

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

Twelve Months Ended **2018**

**Appalachian Power Company**

Line No.			Total	Allocator		Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 130)				\$302,222,946
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	5,990,685	DA	1.00000	\$ 5,990,685
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				\$ -
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)				<u>\$ 296,232,261</u>

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

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)		21,491,173	DA	1.00000	\$ 21,491,173
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)					
7	Annual Rate	((In 1 - In 95)/(In 42) x 100)				12.99%
8	Monthly Rate	(In 7 / 12)				1.08%
9	NET PLANT CARRYING CHARGE ON LINE 7, w/o depreciation or ROE incentives (Note B)					
10	Annual Rate	((In 1 - In 95 - In 100) / ((In 42) x 100))				10.79%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)					
12	Annual Rate	((In 1 - In 95 - In 100 - In 125 - In 126) / ((In 42) x 100))				3.59%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)					
14	<b>REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES</b>					
15	Total Load Dispatch & Scheduling (Account 561)	Line 75 Below				11,986,420
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)					7,509,381
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)					1,855,896
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)				<u>2,621,143</u>

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	(1)	(2)	(3)	(4)	(5)
Line No.	<b>RATE BASE CALCULATION</b>	<b>Data Sources (See "General Notes")</b>	<b>TO Total NOTE C</b>	<b>Allocator</b>	<b>Total Transmission</b>
19	GROSS PLANT IN SERVICE				
19	Production	(Worksheet A In 14.(b))	6,435,821,366	NA	0.00000
20	Less: Production ARO (Enter Negative)	(Worksheet A In 14.(c))	(93,146,617)	NA	0.00000
21	Transmission	(Worksheet A In 14.(d) & TCOS Ln 134)	3,104,186,613	DA	3,030,758,259
22	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP	0.97635
23	Distribution	(Worksheet A In 14.(f))	3,850,982,310	NA	0.00000
24	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.(g))	(3,069)	NA	0.00000
25	General Plant	(Worksheet A In 14.(h))	241,640,558	W/S	0.09272
26	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	(1,106,508)	W/S	0.09272
27	Intangible Plant	(Worksheet A In 14.(j))	162,952,381	W/S	0.09272
28	TOTAL GROSS PLANT	(sum Ins 19 to 27)	13,701,327,033	<b>GP</b>	<b>0.223932</b>
				<b>GTD=</b>	<b>0.43576</b>
29	ACCUMULATED DEPRECIATION AND AMORTIZATION				
30	Production	(Worksheet A In 28.(b))	2,393,455,298	NA	0.00000
31	Less: Production ARO (Enter Negative)	(Worksheet A In 28.(c))	(34,251,769)	NA	0.00000
32	Transmission	(Worksheet A In 28.(d) & In 43.(c))	725,234,768	TP1=	0.97149
33	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1=	0.97149
34	Distribution	(Worksheet A In 28.(f))	1,314,700,903	NA	0.00000
35	Less: Distribution ARO (Enter Negative)	(Worksheet A In 28.(g))	(1,895)	NA	0.00000
36	General Plant	(Worksheet A In 28.(h))	83,311,595	W/S	0.09272
37	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	(652,838)	W/S	0.09272
38	Intangible Plant	(Worksheet A In 28.(j))	87,646,467	W/S	0.09272
39	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 30 to 38)	4,569,442,529		
40	NET PLANT IN SERVICE				
41	Production	(In 19 + In 20 - In 30 - In 31)	3,983,471,219		-
42	Transmission	(In 21 + In 22 - In 32 - In 33)	2,378,951,845		2,326,197,937
43	Distribution	(In 23 + In 24 - In 34 - In 35)	2,536,280,233		-
44	General Plant	(In 25 + In 26 - In 36 - In 37)	157,875,294		14,638,375
45	Intangible Plant	(In 27 - In 38)	75,305,913		6,982,449
46	TOTAL NET PLANT IN SERVICE	(sum Ins 41 to 45)	9,131,884,504	<b>NP</b>	<b>0.257101</b>
					2,347,818,760
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
48	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	(278,924,095)	NA	-
49	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(1,997,909,025)	DA	(548,782,807)
50	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(353,444,895)	DA	(20,920,912)
51	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	241,560,627	DA	51,756,722
52	Account No. 255 (enter negative)	(Worksheet C, In 24 & In 25.E)	(915,105)	DA	(21,106)
53	TOTAL ADJUSTMENTS	(sum Ins 48 to 52)	(2,389,632,493)		(517,968,103)
54	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e) & In 45.(e))	4,352,051	DA	1,632,033
55	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA	-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))	(261,585)	W/S	0.09272
					(24,254)
57	WORKING CAPITAL	(Note E)			
58	Cash Working Capital	(1/8 * In 78)	5,214,334		5,090,991
59	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	2,569,895	TP	0.97635
60	A&G Materials & Supplies	(Worksheet C, In 3.(F))	275,239	W/S	0.09272
61	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.22393
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	220,817,477	W/S	0.09272
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	4,657,856	GP	0.22393
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000
65	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(213,572,296)	NA	0.00000
66	TOTAL WORKING CAPITAL	(sum Ins 58 to 65)	19,962,505		
					29,143,105
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	(2,965,266)	DA	1.00000
					(2,965,266)
68	RATE BASE (sum Ins 46, 53, 54, 55, 56, 66, 67)		6,763,339,716		
					1,857,636,275

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Utilizing Actual/Projected FERC Form 1 Data

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(1)	(2)	(3)	(4)	(5)
EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
Line No.				
69	OPERATION & MAINTENANCE EXPENSE			
70	Production	321.80.b		
71	Distribution	322.156.b		
72	Customer Related Expense	322 & 323.164,171,178.b		
73	Regional Marketing Expenses	322.131.b		
74	Transmission	321.112.b		
75	TOTAL O&M EXPENSES	(sum Ins 69 to 73)		
76	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)		
77	Less: Account 565	(Note H) 321.96.b		
78	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)		
79	Total O&M Allocable to Transmission	(Ins 73 - 75 - 76 - 77)	TP	0.97635
80	Administrative and General	323.197.b (Notes J and M)		
81	Less: Acct. 924, Property Insurance	323.185.b		
82	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)		
83	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)		
84	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)		
85	Acct. 928, Reg. Com. Exp.	323.189.b		
86	Acct. 930.1, Gen. Advert. Exp.	323.191.b		
87	Acct. 930.2, Misc. Gen. Exp.	323.192.b		
88	Balance of A & G	(In 79 - sum In 80 to In 86)	W/S	0.09272
89	Plus: Acct. 924, Property Insurance	(In 80)	GP	0.22393
90	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	TP	0.97635
91	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	TP	0.97635
92	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	DA	1.00000
93	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C. (Note M)	W/S	0.09272
94	A & G Subtotal	(sum Ins 87 to 92)		
95	O & M EXPENSE SUBTOTAL	(In 78 + In 93)		
96	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		DA	1.00000
97	TOTAL O & M EXPENSE	(In 94 + In 95)		
98	DEPRECIATION AND AMORTIZATION EXPENSE			
99	Production	336.2-6.f	NA	0.00000
100	Distribution	336.8.f	NA	0.00000
101	Transmission	336.7.f	TP1	0.97149
102	General	336.10.f	W/S	0.09272
103	Intangible	336.1.f	W/S	0.09272
104	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 98-99+ 100+101+102) (Note N)		
105	LABOR RELATED			
106	Payroll	Worksheet H In 24.(D)	W/S	0.09272
107	Plant Related			
108	Property	Worksheet H-1 In 3.(C) & 3.(G)	DA	1.00000
109	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	NA	0.00000
110	Other	Worksheet H In 24.(E)	GP	0.22393
111	TOTAL OTHER TAXES	(sum Ins 106 to 110)		
112	INCOME TAXES	(Note O)		
113	T=1 - ((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =	23.96%		
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =	21.36%		
115	where WCLTD=(In 154) and WACC = (In 157)			
116	and FIT, SIT & p are as given in Note O.			
117	GROF=1 / (1 - T) = (from In 113)	1.3151		
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)		
119	Excess Deferred Income Tax	(Note U)	DA	1.00000
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	DA	1.00000
121	Income Tax Calculation	(In 114 * In 126)		
122	ITC adjustment	(In 117 * In 118)	GP	0.22393
123	Excess Deferred Income Tax	(In 117 * In 119)		
124	Tax Effect of Permanent and Flow-Through Differences	(In 117 * In 120)		
125	TOTAL INCOME TAXES	(sum Ins 121 to 124)		
126	RETURN ON RATE BASE (Rate Base*WACC)	(In 68 * In 157)		
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))	135,442	DA	1.00000
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. (F) & (H))	-		
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 128 * In114)	-		
130	TOTAL REVENUE REQUIREMENT (sum Ins 96, 103, 111, 125, 126, 127, 128, 129)	1,152,387,472		302,222,946

