

AEPTCo subsidiaries in PJM
 Transmission Cost of Service Formula Rate
 Utilizing Historic Cost Data for 2013 and Projected Net Plant at Year-End 2014

AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 136)			\$8,142,220
2	REVENUE CREDITS	(Note A) (Worksheet E)	-	DA 1.00000	\$ -
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			\$ 8,142,220

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)		5,430,646	DA 1.00000	\$ 5,430,646
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	((In 1 - In 102 - In 103) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			12.38%
7	Monthly Rate	(In 6 / 12)			1.03%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((In 1 - In 102 - In 103 - In 108 - In 109) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			12.16%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	((In 1 - In 102 - In 103 - In 108 - In 109 - In 131 - In 132) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			0.35%
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			-
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				-
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			-

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	(1)	(2)	(3)	(4)	(5)
	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>
Line No.	GROSS PLANT IN SERVICE				
18	<i>Line Deliberately Left Blank</i>				
19	<i>Line Deliberately Left Blank</i>				
20	Transmission	(Worksheet A In 3.C & Ln 140)	-	DA	-
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.C & Ln 141)	-	TP	-
22	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.D)		65,924,284	DA	65,924,284
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I, In 22.D)		-	DA	-
24	<i>Line Deliberately Left Blank</i>				
25	<i>Line Deliberately Left Blank</i>				
26	General Plant	(Worksheet A In 7.C)	-	W/S	-
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	-	W/S	-
28	Intangible Plant	(Worksheet A In 9.C)	-	W/S	-
29	TOTAL GROSS PLANT	(Sum of Lines: 20 to 23 & 26 to 28)	<u>65,924,284</u>		<u>65,924,284</u>
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	<i>Line Deliberately Left Blank</i>				
32	<i>Line Deliberately Left Blank</i>				
33	Transmission	(Worksheet A In 14.C & 28.C)	-	TP1=	-
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	-	TP1=	-
35	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.I)		146,440	DA	146,440
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I In. 24.D)		-	DA	-
37	Plus: Additional Transmission Depreciation for 2014 (In 108)		-	TP1	-
38	Plus: Additional General & Intangible Depreciation for 2014 (In 111 + In 112)		-	W/S	-
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I In 23.D)		-	DA	-
40	<i>Line Deliberately Left Blank</i>				
41	<i>Line Deliberately Left Blank</i>				
42	General Plant	(Worksheet A In 18.C)	-	W/S	-
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	-	W/S	-
44	Intangible Plant	(Worksheet A In 20.C)	-	W/S	-
45	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 33 to 39 & 42 to 44)	<u>146,440</u>		<u>146,440</u>
46	NET PLANT IN SERVICE				
47	<i>Line Deliberately Left Blank</i>				
48	Transmission	(In 20 + In 21 - In 33 - In 34)	-		-
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		65,777,844		65,777,844
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		-		-
51	Plus: Additional Transmission Depreciation for 2014 (-In 37)		-		-
52	Plus: Additional General & Intangible Depreciation for 2014 (-In 38)		-		-
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		-		-
54	<i>Line Deliberately Left Blank</i>				
55	General Plant	(In 26 + In 27 - In 42 - In 43)	-		-
56	Intangible Plant	(In 28 - In 44)	-		-
57	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 48 to 53 & 55, 56)	<u>65,777,844</u>		<u>65,777,844</u>
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE				
59	Account No. 281.1 (enter negative)	(Note D) (Worksheet B, In 2 & In 5.C)	-	NA	-
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	(2,867)	DA	(2,867)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(28,792)	DA	(28,792)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	85,325	DA	85,325
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	-	DA	-
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	<u>53,666</u>		<u>53,666</u>
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	-	DA	-
66	REGULATORY ASSETS	(Worksheet A In 41. (C))	-	DA	-
67	WORKING CAPITAL				
68	Cash Working Capital	(Note E) (1/8 * In 88)	3,728		3,728
69	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	-	TP	-
70	A&G Materials & Supplies	(Worksheet C, In 3.(D))	-	W/S	-
71	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	-
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 6.G)	-	W/S	-
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 6.F)	-	GP(h)	-
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 6.E)	-	DA	-
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 6.D)	-	NA	-
76	TOTAL WORKING CAPITAL	(sum Ins 68 to 75)	<u>3,728</u>		<u>3,728</u>
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA	-
78	RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)		<u>65,835,237</u>		<u>65,835,237</u>

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Formula Rate
Projected TCOS
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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	<i>Line Deliberately Left Blank</i>				
80	<i>Line Deliberately Left Blank</i>				
81	Customer Related Expense	322.164,171,178.b	-		
82	Regional Marketing Expenses	322.131.b	-		
83	Transmission	321.112.b	29,823		
84	TOTAL O&M EXPENSES	(sum Ins 81 to 83)	29,823		
85	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	-		
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)	29,823	TP 1.00000	29,823
89	Administrative and General	323.197.b (Note J)	180,586		
90	Less: Acct. 924, Property Insurance	323.185.b	-		
91	Acct. 928, Reg. Com. Exp.	323.189.b	-		
92	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
93	Acct. 930.2, Misc. Gen. Exp.	323.192.b	-		
94	Balance of A & G	(In 89 - sum In 90 to In 93)	180,586	W/S 1.00000	180,586
95	Plus: Acct. 924, Property Insurance	(In 90)	-	GP(h) 0.00000	-
96	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	-	TP 1.00000	-
97	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP 1.00000	-
98	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 42.(E) (Note L)	-	DA 1.00000	-
99	PBOP Adjustment	Worksheet O Ln 16 (B), (Note K & M)	8,309	W/S 1.00000	8,309
100	A & G Subtotal	(sum Ins 94 to 99)	188,895		188,895
101	O & M EXPENSE SUBTOTAL	(In 88 + In 100)	218,718		218,718
102	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA 1.00000	-
103	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA 1.00000	-
104	TOTAL O & M EXPENSE	(In 101 + In 102 + In 103)	218,718		218,718
105	DEPRECIATION AND AMORTIZATION EXPENSE				
106	<i>Line Deliberately Left Blank</i>				
107	<i>Line Deliberately Left Blank</i>				
108	Transmission	336.7.f	-	TP1 1.00000	-
109	Plus: Transmission Plant-in-Service Additions (Worksheet I In 21.I)		146,440	DA 1.00000	146,440
110	Plus: Formation Costs Amortization (Worksheet A In 37.C)		13,384	TP1 1.00000	13,384
111	General	336.10.f	-	W/S 1.00000	-
112	Intangible	336.1.f	-	W/S 1.00000	-
113	TOTAL DEPRECIATION AND AMORTIZATION	(Lns 108+109+111+112)	159,824		159,824
114	TAXES OTHER THAN INCOME				
115	Labor Related				
116	Payroll	Worksheet H In 23.(D)	-	W/S 1.00000	-
117	Plant Related		-		-
118	Property	Worksheet H In 23.(C) & In 58.(C)	-	DA	-
119	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	-	NA 0.00000	-
120	Other	Worksheet H In 23.(E)	50	GP(h) 0.00000	-
121	TOTAL OTHER TAXES	(sum Ins 116 to 120)	50		-
122	INCOME TAXES				
123	$T=1 - \{[(1 - \text{FIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * p)\} =$		39.55%		
124	$\text{EIT}=(T/(1-T)) * (1-(\text{WCLTD}/\text{WACC})) =$		41.68%		
125	where WCLTD=(In 174) and WACC = (In 177)				
126	and FIT, SIT & p are as given in Note O.				
127	$\text{GRCF}=1 / (1 - T) =$ (from In 123)		1.6543		
128	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
129	Income Tax Calculation	(In 124 * In 132)	2,284,030		2,284,030
130	ITC adjustment	(In 127 * In 128)	-	NP(h) 0.00000	-
131	TOTAL INCOME TAXES	(sum Ins 129 to 130)	2,284,030		2,284,030
132	RETURN ON RATE BASE (Rate Base * WACC)	(In 78 * In 177)	5,479,648		5,479,648
133	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
134	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
135	Tax Impact on (Gains) / Losses on Sales of Plant Held for Future Use (In 134 * In124)		-		-
136	TOTAL REVENUE REQUIREMENT	(sum Ins 104, 113, 121, 131, 132, 133, 134, 135)	8,142,270		8,142,220

AEP WEST VIRGINIA TRANSMISSION COMPANY

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF					
137	Total transmission plant (In 20)					-
138	Less transmission plant excluded from PJM Tariff (Note P)					-
139	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C)) (Note Q)					-
140	Transmission plant included in PJM Tariff (In 137 - In 138 - In 139)					-
141	Percent of transmission plant in PJM Tariff (In 140 / In 137)				TP=	1.00000
142	WAGES & SALARY ALLOCATOR (W/S) (Note R)					
143	<i>Line Deliberately Left Blank</i>					
144	Transmission	354.21.b	-	11,445	11,445	TP 1.00000 11,445
145	Regional Market Expenses	354.22.b	-	-	-	NA 0.00000 -
146	<i>Line Deliberately Left Blank</i>					
147	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA 0.00000 -
148	Total (sum Ins 144, 145, & 147)		-	11,445	11,445	11,445
149	Transmission related amount					W/S= 1.00000
150	Actual Capped Capital Cost Structure (Note S)					\$
151	WEIGHTED AVERAGE COST OF CAPITAL (WACC)					-
151	Long Term Interest (Worksheet L, In. 34, col. (D))					-
152	Preferred Dividends (Worksheet L, In. 44, col. (D))					-
153	<u>Development of Common Stock:</u>					
154	Proprietary Capital (FF1 p 112, Ln 16.c)					39,908,614
155	Less: Preferred Stock (FF1 p 112, Ln 3.c)					-
156	Less: Account 216.1 (FF1 p 112, Ln 12.c)					-
157	Less: Account 219 (FF1 p 112, Ln 15.c)					-
158	Common Stock (In 154 - In 155 - In 156 - In 157)					39,908,614
159	Long Term Debt Worksheet L, In 34, col. (B)	\$				
160	Preferred Stock (In 155)	-				
161	Common Stock (In 158)	39,908,614				
162	Total (Sum Ins 159 to 161)	39,908,614				
163	Capital Structure Equity Limit (Note T)	50.0%				
164	AEP OPERATING COMPANIES' COMPOSITE (Note S)					\$
164	WEIGHTED AVERAGE COST OF CAPITAL (WACC)					-
165	Long Term Interest (Worksheet Q, In. 14)					508,751,624
166	Preferred Dividends (Worksheet Q, In. 36)					-
167	<u>Development of Common Stock:</u>					
168	Proprietary Capital (Worksheet Q, In. 37)					7,769,429,769
169	Less: Preferred Stock (Worksheet Q, In. 38)					-
170	Less: Account 216.1 (Worksheet Q, In. 39)					6,459,402
171	Less: Account 219 (Worksheet Q, In. 40)					(9,922,266)
172	Common Stock (In 168 - In 169 - In 170 - In 171)					7,772,892,633
173			%	\$		Cost Weighted
174	Long Term Debt (Worksheet Q, In 50)		53.85%	9,069,720,925		5.61% 0.0302
175	Preferred Stock (Worksheet Q, In 51)		0.00%	-		0.00% 0.0000
176	Common Stock (Worksheet Q, In 52)		46.15%	7,772,892,633		11.49% 0.0530
177	Total (Worksheet Q, In 45)			16,842,613,558		WACC= 0.0832

AEP WEST VIRGINIA TRANSMISSION 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 100.
- 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 133.
- 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 102 and 103 to determine the total O&M collected in the formula. The amounts on lines 102 and 103 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11.
The addbacks on lines 102 and 103 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 102 and 103 is the AEP WEST VIRGINIA TRANSMISSION 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 The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor 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 ER10-355, recoverable PBOP expense is based on a rate of 9.4 cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- 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 128) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
- | | | | |
|------------------|-------|--------|---------------------------------------------------------------|
| Inputs Required: | FIT = | 35.00% | |
| | SIT = | 7.00% | (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 As shown on Worksheet Q, the AEP West Virginia Transmission Company capital structure and weighted cost of capital (WACC) shall be based on (1) the weighted composite of AEP East Operating Companies' actual end-of-year capital structure, including year-end outstanding long term debt (LTD) and preferred stock (PS) issuances (Projected) or the beginning and ending average capital structure, including the beginning and ending average outstanding LTD and PS issuances (True-Up) with the common equity portion as capped in Docket No. ER08-1329 where any excess common equity is priced at the cost of LTD and the composite equity ratio is further capped at 50%, and (2) the actual weighted composite LTD and PS cost using actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the the Company establishes its own actual capital structure.
Upon establishment of actual debt financing for AEP West Virginia Transmission Company, the Company shall use its own actual capital structure capped by a 50% Common Equity Cap and its own LTD costs, excluding all interest rate hedging costs and/or gains, as computed on Worksheet L for the Projected TCOS or Worksheet M for the True Up TCOS.
- T AEP WEST VIRGINIA TRANSMISSION COMPANY's Common Stock is limited to 50% of the capital structure. This limit may only be changed through a Section 205 or 206 filing effective after June 30, 2013.
If the percentage of equity exceeds the cap, the excess is included in weighted percentage of long term debt in the capital structure.

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AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.			Total	Allocator	Transmission Amount
178	REVENUE REQUIREMENT (w/o incentives)	(ln 313)			\$252,255
179	REVENUE CREDITS	(Note A) (Worksheet E)	-	DA 1.00000	\$ -
180	REVENUE REQUIREMENT For All Company Facilities	(ln 178 less ln 179)			\$ 252,255

MEMO: The Carrying Charge Calculations on lines 183 to 188 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 181 is included in the total on line 180.

