOS, In 78)	62,891,875
R (from A. above)	10.289%
Return (Rate Base x R)	6,471,098

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

Return (from B. above)	6,471,098
Effective Tax Rate (True-Up TCOS, In 126)	58.99%
Income Tax Calculation (Return x CIT)	3,817,046
ITC Adjustment	-
Income Taxes	3,817,046

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 (True-Up TCOS, In 1)	15,181,267
T.E.A. & Lease Payments (True-Up TCOS, Lns 105 & 106)	-
Return (True-Up TCOS, In 134)	6,471,098
Income Taxes (True-Up TCOS, In 133)	3,817,046
Annual Revenue Requirement, Less TEA	4,893,123

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	4,893,123
Return (from I.B. above)	6,471,098
Income Taxes (from I.C. above)	3,817,046
Annual Revenue Requirement, with 0 Basis Point ROE increase	15,181,267
Depreciation (True-Up TCOS, In 111)	2,509,273
Annual Rev. Req, w/ 0 Basis Point ROE increase, less Depreciation	12,671,994

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

Net Transmission Plant (True-Up TCOS, In 48)	79,152,165
Annual Revenue Requirement, with 0 Basis Point ROE increase	15,181,267
FCR with 0 Basis Point increase in ROE	19.18%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	12,671,994
FCR with 0 Basis Point ROE increase, less Depreciation	16.01%
FCR less Depreciation (True-Up TCOS, In 9)	16.01%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Historic Period (P.206, In 58,(b)):	88,587,641
Transmission Plant @ End of Historic Period (P.207, In 58,(g)):	112,649,133
Subtotal	201,236,774
Average Transmission Plant Balance for	100,618,387
Annual Depreciation Rate (True-Up TCOS, In 111)	2,509,273
Composite Depreciation Rate	2.49%
Depreciable Life for Composite Depreciation Rate	40.10
Round to nearest whole year	40

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet L Supporting Projected Cost of Debt
WHEELING POWER COMPANY

Calculation of Projected Interest Expense Based on Outstanding Debt at Year End

<u>Line Number</u>	(A) <u>Issuance</u>	(B) <u>Principle Outstanding</u>	(C) <u>Interest Rate</u>	(D) <u>Annual Expense</u> (See Note S on Projected Template)	(E) <u>Notes</u>
1	Long Term Debt (FF1.p. 256-257.h)				
2	Advances From Associated Co.	25,000,000	5.250%	1,312,500	
3					
4	Installment Purchase Contracts (FF1.p. 256-257.h, a)				
5	N/A for Wheeling Power Company			-	
6				-	
7				-	
8				-	
9				-	
10				-	
11				-	
12				-	
13				-	
14				-	
15				-	
16				-	
17				-	
18				-	
19				-	
20				-	
21				-	
22				-	
23				-	
24				-	
25				-	
26				-	
27	Issuance Discount, Premium, & Expenses:				
28	Auction Fees	FF1.p. 256 & 257.Lines Described as Fees		-	
29	Allowable Hedge Amortization (See Ln 45 Below)			-	
30	Amort of Debt Discount and Expenses	FF1.p. 117.63.c		-	
31	Amort of Debt Premimums (Enter Negative)	FF1.p. 117.65.c		-	
32	Reacquired Debt:				
33	Amortization of Loss	FF1.p. 117.64.c		-	
34	Amortization of Gain	FF1.p. 117.66.c		-	
35	Total Interest on Long Term Debt	25,000,000	5.25%	1,312,500	
36	Preferred Stock (FF1.p. 250-251)	Preferred Shares Outstanding			
37	None	-	0.00%	-	
38				-	
39				-	
40	Dividends on Preferred Stock	-		-	
41	Net Total Hedge Gains and Losses (WS M, Ln 35, (E))			-	
42	Total Projected Capital Structure Balance for 2014 (Projected TCOS, Ln 165)			144,252,946	
43	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005	
44	Limit of Recoverable Amount			72,126	
45	Recoverable Hedge Amortization (Lesser of Ln 41 or Ln 44)			-	

AEP East Companies
Transmission Cost of Service Formula Rate
WHEELING POWER COMPANY

Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital Based on Average of Balances At 12/31/2012 & 12/31/2013

(A)	(B)	(C)	(D)	(E)
Line		Balances @ 12/31/2013	Balances @ 12/31/2012	Average
Development of Average Balance of Common Equity				
1	Proprietary Capital (112.16.c&d)	120,225,152	90,109,311	105,167,232
2	Less Preferred Stock (Ln 55 Below)	0	0	-
3	Less Account 216.1 (112.12.c&d)	0	0	0
4	Less Account 219.1 (112.15.c&d)	972,206	-473,816	249,195
5	Average Balance of Common Equity	119,252,946	90,583,127	104,918,037

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

6	Bonds (112.18.c&d)	0	0	0
7	Less: Reacquired Bonds (112.19.c&d)	0	0	0
8	LT Advances from Assoc. Companies (112.20.c&d)	25,000,000	25,000,000	25,000,000
9	Senior Unsecured Notes (112.21.c&d)	0	0	0
10	Less: Fair Value Hedges (See Note on Ln 12 below)	0	0	0
11	Total Average Debt	25,000,000	25,000,000	25,000,000

12 **NOTE: 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. (Column H of the FF1)**

13 Annual Interest Expense for 2013

14	Interest on Long Term Debt (256-257.33.i)			1,312,500
15	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 14 and shown in Ln 34 below.			-
16	Plus: Allowed Hedge Recovery From Ln 39 below.			-
17	Amort of Debt Discount & Expense (117.63.c)			-
18	Amort of Loss on Reacquired Debt (117.64.c)			-
19	Less: Amort of Premium on Debt (117.65.c)			-
20	Less: Amort of Gain on Reacquired Debt (117.66.c)			-
21	Total Interest Expense (Ln 14 + Ln 17 + Ln 18 - Ln 19 - Ln 20)			1,312,500