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

Appalachian Power Company

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
131	Total transmission plant	(In 21)						3,104,186,613
132	Less transmission plant excluded from PJM Tariff (Worksheet A, In 42, Col. (d)) (Note P)							-
133	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 42, Col. (b)) (Note Q)							73,428,354
134	Transmission plant included in PJM Tariff	(In 131 - In 132 - In 133)						3,030,758,259
135	Percent of transmission plant in PJM Tariff	(In 134 / In 131)					TP=	0.97635
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)						
137	Production	354.20.b	58,098,851	27,370,366	85,469,217	NA	0.00000	-
138	Transmission	354.21.b	439,331	15,287,414	15,726,745	TP	0.97635	15,354,735
139	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000	-
140	Distribution	354.23.b	39,770,905	4,743,389	44,514,294	NA	0.00000	-
141	Other (Excludes A&G)	354.24,25,26.b	11,127,418	8,763,586	19,891,004	NA	0.00000	-
142	Total	(sum Ins 137 to 141)	109,436,505	56,164,755	165,601,260			15,354,735
143	Transmission related amount						W/S=	0.09272
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
145	Long Term Interest	(Worksheet M, In. 37, col. (d))						193,135,928
146	Preferred Dividends	(Worksheet M, In. 71)						-
147	Development of Common Stock:							-
148	Proprietary Capital	(Worksheet M, In. 14, col. (b))						3,921,179,062
149	Less: Preferred Stock	(Worksheet M, In. 14, col. (c))						-
150	Less: Account 216.1	(Worksheet M, In. 14, col. (d))						(3,472,634)
151	Less: Account 219	(Worksheet M, In. 14, col. (e))						(350,882)
152	Common Stock	(In 148 - In 149 - In 150 - In 151)						3,925,002,578
153			<b>Capital Structure Percentages</b>				Cost	
154	Long Term Debt (Note T) Worksheet M, In 28, col. (g), In 38, col. (d))		\$	%	Cap Limit		(Note S)	Weighted
155	Preferred Stock (In 149)		4,064,593,714	50.87%	50.87%		4.75%	0.0242
156	Common Stock (In 152)		-	0.00%	0.00%		-	0.0000
157	Total (Sum Ins 154 to 156)		3,925,002,578	49.13%	49.13%		10.35%	0.0508
			7,989,596,293					WACC= 0.0750
158	Capital Structure Equity Limit (Note Z)	55%						

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

Appalachian Power Company

**Letter**

**Notes**

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

- A** Revenue credits include:  
1) Forfeited Discounts.  
2) Miscellaneous Service Revenues.  
3) Rental revenues earned on assets included in the rate base.  
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.  
5) Other electric revenues.  
6) Revenues for grandfathered PTP contracts included in the load divisor.  
7) If AEP East companies have any directly assigned transmission facilities, the revenue credits in the AEP East formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based.  
See Worksheet E for details.
- B** The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet Q and any over under recovery will be filed and posted as part of the informational filing.
- C** Transmission Plant Balances in this study are projected or actual average of 13-month balances.
- D** The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flowthrough and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(i)-(h)(6)(ii). RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. The company will not include the ADIT portion of deferred hedge gains and losses in rate base. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.
- E** Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 78. It includes:  
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 75.  
2) Costs of Transmission of Electricity by Others, as described in Note H.  
3) The impact of state regulatory deferrals and amortizations, as shown on line 77  
4) All A&G Expenses, as shown on line 93.
- F** Consistent with Paragraph 657 of Order 2003-A, the amount on line 67 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 127.
- G** Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H** Removes cost of transmission service provided by others to determine the basis of cash working capital on line 78. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such cost is added back on line 95 to determine the total O&M collected in the formula. The amounts on line 95 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.  
The addbacks on line 95 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.  
The company records referenced on line 95 is the Appalachian Power Company general ledger.
- I** Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- J** General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K** These deductions on lines 81 through 83 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L** Expenses recorded in FERC Accounts 928 (Regulatory Commission Expense), 930.1 (Safety Related Advertising) and 930.2 (Miscellaneous General Expenses) that are not directly related to or properly allocable to transmission service will be removed from the TCOS. If AEP includes any expenses booked to these accounts in future ATRR updates, AEP must provide supporting information demonstrating that the underlying activities are directly related to providing transmission service. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M** See note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O.
- N** Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O** The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and  $p =$  the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.  
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (in 118) multiplied by  $(1/(1-T))$ . If the applicable tax rates are zero enter 0.  
Inputs Required: 

FIT =	21.00%
SIT =	3.75% (State Income Tax Rate or Composite SIT, Worksheet G)
p =	0.00% (percent of federal income tax deductible for state purposes)
- The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable.  
If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
- P** Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q** Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R** Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S** Long Term Debt cost rate = Long-Term Interest (In 145) / Long-Term Debt (In 154). Preferred Stock cost rate = preferred dividends (In 146) / preferred outstanding (In 155).  
Common Stock cost rate (ROE) = 10.35%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO Membership.  
The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M.  
Eligible Hedging Gains and Losses are computed on Worksheet M. The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.
- T** The Long Term Debt balance for I&M includes the accumulated balance of principle and related interest for Spent Nuclear Fuel Disposal Costs collected prior to April 7, 1983.  
This total balance of \$265,249,280 at 12/31/12 is not included in the balance in line 154 above.  
The cost rates for long-term debt shall include interest expense and related periodic expenses (such as remarketing and letter of credit fees) as recorded in FERC Account 427 or 430, amortization of issuance costs (including insurance) and discounts as recorded in FERC Account 428, issuance premiums as recorded in FERC Account 429 and losses or gains on reacquired debt as recorded in FERC Accounts 428.1 or 429.1, respectively. The cost rates for preferred stock (if applicable) shall include the dividends.
- U** Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
- V** Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.
- W** The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- X** Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
- Y** The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.

Z Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

AEP East Companies  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet A Rate Base  
 Appalachian Power Company

		Gross Plant In Service									
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)	
		FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5	
	<b>(Note A)</b>										
1	December Prior to Rate Year	6,403,925,223	92,702,170	3,018,312,132	-	3,761,628,851	3,069	232,421,405	781,258	148,963,347	
2	January	6,420,274,691	92,702,170	3,027,480,680	-	3,771,582,393	3,069	234,286,408	781,035	150,765,304	
3	February	6,420,894,548	92,702,170	3,028,306,521	-	3,777,517,355	3,069	235,154,862	781,035	152,533,061	
4	March	6,422,758,074	92,702,170	3,030,850,857	-	3,793,887,530	3,069	238,027,963	1,204,128	154,477,764	
5	April	6,426,559,395	92,702,170	3,036,962,611	-	3,806,590,774	3,069	239,019,557	1,204,128	156,343,534	
6	May	6,430,735,201	92,702,170	3,048,548,785	-	3,822,127,457	3,069	239,617,099	1,204,128	158,494,989	
7	June	6,433,581,615	92,702,170	3,081,157,768	-	3,841,924,196	3,069	242,567,829	1,204,128	160,384,853	
8	July	6,437,549,584	92,702,170	3,107,557,220	-	3,854,886,650	3,069	242,723,177	1,204,128	166,516,643	
9	August	6,447,759,298	92,702,170	3,119,018,288	-	3,882,492,364	3,069	243,486,323	1,204,128	168,607,287	
10	September	6,446,931,865	92,702,170	3,139,670,535	-	3,895,283,535	3,069	243,766,535	1,204,128	169,522,318	
11	October	6,451,391,009	92,702,170	3,186,821,268	-	3,917,552,858	3,069	243,995,360	1,204,128	173,069,211	
12	November	6,452,830,555	92,702,170	3,213,573,080	-	3,950,351,578	3,069	248,849,297	1,204,128	176,175,946	
13	December of Rate Year	6,470,486,699	98,479,986	3,316,166,220	-	3,986,944,489	3,069	257,411,442	1,204,128	182,526,693	
14	Average of the 13 Monthly Balances	6,435,821,366	93,146,617	3,104,186,613	-	3,850,962,310	3,069	241,640,558	1,106,508	162,952,381	

  

		Accumulated Depreciation									
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)	
		Company Records (Included in total in Column FF1, page 219, In 25, Col. (b))	Company Records (Included in total in Column FF1, page 219, In 26, Col. (b))	Company Records (Included in total in Column FF1, page 219, In 26, Col. (d))	Company Records (Included in total in Column FF1, page 219, In 28, Col. (f))	Company Records (Included in total in Column FF1, page 219, In 28, Col. (g))	Company Records (Included in total in Column FF1, page 219, In 28, Col. (h))	Company Records (Included in total in Column FF1, page 200, In 21, Col. (i))	Company Records (Included in total in Column FF1, page 200, In 21, Col. (j))	Company Records (Included in total in Column FF1, page 200, In 21, Col. (k))	
	<b>(Note A)</b>										
15	December Prior to Rate Year	2,339,391,946	32,579,044	716,358,523	-	1,273,050,942	1,860	78,541,582	638,767	80,343,332	
16	January	2,349,826,420	32,857,831	724,633,001	-	1,272,336,346	1,866	82,046,154	639,764	78,741,285	
17	February	2,359,004,953	33,136,619	718,474,208	-	1,288,017,189	1,872	82,442,338	640,760	80,728,630	
18	March	2,373,880,246	33,415,406	718,880,029	-	1,294,030,048	1,878	82,682,484	641,757	82,310,767	
19	April	2,388,186,218	33,694,194	721,268,401	-	1,301,707,313	1,883	83,012,944	645,118	84,313,747	
20	May	2,404,004,047	33,972,982	723,923,074	-	1,309,572,672	1,889	83,450,057	648,479	86,347,822	
21	June	2,412,265,014	34,251,769	724,978,354	-	1,315,969,210	1,895	83,871,063	651,797	87,265,188	
22	July	2,459,645,481	34,530,557	728,384,190	-	1,323,186,641	1,901	84,279,179	655,115	89,366,620	
23	August	2,231,183,336	34,809,344	730,391,828	-	1,328,861,475	1,906	84,617,537	658,433	91,570,723	
24	September	2,438,065,210	35,088,132	731,809,978	-	1,336,511,212	1,912	85,138,593	661,750	91,452,505	
25	October	2,446,159,500	35,366,919	733,457,228	-	1,342,582,291	1,918	85,159,519	665,088	93,706,228	
26	November	2,450,845,183	35,645,707	732,496,544	-	1,349,342,542	1,923	85,563,982	668,386	96,019,065	
27	December of Rate Year	2,462,461,325	35,924,495	722,997,623	-	1,355,943,862	1,929	82,245,299	671,704	97,238,164	
28	Average of the 13 Monthly Balances	2,393,455,298	34,251,769	725,234,768	-	1,314,700,903	1,895	83,311,595	652,838	87,646,467	

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
			Company Records (included in total in column (d) of gross plant above)		
	(Note A)				
29	December Prior to Rate Year	70,365,479	21,236,220	-	-
30	January	72,808,691	20,135,080		
31	February	72,815,941	20,231,771		
32	March	72,817,960	20,301,144		
33	April	72,818,177	20,418,757		
34	May	72,818,091	20,188,841		
35	June	72,818,084	20,306,454		
36	July	72,818,084	20,424,067		
37	August	73,145,413	20,869,010		
38	September	73,145,413	20,987,134		
39	October	73,145,413	21,104,983		
40	November	73,145,413	21,223,106		
41	December of Rate Year	81,906,440	21,341,229		
42	Average of the 13 Monthly Balances	73,428,354	20,674,446	-	-

43 Transmission Accum Depreciation net of GSU 704,560,322

Plant Held For Future Use (a)	Source of Data (b)	Balance @ December 31, 2018 (c)	Balance @ December 31, 2017 (d)	Average Balance for 2018 (e)
		44	Plant Held For Future Use	4,509,287
45	Transmission Plant Held For Future Use (included in total on line 44)	1,632,033	1,632,033	1,632,033

**Regulatory Assets and Liabilities Approved for Recovery in Ratebase**

Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.