181	Not applicable on this template				
182	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
183	Annual Rate	((ln 178 - ln 279 - ln 280) / ln 225 x 100)			0.00%
184	Monthly Rate	(ln 183 / 12)			0.00%
185	NET PLANT CARRYING CHARGE ON LINE 183 , w/o depreciation or ROE incentives (Note B)				
186	Annual Rate	((ln 178 - ln 279 - ln 280 - ln 285) / ln 225 x 100)			0.00%
187	NET PLANT CARRYING CHARGE ON LINE 186, w/o Return, income taxes or ROE incentives (Note B)				
188	Annual Rate	((ln 178 - ln 279 - ln 280 - ln 285 - ln 308 - ln 309) / ln 225 x 100)			0.00%
189	Not applicable on this template				
190	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
191	Total Load Dispatch & Scheduling (Account 561)	Line 262 Below			-
192	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				-
193	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
194	Total 561 Internally Developed Costs	(Line 191 - Line 192 - Line 193)			-

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2013 with Year-End Rate Base Balances

AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.	(1) RATE BASE CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total NOTE C	(4) Allocator	(5) Total Transmission
195	GROSS PLANT IN SERVICE				
196	<i>Line Deliberately Left Blank</i>				
197	Transmission	(Worksheet A In 3.C & Ln 317)	-	DA	-
198	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.C & Ln 318)	-	TP	-
199	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	N/A
200	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	N/A
201	<i>Line Deliberately Left Blank</i>				
202	<i>Line Deliberately Left Blank</i>				
203	General Plant	(Worksheet A In 7.C)	-	W/S	-
204	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	-	W/S	-
205	Intangible Plant	(Worksheet A In 9.C)	-	W/S	-
206	TOTAL GROSS PLANT	(Sum of Lines: 197 to 200 & 203 to 205)	-	GP(h)=	0.00000
				GTD=	0.00000
207	ACCUMULATED DEPRECIATION AND AMORTIZATION				
208	<i>Line Deliberately Left Blank</i>				
209	<i>Line Deliberately Left Blank</i>				
210	Transmission	(Worksheet A In 14.C & 28.C)	-	TP1=	-
211	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	-	TP1=	-
212	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA	N/A
213	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
214	Plus: Additional Transmission Depreciation for 2014 (In 285)		N/A	TP1	N/A
215	Plus: Additional General & Intangible Depreciation for 2014 (In 284 + In 285)		N/A	W/S	N/A
216	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
217	<i>Line Deliberately Left Blank</i>				
218	<i>Line Deliberately Left Blank</i>				
219	General Plant	(Worksheet A In 18.C)	-	W/S	-
220	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	-	W/S	-
221	Intangible Plant	(Worksheet A In 20.C)	-	W/S	-
222	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 210 to 216 & 219 to 221)	-		-
223	NET PLANT IN SERVICE				
224	<i>Line Deliberately Left Blank</i>				
225	Transmission	(In 197 + In 198 - In 210 - In 211)	-		-
226	Plus: Transmission Plant-in-Service Additions (In 199 - In 212)		N/A		N/A
227	Plus: Additional Trans Plant on Transferred Assets (In 200 - In 213)		N/A		N/A
228	Plus: Additional Transmission Depreciation for 2014 (-In 214)		N/A		N/A
229	Plus: Additional General & Intangible Depreciation for 2014 (-In 215)		N/A		N/A
230	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 216)		N/A		N/A
231	<i>Line Deliberately Left Blank</i>				
232	General Plant	(In 203 + In 204 - In 219 - In 220)	-		-
233	Intangible Plant	(In 205 - In 221)	-		-
234	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 225 to 230 & 232, 233)	-	NP(h)=	0.00000
235	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
236	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.C)	-	NA	-
237	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	(2,867)	DA	(2,867)
238	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(28,792)	DA	(28,792)
239	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	85,325	DA	85,325
240	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	-	DA	-
241	TOTAL ADJUSTMENTS	(sum lns 236 to 240)	53,666		53,666
242	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	-	DA	-
243	REGULATORY ASSETS	(Worksheet A In 41. (C))	-	DA	-
244	WORKING CAPITAL	(Note E)			
245	Cash Working Capital	(1/8 * In 265)	3,728		3,728
246	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	-	TP	-
247	A&G Materials & Supplies	(Worksheet C, In 3.(D))	-	W/S	-
248	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	-
249	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 6.G)	-	W/S	-
250	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 6.F)	-	GP(h)	-
251	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 6.E)	-	DA	-
252	Prepayments (Account 165) - Unallocable	(Worksheet C, In 6.D)	-	NA	-
253	TOTAL WORKING CAPITAL	(sum lns 245 to 252)	3,728		3,728
254	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA	-
255	RATE BASE (sum lns 234, 241, 242, 243, 253, 254)		57,394		57,394

AEPTCo subsidiaries in PJM
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AEP WEST VIRGINIA TRANSMISSION COMPANY

	(1)	(2)	(3)	(4)	(5)
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
Line No.	OPERATION & MAINTENANCE EXPENSE				
256	<i>Line Deliberately Left Blank</i>				
257	<i>Line Deliberately Left Blank</i>				
258	Customer Related Expense	322 & 323.164,171,178.b	-		
259	Regional Marketing Expenses	322.131.b	-		
260	Transmission	321.112.b	29,823		
261	TOTAL O&M EXPENSES	(sum Ins 258 to 260)	29,823		
262	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	-		
263	Less: Account 565	(Note H) 321.96.b	-		
264	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
265	Total O&M Allocable to Transmission	(Ins 260 - 262 - 263 - 264)	29,823	TP	1.00000
					29,823
266	Administrative and General	323.197.b (Note J)	180,586		
267	Less: Acct. 924, Property Insurance	323.185.b	-		
268	Acct. 928, Reg. Com. Exp.	323.189.b	-		
269	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
270	Acct. 930.2, Misc. Gen. Exp.	323.192.b	-		
271	Balance of A & G	(In 266 - sum In 267 to In 270)	180,586	W/S	1.00000
272	Plus: Acct. 924, Property Insurance	(In 267)	-	GP(h)	0.00000
273	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	-	TP	1.00000
274	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP	1.00000
275	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 42.(E) (Note L)	-	DA	1.00000
276	PBOP Adjustment	Worksheet O Ln 16 (B), (Note K & M)	8,309	W/S	1.00000
277	A & G Subtotal	(sum Ins 271 to 276)	188,895		
278	O & M EXPENSE SUBTOTAL	(In 265 + In 277)	218,718		
279	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA	1.00000
280	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	1.00000
281	TOTAL O & M EXPENSE	(In 278 + In 279 + In 280)	218,718		
282	DEPRECIATION AND AMORTIZATION EXPENSE				
283	<i>Line Deliberately Left Blank</i>				
284	<i>Line Deliberately Left Blank</i>				
285	Transmission	336.7.f	-	TP1	1.00000
286	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
287	Plus: Formation Costs Amortization	(Worksheet A In 35.C)	26,768	TP1	1.00000
288	General	336.10.f	-	W/S	1.00000
289	Intangible	336.1.f	-	W/S	1.00000
290	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 285+286+288+289)	26,768		
291	TAXES OTHER THAN INCOME	(Note N)			
292	Labor Related				
293	Payroll	Worksheet H In 23.(D)	-	W/S	1.00000
294	Plant Related				
295	Property	Worksheet H In 23.(C) & In 58.(C)	-	DA	-
296	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	-	NA	0.00000
297	Other	Worksheet H In 23.(E)	50	GP(h)	0.00000
298	TOTAL OTHER TAXES	(sum Ins 293 to 297)	50		
299	INCOME TAXES	(Note O)			
300	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		39.55%		
301	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		41.68%		
302	where WCLTD=(In 350) and WACC = (In 353)				
303	and FIT, SIT & p are as given in Note O.				
304	$GRCF=1 / (1 - T) =$ (from In 300)		1.6543		
305	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
306	Income Tax Calculation	(In 301 * In 309)	1,991		
307	ITC adjustment	(In 304 * In 305)	-	NP(h)	0.00000
308	TOTAL INCOME TAXES	(sum Ins 306 to 307)	1,991		
309	RETURN ON RATE BASE (Rate Base*WACC)	(In 255 * In 353)	4,777		
310	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	1.00000
311	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		
312	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 311 * In301)		-		
313	TOTAL REVENUE REQUIREMENT	(sum Ins 281, 290, 298, 308, 309, 310, 311, 312)	252,305		

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AEP WEST VIRGINIA TRANSMISSION COMPANY

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
314	Total transmission plant	(In 197)						-
315	Less transmission plant excluded from PJM Tariff (Note P)							-
316	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C)) (Note Q)							-
317	Transmission plant included in PJM Tariff	(In 314 - In 315 - In 316)						-
318	Percent of transmission plant in PJM Tariff	(In 317 / In 314)					TP=	1.00000
319	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
320	<i>Line Deliberately Left Blank</i>							
321	Transmission	354.21.b	-	11,445	11,445	TP	1.00000	11,445
322	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000	-
323	<i>Line Deliberately Left Blank</i>							
324	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000	-
325	Total	(sum Ins 321, 322, & 324)	-	11,445	11,445			11,445
326	Transmission related amount						W/S=	1.00000
327	Actual (Uncapped) Capital Structure WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
328	Long Term Interest	(Worksheet L, In. 34, col. (D))				See W/S L		-
329	Preferred Dividends	(Worksheet L, In. 44, col. (D))						-
330	<u>Development of Common Stock:</u>							
331	Proprietary Capital	(FF1 p 112, Ln 16.c)						39,908,614
332	Less: Preferred Stock	(FF1 p 112, Ln 3.c)						-
333	Less: Account 216.1	(FF1 p 112, Ln 12.c)						-
334	Less: Account 219	(FF1 p 112, Ln 15.c)						-
335	Common Stock	(In 331 - In 332 - In 333 - In 334)						39,908,614
			Capital Structure Percentages				Cost	Weighted
			\$	%		(Note S)		
336	Long Term Debt (Worksheet L, In 34, col. (B))		-	0.00%		0.00%		0.0000
337	Preferred Stock (In 332)		-	0.00%		0.00%		0.0000
338	Common Stock (In 335)		39,908,614	100.00%		11.49%		0.1149
339	Total (Sum Ins 336 to 338)		39,908,614	100.00%			WACC=	0.1149
340	AEP OPERATING COMPANIES' COMPOSITE (Note S) WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
341	Long Term Interest	(Worksheet Q, In. 14)						508,751,624
342	Preferred Dividends	(Worksheet Q, In. 36)						-
343	<u>Development of Common Stock:</u>							
344	Proprietary Capital	(Worksheet Q, In. 37)						7,769,429,769
345	Less: Preferred Stock	(Worksheet Q, In. 38)						-
346	Less: Account 216.1	(Worksheet Q, In. 39)						6,459,402
347	Less: Account 219	(Worksheet Q, In. 40)						(9,922,266)
348	Common Stock	(In 344 - In 345 - In 346 - In 347)						7,772,892,633
349			Capital Structure Percentages				Cost	Weighted
350	Long Term Debt (Worksheet Q, In 50)		53.85%	9,069,720,925		5.61%		0.0302
351	Preferred Stock (Worksheet Q, In 51)		0.00%	-		0.00%		0.0000
352	Common Stock (Worksheet Q, In 52)		46.15%	7,772,892,633		11.49%		0.0530
353	Total (Worksheet Q, In 45)			16,842,613,558			WACC=	0.0832

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Transmission Cost of Service Formula Rate
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AEP WEST VIRGINIA TRANSMISSION 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 265. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 262.
2) AEP transmission equalization transfers, as shown on line 263
3) The impact of state regulatory deferrals and amortizations, as shown on line 264
4) All A&G Expenses, as shown on line 277.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 254 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 310.
- 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 192 & 193 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 265. 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 279 and 280 to determine the total O&M collected in the formula. The amounts on lines 279 and 280 are also excluded in the calculation of the FCR percentage calculated on lines 182 through 188. The addbacks on lines 279 and 280 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 279 and 280 is the AEP WEST VIRGINIA TRANSMISSION 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 The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor 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 ER10-355, recoverable PBOP expense is based on a rate of 9.4 cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (In 305) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT = 7.00% (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 As shown on Worksheet Q, the AEP West Virginia Transmission Company capital structure and weighted cost of capital (WACC) shall be based on (1) the weighted composite of AEP East Operating Companies' actual end-of-year capital structure, including year-end outstanding long term debt (LTD) and preferred stock (PS) issuances (Projected) or the beginning and ending average capital structure, including the beginning and ending average outstanding LTD and PS issuances (True-Up) with the common equity portion as capped in Docket No. ER08-1329 where any excess common equity is priced at the cost of LTD and the composite equity ratio is further capped at 50%, and (2) the actual weighted composite LTD and PS cost using actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the the Company establishes its own actual capital structure. Upon establishment of actual debt financing for AEP West Virginia Transmission Company, the Company shall use its own actual capital structure capped by a 50% Common Equity Cap and its own LTD costs, excluding all interest rate hedging costs and/or gains, as computed on Worksheet L for the Projected TCOS or Worksheet M for the True Up TCOS.
- T AEP WEST VIRGINIA TRANSMISSION COMPANY's Common Stock is limited to 50% of the capital structure. This limit may only be changed through a Section 205 or 206 filing effective after June 30, 2013. If the percentage of equity exceeds the cap, the excess is included in weighted percentage of long term debt in the capital structure.