22 **Average Cost of Debt for 2013 (Ln 21/Ln 11)**

5.25%

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

23 **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 2013	Less Excludable Amounts (See NOTE on Line 23)	Net Includable Hedge Amount	Amortization Period	
				Remaining Unamortized Balance	Beginning Ending
24 Senior Unsecured Notes	0	-	-		
25 Senior Unsecured Notes	0	-	-		
26 Senior Unsecured Notes	0	-	-		
27 Senior Unsecured Notes	0	-	-		
28 Senior Unsecured Notes	0	-	-		
29 Senior Unsecured Notes	0	-	-		
30 Senior Unsecured Notes	0	-	-		
31 Senior Unsecured Notes	0	-	-		
32 Senior Unsecured Notes	0	-	-		
33 Senior Unsecured Notes	0	-	-		
34 Total Hedge Amortization	-	-	-		
35 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 24 to 33)			-		
36 Total Average Capital Structure Balance for 2013 (True-UP TCOS, Ln 165)			129,918,037		
37 Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005		
38 Limit of Recoverable Amount			64,959		
39 Recoverable Hedge Amortization (Lesser of Ln 35 or Ln 38)			-		

Development of Cost of Preferred Stock

Preferred Stock			Average
40 0% Series - 0 - Dividend Rate (p. 250-251. 7 & 10.a)	0.00%	0.00%	
41 0% Series - 0 - Par Value (p. 250-251. 8.c)	\$ -	\$ -	
42 0% Series - 0 - Shares O/S (p.250-251. 8 & 11.e)	-	-	
43 0% Series - 0 - Monetary Value (Ln 41 * Ln 42)	-	-	
44 0% Series - 0 - Dividend Amount (Ln 40 * Ln 43)	-	-	
45 0% Series - - Dividend Rate (p. 250-251.a)			
46 0% Series - - Par Value (p. 250-251.c)			
47 0% Series - - Shares O/S (p.250-251. e)			
48 0% Series - - Monetary Value (Ln 46 * Ln 47)	-	-	
49 0% Series - - Dividend Amount (Ln 45 * Ln 48)	-	-	
50 0% Series - - Dividend Rate (p. 250-251.a)			
51 0% Series - - Par Value (p. 250-251.c)			
52 0% Series - - Shares O/S (p.250-251.e)			
53 0% Series - - Monetary Value (Ln 51 * Ln 52)	-	-	
54 0% Series - - Dividend Amount (Ln 50 * Ln 53)	-	-	
55 Balance of Preferred Stock (Lns 43, 48, 53)	-	-	- Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)
56 Dividends on Preferred Stock (Lns 44, 49, 54)	-	-	-
57 Average Cost of Preferred Stock (Ln 56/55)	0.00%	0.00%	

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
WHEELING POWER COMPANY

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectively. Sales will be functionalized 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>		- <u> </u> <u> </u>	

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet O - Calculation of Postemployment Benefits Other than Pensions Expenses Allocable to Transmission Service
WHEELING POWER COMPANY

Total AEP East Operating Company PBOP Settlement Amount 30,000,000

Allocation of PBOP Settlement Amount for 2013

Line#	Company	Total Company Amount						
		Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 2013	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * 30000000	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
1	APCo	(4,215,559)	48.37%	14,511,689	7.115%	(299,951)	1,032,553	(1,332,504)
2								
3	I&M	(3,395,590)	38.96%	11,689,019	3.672%	(124,685)	429,217	(553,902)
4	KPCo	(1,089,175)	12.50%	3,749,390	10.335%	(112,568)	387,506	(500,074)
5	KNGP	(91,189)	1.05%	313,910	12.878%	(11,743)	40,424	(52,167)
6	OPCo	191,908	-2.20%	(660,626)	6.682%	12,823	(44,141)	56,964
7	WPCo	(115,215)	1.32%	396,617	7.229%	(8,328)	28,670	(36,998)
8	Sum of Lines 1 to 7	(8,714,820)		30,000,000		(544,452)	1,874,228	(2,418,680)

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	(4,054,293)	(3,376,008)	(1,007,225)	(81,745)	(4,165,372)	(103,680)	(12,788,323)
10 Additional PBOP Ledger Entries (from Company Records)	223,423	257,059	(0)	0	4,866,605	-	-
11 Medicare Subsidy	-	-	-	-	-	-	-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(3,830,870)	(3,118,949)	(1,007,225)	(81,745)	701,233	(103,680)	(7,441,236)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(384,689)	(276,641)	(81,950)	(9,444)	(509,325)	(11,535)	(1,273,584)
14 Company PBOP Expense (Ln 12 + Ln 13)	(4,215,559)	(3,395,590)	(1,089,175)	(91,189)	191,908	(115,215)	(8,714,820)

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 1/1/2009
FOR SINGLE JURISDICTION COMPANIES
WHEELING POWER COMPANY

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Structures & Improvements	352.0	2.70%
Station Equipment	353.0	2.70%
Towers & Fixtures	354.0	2.70%
Poles & Fixtures	355.0	2.70%
Overhead Conductors	356.0	2.70%
Underground Conduit	357.0	2.70%
Underground Conductors	358.0	2.70%
Trails & Roads	359.0	2.70%

Note 1: Rates Approved in WV Public Service Commission Case No. PSC 90-243-E-42T.

General Note:

Per the terms of the settlement in this case, 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.