46		-	-	-
47		-	-	-
48		-	-	-
49		-	-	-
50		-	-	-
51	Total Regulatory Deferrals Included in Ratebase	-	-	-

**Unfunded Reserves Summary (Company Records)**

	Description	Account			
52					
53a	Accum Prv I/D Worker's Com	2282003	260,397	262,773	261,585
53b					-
54	Total		260,397	262,773	261,585

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

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

Line Number	(A) Description	(B) Source	(C) Balance @ December 31, 2018	(D) Balance @ December 31, 2017	(E) Average Balance for 2018
1	<b>Account 281</b>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	267,868,298	289,979,891	278,924,095
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	267,868,298	289,979,891	278,924,095
5	Transmission Related Deferrals	Ln 2 - In 3 - In 4	-	-	-
6	<b>Account 282</b>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	2,013,440,023	1,982,378,027	1,997,909,025
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	11,571,948	20,469,118	16,020,533
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	1,436,977,018	1,429,234,352	1,433,105,685
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	564,891,057	532,674,556	548,782,807
11	<b>Account 283</b>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	280,715,579	426,174,211	353,444,895
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	7,415,018	13,893,212	10,654,115
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	268,340,779	375,398,956	321,869,867
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	4,959,782	36,882,043	20,920,912
16	<b>Account 190</b>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	183,767,136	299,354,118	241,560,627
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	24,358,600	43,772,374	34,065,487
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	119,917,159	191,559,675	155,738,417
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	39,491,377	64,022,068	51,756,722
21	<b>Account 255</b>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	979,631	850,579	915,105
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable Ratebase	Ln 22 - In 23	979,631	850,579	915,105
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	15,253	26,959	21,106

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

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

Appalachian Power Company  
 SPECIFIED DEFERRED CREDITS - Actual Cycle Only  
 PERIOD ENDED DECEMBER 31, 2018