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AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 136)			\$256,798
2	REVENUE CREDITS	(Note A) (Worksheet E)	-	DA 1.00000	\$ -
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			<u>\$ 256,798</u>

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)		-	DA 1.00000	\$ -
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	((In 1 - In 102 - In 103) / In 48 x 100)			0.00%
7	Monthly Rate	(In 6 / 12)			0.00%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((In 1 - In 102 - In 103 - In 108) / In 48 x 100)			0.00%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	((In 1 - In 102 - In 103 - In 108 - In 131 - In 132) / In 48 x 100)			0.00%
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			-
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				-
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			<u>-</u>

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

AEP WEST VIRGINIA TRANSMISSION 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	<i>Line Deliberately Left Blank</i>				
19	<i>Line Deliberately Left Blank</i>				
20	Transmission	(Worksheet A In 3.E & Ln 140)	-	DA	-
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 141)	-	TP	-
22	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	N/A
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	N/A
24	<i>Line Deliberately Left Blank</i>				
25	<i>Line Deliberately Left Blank</i>				
26	General Plant	(Worksheet A In 7.E)	-	W/S	-
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	-	W/S	-
28	Intangible Plant	(Worksheet A In 9.E)	-	W/S	-
29	TOTAL GROSS PLANT	(Sum of Lines: 20 to 23 & 26 to 28)	-	GP(h)=	0.00000
				GTD=	0.00000
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	<i>Line Deliberately Left Blank</i>				
32	<i>Line Deliberately Left Blank</i>				
33	Transmission	(Worksheet A In 14.E & 28.E)	-	TP1=	-
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.E)	-	TP1=	-
35	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA	N/A
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
37	Plus: Additional Transmission Depreciation for 2014 (In 108)		N/A	TP1	N/A
38	Plus: Additional General & Intangible Depreciation for 2014 (In 107 + In 108)		N/A	W/S	N/A
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
40	<i>Line Deliberately Left Blank</i>				
41	<i>Line Deliberately Left Blank</i>				
42	General Plant	(Worksheet A In 18.E)	-	W/S	-
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	-	W/S	-
44	Intangible Plant	(Worksheet A In 20.E)	-	W/S	-
45	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 33 to 39 & 42 to 44)	-		-
46	NET PLANT IN SERVICE				
47	<i>Line Deliberately Left Blank</i>				
48	Transmission	(In 20 + In 21 - In 33 - In 34)	-		-
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	<i>Line Deliberately Left Blank</i>				
55	General Plant	(In 26 + In 27 - In 42 - In 43)	-		-
56	Intangible Plant	(In 28 - In 44)	-		-
57	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 48 to 53 & 55, 56)	-	NP(h)=	0.00000
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)	(1,434)	DA	(1,434)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(20,616)	DA	(20,616)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	112,230	DA	112,230
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA	-
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	90,180		90,180
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	-	DA	-
66	REGULATORY ASSETS	(Worksheet A In 41. (E))	-	DA	-
67	WORKING CAPITAL	(Note E)			
68	Cash Working Capital	(1/8 * In 88)	3,728		3,728
69	Transmission Materials & Supplies	(Worksheet C, In 2.F)	-	TP	-
70	A&G Materials & Supplies	(Worksheet C, In 3.F)	-	W/S	-
71	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	-
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	-	W/S	-
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	-	GP(h)	-
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	-
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	-	NA	-
76	TOTAL WORKING CAPITAL	(sum Ins 68 to 75)	3,728		3,728
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8 (B))	-	DA	-
78	RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)		93,908		93,908

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator	(5) Total Transmission
79	OPERATION & MAINTENANCE EXPENSE				
80	<i>Line Deliberately Left Blank</i>				
81	Customer Related Expense	322.164,171,178.b	-		
82	Regional Marketing Expenses	322.131.b	-		
83	Transmission	321.112.b	29,823		
84	TOTAL O&M EXPENSES	(sum Ins 81 to 83)	29,823		
85	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	-		
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)	29,823	TP	29,823
89	Administrative and General	323.197.b (Note J)	180,586		
90	Less: Acct. 924, Property Insurance	323.185.b	-		
91	Acct. 928, Reg. Com. Exp.	323.189.b	-		
92	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
93	Acct. 930.2, Misc. Gen. Exp.	323.192.b	-		
94	Balance of A & G	(In 89 - sum In 90 to In 93)	180,586	W/S	180,586
95	Plus: Acct. 924, Property Insurance	(In 90)	-	GP(h)	-
96	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	-	TP	-
97	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP	-
98	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 42.(E) (Note L)	-	DA	-
99	PBOP Adjustment	Worksheet O Ln 16 (B), (Note K & M)	8,309	W/S	8,309
100	A & G Subtotal	(sum Ins 94 to 99)	188,895		188,895
101	O & M EXPENSE SUBTOTAL	(In 88 + In 100)	218,718		218,718
102	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA	-
103	Plus: Transmission Lease Payments To Affiliates in Acct 565	(Company Records) (Note H)	-	DA	-
104	TOTAL O & M EXPENSE	(In 101 + In 102 + In 103)	218,718		218,718
105	DEPRECIATION AND AMORTIZATION EXPENSE				
106	<i>Line Deliberately Left Blank</i>				
107	<i>Line Deliberately Left Blank</i>				
108	Transmission	336.7.f	-	TP1	-
109	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
110	Plus: Formation Costs Amortization	(Worksheet A In 35.E)	26,768	TP1	26,768
111	General	336.10.f	-	W/S	-
112	Intangible	336.1.f	-	W/S	-
113	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 108+109+111+112)	26,768		26,768
114	TAXES OTHER THAN INCOME				
115	Labor Related				
116	Payroll	Worksheet H In 23.(D)	-	W/S	-
117	Plant Related				
118	Property	Worksheet H In 23.(C) & In 58.(C)	-	DA	-
119	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	-	NA	-
120	Other	Worksheet H In 23.(E)	50	GP(h)	-
121	TOTAL OTHER TAXES	(sum Ins 116 to 120)	50		-
122	INCOME TAXES				
123	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		39.55%		
124	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		43.80%		
125	where WCLTD=(In 174) and WACC = (In 177)				
126	and FIT, SIT & p are as given in Note O.				
127	$GRCF=1 / (1 - T) =$ (from In 123)		1.6543		
128	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
129	Income Tax Calculation	(In 124 * In 132)	3,446		3,446
130	ITC adjustment	(In 127 * In 128)	-	NP(h)	-
131	TOTAL INCOME TAXES	(sum Ins 129 to 130)	3,446		3,446
132	RETURN ON RATE BASE (Rate Base*WACC)	(In 78 * In 177)	7,866		7,866
133	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	-
134	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
135	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 134 * In124)		-		-
136	TOTAL REVENUE REQUIREMENT	(sum Ins 104, 113, 121, 131, 132, 133)	256,848		256,798

AEP WEST VIRGINIA TRANSMISSION COMPANY

SUPPORTING CALCULATIONS

In										
<u>No.</u>	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
137	Total transmission plant	(In 20)								-
138	Less transmission plant excluded from PJM Tariff (Note P)									-
139	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C)) (Note Q)									-
140	Transmission plant included in PJM Tariff	(In 137 - In 138 - In 139)								-
141	Percent of transmission plant in PJM Tariff	(In 140 / In 137)							TP=	1.00000
142	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total					
143	<i>Line Deliberately Left Blank</i>									
144	Transmission	354.21.b	-	11,445	11,445	TP	1.00000		11,445	
145	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000		-	
146	<i>Line Deliberately Left Blank</i>									
147	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000		-	
148	Total	(sum Ins 144, 145, & 147)	-	11,445	11,445				11,445	
149	Transmission related amount							W/S=		1.00000
	ACTUAL CAPPED CAPITAL COST STRUCTURE (Note S)									
150	WEIGHTED AVERAGE COST OF CAPITAL (WACC)									\$
151	Long Term Interest	(Worksheet M, In. 20, col. (E))								-
152	Preferred Dividends	(Worksheet M, In. 49, col. (E))								-
153	<u>Development of Average Common Stock Balance:</u>									
154	Proprietary Capital	(Worksheet M, In. 1, col. (E))							19,701,264	
155	Less: Preferred Stock	(Worksheet M, In. 2, col. (E))							-	
156	Less: Account 216.1	(Worksheet M, In. 3, col. (E))							-	
157	Less: Account 219	(Worksheet M, In. 4, col. (E))							-	
158	Average Common Stock	(In 154 - In 155 - In 156 - In 157)							19,701,264	
	Capped Actual Average Capital Structure	<u>Average \$</u>								
159	Long Term Debt W/S M, In 11, In 21, col. (E))	-							0.00%	0.0000
160	Preferred Stock (In 155)	-							0.00%	0.0000
161	Common Stock (In 158)	19,701,264							11.49%	0.0575
162	Total (Sum Ins 159 to 161)	19,701,264							WACC=	0.0575
163	Capital Structure Equity Limit (Note T)	50.0%								
	AEP OPERATING COMPANIES' COMPOSITE (Note S)									
164	WEIGHTED AVERAGE COST OF CAPITAL (WACC)									\$
165	Long Term Interest	(Worksheet Q, In. 132)							508,751,624	
166	Preferred Dividends	(Worksheet Q, In. 134)							-	
167	<u>Development of Actual Average Common Stock:</u>								Average	
168	Proprietary Capital	(Worksheet Q, In. 135)							8,857,322,089	
169	Less: Preferred Stock	(Worksheet Q, In. 136)							-	
170	Less: Account 216.1	(Worksheet Q, In. 137)							5,106,834	
171	Less: Account 219	(Worksheet Q, In. 138)							(117,655,197)	
172	Common Stock	(In 168 - In 169 - In 170 - In 171)							8,969,870,452	
173	True Up Capitalization with Equity Caps									
174	Long Term Debt (Worksheet Q, In 148)		51.19%	9,407,429,474				5.41%	0.0277	
175	Preferred Stock (Worksheet Q, In 149)		0.00%	-				0.00%	0.0000	
176	Common Stock (Worksheet Q, In 150)		48.81%	8,969,870,452				11.49%	0.0561	
177	Total (Worksheet Q, In 143)		100%	18,377,299,926				WACC=		0.0838

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

Formula Rate
True-UP TCOS
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AEP WEST VIRGINIA TRANSMISSION 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 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 100.
- 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 133.
- 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 102 and 103 to determine the total O&M collected in the formula. The amounts on lines 102 and 103 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11. The addbacks on lines 102 and 103 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 102 and 103 is the AEP WEST VIRGINIA TRANSMISSION 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 The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor 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 ER10-355, recoverable PBOP expense is based on a rate of 9.4 cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (In 128) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT= 7.00% (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 As shown on Worksheet Q, the AEP West Virginia Transmission Company capital structure and weighted cost of capital (WACC) shall be based on (1) the weighted composite of AEP East Operating Companies' actual end-of-year capital structure, including year-end outstanding long term debt (LTD) and preferred stock (PS) issuances (Projected) or the beginning and ending average capital structure, including the beginning and ending average outstanding LTD and PS issuances (True-Up) with the common equity portion as capped in Docket No. ER08-1329 where any excess common equity is priced at the cost of LTD and the composite equity ratio is further capped at 50%, and (2) the actual weighted composite LTD and PS cost using actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the the Company establishes its own actual capital structure. Upon establishment of actual debt financing for AEP West Virginia Transmission Company, the Company shall use its own actual capital structure capped by a 50% Common Equity Cap and its own LTD costs, excluding all interest rate hedging costs and/or gains, as computed on Worksheet L for the Projected TCOS or Worksheet M for the True Up TCOS.
- T AEP WEST VIRGINIA TRANSMISSION COMPANY's Common Stock is limited to 50% of the capital structure. This limit may only be changed through a Section 205 or 206 filing effective after June 30, 2013. If the percentage of equity exceeds the cap, the excess is included in weighted percentage of long term debt in the capital structure.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet A Supporting Plant Balances
AEP WEST VIRGINIA TRANSMISSION COMPANY

Line	(A)	(B)	(C)	(D)	(E)
Number	Rate Base Item & Supporting Balance	Source of Data	Balance @ December 31, 2013	Balance @ December 31, 2012	Average Balance for 2013
Plant Investment Balances					
1	Line Deliberately Left Blank				
2	Line Deliberately Left Blank				
3	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	-	-	-
4	Transmission Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	-	-	-
5	Line Deliberately Left Blank				
6	Line Deliberately Left Blank				
7	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	-	-	-
8	General Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	-	-	-
9	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5	-	-	-
10	Total Property Investment Balance	(Sum of Lines: 3, 7, 9)	-	-	-
11	Total ARO Balance (included in total on line 10)	(Sum of Lines: 4, 8)	-	-	-
Accumulated Depreciation & Amortization Balances					
12	Line Deliberately Left Blank				
13	Line Deliberately Left Blank				
14	Transmission Accumulated Depreciation	FF1, page 219, In 25, Col. (b)	-	-	-
15	Transmission ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
16	Line Deliberately Left Blank				
17	Line Deliberately Left Blank				
18	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)	-	-	-
19	General ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
20	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)	-	-	-
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 18, 20)	-	-	-
22	Total ARO Balance (included in total on line 21)	(Sum of Lines: 15, 19)	-	-	-
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)	-	-	-
27	Less: GSU Accumulated Depreciation	(Line 24 Above)	-	-	-
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)	-	-	-
Plant Held For Future Use					
29	Plant Held For Future Use	FF1, page 214, In 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	Beginning Balance of Regulatory Asset (Note 2)		40,153	66,921	53,537
32	Amortization in Months		18	30	24
33	Monthly Amortization		2,231	2,231	2,231
34	Months in 2013 to be amortized		12	12	12
35	Amortization Expense in 2013		26,768	26,768	26,768
36	Months in 2014 to be amortized		6	12	9
37	Amortization Expense in 2014		13,384	26,768	20,076
38	Ending Balance of Regulatory Asset		13,384	40,153	26,768
39	Average Balance of Regulatory Asset		26,768	53,537	40,153
40	Unamortized Balance of Regulatory Asset at YE 2013		13,384	40,153	26,768
41	Total Regulatory Deferrals Included in Ratebase (Note 2)		-	-	-

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

NOTE 2 Formation costs through 6/30/2010 are includable at 50% with 48 month amortization and no return on the unamortized balance. The balance on line 41 may not include unamortized formation costs.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
AEP WEST VIRGINIA TRANSMISSION 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)	2,867	-	1,434
8	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
9	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	2,867	-	1,434
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	28,792	12,440	20,616
13	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
14	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	28,792	12,440	20,616
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	85,325	139,134	112,230
18	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
19	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	85,325	139,134	112,230
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - In 23	-	-	-
25	Transmission Related Deferrals	Company Records - Note 1	-	-	-

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.

AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet C Supporting Working Capital Rate Base Adjustments
 AEP WEST VIRGINIA TRANSMISSION COMPANY

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
<u>Line Number</u>	<u>Source</u>	<u>Balance @ December 31, 2013</u>	<u>Balance @ December 31, 2012</u>	<u>Average Balance for 2013</u>				
1								
2	Transmission Materials & Supplies	0	0	-				
3	General Materials & Supplies	0	0	-				
4	Stores Expense (Undistributed)	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)
Totals as of December 31, 2013	0	0	0	0	0
Totals as of December 31, 2012	0	0	0	0	0
Average Balance	-	-	-	-	-

Prepayments Account 165 - Balance @ 12/31/2013

2013 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
1650001 Prepaid Insurance	0	-	-	-	-	
165000213 Prepaid Taxes	0	-	-	-	-	
1650003 Prepaid Rents	0	-	-	-	-	
1650004 Prepaid Interest	0	-	-	-	-	
1650005 Prepaid Employee Benefits	0	-	-	-	-	
1650006 Other Prepayments	0	-	-	-	-	
1650009 Prepaid Carry Cost-Factored AR	0	-	-	-	-	
1650010 Prepaid Pension Benefits	0	-	-	-	-	
1650014 FAS 158 Qual Contra Asset	0	-	-	-	-	
1650016 FAS 112 ASSETS	0	-	-	-	-	
Subtotal - Form 1, p 111.57.c	0	0	0	0	0	

Prepayments Account 165 - Balance @ 12/31/ 2012

2012 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
1650001 Prepaid Insurance	0	-	-	-	-	
165000212 Prepaid Taxes	0	-	-	-	-	
1650003 Prepaid Rents	0	-	-	-	-	
1650004 Prepaid Interest	0	-	-	-	-	
1650005 Prepaid Employee Benefits	0	-	-	-	-	
1650006 Other Prepayments	0	-	-	-	-	
1650009 Prepaid Carry Cost-Factored AR	0	-	-	-	-	
1650010 Prepaid Pension Benefits	0	-	-	-	-	
1650014 FAS 158 Qual Contra Asset	0	-	-	-	-	
1650016 FAS 112 ASSETS	0	-	-	-	-	
Subtotal - Form 1, p 111.57.c	0	0	0	0	0	

AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet D Supporting IPP Credits
 AEP WEST VIRGINIA TRANSMISSION 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 Expense (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 ((In 1 + In 7)/2)	-

Note 1 On this worksheet Company Records refers to AEP WEST VIRGINIA TRANSMISSION COMPANY's general ledger.

AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet E Supporting Revenue Credits
 AEP WEST VIRGINIA TRANSMISSION 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)	-	-	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	-	-	-
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	-	-	-
4	Account 4560015, Associated Business Development - (Company Records - Note 1)	-	-	-
5	Account 456 - Other Electric Revenues - (Company Records - Note 1)	462,268	462,268	-
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	462,268	462,268	-
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	462,268	462,268	-

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

AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
 AEP WEST VIRGINIA TRANSMISSION COMPANY

Line Number	(A) Item No.	(B) Description	(C) 2013 Expense	(D) 100% Non-Transmission	(E) 100% Transmission Specific	(F) Explanation
Regulatory O&M Deferrals & Amortizations						
1	5700005	Maint Station-Reliability-Df	-			
2						
3						
4		Total	-			
Detail of Account 561 Per FERC Form 1						
5	FF1 p 321.84.b	561 - Load Dispatching	-			
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	-			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	-			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	-			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	-			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	-			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	-			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	-			
14		Total of Account 561	-			
Account 928						
15	9280000	Regulatory Commission Exp	-	-	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	-	-	-	
18	9280002	Regulatory Commission Exp-Case	-	-	-	
19	9280002	Regulatory Commission Exp-Case	-	-	-	
20		Total	-	-	-	
Account 930.1						
21	9301000	General Advertising Expenses	-	-	-	
22	9301001	Newspaper Advertising Space	-	-	-	
23	9301002	Radio Station Advertising Time	-	-	-	
24	9301003	TV Station Advertising Time	-	-	-	
25	9301004	Newspaper Advertising Prod Exp	-	-	-	
26	9301005	Radio & TV Advertising Prod Exp	-	-	-	
27	9301006	Spec Corporate Comm Info Proj	-	-	-	
28	9301007	Special Adv Space & Prod Exp	-	-	-	
29	9301008	Direct Mail and Handouts	-	-	-	
30	9301009	Fairs, Shows, and Exhibits	-	-	-	
31	9301010	Publicity	-	-	-	
32	9301011	Dedications, Tours, & Openings	-	-	-	
33	9301012	Public Opinion Surveys	-	-	-	
34	9301013	Movies Slide Films & Speeches	-	-	-	
35	9301014	Video Communications	-	-	-	
36	9301015	Other Corporate Comm Exp	-	-	-	
37		Total	-	-	-	
Account 930.2						
38	9302000	Misc General Expenses	-			
39	9302003	Corporate & Fiscal Expenses	-			
40	9302004	Research, Develop&Demonstr Exp	-			
41	9302007	Assoc Business Development Exp	-			
42		Total	-	-	-	

AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet G Supporting - Development of Composite State Income Tax Rate
 AEP WEST VIRGINIA TRANSMISSION COMPANY

1	West Virginia Excise Tax Rate Apportionment Factor - Note 2 Effective State Tax Rate	7.00% <u>100.00%</u>	7.00%
2	_____ Tax Rate Apportionment Factor - Note 2 Effective State Tax Rate	0.00% <u>0.00%</u>	0.00%
3	_____ Tax Rate Apportionment Factor - Note 2 Effective State Tax Rate	0.00% <u>0.00%</u>	0.00%
4	_____ Tax Rate Apportionment Factor - Note 2 Effective State Tax Rate	0.00% <u>0.00%</u>	0.00%
5	_____ Tax Rate Apportionment Factor - Note 2 Effective State Tax Rate	0.00% <u>0.00%</u>	0.00%
	Total Effective State Income Tax Rate		<u><u>7.00%</u></u>

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.

Note 2 Apportionment Factors are determined as part of the Company's annual tax return for that jurisdiction.

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	Gross Receipts Tax	-				-
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - West Virginia	-	-			
5	Real and Personal Property - Virginia	-	-			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-				-
17	State Franchise Taxes	50			50	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis	50	-	-	50	-

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

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

Functional Property Tax Allocation

Line No.	Account	Lines 24-58 Column (B) Deliberately Left Blank		Lines 24-58 Column (D) Deliberately Left Blank		Total
		Transmission	General	Transmission	General	
24	Functionalized Net Plant (Hist. TCOS, Lns 224 thru 234)	-	-	-	-	-
	VIRGINIA JURISDICTION					
25	Percentage of Plant in VIRGINIA JURISDICTION					
26	Net Plant in VIRGINIA JURISDICTION (Ln 24 * Ln 25)	-	-	-	-	-
27	Less: Net Value of Exempted Generation Plant					
28	Taxable Property Basis (Ln 26 - Ln 27)	-	-	-	-	-
29	Relative Valuation Factor					0
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-	-
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33	Weighted VIRGINIA JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%		
35	Functionalized Expense in VIRGINIA JURISDICTION	-	-	-		-
	WEST VA JURISDICTION					
36	Percentage of Plant in WEST VA JURISDICTION					
37	Net Plant in WEST VA JURISDICTION (Ln 24 * Ln 36)	-	-	-	-	-
38	Less: Net Value of Exempted Generation Plant					
39	Taxable Property Basis (Ln 37 - Ln 38)	-	-	-	-	-
40	Relative Valuation Factor					0
41	Weighted Net Plant (Ln 39 * Ln 40)	-	-	-	-	-
42	General Plant Allocator (Ln 41 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
43	Functionalized General Plant (Ln 42 * General Plant)	-	-	-	-	-
44	Weighted WEST VA JURISDICTION Plant (Ln 41 + 43)	-	-	-	-	-
45	Functional Percentage (Ln 44/Total Ln 44)	0.00%	100.00%	0.00%		
46	Functionalized Expense in WEST VA JURISDICTION	-	-	-		-
	TENNESSEE JURISDICTION					
47	Net Plant in TENNESSEE JURISDICTION (Ln 24 - Ln 26 - Ln 37)	-	-	-	-	-
48	Less: Net Value Exempted Generation Plant					
49	Taxable Property Basis	-	-	-	-	-
50	Relative Valuation Factor					0
51	Weighted Net Plant (Ln 49 * Ln 50)	-	-	-	-	-
52	General Plant Allocator (Ln 51 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
53	Functionalized General Plant (Ln 53 * General Plant)	-	-	-	-	-
54	Weighted TENNESSEE JURISDICTION Plant (Ln 51 + 53)	-	-	-	-	-
55	Functional Percentage (Ln 54/Total Ln 54)	0.00%	100.00%	0.00%		
56	Functionalized Expense in TENNESSEE JURISDICTION	-	-	-		-
57	Total Other Jurisdictions: (Line 7 * Net Plant Allocator)		-			-
58	Total Func. Property Taxes (Sum Lns 35, 46 56, 57)	-	-	-		-

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	-		P.263.1 ln 7 (i) P.263.2 ln 3 (i) P.263.2 ln 4 (i)
3	Real Estate and Personal Property Taxes			
4	Real and Personal Property - West Virginia	-		P.263 ln 34 (i) P.263 ln 35 (i) P.263 ln 38 (i) P.263 ln 39 (i) P.263.1 ln 2 (i) P.263.1 ln 3 (i)
5	Real and Personal Property - Virginia	-		P.263.2 ln 21 (i) P.263.2 ln 22 (i) P.263.2 ln 24 (i) P.263.2 ln 25 (i) P.263.2 ln 26 (i) P.263.2 ln 27 (i)
6	Real and Personal Property - Tennessee	-		P.263.3 ln 3 (i) P.263.3 ln 4 (i)
7	Real and Personal Property - Other Jurisdictions	-		P.263.4 ln 12 (i)
8	Payroll Taxes			
9	Federal Insurance Contribution (FICA)	-		P.263 ln 6 (i)
10	Federal Unemployment Tax	-		P.263 ln 9 (i)
11	State Unemployment Insurance	-		P.263.1 ln 23 (i) P.263.2 ln 33 (i) P.263.3 ln 16 (i)
12	<i>Line Left Deliberately Blank</i>			
13	State Severance Taxes	-		
14	Miscellaneous Taxes			
15	State Business & Occupation Tax	-		P.263 ln 21 (i) P.263 ln 22 (i)
16	State Public Service Commission Fees	-		P.263 ln 26 (i) P.263 ln 27 (i) P.263.3 ln 20 (i)
17	State Franchise Taxes	50	- 50	P.263 ln 12 (i) P.263 ln 13 (i) P.263.1 ln 34 (i) P.263.2 ln 10 (i) P.263.2 ln 11 (i) P.263.2 ln 38 (i) P.263.2 ln 39 (i) P.263.3 ln 27 (i) P.263.3 ln 28 (i) P.263.4 ln 20 (i) P.263.4 ln 27 (i)
18	State Lic/Registration Fee	-		P.263.1 ln 15 (i) P.263.2 ln 13 (i) P.263.3 ln 8 (i) P.263.4 ln 21 (i)
19	Misc. State and Local Tax	-		P.263.1 ln 12 (i)
20	Sales & Use	-		P.263 ln 30 (i) P.263 ln 31(i) P.263.2 ln 16 (i) P.263.2 ln 17 (i) P.263.3 ln 21 (i)
21	Federal Excise Tax	-		P.263 ln 13 (i) P.263 ln 14 (i)
22	Michigan Single Business Tax	-		
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	50	50	

Note 1: The taxes assessed on each transmission company can differ from year to year and between transmission 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 transmission 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.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet I Supporting Transmission Plant in Service Additions
AEP WEST VIRGINIA TRANSMISSION 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)):	-
2	Transmission Plant @ End of Historic Period (2013) (P.207, In 58,(g)):	-
3		-
4	Average Balance of Transmission Investment	-
5	Annual Depreciation Expense, Historic TCOS, In 285	-
6	Composite Depreciation Rate	0.00%
7	Depreciation rate of AEP Operating Companies from Worksheet P (used if line 6 is zero)	1.68%