(DEBIT) CREDIT

ACCOUNT	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	FUNCTIONALIZATION 12/31/2018											
													PER BOOKS			NON-APPLICABLE/NON-UTILITY			AVERAGE ELECTRIC UTILITY			FUNCTIONALIZATION AVERAGE		
													OF 12-31-2017	OF 12-31-2018	OF 12-31-2017	OF 12-31-2018	OF 12-31-2017	OF 12-31-2018	OF 12-31-2017	OF 12-31-2018	OF 12-31-2017	OF 12-31-2018	OF 12-31-2017	OF 12-31-2018
<b>ACCUMULATED DEFERRED FIT ITEMS</b>																								
1.00	ACCOUNT 281:																							
2.01	TX AMORT POLLUTION CONT EQPT																							
2.02	TX AMORT POLLUTION CONT EQPT	289,979,891	267,868,298			278,924,095	278,924,095	0	0	0	0	289,979,891		267,868,298										
2.03																								
2.04	NON-UTILITY DEFERRED FIT			0	0	0	0	0	0	0	0													
2.05	SFAS 109 FLOW-THRU 281.3			0	0	0	0	0	0	0	0													
2.06	SFAS 109 EXCESS DFT 281.4	(115,991,956)	(106,710,020)	115,991,956	106,710,020	0	0	0	0	0	0													
3	TOTAL ACCOUNT 281	173,987,935	161,158,278	115,991,956	106,710,020	278,924,095	278,924,095	0	0	0	0	289,979,891		267,868,298										
4	ACCOUNT 281 - ARO-Related Defaults	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
5	ACCOUNT 282:																							
5.01	BOOK VS. TAX DEPRECIATION	1,422,389,909	818,108,550			1,120,249,230	310,324,380	396,941,456	412,963,394	380,126,870	497,638,694	544,624,346	240,521,889	296,244,219	281,342,442									
5.02	FERC ORDER 144 CATCH UP	0	0	0	0	0	0	0	0	0	0	0	0	0	0									
5.03	CAPS INTEREST - SECTION 48(a) - CHANGE IN METHOD	607,462	243,741			426,611	133,198	179,643	113,770	190,116	256,408	100,898	78,281	102,879	64,382									
5.04	RELOCATION COSTS - SECTION 48(a) - CHANGE IN METH	117,769	46,776			82,272	0	0	0	0	0	0	0	0	46,776									
5.05	PJM INTEGRATION - SEC 48(a) - INTANG - DFD LABOR	(1,487)	(0)			(744)	0	(744)	0	(744)	0	(744)	0	0	0									
5.06	R & D DEDUCTION - SECTION 174	3,685,427	2,219,072			2,952,250	2,557,872	110,140	284,238	3,192,456	137,675	355,297	1,923,289	82,005	213,178									
5.07	BK PLANT IN SERVICE-SFAS 143-ARO	23,970,906	13,433,039			18,501,988	18,317,928	(476)	184,635	23,398,500	(571)	235,007	13,209,356	(800)	134,063									
5.08	MNTR CARBON CAPTURE - SFAS 143 - ARO	(2,239,125)	(1,343,475)			(1,791,300)	(1,791,300)	0	0	(2,239,125)	0	0	(1,343,475)	0	0									
5.09	NORMALIZED BASIS DIFFS - TRANSFERRED PLANTS	25,679,713	14,737,522			20,208,818	20,208,818	0	0	25,679,713	0	0	14,737,522	0	0									
5.10	DFT GENERATION UNIT	75,552,298	44,979,794			60,723,942	60,723,942	0	0	75,552,298	0	0	44,979,794	0	0									
5.11	GAIN/LOSS ON ACSRAMCS PROPERTY	127,431,388	83,275,348			105,353,373	47,715,440	8,515,501	49,122,433	57,173,303	10,118,193	60,139,902	38,257,377	6,912,808	38,104,963									
5.12	GAIN/LOSS ON ACSRAMCS-BKTX UNIT PROP	(15,126,383)	(7,935,566)			(11,530,975)	(11,530,975)	0	0	(15,126,383)	0	0	(7,935,566)	0	0									
5.13	AFBUDC	1,187,652	690,499			939,075	939,075	0	0	1,187,652	0	0	690,499	0	0									
5.14	AFBUDC - TRANSMISSION	1,728,039	1,428,150			1,578,095	0	1,578,095	0	1,728,039	0	0	1,428,150	0	0									
5.15	AFBUDC - GENERAL	13,226	10,925			12,075	0	4,327	7,748	0	4,747	8,479	0	3,907	7,018									
5.16	AFBUDC - DISTRIBUTION	4,519	3,996			4,258	0	0	4,258	0	0	4,519	0	0	3,996									
5.17	TAXES CAPITALIZED	0	0			0	0	0	0	0	0	0	0	0	0									
5.18	PENSIONS CAPITALIZED	0	0			0	0	0	0	0	0	0	0	0	0									
5.19	SEC 481 PENSION ADJUSTMENT	70(1,199)	(42,100)			(58,123)	(52,252)	(1,617)	(1,791)	(65,939)	(2,022)	(2,238)	(39,564)	(1,213)	(1,343)									
5.20	SAVINGS PLAN CAPITALIZED	0	0			0	0	0	0	0	0	0	0	0	0									
5.21	PERCENT REPAIR ALLOWANCE	16,653,461	9,910,971			13,282,216	8,962,003	1,434,811	2,885,401	11,449,767	1,736,186	3,487,508	6,474,239	1,133,437	2,303,294									
5.22	BOOK/TAX UNIT OF PROPERTY ADJ	112,533,638	87,405,332			100,119,485	82,744,108	5,471,415	11,933,964	95,776,639	3,307,000	9,698,000	65,849,573	7,576,830	14,179,828									
5.23	BKTX UNIT OF PROPERTY ADJ-SEC 481 ADJ	156,720,270	154,336,212			157,028,241	70,995,124	25,114,711	60,914,405	89,584,520	16,766,400	52,969,350	52,013,729	33,463,023	68,649,461									
5.24	BOOK/TAX MIXED SERVICE COST ADJ	0	5,493,385			2,746,692	0	0	2,746,692	0	0	0	0	0	5,493,385									
5.25	BOOK/TAX MIXED SERVICE COST ADJ-SEC 481 ADJ	0	27,620,001			13,964,000	0	0	13,964,000	0	0	0	0	0	27,620,001									
5.26	BOOK/TAX UNIT OF PROPERTY ADJ - AGR TRANSFER	27,045,497	15,530,411			21,287,954	21,287,954	0	0	27,045,497	0	0	15,530,411	0	0									
5.27	BKTX UNIT OF PROPERTY ADJ-SEC 481 AGR TRANSFER	5,444,910	3,049,028			4,246,969	4,246,969	0	0	5,444,910	0	0	3,049,028	0	0									
5.28	TX ACCEL AMORT - CAPITALIZED SOFTWARE	3,163,999	2,135,699			2,649,849	909,867	428,591	1,310,411	1,086,397	512,933	1,264,690	733,318	345,221	1,055,352									
5.29	CAPITALIZED REPAIR ON COSTS	4,919,847	3,012,698			3,902,272	0	378,062	3,526,211	0	411,756	4,386,191	0	0	2,672,200									
5.30	EXTRAORDINARY LOSS ON DISP OF PROP	27,693	11,503			19,598	0	0	0	27,693	0	0	11,503	0	0									
5.31	DEPD TX GAIN - FIBER OPTIC LINE	0	0			0	0	0	0	0	0	0	0	0	0									
5.32	DISALLOWED COST RESERVE DEFICIENCY-APCO VA	(13,749,133)	(8,249,490)			(10,999,306)	(10,999,306)	0	0	(13,749,133)	0	0	(8,249,490)	0	0									
5.33	AMORT PERPETUAL TERM ELEC PLT	0	0			0	0	0	0	0	0	0	0	0	0									
5.34	CAPITALIZED LEASES - AC 1011 ASSETS	0	0			0	0	0	0	0	0	0	0	0	0									
5.35	GAIN ON REACQUIRED DEBT	0	0			0	0	0	0	0	0	0	0	0	0									
5.36	REMOVAL COSTS	1,654,241	928,510			1,291,375	1,291,375	0	0	1,654,241	0	0	928,510	0	0									
5.37	REMOVAL COSTS - ARO-MNTR CARBON CAPTURE	(84,317)	(38,590)			(51,454)	(51,454)	0	0	(84,317)	0	0	(38,590)	0	0									
5.38	REMOVAL COSTS - SFAS 143 - ARO	(79,836,376)	(44,983,701)			(68,703,701)	(68,703,701)	0	0	(79,836,376)	0	0	(44,983,701)	0	0									
5.39	TAX WRITE OFF MINE DEVEL COSTS	(316,319)	(189,791)			(253,055)	(253,055)	0	0	(316,319)	0	0	(189,791)	0	0									
5.40	BK DEPLETION - NUCLEAR	312,822	187,693			250,256	250,256	0	0	312,822	0	0	187,693	0	0									
5.41	2007 IRS AUDIT ADJUSTMENTS - A/C 282	0	0			0	0	0	0	0	0	0	0	0	0									
5.42	TAX CUTS AND JOBS ACT (TCJA)	126,527	0			63,264	63,264	0	0	126,527	0	0	0	0	0									
5.43	EXCESS ADPT	0	742,696,917			0	371,348,459	130,596,639	108,629,407	132,120,413	0	0	261,197,278	217,258,814	264,240,825									
5.44	NON-UTILITY DEFERRED FIT			0	0	0	0	0	0	0	0	0	0	0	0									
5.45	SFAS 109 FLOW-THRU 282.3	75,754,461	82,899,344	(75,754,461)	(82,899,344)	0	0	0	0	0	0	0	0	0	0									
5.46	SFAS 109 EXCESS DFT 282.4	(799,504,117)	(742,696,917)	799,504,117	742,696,917	0	0	0	0	0	0	0	0	0	0									
5.47		0	0	0	0	0	0	0	0	0	0	0	0	0	0									
6	TOTAL ACCOUNT 282	1,258,603,371	1,353,642,450	723,749,656	659,797,673	1,997,900,025	756,925,705	548,782,331	692,200,989	771,962,527	532,673,988	677,741,514	741,888,884	584,890,677	706,660,492									
7	ACCOUNT 282 - ARO-Related Defaults	20,469,118	11,571,948	0	0	16,020,533	15,836,473	(475)	184,535	20,234,662	(571)	235,007	11,438,265	(800)	134,063									
8	ACCOUNT 283:																							
9.01	NOL - STATE CF - DEF STATE TAX ASSET - LT	31,976	0			15,988	15,988	0	0	31,976	0	0	0	0	0									
9.02	SW - UNDER RECOVERY FUEL COST	24,452,437	4,282,874			16,367,655	14,367,655	0	0	24,452,437	0	0	4,282,874	0	0									
9.03	SV - UNDER RECOVERY FUEL COST	7,499,737	17,291,166			12,395,467	12,395,467	0	0	7,499,737	0	0	17,291,166	0	0									
9.04	WW - ENEC UNDER RECOVERY BANK	(81,826)	0			(40,913)	(40,913)	0	0	(81,826)	0	0	0	0	0									
9.05	DEPD ENVIRON COMP COSTS & CARRYING CHARGES	0	0			0	0	0	0	0	0	0	0	0	0									
9.06	WW UNREC FUEL POOL CAPACITY IMPACT	0	0			0	0	0	0	0	0	0	0	0	0									
9.07	WW CENTURY ENEC UNDER RECOVERY	0	0			0	0	0	0	0	0	0	0	0	0									
9.08	WW UNREC FUEL DISPUTED COAL INV	0	0			0	0	0	0	0	0	0	0	0	0									
9.09	CV-UNDER RECOVERY FUEL COST	23,733	136,711			80,222	80,222	0	0	23,733	0	0	136,711	0	0									
9.10	PROPERTY TAX - NEW METHOD - BOOK	5,002,827	3,032,630			4,017,829	1,179,359	1,066,189	1,772,300	1,293,751	1,411,456	2,297,620	1,064,827	720,922	1,246,981									
9.11	PROP TX STATE 2 OLD METHOD TX	0	0			0	0	0	0	0	0	0	0	0	0									
9.12	DEPD TX GAIN - DEF - 283 AL	99,984,754	54,981,252			77,483,252	77,483,252	0	0	99,984,754	0	0	54,981,252	0	0									
9.13	MTM BK GAIN - AL - TAX DEFL	4,738,151	10,360,319			7,549,235	7,549,235	0	0	4,738,151	0	0	10,360,319	0	0									
9.14	MARK & SPREAD - DEF - 283 AL	(679,996)	717,649			18,826	18,826	0	0	(679,996)	0	0	717,649	0	0									
9.15	ACCURD BK PENSION COSTS	49,638,663	28,608,415			36,554,328	16,942,782	1,427,294	20,683,745	21,455,471	1,826,836	26,356,356	12,429,899	1,027,692	15,011,124									
9.16	ACCURD BK PENSION COSTS - SFAS 158	(62,857,902)	(35,590,024)			(49,223,633)	(16,034,363)	(4,838,111)	(28,351,490)	(20,661,576)	(6,305,390)	(35,890,936)	(11,407,150)	(3,370,833)	(20,812,043)									
9.17	REG ASSET - DEFERRED RTO COSTS	307,554	95,802			201,678	0	0	0	307,554	0	0	95,802	0	0									
9																								

9.87	REG ASSET-WV PROV SURCREDIT-CONTRA	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-
9.88	REG ASSET-BASE REV EQUITY CAR CHG-WV	(52,758)	0	(28,378)	0	0	(28,378)	-	-	(52,758)	-	-	-	-	-	-	-	-
9.89	BOOK LEASES CAPITALIZED FOR TAX	9,065,750	5,530,871	7,298,311	6,107,411	244,088	946,812	7,646,606	305,927	1,113,217	4,588,215	182,250	780,407	-	-	-	-	-
9.90	CAPITALIZED SOFTWARE COST - BOOK	22,771,997	18,760,731	20,766,364	7,330,998	4,354,723	9,080,643	7,973,018	4,840,473	9,958,506	6,688,978	3,868,973	8,202,780	-	-	-	-	-
9.91	LOSS ON REACQUIRED DEBT	32,630,290	18,751,405	25,690,847	12,617,661	5,240,701	7,832,485	16,040,862	6,649,002	9,940,425	9,194,460	3,832,401	5,724,544	-	-	-	-	-
9.92	DEFD SFAS 106 BOOK COSTS	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-
9.93	SFAS 106-MEDICARE SUBSIDY-(PPACA)-REG ASSET	1,442,605	741,911	1,092,258	451,773	70,538	566,947	596,681	93,163	752,761	396,885	47,912	387,134	-	-	-	-	-
9.94	REG ASSET - ACCRUED SFAS 112	6,556,763	4,057,463	5,326,613	1,917,941	220,332	3,188,340	2,223,850	292,747	4,079,167	1,812,052	147,918	2,297,513	-	-	-	-	-
9.95	STATE NOL CURRENT BENEFIT	1,779,559	1,067,735	1,423,647	1,423,647	0	0	1,779,559	-	-	1,067,735	-	-	-	-	-	-	-
9.96	EXCESS ADIT	0	(5,870,540)	(2,935,270)	9,351,814	(9,186,897)	(3,100,187)	-	-	-	18,703,629	(18,373,794)	(6,200,375)	-	-	-	-	-
9.97	NON-UTILITY DEFERRED FIT	71,823	8,508	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9.98	SFAS 109 FLOW-THRU 283.3	71,665,779	79,772,899	(71,665,779)	(79,772,899)	0	0	0	0	0	0	0	0	0	0	0	0	0
9.99	SFAS 109 EXCESS DFIT 283.4	(12,804,071)	(37,916,500)	12,804,071	37,916,500	0	0	0	0	0	0	0	0	0	0	0	0	0
10.00	ADIT FED - HEDGE-INTEREST RATE 2830015	1,512,279	1,232,476	(1,512,279)	(1,232,476)	0	0	0	0	0	0	0	0	0	0	0	0	0
10.01	ADIT FED - HEDGE-FORIGN EXC 2830016	18,835	16,362	(18,835)	(16,362)	0	0	0	0	0	0	0	0	0	0	0	0	0
10.02	SFAS 133 ADIT FED - SFAS 133 NONAFFIL 2830006	-	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10		416,534,590	245,975,422	(80,484,445)	(43,113,645)	279,465,960	207,856,575	9,505,913	62,103,474	242,428,402	27,241,045	86,400,698	173,284,747	(8,229,219)	37,806,249			
11	DEFD STATE INCOME TAXES	70,104,066	77,853,802	(265,908,719)	(261,649,408)	73,978,934	0	43,630,723	11,415,000	18,933,212	44,360,427	9,640,998	16,102,641	42,901,019	13,189,001	21,763,782		
11.01	SFAS 109 - DEFD STATE INCOME TAXES	265,908,719	261,649,408	(265,908,719)	(261,649,408)	0	0	0	0	0	0	0	0	0	0	0	0	0
12	TOTAL ACCOUNT 283	752,547,375	585,478,632	(326,373,184)	(304,783,053)	353,444,894	0	251,487,208	20,920,912	81,036,685	286,788,829	36,882,043	102,503,339	216,185,786	4,959,782	99,570,031		
13	ACCOUNT 283 - ARO-Related Deferrals	13,893,212	7,415,018	0	0	10,654,115	0	10,654,115	0	0	13,893,212	0	0	7,415,018	0	0	0	0
14	JURISDICTIONAL AMOUNTS FUNCTIONALIZED																	
15	TOTAL COMPANY AMOUNTS FUNCTIONALIZED																	
16	REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT																	
17	NOTE: POST 1970 ACCUMULATED DEFERRED																	
18	INV TAX CRED (JDITC) IN A/C 255																	
18.01	SEC ALLOC - ITC - 46F1 - 10%	40,746	20,287	0	0	30,517	6,039	21,106	3,372	8,765	26,959	5,022	3,313	15,253	1,721			
18.02	HYDRO CREDIT - ITC - 46F1	809,833	959,344	0	0	884,589	884,589	0	0	809,833	-	-	959,344	-	-			
19																		
20	TOTAL ACCOUNT 255	850,579	979,631	0	0	915,106	890,628	21,106	3,372	818,598	26,959	5,022	962,657	15,253	1,721			