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	\$ 3,738,609	1.68%	\$ 62,691	\$ 5,224	11 \$	\$ 57,464
10	February	\$ -	1.68%	\$ -	\$ -	10 \$	\$ -
11	March	\$ 508,057	1.68%	\$ 8,519	\$ 710	9 \$	\$ 6,390
12	April	\$ -	1.68%	\$ -	\$ -	8 \$	\$ -
13	May	\$ 8,443,107	1.68%	\$ 141,578	\$ 11,798	7 \$	\$ 82,586
14	June	\$ -	1.68%	\$ -	\$ -	6 \$	\$ -
15	July	\$ -	1.68%	\$ -	\$ -	5 \$	\$ -
16	August	\$ -	1.68%	\$ -	\$ -	4 \$	\$ -
17	September	\$ -	1.68%	\$ -	\$ -	3 \$	\$ -
18	October	\$ -	1.68%	\$ -	\$ -	2 \$	\$ -
19	November	\$ -	1.68%	\$ -	\$ -	1 \$	\$ -
20	December	\$ 53,234,511	1.68%	\$ 892,664	\$ 74,389	0 \$	\$ -
21	Investment	\$ 65,924,284				Depreciation Expense	\$ 146,440

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 Major Zonal Projects		
26 AMOS 765KV: Replace PK Type 765kV CB T1, T2	\$8,443	May-14
27 Kammer 138kV (WV Transco): Improvements on the Kammer 138kV yard	\$11,000	December-14
28 Kammer 345kV (WV Transco): Improvements on the Kammer 345kV yard	\$12,000	December-14
29 Kanawha River (WV Transco)- 345/138 kV Upgrades	\$20,904	December-14
30		
31	Subtotal	\$52,347
32 PJM Socialized/Beneficiary Allocated Regional Projects		
33		\$0
34	Subtotal	\$0

Note 1: Until AEP WEST VIRGINIA TRANSMISSION COMPANY establishes Transmission plant in service the depreciation expense component of the carrying charge will be calculated as in the Operating Company formula approved in Docket No. ER08-1329. The calculation for AEP WEST VIRGINIA TRANSMISSION COMPANY is shown on Worksheet P.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
AEP WEST VIRGINIA TRANSMISSION 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 (Projected TCOS, In 176)			11.49%
Project ROE Incentive Adder		0	<==ROE Adder Cannot Exceed 125 Basis Points
ROE with additional 0 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, Ins 174 through 176)			
	%	Cost	Weighted cost
Long Term Debt	53.85%	5.61%	3.021%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	46.15%	11.49%	5.303%
		R =	8.323%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
	Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2014	5,430,646	5,430,646 \$ -

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

Rate Base (Projected TCOS, In 78)	65,835,237
R (from A. above)	8.323%
Return (Rate Base x R)	5,479,648

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

Return (from B. above)	5,479,648
Effective Tax Rate (Projected TCOS, In 124)	41.68%
Income Tax Calculation (Return x CIT)	2,284,030
ITC Adjustment	-
Income Taxes	2,284,030

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 (Projected TCOS, In 1)	8,142,220
T.E.A. & Lease Payments (Projected TCOS, Lns 102 & 103)	-
Return (Projected TCOS, In 132)	5,479,648
Income Taxes (Projected TCOS, In 131)	2,284,030
Annual Revenue Requirement, Less TEA Charges, Return and Taxes	378,542

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	378,542
Return (from I.B. above)	5,479,648
Income Taxes (from I.C. above)	2,284,030
Annual Revenue Requirement, with 0 Basis Point ROE increase	8,142,220
Depreciation (Projected TCOS, In 108)	-
Annual Rev. Req. w/0 Basis Point ROE increase, less Depreciation	8,142,220

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

Net Transmission Plant (Projected TCOS, In 48)	-
Annual Revenue Requirement, with 0 Basis Point ROE increase	8,142,220
FCR with 0 Basis Point increase in ROE	0.00%
Annual Rev. Req. w / 0 Basis Point ROE increase, less Dep.	8,142,220
FCR with 0 Basis Point ROE increase, less Depreciation	0.00%
FCR less Depreciation (Projected TCOS, In 9)	12.16%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	-12.16%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Historic Period (2013) (P.206, In 58,(b)):	-
Transmission Plant @ End of Historic Period (2013) (P.207, In 58,(g)):	-
Subtotal	-
Average Transmission Plant Balance for 2013	-
Annual Depreciation Rate (Projected TCOS, In 108)	-
Composite Depreciation Rate	1.68%
Depreciable Life for Composite Depreciation Rate	59.52
Round to nearest whole year	60

Note 1: Until AEP WEST VIRGINIA TRANSMISSION COMPANY establishes Transmission plant in service the depreciation expense component of the carrying charge will be calculated as in the Operating Company formula approved in Docket No. ER08-1329. The calculation for AEP WEST VIRGINIA TRANSMISSION COMPANY is shown on Worksheet P.

AEP WEST VIRGINIA TRANSMISSION COMPANY 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)

Current Projected Year ARR	541,349
Current Projected Year ARR w/ Incentive	541,349
Current Projected Year Incentive ARR	-

Project Description: RTEP ID: b1661 (Install a 765 kV circuit breaker at Wyoming station)

Details		Current Year	2014
Investment	4,453,444		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.16%
Useful life	60	FCR w/incentives approved for these facilities, less dep.	12.16%
CIAC (Yes or No)	No	Annual Depreciation Expense	74,818

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 **
2014	4,453,444	-	4,453,444	541,349	541,349	\$ -		
2015	4,453,444	74,818	4,378,626	607,072	607,072	\$ -		
2016	4,378,626	74,818	4,303,808	597,977	597,977	\$ -		
2017	4,303,808	74,818	4,228,990	588,883	588,883	\$ -		
2018	4,228,990	74,818	4,154,173	579,788	579,788	\$ -		
2019	4,154,173	74,818	4,079,355	570,693	570,693	\$ -		
2020	4,079,355	74,818	4,004,537	561,599	561,599	\$ -		
2021	4,004,537	74,818	3,929,719	552,504	552,504	\$ -		
2022	3,929,719	74,818	3,854,901	543,409	543,409	\$ -		
2023	3,854,901	74,818	3,780,083	534,315	534,315	\$ -		
2024	3,780,083	74,818	3,705,265	525,220	525,220	\$ -		
2025	3,705,265	74,818	3,630,448	516,125	516,125	\$ -		
2026	3,630,448	74,818	3,555,630	507,031	507,031	\$ -		
2027	3,555,630	74,818	3,480,812	497,936	497,936	\$ -		
2028	3,480,812	74,818	3,405,994	488,841	488,841	\$ -		
2029	3,405,994	74,818	3,331,176	479,747	479,747	\$ -		
2030	3,331,176	74,818	3,256,358	470,652	470,652	\$ -		
2031	3,256,358	74,818	3,181,540	461,557	461,557	\$ -		
2032	3,181,540	74,818	3,106,723	452,463	452,463	\$ -		
2033	3,106,723	74,818	3,031,905	443,368	443,368	\$ -		
2034	3,031,905	74,818	2,957,087	434,273	434,273	\$ -		
2035	2,957,087	74,818	2,882,269	425,179	425,179	\$ -		
2036	2,882,269	74,818	2,807,451	416,084	416,084	\$ -		
2037	2,807,451	74,818	2,732,633	406,989	406,989	\$ -		
2038	2,732,633	74,818	2,657,815	397,895	397,895	\$ -		
2039	2,657,815	74,818	2,582,998	388,800	388,800	\$ -		
2040	2,582,998	74,818	2,508,180	379,706	379,706	\$ -		
2041	2,508,180	74,818	2,433,362	370,611	370,611	\$ -		
2042	2,433,362	74,818	2,358,544	361,516	361,516	\$ -		
2043	2,358,544	74,818	2,283,726	352,422	352,422	\$ -		
2044	2,283,726	74,818	2,208,908	343,327	343,327	\$ -		
2045	2,208,908	74,818	2,134,090	334,232	334,232	\$ -		
2046	2,134,090	74,818	2,059,273	325,138	325,138	\$ -		
2047	2,059,273	74,818	1,984,455	316,043	316,043	\$ -		
2048	1,984,455	74,818	1,909,637	306,948	306,948	\$ -		
2049	1,909,637	74,818	1,834,819	297,854	297,854	\$ -		
2050	1,834,819	74,818	1,760,001	288,759	288,759	\$ -		
2051	1,760,001	74,818	1,685,183	279,664	279,664	\$ -		
2052	1,685,183	74,818	1,610,365	270,570	270,570	\$ -		
2053	1,610,365	74,818	1,535,547	261,475	261,475	\$ -		
2054	1,535,547	74,818	1,460,730	252,380	252,380	\$ -		
2055	1,460,730	74,818	1,385,912	243,286	243,286	\$ -		
2056	1,385,912	74,818	1,311,094	234,191	234,191	\$ -		
2057	1,311,094	74,818	1,236,276	225,096	225,096	\$ -		
2058	1,236,276	74,818	1,161,458	216,002	216,002	\$ -		
2059	1,161,458	74,818	1,086,640	206,907	206,907	\$ -		
2060	1,086,640	74,818	1,011,822	197,812	197,812	\$ -		
2061	1,011,822	74,818	937,005	188,718	188,718	\$ -		
2062	937,005	74,818	862,187	179,623	179,623	\$ -		
2063	862,187	74,818	787,369	170,528	170,528	\$ -		
2064	787,369	74,818	712,551	161,434	161,434	\$ -		
2065	712,551	74,818	637,733	152,339	152,339	\$ -		
2066	637,733	74,818	562,915	143,244	143,244	\$ -		
2067	562,915	74,818	488,097	134,150	134,150	\$ -		
2068	488,097	74,818	413,280	125,055	125,055	\$ -		
2069	413,280	74,818	338,462	115,960	115,960	\$ -		
2070	338,462	74,818	263,644	106,866	106,866	\$ -		
2071	263,644	74,818	188,826	97,771	97,771	\$ -		
2072	188,826	74,818	114,008	88,676	88,676	\$ -		
2073	114,008	74,818	39,190	79,582	79,582	\$ -		
Project Totals		4,414,254		20,797,634	20,797,634	-		

** 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.

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: b1864.1 (Add two additional 345/138 kV transformers at Kammer)

Current Projected Year ARR	2,795,819
Current Projected Year ARR w/ Incentive	2,795,819
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	23,000,000		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.16%
Useful life	60	FCR w/incentives approved for these facilities, less dep.	12.16%
CIAC (Yes or No)	No	Annual Depreciation Expense	386,400

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 **
2014	23,000,000	-	23,000,000	2,795,819	2,795,819	\$ -		
2015	23,000,000	386,400	22,613,600	3,135,249	3,135,249	\$ -		
2016	22,613,600	386,400	22,227,200	3,088,279	3,088,279	\$ -		
2017	22,227,200	386,400	21,840,800	3,041,310	3,041,310	\$ -		
2018	21,840,800	386,400	21,454,400	2,994,340	2,994,340	\$ -		
2019	21,454,400	386,400	21,068,000	2,947,370	2,947,370	\$ -		
2020	21,068,000	386,400	20,681,600	2,900,400	2,900,400	\$ -		
2021	20,681,600	386,400	20,295,200	2,853,431	2,853,431	\$ -		
2022	20,295,200	386,400	19,908,800	2,806,461	2,806,461	\$ -		
2023	19,908,800	386,400	19,522,400	2,759,491	2,759,491	\$ -		
2024	19,522,400	386,400	19,136,000	2,712,521	2,712,521	\$ -		
2025	19,136,000	386,400	18,749,600	2,665,552	2,665,552	\$ -		
2026	18,749,600	386,400	18,363,200	2,618,582	2,618,582	\$ -		
2027	18,363,200	386,400	17,976,800	2,571,612	2,571,612	\$ -		
2028	17,976,800	386,400	17,590,400	2,524,642	2,524,642	\$ -		
2029	17,590,400	386,400	17,204,000	2,477,672	2,477,672	\$ -		
2030	17,204,000	386,400	16,817,600	2,430,703	2,430,703	\$ -		
2031	16,817,600	386,400	16,431,200	2,383,733	2,383,733	\$ -		
2032	16,431,200	386,400	16,044,800	2,336,763	2,336,763	\$ -		
2033	16,044,800	386,400	15,658,400	2,289,793	2,289,793	\$ -		
2034	15,658,400	386,400	15,272,000	2,242,824	2,242,824	\$ -		
2035	15,272,000	386,400	14,885,600	2,195,854	2,195,854	\$ -		
2036	14,885,600	386,400	14,499,200	2,148,884	2,148,884	\$ -		
2037	14,499,200	386,400	14,112,800	2,101,914	2,101,914	\$ -		
2038	14,112,800	386,400	13,726,400	2,054,945	2,054,945	\$ -		
2039	13,726,400	386,400	13,340,000	2,007,975	2,007,975	\$ -		
2040	13,340,000	386,400	12,953,600	1,961,005	1,961,005	\$ -		
2041	12,953,600	386,400	12,567,200	1,914,035	1,914,035	\$ -		
2042	12,567,200	386,400	12,180,800	1,867,066	1,867,066	\$ -		
2043	12,180,800	386,400	11,794,400	1,820,096	1,820,096	\$ -		
2044	11,794,400	386,400	11,408,000	1,773,126	1,773,126	\$ -		
2045	11,408,000	386,400	11,021,600	1,726,156	1,726,156	\$ -		
2046	11,021,600	386,400	10,635,200	1,679,187	1,679,187	\$ -		
2047	10,635,200	386,400	10,248,800	1,632,217	1,632,217	\$ -		
2048	10,248,800	386,400	9,862,400	1,585,247	1,585,247	\$ -		
2049	9,862,400	386,400	9,476,000	1,538,277	1,538,277	\$ -		
2050	9,476,000	386,400	9,089,600	1,491,308	1,491,308	\$ -		
2051	9,089,600	386,400	8,703,200	1,444,338	1,444,338	\$ -		
2052	8,703,200	386,400	8,316,800	1,397,368	1,397,368	\$ -		
2053	8,316,800	386,400	7,930,400	1,350,398	1,350,398	\$ -		
2054	7,930,400	386,400	7,544,000	1,303,429	1,303,429	\$ -		
2055	7,544,000	386,400	7,157,600	1,256,459	1,256,459	\$ -		
2056	7,157,600	386,400	6,771,200	1,209,489	1,209,489	\$ -		
2057	6,771,200	386,400	6,384,800	1,162,519	1,162,519	\$ -		
2058	6,384,800	386,400	5,998,400	1,115,550	1,115,550	\$ -		
2059	5,998,400	386,400	5,612,000	1,068,580	1,068,580	\$ -		
2060	5,612,000	386,400	5,225,600	1,021,610	1,021,610	\$ -		
2061	5,225,600	386,400	4,839,200	974,640	974,640	\$ -		
2062	4,839,200	386,400	4,452,800	927,671	927,671	\$ -		
2063	4,452,800	386,400	4,066,400	880,701	880,701	\$ -		
2064	4,066,400	386,400	3,680,000	833,731	833,731	\$ -		
2065	3,680,000	386,400	3,293,600	786,761	786,761	\$ -		
2066	3,293,600	386,400	2,907,200	739,791	739,791	\$ -		
2067	2,907,200	386,400	2,520,800	692,822	692,822	\$ -		
2068	2,520,800	386,400	2,134,400	645,852	645,852	\$ -		
2069	2,134,400	386,400	1,748,000	598,882	598,882	\$ -		
2070	1,748,000	386,400	1,361,600	551,912	551,912	\$ -		
2071	1,361,600	386,400	975,200	504,943	504,943	\$ -		
2072	975,200	386,400	588,800	457,973	457,973	\$ -		
2073	588,800	386,400	202,400	411,003	411,003	\$ -		
Project Totals		22,797,600		107,410,261	107,410,261	-		

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

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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.