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

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<b>Materials &amp; Supplies</b>								
Line Number	Source	Balance @ December 31, 2018	Balance @ December 31, 2017	Average Balance for 2018				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	680,936	4,458,854	2,569,895			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	334,258	216,219	275,239			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)			-			

**Prepayment Balance Summary (Note 1)**

Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)
Totals as of December 31, 2018	14,776,511	(215,807,173)	0	5,016,467	230,583,683
Totals as of December 31, 2017	9,029,563	(211,337,418)	-	4,299,244	220,366,982
<b>Average Balance</b>	<b>11,903,037</b>	<b>(213,572,296)</b>	<b>-</b>	<b>4,657,856</b>	<b>225,475,333</b>

**Prepayments Account 165 - Balance @ 12/31/2018**

Acc. No.	Description	2018 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001 Prepaid Insurance	2,196,648	-	-	2,196,648	-	2,196,648	Plant Related Insurance Policies
11	165000218 Prepaid Taxes	1,753,778	1,753,778	-	-	-	-	Prepaid Taxes-Dist.
12	165000219 Prepaid Taxes	728,126	-	-	728,126	-	728,126	Prepaid Taxes
13	1650004 Prepaid Interest	24,133	24,133	-	-	-	-	Prepaid Interest
14	1650006 Other Prepayments	323,572	-	-	-	-	-	Other prepayments - Gen
15	1650009 Prepaid Carry Cost-Factored AR	147,568	-	-	-	-	-	AR Factoring
16	1650017 Prepayment - Coal	7,500,000	-	-	-	-	-	Prepaid Coal
17	1650010 Prepaid Pension	157,955,904	-	-	-	157,955,904	157,955,904	Prefunded Pension Exp
18	1650014 Prepaid Sales Taxes	(157,955,904)	(157,955,904)	-	-	-	-	SFAS 158 Offset
19	165001216 Prepaid Use Taxes	-	-	-	-	-	-	-
20	165001218 Prepaid Use Taxes	10,993	10,993	-	-	-	-	Prepaid Use Taxes Gen
21	165001219 Prepaid Use Taxes	-	-	-	-	-	-	-
22	1650014 FAS 158 Qual Contra Asset	-	-	-	-	-	-	-
23	1650016 FAS 112 ASSETS	-	-	-	-	-	-	-
24	1650021 Prepaid Insurance - EIS	2,056,293	-	-	2,056,293	-	2,056,293	Prepaid Insurance EIS
25	1650023 Prepaid Lease	35,400	-	-	35,400	-	35,400	Prepaid Lease
26	1650031 Prepaid OCIP Work Comp	-	-	-	-	-	-	-
27	1650032 Prepaid OCIP Work Comp LT	-	-	-	-	-	-	-
28	1650033 Prepaid OCIP Work Comp - Aff	-	-	-	-	-	-	-
29	1650034 PPD OCIP Work Comp LT - Aff	-	-	-	-	-	-	-
30	1650035 PRW Without MED-D Benefits	67,611,312	-	-	-	67,611,312	67,611,312	Pension Benefits - All functions
31	1650036 PRW for Med-D Benefits	-	-	-	-	-	-	-
32	1650037 FAS158 Contra-PRW Exclud Med-D	(67,611,312)	(67,611,312)	-	-	-	-	SFAS 158 Offset
33	<b>Subtotal - Form 1, p 111.57.c</b>	<b>14,776,511</b>	<b>(215,807,173)</b>	<b>0</b>	<b>5,016,467</b>	<b>225,567,216</b>	<b>230,583,683</b>	

**Prepayments Account 165 - Balance @ 12/31/2017**

Acc. No.	Description	2017 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
35	1650001 Prepaid Insurance	2,071,930	-	-	2,071,930	-	2,071,930	Plant Related Insurance Policies
36	165000217 Prepaid Taxes	1,990,995	1,990,995	-	-	-	-	Prepaid Taxes - Distribution
37	1650003 Prepaid Rents	0	-	-	-	-	-	-
38	1650004 Prepaid Interest	24,773	24,773	-	-	-	-	Prepaid Interest - Distribution
39	1650005 Prepaid Employee Benefits	0	-	-	-	-	-	-
40	1650006 Other Prepayments	2,595,636	-	-	-	-	-	Technology Development
41	1650009 Prepaid Carry Cost-Factored AR	99,242	-	-	-	-	-	AR Factoring
42	1650010 Prepaid Pension Benefits	164,847,647	-	-	-	164,847,647	164,847,647	Prefunded Pension Expense
43	1650014 FAS 158 Qual Contra Asset	(164,847,647)	(164,847,647)	-	-	-	-	SFAS 158 Offset
44	1650016 FAS 112 ASSETS	0	-	-	-	-	-	-
45	1650021 Prepaid Insurance - EIS	1,421,334	-	-	1,421,334	-	1,421,334	Plant Related Insurance Policies
46	1650023 Prepaid Lease	2,500	2,500	-	-	-	-	Prepaid Lease Gen
47	1650031 Prepaid OCIP Work Comp	0	-	-	-	-	-	-
48	1650032 Prepaid OCIP Work Comp LT	0	-	-	-	-	-	-
49	1650033 Prepaid OCIP Work Comp	0	-	-	-	-	-	-
50	1650034 Prepaid OCIP Work Comp LT-AFF	0	-	-	-	-	-	-
51	1650035 PRW Without MED-D Benefits	51,220,091	-	-	-	51,220,091	51,220,091	Labor Related Expense
52	1650036 PRW for MED-D Benefits	0	-	-	-	-	-	-
53	1650037 FAS 158 Contra-PRW exc Med-D	(51,220,091)	(51,220,091)	-	-	-	-	-
54	165000218 Prepaid Taxes	805,980	-	-	805,980	-	805,980	SFAS 158 Offset
55	165001217 Prepaid Use	17,174	17,174	-	-	-	-	Property Fees
56								Prepaid Use Tax - Generation
57								
58	<b>Subtotal - Form 1, p 111.57.d</b>	<b>9,029,563</b>	<b>(211,337,418)</b>	<b>-</b>	<b>4,299,244</b>	<b>216,067,738</b>	<b>220,366,982</b>	

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

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2018</u>
1	Net Funds from IPP Customers 12/31/2017 (2018 FORM 1, P269)	(2,897,545)
2	Interest Accrual (Company Records - Note 1)	(135,442)
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2018 (2018 FORM 1, P269)	<u>(3,032,987)</u>
8	Average Balance for Year as Indicated in Column B ((In 1 + In 7)/2)	<u>(2,965,266)</u>

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

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

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non-Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	5,332,266	5,332,266	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	3,056,656	2,698,754	357,901
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	23,473,204	21,176,212	2,296,992
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	7,745,004	4,409,212	3,335,792
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	107,726,543	107,726,543	
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b)))	147,333,673	141,342,988	5,990,685
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	147,333,673	141,342,988	5,990,685

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

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

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

<u>Line Number</u>	<u>(A) Item No.</u>	<u>(B) Description</u>	<u>(C) 2018 Expense</u>	<u>(D) 100% Non-Transmission</u>	<u>(E) 100% Transmission Specific</u>	<u>(F) Explanation</u>
<b>Regulatory O&amp;M Deferrals &amp; Amortizations</b>						
1	5660007	Virginia T-RAC UnderRecovery	43,943,469			
2	5660000	Amortization Severance	35,113			
3						
4		<b>Total</b>	<b>43,978,582</b>			
<b>Detail of Account 561 Per FERC Form 1</b>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	120			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	2,163,691			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling				
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	7,509,381			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	457,271			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	61			
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	1,855,896			
14		<b>Total of Account 561</b>	<b>11,986,420</b>			
<b>Account 928</b>						
15	9280000	Regulatory Commission Exp	9,856	9,856	-	
16	9280001	Regulatory Commission Exp-Adm	1,408,236	1,408,236	-	
17	9280002	Regulatory Commission Exp-Case	3,647,605	3,647,605	-	
18	9280005	Reg Com Exp-FERC Trans Cases	91,168	-	91,168	
19						
20		<b>Total (FERC Form 1 p.323.189.b)</b>	<b>5,156,866</b>	<b>5,065,697</b>	<b>91,168</b>	
<b>Account 930.1</b>						
21	9301000	General Advertising Expenses	221,624	221,624	-	
22	9301001	Newspaper Advertising Space	301,637	301,637	-	
23	9301002	Radio Station Advertising Time	42,881	42,881	-	
24	9301003	TV Station Advertising Time	3,166	3,166	-	
25	9301004	Newspaper Advertising Prod Exp	3,914	3,914	-	
26	9301005	Radio &TV Advertising Prod Exp		-	-	
27	9301006	Spec Corporate Comm Info Proj	10,012	10,012	-	
28	9301007	Special Adv Space & Prod Exp	100	100	-	
29	9301008	Direct Mail and Handouts		-	-	
30	9301009	Fairs, Shows, and Exhibits	36,500	36,500	-	
31	9301010	Publicity	3,101	3,101	-	
32	9301011	Dedications, Tours, & Openings		-	-	
33	9301012	Public Opinion Surveys	139,399	139,399	-	
34	9301013	Movies Slide Films & Speeches		-	-	
35	9301014	Video Communications	10,000	10,000	-	
36	9301015	Other Corporate Comm Exp	43,005	43,005	-	
37		<b>Total (FERC Form 1 p.323.191.b)</b>	<b>815,338</b>	<b>815,338</b>	<b>-</b>	
<b>Account 930.2</b>						
38	9302000	Misc General Expenses	1,520,819	1,520,819		
39	9302003	Corporate & Fiscal Expenses	157,838	157,838		
40	9302004	Research, Develop&Demonstr Exp	6,185	6,185		
41	9302006	Assoc Business Development Materials Sold	318,075	318,075	-	
42	9302007	Assoc Business Development Exp	3,942,886	1,413,477	2,529,409	
43		<b>Total (FERC Form 1 p.323.192.b)</b>	<b>5,945,804</b>	<b>3,416,395</b>	<b>2,529,409</b>	

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

Tennessee Income Tax Rate	6.50%	
Apportionment Factor - Note 2	2.65%	
Effective State Tax Rate		0.17%
West Virginia Net Income Tax Rate	6.50%	
Apportionment Factor - Note 2	54.08%	
Effective State Tax Rate		3.52%
Virginia Income Tax Rate	6.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Ohio Franchise Tax Rate	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Michigan Business Income Tax Rate	6.00%	
Apportionment Factor - Note 2	0.02%	
Effective State Tax Rate		0.00%
Illinois Corporation Income Tax Rate	9.50%	
Apportionment Factor - Note 2	0.65%	
Effective State Tax Rate		0.06%
Total Effective State Income Tax Rate		<u>3.75%</u>

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

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

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
NOTE 1						
1	<b>Revenue Taxes</b>					
2	Gross Receipts Tax	13,797,134				13,797,134
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - West Virginia	48,798,578	48,798,578			
5	Real and Personal Property - Virginia	22,039,083	22,039,083			
6	Real and Personal Property - Tennessee	1,293,736	1,293,736			
7	Real and Personal Property - Other Jurisdictions	2,193,116	2,193,116			
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )	8,810,745		8,810,745		
10	Federal Unemployment Tax	56,329		56,329		
11	State Unemployment Insurance	175,292		175,292		
12	<b>Production Taxes</b>					
13	State Severance Taxes	-				-
14	<b>Miscellaneous Taxes</b>					
15	State Business & Occupation Tax	21,043,738				21,043,738
16	State Public Service Commission Fees	5,278,877			5,278,877	
17	State Franchise Taxes	11,163,715			11,163,715	
18	State Lic/Registration Fee	2,020			2,020	
19	Misc. State and Local Tax	1,310			1,310	
20	Sales & Use	(26)				(26)
21		15,649				15,649
22		-				-
23						
24	Total Taxes by Allocable Basis	134,669,296	74,324,513	9,042,366	16,445,922	34,856,495

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

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

**Functional Property Tax Allocation**

	Production	Transmission	Distribution	General	Total	
25	Functionalized Net Plant (TCOS, Lns 41 thru 46)	3,983,471,219	2,378,951,845	2,536,280,233	157,875,294	9,056,578,591
	<b>VIRGINIA JURISDICTION</b>					
26	Percentage of Plant in VIRGINIA JURISDICTION	7.86%	56.14%	55.94%	53.42%	
27	Net Plant in VIRGINIA JURISDICTION (Ln 25 * Ln 26)	313,100,838	1,335,543,566	1,418,795,162	84,336,982	3,151,776,548
28	Less: Net Value of Exempted Generation Plant	42,778,846				
29	Taxable Property Basis (Ln 27 - Ln 28)	270,321,992	1,335,543,566	1,418,795,162	84,336,982	3,108,997,702
30	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
31	Weighted Net Plant (Ln 29 * Ln 30)	270,321,992	1,335,543,566	1,418,795,162	84,336,982	
32	General Plant Allocator (Ln 31 / (Total - General Plant))	8.94%	44.16%	46.91%	-100.00%	
33	Functionalized General Plant (Ln 32 * General Plant)	7,537,421	37,239,123	39,560,438	(84,336,982)	-
34	Weighted VIRGINIA JURISDICTION Plant (Ln 31 + 33)	277,859,413	1,372,782,689	1,458,355,600	(0)	3,108,997,702
35	Functional Percentage (Ln 34/Total Ln 34)	8.94%	44.16%	46.91%		
	<b>WEST VA JURISDICTION</b>					
36	Percentage of Plant in WEST VA JURISDICTION	90.49%	41.66%	44.06%	46.40%	
37	Net Plant in WEST VA JURISDICTION (Ln 25 * Ln 36)	3,604,643,106	991,071,339	1,117,485,071	73,254,136	5,786,453,652
38	Less: Net Value of Exempted Generation Plant	2,058,550,399				
39	Taxable Property Basis (Ln 37 - Ln 38)	1,546,092,707	991,071,339	1,117,485,071	73,254,136	3,727,903,253
40	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
41	Weighted Net Plant (Ln 39 * Ln 40)	1,546,092,707	991,071,339	1,117,485,071	73,254,136	
42	General Plant Allocator (Ln 41 / (Total - General Plant))	42.30%	27.12%	30.58%	-100.00%	
43	Functionalized General Plant (Ln 42 * General Plant)	30,990,030	19,865,129	22,398,978	(73,254,136)	-
44	Weighted WEST VA JURISDICTION Plant (Ln 41 + 43)	1,577,082,737	1,010,936,467	1,139,884,049	0	3,727,903,253
45	Functional Percentage (Ln 44/Total Ln 44)	42.30%	27.12%	30.58%		
	<b>KINGSPORT JURISDICTION</b>					
46	Net Plant in KINGSPORT JURISDICTION (Ln 25 - Ln 27 - Ln 37)	65,727,275	52,336,941	-	284,176	118,348,391
47	Less: Net Value Exempted Generation Plant					
48	Taxable Property Basis	65,727,275	52,336,941	-	284,176	118,348,391
49	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
50	Weighted Net Plant (Ln 48 * Ln 49)	65,727,275	52,336,941	-	284,176	
51	General Plant Allocator (Ln 50 / (Total - General Plant))	55.67%	44.33%	0.00%	-100.00%	
52	Functionalized General Plant (Ln 52 * General Plant)	158,203	125,973	-	(284,176)	
53	Weighted KINGSPORT JURISDICTION Plant (Ln 50 + 52)	65,885,478	52,462,914	-	(0)	118,348,391
54	Functional Percentage (Ln 53/Total Ln 53)	55.67%	44.33%	0.00%		
55	Total Other Jurisdictions: (Line 6 * Net Plant Allocator)	-	563,853	-	-	2,193,116

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

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	<b>Revenue Taxes</b>			
2	Gross Receipts Tax	13,797,134	13,757,799 (39,151) 78,486	pg. 263.1, ln. 3 pg. 263.1, ln. 30 pg. 263.1, ln. 31

Line No.	(A) Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
3	<b>Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)</b>		74,324,513				26,302,395
4	Real and Personal Property - West Virginia	2016 2017 2018	48,798,578	24,076,492 24,541,416 5,356	pg. 263, ln. 33 pg. 263, ln. 34 pg. 263, ln. 37	36.44% 27.31% 36.44%	15,524,805 8,773,917 6,701,227
		2017 2018		89,189 86,125	pg. 263, ln. 38 pg. 263, ln. 39	27.31% 27.12%	1,952 24,354 23,355
5	Real and Personal Property - Virginia	2017 2018	22,039,083	(29,517) 21,597,393	pg. 263.2, ln. 22 pg. 263.2, ln. 23	42.02% 44.16%	9,731,975 (12,403)
		2017 2018		2,174 469,033	pg. 263.2, ln. 26 pg. 263.2, ln. 27	42.02% 44.16%	914 207,102
6	Real and Personal Property - Tennessee	2017 2018	1,293,736	(67,259) 1,360,995	pg. 263.3, ln. 10 pg. 263.3, ln. 11	49.06% 44.33%	570,323 (32,996)
							603,318
7	Real and Personal Property - Other Jurisdictions	2016 2017	2,193,116	153,159 2,039,957	pg. 263.1, Ln. 34 pg. 263.1, Ln. 35	20.44% 21.76%	475,293 31,308 443,985