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: b2021 (Add 345/138 kV Transformers at Sporn, Kanawha River, and Muskingum River stations)

Current Projected Year ARR	2,093,479
Current Projected Year ARR w/ Incentive	2,093,479
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	17,222,148		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.16%
Useful life	60	FCR w/incentives approved for these facilities, less dep.	12.16%
CIAC (Yes or No)	No	Annual Depreciation Expense	289,332

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 **
2014	17,222,148	-	17,222,148	2,093,479	2,093,479	\$ -		
2015	17,222,148	289,332	16,932,816	2,347,640	2,347,640	\$ -		
2016	16,932,816	289,332	16,643,484	2,312,470	2,312,470	\$ -		
2017	16,643,484	289,332	16,354,152	2,277,299	2,277,299	\$ -		
2018	16,354,152	289,332	16,064,820	2,242,129	2,242,129	\$ -		
2019	16,064,820	289,332	15,775,488	2,206,958	2,206,958	\$ -		
2020	15,775,488	289,332	15,486,155	2,171,788	2,171,788	\$ -		
2021	15,486,155	289,332	15,196,823	2,136,618	2,136,618	\$ -		
2022	15,196,823	289,332	14,907,491	2,101,447	2,101,447	\$ -		
2023	14,907,491	289,332	14,618,159	2,066,277	2,066,277	\$ -		
2024	14,618,159	289,332	14,328,827	2,031,106	2,031,106	\$ -		
2025	14,328,827	289,332	14,039,495	1,995,936	1,995,936	\$ -		
2026	14,039,495	289,332	13,750,163	1,960,765	1,960,765	\$ -		
2027	13,750,163	289,332	13,460,831	1,925,595	1,925,595	\$ -		
2028	13,460,831	289,332	13,171,499	1,890,424	1,890,424	\$ -		
2029	13,171,499	289,332	12,882,167	1,855,254	1,855,254	\$ -		
2030	12,882,167	289,332	12,592,835	1,820,084	1,820,084	\$ -		
2031	12,592,835	289,332	12,303,503	1,784,913	1,784,913	\$ -		
2032	12,303,503	289,332	12,014,170	1,749,743	1,749,743	\$ -		
2033	12,014,170	289,332	11,724,838	1,714,572	1,714,572	\$ -		
2034	11,724,838	289,332	11,435,506	1,679,402	1,679,402	\$ -		
2035	11,435,506	289,332	11,146,174	1,644,231	1,644,231	\$ -		
2036	11,146,174	289,332	10,856,842	1,609,061	1,609,061	\$ -		
2037	10,856,842	289,332	10,567,510	1,573,890	1,573,890	\$ -		
2038	10,567,510	289,332	10,278,178	1,538,720	1,538,720	\$ -		
2039	10,278,178	289,332	9,988,846	1,503,550	1,503,550	\$ -		
2040	9,988,846	289,332	9,699,514	1,468,379	1,468,379	\$ -		
2041	9,699,514	289,332	9,410,182	1,433,209	1,433,209	\$ -		
2042	9,410,182	289,332	9,120,850	1,398,038	1,398,038	\$ -		
2043	9,120,850	289,332	8,831,517	1,362,868	1,362,868	\$ -		
2044	8,831,517	289,332	8,542,185	1,327,697	1,327,697	\$ -		
2045	8,542,185	289,332	8,252,853	1,292,527	1,292,527	\$ -		
2046	8,252,853	289,332	7,963,521	1,257,357	1,257,357	\$ -		
2047	7,963,521	289,332	7,674,189	1,222,186	1,222,186	\$ -		
2048	7,674,189	289,332	7,384,857	1,187,016	1,187,016	\$ -		
2049	7,384,857	289,332	7,095,525	1,151,845	1,151,845	\$ -		
2050	7,095,525	289,332	6,806,193	1,116,675	1,116,675	\$ -		
2051	6,806,193	289,332	6,516,861	1,081,504	1,081,504	\$ -		
2052	6,516,861	289,332	6,227,529	1,046,334	1,046,334	\$ -		
2053	6,227,529	289,332	5,938,197	1,011,163	1,011,163	\$ -		
2054	5,938,197	289,332	5,648,865	975,993	975,993	\$ -		
2055	5,648,865	289,332	5,359,532	940,823	940,823	\$ -		
2056	5,359,532	289,332	5,070,200	905,652	905,652	\$ -		
2057	5,070,200	289,332	4,780,868	870,482	870,482	\$ -		
2058	4,780,868	289,332	4,491,536	835,311	835,311	\$ -		
2059	4,491,536	289,332	4,202,204	800,141	800,141	\$ -		
2060	4,202,204	289,332	3,912,872	764,970	764,970	\$ -		
2061	3,912,872	289,332	3,623,540	729,800	729,800	\$ -		
2062	3,623,540	289,332	3,334,208	694,630	694,630	\$ -		
2063	3,334,208	289,332	3,044,876	659,459	659,459	\$ -		
2064	3,044,876	289,332	2,755,544	624,289	624,289	\$ -		
2065	2,755,544	289,332	2,466,212	589,118	589,118	\$ -		
2066	2,466,212	289,332	2,176,880	553,948	553,948	\$ -		
2067	2,176,880	289,332	1,887,547	518,777	518,777	\$ -		
2068	1,887,547	289,332	1,598,215	483,607	483,607	\$ -		
2069	1,598,215	289,332	1,308,883	448,436	448,436	\$ -		
2070	1,308,883	289,332	1,019,551	413,266	413,266	\$ -		
2071	1,019,551	289,332	730,219	378,096	378,096	\$ -		
2072	730,219	289,332	440,887	342,925	342,925	\$ -		
2073	440,887	289,332	151,555	307,755	307,755	\$ -		
Project Totals		17,070,593		80,427,626	80,427,626	-		

** 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.

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 176)			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 174 through176)			
	%	Cost	Weighted cost
Long Term Debt	51.19%	5.41%	2.768%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	48.81%	11.49%	5.608%
		R =	8.377%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS			
TRUE-UP YEAR	2013	Rev Require	Incentive Amounts
As Projected in Prior Year WS J			\$ -
Actual after True-up			\$ -
True-up of ARR For 2013		-	-

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

Rate Base (True-Up TCOS, In 78)	93,908
R (from A. above)	8.377%
Return (Rate Base x R)	7,866

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

Return (from B. above)	7,866
Effective Tax Rate (True-Up TCOS, In 124)	43.80%
Income Tax Calculation (Return x CIT)	3,446
ITC Adjustment	-
Income Taxes	3,446

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)	256,798
T.E.A. & Lease Payments (True-Up TCOS, Lns 102 & 103)	-
Return (True-Up TCOS, In 132)	7,866
Income Taxes (True-Up TCOS, In 131)	3,446
Annual Revenue Requirement, Less TEA	245,486
Charges, Return and Taxes	

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	245,486
Return (from I.B. above)	7,866
Income Taxes (from I.C. above)	3,446
Annual Revenue Requirement, with 0 Basis Point ROE increase	256,798
Depreciation (True-Up TCOS, In 108)	-
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	256,798

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

Net Transmission Plant (True-Up TCOS, In 48)	-
Annual Revenue Requirement, with 0 Basis Point ROE increase	256,798
FCR with 0 Basis Point increase in ROE	0.00%

Annual Rev. Req. w/ 0 Basis Point ROE increase, less Dep.	256,798
FCR with 0 Basis Point ROE increase, less Depreciation	0.00%
FCR less Depreciation (True-Up TCOS, In 9)	0.00%
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)):	-
Transmission Plant @ End of Historic Period () (P.207, In 58,(g)):	-
Subtotal	-
Average Transmission Plant Balance for	-
Annual Depreciation Rate (True-Up TCOS, In 108)	-
Composite Depreciation Rate	1.68%
Depreciable Life for Composite Depreciation Rate	59.52
Round to nearest whole year	60

Note 1: Until AEP WEST VIRGINIA TRANSMISSION COMPANY establishes Transmission plant in service the depreciation expense component of the carrying charge will be calculated as in the Operating Company formula approved in Docket No. ER08-1329. The calculation for AEP WEST VIRGINIA TRANSMISSION COMPANY is shown on Worksheet P.

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: b1661 (Install a 765 kV circuit breaker at Wyoming station)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	#N/A	#N/A	#N/A
Prior Yr True-Up	#N/A	#N/A	#N/A
True-Up Adjustment	#N/A	#N/A	#N/A

Details		2013
Investment	-	Current Year
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	60	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
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	-	-	-	-	-	-	-	-	-	-	-	-
2073	-	-	-	-	-	-	-	-	-	-	-	-
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.

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 (Add two additional 345/138 kV transformers at Kammer)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	#N/A	#N/A	#N/A
Prior Yr True-Up	#N/A	#N/A	#N/A
True-Up Adjustment	#N/A	#N/A	#N/A

Details		2013
Investment	-	Current Year
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	60	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2014	-	-	-	-	-	-	-	\$	-	\$	-	\$
2015	-	-	-	-	-	-	-	\$	-	\$	-	\$
2016	-	-	-	-	-	-	-	\$	-	\$	-	\$
2017	-	-	-	-	-	-	-	\$	-	\$	-	\$
2018	-	-	-	-	-	-	-	\$	-	\$	-	\$
2019	-	-	-	-	-	-	-	\$	-	\$	-	\$
2020	-	-	-	-	-	-	-	\$	-	\$	-	\$
2021	-	-	-	-	-	-	-	\$	-	\$	-	\$
2022	-	-	-	-	-	-	-	\$	-	\$	-	\$
2023	-	-	-	-	-	-	-	\$	-	\$	-	\$
2024	-	-	-	-	-	-	-	\$	-	\$	-	\$
2025	-	-	-	-	-	-	-	\$	-	\$	-	\$
2026	-	-	-	-	-	-	-	\$	-	\$	-	\$
2027	-	-	-	-	-	-	-	\$	-	\$	-	\$
2028	-	-	-	-	-	-	-	\$	-	\$	-	\$
2029	-	-	-	-	-	-	-	\$	-	\$	-	\$
2030	-	-	-	-	-	-	-	\$	-	\$	-	\$
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2040	-	-	-	-	-	-	-	\$	-	\$	-	\$
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2067	-	-	-	-	-	-	-	\$	-	\$	-	\$
2068	-	-	-	-	-	-	-	\$	-	\$	-	\$
2069	-	-	-	-	-	-	-	\$	-	\$	-	\$
2070	-	-	-	-	-	-	-	\$	-	\$	-	\$
2071	-	-	-	-	-	-	-	\$	-	\$	-	\$
2072	-	-	-	-	-	-	-	\$	-	\$	-	\$
2073	-	-	-	-	-	-	-	\$	-	\$	-	\$
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.

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: b2021 (Add 345/138 kV Transformers at Sporn, Kanawha River, and Muskingum River stations)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	#N/A	#N/A	#N/A
Prior Yr True-Up	#N/A	#N/A	#N/A
True-Up Adjustment	#N/A	#N/A	#N/A

Details		2013
Investment	-	Current Year
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	60	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2014	-	-	-	-	-	-	-	\$	-	\$	-	\$
2015	-	-	-	-	-	-	-	\$	-	\$	-	\$
2016	-	-	-	-	-	-	-	\$	-	\$	-	\$
2017	-	-	-	-	-	-	-	\$	-	\$	-	\$
2018	-	-	-	-	-	-	-	\$	-	\$	-	\$
2019	-	-	-	-	-	-	-	\$	-	\$	-	\$
2020	-	-	-	-	-	-	-	\$	-	\$	-	\$
2021	-	-	-	-	-	-	-	\$	-	\$	-	\$
2022	-	-	-	-	-	-	-	\$	-	\$	-	\$
2023	-	-	-	-	-	-	-	\$	-	\$	-	\$
2024	-	-	-	-	-	-	-	\$	-	\$	-	\$
2025	-	-	-	-	-	-	-	\$	-	\$	-	\$
2026	-	-	-	-	-	-	-	\$	-	\$	-	\$
2027	-	-	-	-	-	-	-	\$	-	\$	-	\$
2028	-	-	-	-	-	-	-	\$	-	\$	-	\$
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2037	-	-	-	-	-	-	-	\$	-	\$	-	\$
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2039	-	-	-	-	-	-	-	\$	-	\$	-	\$
2040	-	-	-	-	-	-	-	\$	-	\$	-	\$
2041	-	-	-	-	-	-	-	\$	-	\$	-	\$
2042	-	-	-	-	-	-	-	\$	-	\$	-	\$
2043	-	-	-	-	-	-	-	\$	-	\$	-	\$
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2050	-	-	-	-	-	-	-	\$	-	\$	-	\$
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2052	-	-	-	-	-	-	-	\$	-	\$	-	\$
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2060	-	-	-	-	-	-	-	\$	-	\$	-	\$
2061	-	-	-	-	-	-	-	\$	-	\$	-	\$
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2068	-	-	-	-	-	-	-	\$	-	\$	-	\$
2069	-	-	-	-	-	-	-	\$	-	\$	-	\$
2070	-	-	-	-	-	-	-	\$	-	\$	-	\$
2071	-	-	-	-	-	-	-	\$	-	\$	-	\$
2072	-	-	-	-	-	-	-	\$	-	\$	-	\$
2073	-	-	-	-	-	-	-	\$	-	\$	-	\$
Project Totals	-	-	-	-	-	-	-	-	-	-	-	-

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

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AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet L Supporting Projected Cost of Debt
 AEP WEST VIRGINIA TRANSMISSION 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)
1	Long Term Debt (FF1.p. 256-257, a,h)			
2	Bonds - Acc 221			
3				-
4				-
5				-
6	Reacquired Bonds - Total Account 222			
7				-
8				-
9				-
10	Advances from Assoc Companies			
11				-
12				-
13				-
14	Other Long Term Debt - Acc 224			
15				-
16				-
17				-
18				-
19				-
20				-
21				-
22				-
23				-
24				-
25				-
26	Sale/Leaseback (If Applicable)		0.00%	-
27	<u>Issuance Discount, Premium, & Expenses:</u>			
28	Auction Fees	FF1.p. 256 & 257.Lines Described as Fees		-
29	Amort of Debt Discount and Expenses	FF1.p. 117.63.c		-
30	Less: Amort of Debt Premiums	FF1.p. 117.65.c		-
31	<u>Reacquired Debt:</u>			
32	Amortization of Loss	FF1.p. 117.64.c		-
33	Less: Amortization of Gain	FF1.p. 117.66.c		-
34	Total Interest on Long Term Debt	-	0.00%	-
35	Preferred Stock (FF1.p. 250-251)		Preferred Shares Outstanding	
36				-
37				-
38				-
39				-
40				-
41				-
42				-
43				-
44	Dividends on Preferred Stock	-	0.00%	-

NOTE: All interest rate hedging gains/losses shall be excluded from long term debt expense.

**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)	39,908,614	(506,086)	19,701,264
2	Less Preferred Stock (Ln 48 Below)	-	-	-
3	Less Account 216.1 (112.12.c&d)	-	-	-
4	Less Account 219.1 (112.15.c&d)	-	-	-
5	Average Balance of Common Equity	39,908,614	(506,086)	19,701,264

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

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

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. (Page 257, Column H of the FF1)**

13 Annual Interest Expense for 2013

14	Interest on Long Term Debt (256-257.33.i)	-	-	-
Less: Total Hedge (Gain)/Expense Accumulated from p 256-257, col (i) of FERC Form 1				
15	included in Ln 14 and shown in Ln 32 below.	-	-	-
16	Amort of Debt Discount & Expense (117.63.c)	-	-	-
17	Amort of Loss on Reacquired Debt (117.64.c)	-	-	-
18	Less: Amort of Premium on Debt (117.65.c)	-	-	-
19	Less: Amort of Gain on Reacquired Debt (117.66.c)	-	-	-
20	Total Interest Expense (Ln 14 - Ln 15 + Ln 16 + Ln 17 - Ln 18 - Ln 19)	-	-	-

21 **Average Cost of Debt for 2013 (Ln 20/Ln 11)** 0.00%

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

22 AEP WEST VIRGINIA TRANSMISSION COMPANY may not include costs (or gains) related to interest hedging activities

	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2013	Remaining Unamortized Balance	Amortization Period	
				Beginning	Ending
23					
24					
25					
26					
27					
28					
29					
30					
31					
32	Net (Gain)/Loss Hedge Amortization To Be Removed	-			

Development of Cost of Preferred Stock

Preferred Stock			Average
33	0% Series - - Dividend Rate (p. 250-251. 7 & 10.a)		
34	0% Series - - Par Value (p. 250-251. 8.c)		
35	0% Series - - Shares O/S (p.250-251. 8 & 11.e)		
36	0% Series - - Monetary Value (Ln 34 * Ln 35)	-	-
37	0% Series - - Dividend Amount (Ln 33 * Ln 36)	-	-
38	0% Series - - Dividend Rate (p. 250-251.a)		
39	0% Series - - Par Value (p. 250-251.c)		
40	0% Series - - Shares O/S (p.250-251. e)		
41	0% Series - - Monetary Value (Ln 39 * Ln 40)	-	-
42	0% Series - - Dividend Amount (Ln 38 * Ln 41)	-	-
43	0% Series - - Dividend Rate (p. 250-251.a)		
44	0% Series - - Par Value (p. 250-251.c)		
45	0% Series - - Shares O/S (p.250-251.e)		
46	0% Series - - Monetary Value (Ln 44 * Ln 45)	-	-
47	0% Series - - Dividend Amount (Ln 43 * Ln 46)	-	-
48	Balance of Preferred Stock (Lns 36, 41, 46)	-	-
49	Dividends on Preferred Stock (Lns 37, 42, 47)	-	-
50	Average Cost of Preferred Stock (Ln 49/48)	0.00%	0.00%

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

**AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
 AEP WEST VIRGINIA TRANSMISSION COMPANY**

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

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

AEPTCo subsidiaries in PJM
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Calculation of Post-employment Benefits Other than Pensions Expenses Allocable to Transmission Service
 Worksheet O - PBOP Support
 AEP WEST VIRGINIA TRANSMISSION COMPANY

PBOP	(A)	(B)
1	<u>Calculation of PBOP Expenses</u>	
2	<u>AEP System PBOP Rate</u>	
3	Total AEP System PBOP expenses	-\$17,177,382
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$17,177,382
6	Total AEP System Direct Labor Expense	\$1,225,451,318
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.014
8	Currently Approved PBOP Rate	\$0.094
9	Base PBOP TransCo labor expensed in current year	\$80,458
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	\$7,563
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$746
15	Actual PBOP Expense (Sum Lines 11-14)	-\$746
16	PBOP Adjustment Line 10 less Line 15	\$8,309

AEPTCo subsidiaries in PJM
 Worksheet - P
 DEPRECIATION RATES
 FOR TRANSMISSION PLANT PROPERTY ACCOUNTS
 EFFECTIVE AS OF 7/1/2010

AEP WEST VIRGINIA TRANSMISSION COMPANY

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Land Rights	350.1	
Structures & Improvements	352.0	1.55%
Station Equipment	353.0	1.95%
Towers & Fixtures	354.0	1.14%
Poles & Fixtures	355.0	2.77%
Overhead Conductor	356.0	1.01%
Underground Conduit	357.0	1.23%
Underground Conductors	358.0	3.18%

Note: Per the Settlement in Docket No. ER10-355, Appendix A.1.2, AEP WEST VIRGINIA TRANSMISSION COMPANY shall use the depreciation rates shown above by FERC Account until such time as the FERC approves new depreciation rates pursuant to a Section 205 or 206 filing to change rates.

	<u>APCo</u>	<u>WPCo</u>	<u>TOTAL</u>
1 T-Plant (FF1 206.58.g)	1,811,822,367	29,740,179	1,841,562,546
2 T-Plant (FF1 206.58.b)	1,752,450,105	25,887,202	1,778,337,307
3 Average (Ln 1+ Ln 2)/2	1,782,136,236	27,813,691	1,809,949,927
4 Depreciation (FF1 336.7.f)	29,597,240	752,928	30,350,168
5 Composite Depreciation (Ln 3 / Ln 4)			1.68%

Note: AEP WEST VIRGINIA TRANSMISSION COMPANY shall initially use the composite depreciation rate for APCo and WPCo shown above to estimate depreciation expense for transmission projects in Worksheets I, J, and K until a composite depreciation rate based on transmission plant in service and depreciation expenses recorded by AEP WEST VIRGINIA TRANSMISSION COMPANY for its own transmission facilities can be calculated in AEP WEST VIRGINIA TRANSMISSION COMPANY's the first Annual Update including a True-Up TCOS.

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Capital Structure @ December 31, 2013
Worksheet Q Page 1

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
Development of Long Term Debt Balances at Year End							
1 Bonds (112.18.c&d)	380,300,000	-	-	-	-	-	380,300,000
2 Less: Reacquired Bonds (112.19.c&d)	-	40,000,000	-	-	460,400,000	-	500,400,000
3 LT Advances from Assoc. Companies (112.20.c&d)	86,000,000	-	20,000,000	20,000,000	-	25,000,000	151,000,000
4 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund	3,734,854,787	1,640,281,142	730,000,000	-	2,933,684,996	-	9,038,820,925
5 Less: Fair Value Hedges (See Note on Ln 7 below)	-	-	-	-	-	-	-
6 Total Long Term Debt Balance	4,201,154,787	1,600,281,142	750,000,000	20,000,000	2,473,284,996	25,000,000	9,069,720,925
7 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. (page 257, Column H of the FF1)							
Development of Long Term Debt Interest Expense							
8 Interest on Long Term Debt (256-257.33.i)	185,202,116	92,594,357	35,048,706	904,000	177,049,876	1,312,500	492,111,555
9 Amort of Debt Discount & Expense (117.63.c)	3,337,225	2,814,644	471,186	-	5,807,092	-	12,430,147
10 Amort of Loss on Reacquired Debt (117.64.c)	1,347,335	1,941,251	33,649	-	1,359,637	-	4,681,872
11 Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
12 Less: Amort of Gain on Reacquired Debt (117.66.c)	-	1,712	-	-	-	-	1,712
13 Less: Hedge Interest on pp 256-257(i)	1,558,935	916,010	92,956	-	(2,097,663)	-	470,238
14 LTD Interest Expense	188,327,741	96,432,530	35,460,585	904,000	186,314,268	1,312,500	508,751,624
Development of Cost of Preferred Stock and Preferred Dividends							
15 Dividend Rate (p. 250-251. 7.a)	4.50%	4.125%	-	-	4.08%	-	-
16 Par Value (p. 250-251. 8.c)	\$ 100.00	\$ 100.00	-	-	\$ 100.00	-	-
17 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
18 Monetary Value (Ln 16 * Ln 17)	-	-	-	-	-	-	-
19 Dividend Amount (Ln 15 * Ln 18)	-	-	-	-	-	-	-
20 Dividend Rate (p. 250-251. 7.a)	-	4.12%	-	-	4.20%	-	-
21 Par Value (p. 250-251. 8.c)	-	\$ 100.00	-	-	\$ 100.00	-	-
22 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
23 Monetary Value (Ln 21 * Ln 22)	-	-	-	-	-	-	-
24 Dividend Amount (Ln 20 * Ln 23)	-	-	-	-	-	-	-
25 Dividend Rate (p. 250-251. 7.a)	-	4.56%	-	-	4.40%	-	-
26 Par Value (p. 250-251. 8.c)	-	\$ 100.00	-	-	\$ 100.00	-	-
27 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
28 Monetary Value (Ln 26 * Ln 27)	-	-	-	-	-	-	-
29 Dividend Amount (Ln 25 * Ln 28)	-	-	-	-	-	-	-
30 Dividend Rate (p. 250-251. 7.a)	-	-	-	-	4.50%	-	-
31 Par Value (p. 250-251. 8.c)	-	-	-	-	\$ 100.00	-	-
32 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
33 Monetary Value (Ln 31 * Ln 32)	-	-	-	-	-	-	-
34 Dividend Amount (Ln 30 * Ln 33)	-	-	-	-	-	-	-
35 Preferred Stock (Lns 18, 23, 28,33)	-	-	-	-	-	-	-
36 Preferred Dividends (Lns 19, 24, 29,34)	-	-	-	-	-	-	-
Development of Common Equity							
37 Proprietary Capital (112.16.c)	3,231,334,227	1,922,153,922	839,369,490	31,081,849	1,625,265,129	120,225,152	7,769,429,769
38 Less: Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
39 Less: Account 216.1 (112.12.c)	1,639,734	(96,036)	-	-	4,915,704	-	6,459,402
40 Less: Account 219.1 (112.15.c)	2,951,210	(15,508,739)	(5,419,702)	3,296	7,079,463	972,206	(9,922,266)
41 Balance of Common Equity	3,226,743,283	1,937,758,697	844,789,192	31,078,553	1,613,269,962	119,252,946	7,772,892,633
Calculation of Capital Shares							
42 Long Term Debt (Ln 6 Above)	4,201,154,787	1,600,281,142	750,000,000	20,000,000	2,473,284,996	25,000,000	9,069,720,925
43 Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
44 Common Equity (Ln 41 Above)	3,226,743,283	1,937,758,697	844,789,192	31,078,553	1,613,269,962	119,252,946	7,772,892,633
45 Total Company Structure	7,427,898,070	3,538,039,839	1,594,789,192	51,078,553	4,086,554,958	144,252,946	16,842,613,558
46 LTD Capital Shares (Ln 42 / Ln 45)	56.56%	45.23%	47.03%	39.16%	60.52%	17.33%	53.85%
47 Preferred Stock Capital Shares (Ln 43 / Ln 45)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
48 Common Equity Capital Shares (Ln 44 / Ln 45)	43.44%	54.77%	52.97%	60.84%	39.48%	82.67%	46.15%
49 Equity Capital Share Limit	100.00%	100.00%	100.00%	100.00%	51.00%	100.00%	50.00%
50 LTD Capital Shares with Capital Equity Cap	56.56%	45.23%	47.03%	39.16%	60.52%	17.33%	53.85%
51 Preferred Stock Capital Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
52 Common Equity Capital Shares with Capital Equity Cap	43.44%	54.77%	52.97%	60.84%	39.48%	82.67%	46.15%
Calculation of Capital Cost Rate							
53 LTD Capital Cost Rate (Ln 14 / Ln 6)	4.48%	6.03%	4.73%	4.52%	7.53%	5.25%	5.61%
54 Preferred Stock Capital Cost Rate (Ln 36 / Ln 35)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
Calculation of Weighted Capital Cost Rate							
56 LTD Weighted Capital Cost Rate (Ln 50 * Ln 53)	2.54%	2.73%	2.22%	1.77%	4.56%	0.91%	3.02%
57 Preferred Stock Capital Cost Rate (Ln 51 * Ln 54)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
58 Common Equity Capital Cost Rate (Ln 52 * Ln 55)	4.99%	6.29%	6.09%	6.99%	4.54%	9.50%	5.30%
59 Total Company Structure	7.53%	9.02%	8.31%	8.76%	9.10%	10.41%	8.32%