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
8	<b>Payroll Taxes</b>			
9	Federal Insurance Contribution (FICA)	8,810,745	8,810,745	pg. 263, ln. 6
10	Federal Unemployment Tax	56,329	56,329	pg. 263, ln. 9
11	State Unemployment Insurance	175,292	143,261 2,954 28,898 1 178	pg. 263.1, ln. 18 pg. 263.2, ln. 1 pg. 263.2, ln. 34 pg. 263.3, ln. 22 pg. 263.4, ln. 29
12	<b>Production Taxes</b>			
13	State Severance Taxes	-	-	
14	<b>Miscellaneous Taxes</b>			
15	State Business & Occupation Tax	21,043,738	(150,000) 21,193,738	pg. 263, ln. 20 pg. 263, ln. 21
16	State Public Service Commission Fees	5,278,877	1,990,995 3,287,882	pg. 263, ln. 25 pg. 263, ln. 26
17	State Franchise Taxes	11,163,715	370,825 10,380,000 204,690 208,000 (25) 225	pg. 263.2, ln. 11 pg. 263.2, ln. 12 pg. 263.3, ln. 7 pg. 263.3, ln. 8 pg. 263.3, ln. 33 pg. 263.3, ln. 34
18	State Lic/Registration Fee	2,020	1,700 300 20	pg. 263.2, ln. 36 pg. 263.2, ln. 40 pg. 263.3, ln. 15
19	Misc. State and Local Tax	1,310	200 1,110	pg. 263.1, ln. 5 pg. 263.1, ln. 6
20	Sales & Use	(26)	(149) 22 100 1	pg. 263.1, ln. 27 pg. 263.1, ln. 28 pg. 263.3, ln. 24 pg. 263.3, ln. 25
21	Federal Excise Tax	15,649	1,318 14,331	pg. 263, ln. 13 pg. 263, ln. 14
22	Michigan Single Business Tax	-	-	
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	134,669,296	134,669,296	

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

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

**AEP East Companies**  
**Cost of Service Formula Rate Using 2018 FF1 Balances**  
**Worksheet I RESERVED FOR FUTURE USE**  
**Appalachian Power Company**

AEP East Companies  
 Cost of Service Formula Rate Using 2018 FF1 Balances  
 Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones  
 Appalachian Power Company

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

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

ROE w/o incentives (TCOS, ln 156)				10.35%
Project ROE Incentive Adder				0
ROE with additional 0 basis point incentive				10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through 156)				
	%	Cost	Weighted cost	
Long Term Debt	50.87%	4.75%	2.417%	
Preferred Stock	0.00%	0.00%	0.000%	
Common Stock	49.13%	10.35%	5.085%	
			R =	7.502%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR	2018	Rev Require	W Incentives	Incentive Amounts
	As Projected in Prior Year WS J	\$ 27,570,457	\$ 27,570,457	\$ -
	Actual after True-up	\$ 21,491,173	\$ 21,491,173	\$ -
	True-up of ARR For 2018	(6,079,284)	(6,079,284)	-

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

Rate Base (TCOS, ln 68)	1,857,636,275
R (from A. above)	7.502%
Return (Rate Base x R)	139,358,520

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

Return (from B. above)	139,358,520
Effective Tax Rate (TCOS, ln 114)	21.36%
Income Tax Calculation (Return x CIT)	29,765,997
ITC Adjustment	-
Excess Deferred Income Tax	(3,514,150)
Tax Affect of Permanent Differences	1,869,404
Income Taxes	28,121,251

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

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

Annual Revenue Requirement (TCOS, ln 1)	302,222,946
Lease Payments (TCOS, ln 95)	-
Return (TCOS, ln 126)	139,358,520
Income Taxes (TCOS, ln 125)	28,121,251
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	134,743,175

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	134,743,175
Return (from I.B. above)	139,358,520
Income Taxes (from I.C. above)	28,121,251
Annual Revenue Requirement, with 0 Basis Point ROE increase	302,222,946
Depreciation (TCOS, ln 100)	51,211,349
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	251,011,597

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

Net Transmission Plant (TCOS, ln 42)	2,326,197,937
Annual Revenue Requirement, with 0 Basis Point ROE increase	302,222,946
FCR with 0 Basis Point increase in ROE	12.99%
Annual Rev. Req. w / 0 Basis Point ROE increase, less Dep.	251,011,597
FCR with 0 Basis Point ROE increase, less Depreciation	10.79%
FCR less Depreciation (TCOS, ln 10)	10.79%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

**III. Calculation of Composite Depreciation Rate**

Average Transmission Plant Balance for 2018 (TCOS, ln 21)	3,030,758,259
Annual Depreciation and Amortization Expense (TCOS, ln 100)	51,211,349
Composite Depreciation Rate	1.69%
Depreciable Life for Composite Depreciation Rate	59.18
Round to nearest whole year	59





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

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

A. Base Plan Facilities

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

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,909,994	1,909,994	-
Prior Yr True-Up	2,430,914	2,430,914	-
True-Up Adjustment	520,920	520,920	-

Details	20,601,477	Current Year	2018
Investment	20,601,477		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	9	FCR w/o incentives, less depreciation	10.79%
Useful life	59	FCR w/incentives approved for these facilities, less dep.	10.79%
CIAC (Yes or No)	No	Annual Depreciation Expense	349,178

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 ARR'S 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	20,601,477	87,294	20,514,183	20,557,830	2,305,615	2,305,615	\$ -	\$ 184,681	\$ 2,120,934	\$ 184,681	\$ 2,120,934	\$ -
2015	20,514,183	349,178	20,165,005	20,339,594	2,543,950	2,543,950	\$ -	\$ 1,644,963	\$ 898,987	\$ 1,644,963	\$ 898,987	\$ -
2016	20,165,005	349,178	19,815,827	19,990,416	2,506,271	2,506,271	\$ -	\$ 1,563,801	\$ 942,470	\$ 1,563,801	\$ 942,470	\$ -
2017	19,815,827	349,178	19,466,650	19,641,239	2,468,593	2,468,593	\$ -	\$ 2,152,715	\$ 315,878	\$ 2,152,715	\$ 315,878	\$ -
2018	19,466,650	349,178	19,117,472	19,292,061	2,430,914	2,430,914	\$ -	\$ 1,909,994	\$ 520,920	\$ 1,909,994	\$ 520,920	\$ -
2019	19,117,472	349,178	18,768,295	18,942,884	2,393,236	2,393,236	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	18,768,295	349,178	18,419,117	18,593,706	2,355,557	2,355,557	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	18,419,117	349,178	18,069,940	18,244,528	2,317,879	2,317,879	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	18,069,940	349,178	17,720,762	17,895,351	2,280,200	2,280,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	17,720,762	349,178	17,371,584	17,546,173	2,242,522	2,242,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	17,371,584	349,178	17,022,407	17,196,996	2,204,843	2,204,843	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	17,022,407	349,178	16,673,229	16,847,818	2,167,165	2,167,165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	16,673,229	349,178	16,324,052	16,498,640	2,129,486	2,129,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	16,324,052	349,178	15,974,874	16,149,463	2,091,808	2,091,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	15,974,874	349,178	15,625,697	15,800,285	2,054,129	2,054,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	15,625,697	349,178	15,276,519	15,451,108	2,016,451	2,016,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	15,276,519	349,178	14,927,341	15,101,930	1,978,772	1,978,772	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	14,927,341	349,178	14,578,164	14,752,753	1,941,094	1,941,094	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	14,578,164	349,178	14,228,986	14,403,575	1,903,415	1,903,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	14,228,986	349,178	13,879,809	14,054,397	1,865,737	1,865,737	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	13,879,809	349,178	13,530,631	13,705,220	1,828,058	1,828,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	13,530,631	349,178	13,181,454	13,356,042	1,790,380	1,790,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	13,181,454	349,178	12,832,276	13,006,865	1,752,701	1,752,701	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	12,832,276	349,178	12,483,098	12,657,687	1,715,023	1,715,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	12,483,098	349,178	12,133,921	12,308,510	1,677,344	1,677,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	12,133,921	349,178	11,784,743	11,959,332	1,639,666	1,639,666	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	11,784,743	349,178	11,435,566	11,610,154	1,601,987	1,601,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	11,435,566	349,178	11,086,388	11,260,977	1,564,309	1,564,309	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	11,086,388	349,178	10,737,210	10,911,799	1,526,630	1,526,630	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	10,737,210	349,178	10,388,033	10,562,622	1,488,952	1,488,952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	10,388,033	349,178	10,038,855	10,213,444	1,451,273	1,451,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	10,038,855	349,178	9,689,678	9,864,267	1,413,595	1,413,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	9,689,678	349,178	9,340,500	9,515,089	1,375,916	1,375,916	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	9,340,500	349,178	8,991,323	9,165,911	1,338,238	1,338,238	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	8,991,323	349,178	8,642,145	8,816,734	1,300,559	1,300,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	8,642,145	349,178	8,292,967	8,467,556	1,262,881	1,262,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	8,292,967	349,178	7,943,790	8,118,379	1,225,202	1,225,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	7,943,790	349,178	7,594,612	7,769,201	1,187,524	1,187,524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	7,594,612	349,178	7,245,435	7,420,023	1,149,845	1,149,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	7,245,435	349,178	6,896,257	7,070,846	1,112,167	1,112,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	6,896,257	349,178	6,547,080	6,721,668	1,074,488	1,074,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	6,547,080	349,178	6,197,902	6,372,491	1,036,810	1,036,810	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	6,197,902	349,178	5,848,724	6,023,313	999,131	999,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	5,848,724	349,178	5,499,547	5,674,136	961,453	961,453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	5,499,547	349,178	5,150,369	5,324,958	923,775	923,775	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	5,150,369	349,178	4,801,192	4,975,780	886,096	886,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	4,801,192	349,178	4,452,014	4,626,603	848,418	848,418	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	4,452,014	349,178	4,102,837	4,277,425	810,739	810,739	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	4,102,837	349,178	3,753,659	3,928,248	773,061	773,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	3,753,659	349,178	3,404,481	3,579,070	735,382	735,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	3,404,481	349,178	3,055,304	3,229,893	697,704	697,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	3,055,304	349,178	2,706,126	2,880,715	660,025	660,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	2,706,126	349,178	2,356,949	2,531,537	622,347	622,347	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	2,356,949	349,178	2,007,771	2,182,360	584,668	584,668	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	2,007,771	349,178	1,658,593	1,833,182	546,990	546,990	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	1,658,593	349,178	1,309,416	1,484,005	509,311	509,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	1,309,416	349,178	960,238	1,134,827	471,633	471,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	960,238	349,178	611,061	785,650	433,954	433,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	611,061	349,178	261,883	436,472	396,276	396,276	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2073	261,883	261,883	-	130,942	276,013	276,013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals	20,601,477				87,848,159	87,848,159	-					

\*\* 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.