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Capital Structure @ December 31, 2012
Worksheet Q Page 2

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
Development of Long Term Debt Balances at Year End							
60 Bonds (112.18.c&d)	-	-	-	-	-	-	-
61 Less: Reacquired Bonds (112.19.c&d)	-	-	-	-	462,500,000	-	462,500,000
62 LT Advances from Assoc. Companies (112.20.c&d)	-	-	20,000,000	20,000,000	200,000,000	25,000,000	265,000,000
63 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund	3,709,883,415	1,572,429,608	530,000,000	-	4,130,325,000	-	9,942,638,023
64 Less: Fair Value Hedges (See Note on Ln 66 below)	-	-	-	-	-	-	-
65 Total Long Term Debt Balance	3,709,883,415	1,572,429,608	550,000,000	20,000,000	3,867,825,000	25,000,000	9,745,138,023
66 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. (p. 257, Column H of the FF1)							
Development of Long Term Debt Interest Expense							
67 Interest on Long Term Debt (256-257.33.i)	193,138,993	90,701,590	35,048,706	904,000	212,506,228	1,312,500	533,612,017
68 Amort of Debt Discount & Expense (117.63.c)	3,859,577	2,372,191	471,186	-	3,978,647	-	10,681,601
69 Amort of Loss on Reacquired Debt (117.64.c)	1,342,096	1,483,709	33,649	-	1,336,128	-	4,195,582
70 Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
71 Less: Amort of Gain on Reacquired Debt (117.66.c)	-	1,712	-	-	-	-	1,712
72 Less: Hedge Interest on pp 256-257(i)	1,619,222	916,010	92,956	-	(2,097,663)	-	530,525
73 LTD Interest Expense	196,721,444	93,639,768	35,460,585	904,000	219,918,666	1,312,500	547,956,963
Development of Cost of Preferred Stock and Preferred Dividends							
74 Dividend Rate (p. 250-251. 7.a)	4.50%	4.125%	-	-	4.08%	-	-
75 Par Value (p. 250-251. 8.c)	\$ 100.00	\$ 100.00	-	-	\$ 100.00	-	-
76 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
77 Monetary Value (Ln 75 * Ln 76)	-	-	-	-	-	-	-
78 Dividend Amount (Ln 74 * Ln 77)	-	-	-	-	-	-	-
79 Dividend Rate (p. 250-251. 7.a)	-	4.12%	-	-	4.20%	-	-
80 Par Value (p. 250-251. 8.c)	-	\$ 100.00	-	-	\$ 100.00	-	-
81 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
82 Monetary Value (Ln 80 * Ln 81)	-	-	-	-	-	-	-
83 Dividend Amount (Ln 79 * Ln 82)	-	-	-	-	-	-	-
84 Dividend Rate (p. 250-251. 7.a)	-	4.56%	-	-	4.40%	-	-
85 Par Value (p. 250-251. 8.c)	-	\$ 100.00	-	-	\$ 100.00	-	-
86 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
87 Monetary Value (Ln 85 * Ln 86)	-	-	-	-	-	-	-
88 Dividend Amount (Ln 84 * Ln 87)	-	-	-	-	-	-	-
89 Dividend Rate (p. 250-251. 7.a)	-	-	-	-	4.50%	-	-
90 Par Value (p. 250-251. 8.c)	-	-	-	-	\$ 100.00	-	-
91 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
92 Monetary Value (Ln 90 * Ln 91)	-	-	-	-	-	-	-
93 Dividend Amount (Ln 89 * Ln 92)	-	-	-	-	-	-	-
94 Preferred Stock (Lns 77, 82, 87,92)	-	-	-	-	-	-	-
95 Preferred Dividends (Lns 78, 83, 88,93)	-	-	-	-	-	-	-
Development of Common Equity							
96 Proprietary Capital (112.16.c)	3,052,563,357	1,803,774,755	479,610,035	29,956,296	4,489,200,654	90,109,311	9,945,214,408
97 Less: Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
98 Less: Account 216.1 (112.12.c)	1,654,344	(104,879)	-	-	2,204,800	-	3,754,265
99 Less: Account 219.1 (112.15.c)	(29,897,592)	(28,884,204)	(408,880)	916	(165,724,552)	(473,816)	(225,388,128)
100 Balance of Common Equity	3,080,806,605	1,832,763,838	480,018,915	29,955,380	4,652,720,406	90,583,127	10,166,848,271
Calculation of Capital Shares							
101 Long Term Debt (Ln 65 Above)	3,709,883,415	1,572,429,608	550,000,000	20,000,000	3,867,825,000	25,000,000	9,745,138,023
102 Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
103 Common Equity (Ln 100 Above)	3,080,806,605	1,832,763,838	480,018,915	29,955,380	4,652,720,406	90,583,127	10,166,848,271
104 Total Company Structure	6,790,690,020	3,405,193,446	1,030,018,915	49,955,380	8,520,545,406	115,583,127	19,911,986,294
105 LTD Capital Shares (Ln 101 / Ln 104)	54.63%	46.18%	53.40%	40.04%	45.39%	21.63%	48.94%
106 Preferred Stock Capital Shares (Ln 102 / Ln 104)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
107 Common Equity Capital Shares (Ln 103 / Ln 104)	45.37%	53.82%	46.60%	59.96%	54.61%	78.37%	51.06%
108 Equity Capital Share Limit	100.00%	100.00%	100.00%	100.00%	51.00%	100.00%	50.00%
109 LTD Capital Shares with Capital Equity Cap	54.63%	46.18%	53.40%	40.04%	49.00%	21.63%	50.48%
110 Preferred Stock Capital Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
111 Common Equity Capital Shares with Capital Equity Cap	45.37%	53.82%	46.60%	59.96%	51.00%	78.37%	49.52%
Calculation of Capital Cost Rate							
112 LTD Capital Cost Rate (Ln 73 / Ln 65)	5.30%	5.96%	6.45%	4.52%	5.69%	5.25%	5.62%
113 Preferred Stock Capital Cost Rate (Ln 95 / Ln 94)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
114 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
Calculation of Weighted Capital Cost Rate							
115 LTD Weighted Capital Cost Rate (Ln 109 * Ln 112)	2.90%	2.75%	3.44%	1.81%	2.79%	1.14%	2.84%
116 Preferred Stock Capital Cost Rate (Ln 110 * Ln 113)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
117 Common Equity Capital Cost Rate (Ln 111 * Ln 114)	5.21%	6.18%	5.35%	6.89%	5.86%	9.00%	5.69%
118 Total Company Structure	8.11%	8.93%	8.80%	8.70%	8.65%	10.14%	8.53%

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Average Capital Structure
Worksheet Q Page 3

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
Development of Average Long Term Debt							
119 Average Bonds (Ln 1 + Ln 60) / 2	190,150,000	-	-	-	-	-	190,150,000
120 Less: Average Reacquired Bonds (Ln 2 + Ln 61) / 2	-	20,000,000	-	-	461,450,000	-	481,450,000
121 Average LT Advances from Assoc. Companies (Ln 3 + Ln 62) / 2	43,000,000	-	20,000,000	20,000,000	100,000,000	25,000,000	208,000,000
122 Average Senior Unsecured Notes (Ln 4 + Ln 63) / 2	3,722,369,101	1,606,355,375	630,000,000	-	3,532,004,998	-	9,490,729,474
123 Less: Average Fair Value Hedges (See Note on Ln 125 below)	-	-	-	-	-	-	-
124 Average Balance of Long Term Debt	3,955,519,101	1,586,355,375	650,000,000	20,000,000	3,170,554,998	25,000,000	9,407,429,474
125 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. (p. 257, Column H of the FF1)							
Development of 2013 Long Term Debt Interest Expense							
126 Interest on Long Term Debt (256-257.33.i)	185,202,116	92,594,357	35,048,706	904,000	177,049,876	1,312,500	492,111,555
127 Amort of Debt Discount & Expense (117.63.c)	3,337,225	2,814,644	471,186	-	5,807,092	-	12,430,147
128 Amort of Loss on Reacquired Debt (117.64.c)	1,347,335	1,941,251	33,649	-	1,359,637	-	4,681,872
129 Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
130 Less: Amort of Gain on Reacquired Debt (117.66.c)	-	1,712	-	-	-	-	1,712
131 Less: Hedge Interest on pp 256-257(i)	1,558,935	916,010	92,956	-	(2,097,663)	-	470,238
132 2013 LTD Interest Expense	188,327,741	96,432,530	35,460,585	904,000	186,314,268	1,312,500	508,751,624
2013 Cost of Preferred Stock and Preferred Dividends							
133 Average Balance of Preferred Stock (Ln 35 + Ln 94) / 2	-	-	-	-	-	-	-
134 2013 Preferred Dividends (Ln 36)	-	-	-	-	-	-	-
Development of Average Common Equity							
135 Average Proprietary Capital (Ln 37 + Ln 96) / 2	3,141,948,792	1,862,964,339	659,489,763	30,519,073	3,057,232,892	105,167,232	8,857,322,089
136 Less: Average Preferred Stock (Ln 133 Above)	-	-	-	-	-	-	-
137 Less: Average Account 216.1 (Ln 39 + Ln 98) / 2	1,647,039	(100,458)	-	-	3,560,252	-	5,106,834
138 Less: Average Account 219.1 (Ln 40 + Ln 99) / 2	(13,473,191)	(22,196,472)	(2,914,291)	2,106	(79,322,545)	249,195	(117,655,197)
139 Average Balance of Common Equity	3,153,774,944	1,885,261,268	662,404,054	30,516,967	3,132,995,184	104,918,037	8,969,870,452
Calculation of Capital Shares							
140 Average Balance of Long Term Debt (Ln 124 Above)	3,955,519,101	1,586,355,375	650,000,000	20,000,000	3,170,554,998	25,000,000	9,407,429,474
141 Average Balance of Preferred Stock (Ln 133 Above)	-	-	-	-	-	-	-
142 Average Balance of Common Equity (Ln 139 Above)	3,153,774,944	1,885,261,268	662,404,054	30,516,967	3,132,995,184	104,918,037	8,969,870,452
143 Average of Total Company Structure	7,109,294,045	3,471,616,643	1,312,404,054	50,516,967	6,303,550,182	129,918,037	18,377,299,926
144 Average Balance of LTD Capital Shares (Ln 140 / Ln 143)	55.64%	45.70%	49.53%	39.59%	50.30%	19.24%	51.19%
145 Average Balance of Preferred Stock Capital Shares (Ln 141 / Ln 143)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
146 Average Balance of Common Equity Capital Shares (Ln 142 / Ln 143)	44.36%	54.30%	50.47%	60.41%	49.70%	80.76%	48.81%
147 Equity Capital Share Limit	100.00%	100.00%	100.00%	100.00%	51.00%	100.00%	50.00%
148 LTD Capital Shares with Capital Equity Cap	55.64%	45.70%	49.53%	39.59%	50.30%	19.24%	51.19%
149 Preferred Stock Capital Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
150 Common Equity Capital Shares with Capital Equity Cap	44.36%	54.30%	50.47%	60.41%	49.70%	80.76%	48.81%
Calculation of Capital Cost Rate							
151 LTD Capital Cost Rate (Ln 132 / Ln 124)	4.76%	6.08%	5.46%	4.52%	5.88%	5.25%	5.41%
152 Preferred Stock Capital Cost Rate (Ln 134 / Ln 133)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
153 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
Calculation of Weighted Capital Cost Rate							
154 LTD Weighted Capital Cost Rate (Ln 148 * Ln 151)	2.65%	2.78%	2.70%	1.79%	2.96%	1.01%	2.77%
155 Preferred Stock Capital Cost Rate (Ln 149 * Ln 152)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
156 Common Equity Capital Cost Rate (Ln 150 * Ln 153)	5.10%	6.24%	5.80%	6.94%	5.71%	9.28%	5.61%
157 ACTUAL WEIGHTED AVG COST OF CAPITAL	7.75%	9.02%	8.50%	8.73%	8.67%	10.29%	8.38%