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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. \_\_\_\_\_

(e.g. ER05-925-000)

Project Description: RTEP ID: b1663.2 (Jacksn Ferry 765 kV breakers, switches, bus work, and relays)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	672,821	672,821	-
Prior Yr True-Up	669,632	669,632	-
True-Up Adjustment	(13,189)	(13,189)	-

Details	2018
Investment	5,483,986
Service Year (yyyy)	2015
Service Month (1-12)	12
Useful life	59
CIAC (Yes or No)	No
Current Year	2018
ROE increase accepted by FERC (Basis Points)	-
FCR w/o incentives, less depreciation	10.79%
FCR w/incentives approved for these facilities, less dep.	10.79%
Annual Depreciation Expense	92,949

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 ARR'S 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**
2015	5,483,986	-	5,483,986	5,483,986	591,757	591,757	\$ -	\$ 0	\$ 591,757	\$ 0	\$ 591,757	\$ -
2016	5,483,986	92,949	5,391,037	5,437,512	679,691	679,691	\$ -	\$ 780,577	\$ (100,886)	\$ 780,577	\$ (100,886)	\$ -
2017	5,391,037	92,949	5,298,088	5,344,563	669,661	669,661	\$ -	\$ 779,062	\$ (109,401)	\$ 779,062	\$ (109,401)	\$ -
2018	5,298,088	92,949	5,205,139	5,251,614	659,632	659,632	\$ -	\$ 672,821	\$ (13,189)	\$ 672,821	\$ (13,189)	\$ -
2019	5,205,139	92,949	5,112,190	5,158,665	649,602	649,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	5,112,190	92,949	5,019,241	5,065,716	639,572	639,572	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	5,019,241	92,949	4,926,293	4,972,767	629,542	629,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	4,926,293	92,949	4,833,344	4,879,818	619,512	619,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	4,833,344	92,949	4,740,395	4,786,869	609,483	609,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	4,740,395	92,949	4,647,446	4,693,920	599,453	599,453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	4,647,446	92,949	4,554,497	4,600,971	589,423	589,423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	4,554,497	92,949	4,461,548	4,508,022	579,393	579,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	4,461,548	92,949	4,368,599	4,415,073	569,364	569,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	4,368,599	92,949	4,275,650	4,322,125	559,334	559,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	4,275,650	92,949	4,182,701	4,229,176	549,304	549,304	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	4,182,701	92,949	4,089,752	4,136,227	539,274	539,274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	4,089,752	92,949	3,996,803	4,043,278	529,244	529,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	3,996,803	92,949	3,903,854	3,950,329	519,215	519,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	3,903,854	92,949	3,810,906	3,857,380	509,185	509,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	3,810,906	92,949	3,717,957	3,764,431	499,155	499,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	3,717,957	92,949	3,625,008	3,671,482	489,125	489,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	3,625,008	92,949	3,532,059	3,578,533	479,095	479,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	3,532,059	92,949	3,439,110	3,485,584	469,066	469,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	3,439,110	92,949	3,346,161	3,392,635	459,036	459,036	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	3,346,161	92,949	3,253,212	3,299,686	449,006	449,006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	3,253,212	92,949	3,160,263	3,206,738	438,976	438,976	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	3,160,263	92,949	3,067,314	3,113,789	428,947	428,947	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	3,067,314	92,949	2,974,365	3,020,840	418,917	418,917	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	2,974,365	92,949	2,881,416	2,927,891	408,887	408,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	2,881,416	92,949	2,788,467	2,834,942	398,857	398,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	2,788,467	92,949	2,695,519	2,741,993	388,827	388,827	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	2,695,519	92,949	2,602,570	2,649,044	378,798	378,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	2,602,570	92,949	2,509,621	2,556,095	368,768	368,768	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	2,509,621	92,949	2,416,672	2,463,146	358,738	358,738	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	2,416,672	92,949	2,323,723	2,370,197	348,708	348,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	2,323,723	92,949	2,230,774	2,277,248	338,679	338,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	2,230,774	92,949	2,137,825	2,184,300	328,649	328,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	2,137,825	92,949	2,044,876	2,091,351	318,619	318,619	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	2,044,876	92,949	1,951,927	1,998,402	308,589	308,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	1,951,927	92,949	1,858,978	1,905,453	298,559	298,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	1,858,978	92,949	1,766,029	1,812,504	288,530	288,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	1,766,029	92,949	1,673,080	1,719,555	278,500	278,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	1,673,080	92,949	1,580,132	1,626,606	268,470	268,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	1,580,132	92,949	1,487,183	1,533,657	258,440	258,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	1,487,183	92,949	1,394,234	1,440,708	248,411	248,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	1,394,234	92,949	1,301,285	1,347,759	238,381	238,381	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	1,301,285	92,949	1,208,336	1,254,810	228,351	228,351	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	1,208,336	92,949	1,115,387	1,161,861	218,321	218,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	1,115,387	92,949	1,022,438	1,068,913	208,291	208,291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	1,022,438	92,949	929,489	975,964	198,262	198,262	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	929,489	92,949	836,540	883,015	188,232	188,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	836,540	92,949	743,591	790,066	178,202	178,202	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	743,591	92,949	650,642	697,117	168,172	168,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	650,642	92,949	557,693	604,168	158,142	158,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	557,693	92,949	464,745	511,219	148,113	148,113	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	464,745	92,949	371,796	418,270	138,083	138,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	371,796	92,949	278,847	325,321	128,053	128,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	278,847	92,949	185,898	232,372	118,023	118,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2073	185,898	92,949	92,949	139,423	107,994	107,994	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2074	92,949	92,949	0	46,474	97,964	97,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals		5,483,986			23,532,577	23,532,577	-					

\*\* 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.

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1875 (138 kV Bradley to McClung upgrades)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	54,331	54,331	-
Prior Yr True-Up	87,058	87,058	-
True-Up Adjustment	32,727	32,727	-

Details	Current Year	2018
Investment	737,797	-
Service Year (yyyy)	2014	-
Service Month (1-12)	9	10.79%
Useful life	59	10.79%
CIAC (Yes or No)	No	12,505

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 ARR'S 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	737,797	3,126	734,671	736,234	82,571	82,571	\$ -	\$ 0	\$ 82,571	\$ 0	\$ 82,571	\$ -
2015	734,671	12,505	722,166	728,418	91,106	91,106	\$ -	\$ 0	\$ 91,106	\$ 0	\$ 91,106	\$ -
2016	722,166	12,505	709,661	715,913	89,757	89,757	\$ -	\$ 1,117	\$ 88,640	\$ 1,117	\$ 88,640	\$ -
2017	709,661	12,505	697,156	703,408	88,407	88,407	\$ -	\$ 57,580	\$ 30,827	\$ 57,580	\$ 30,827	\$ -
2018	697,156	12,505	684,651	690,903	87,058	87,058	\$ -	\$ 54,331	\$ 32,727	\$ 54,331	\$ 32,727	\$ -
2019	684,651	12,505	672,146	678,398	85,709	85,709	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	672,146	12,505	659,641	665,893	84,359	84,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	659,641	12,505	647,136	653,388	83,010	83,010	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	647,136	12,505	634,630	640,883	81,660	81,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	634,630	12,505	622,125	628,378	80,311	80,311	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	622,125	12,505	609,620	615,873	78,962	78,962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	609,620	12,505	597,115	603,368	77,612	77,612	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	597,115	12,505	584,610	590,863	76,263	76,263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	584,610	12,505	572,105	578,358	74,914	74,914	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	572,105	12,505	559,600	565,853	73,564	73,564	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	559,600	12,505	547,095	553,348	72,215	72,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	547,095	12,505	534,590	540,843	70,865	70,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	534,590	12,505	522,085	528,338	69,516	69,516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	522,085	12,505	509,580	515,833	68,167	68,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	509,580	12,505	497,075	503,328	66,817	66,817	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	497,075	12,505	484,570	490,823	65,468	65,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	484,570	12,505	472,065	478,318	64,119	64,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	472,065	12,505	459,560	465,813	62,769	62,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	459,560	12,505	447,055	453,307	61,420	61,420	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	447,055	12,505	434,550	440,802	60,070	60,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	434,550	12,505	422,045	428,297	58,721	58,721	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	422,045	12,505	409,540	415,792	57,372	57,372	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	409,540	12,505	397,035	403,287	56,022	56,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	397,035	12,505	384,530	390,782	54,673	54,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	384,530	12,505	372,025	378,277	53,324	53,324	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	372,025	12,505	359,520	365,772	51,974	51,974	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	359,520	12,505	347,015	353,267	50,625	50,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	347,015	12,505	334,510	340,762	49,275	49,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	334,510	12,505	322,005	328,257	47,926	47,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	322,005	12,505	309,500	315,752	46,577	46,577	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	309,500	12,505	296,995	303,247	45,227	45,227	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	296,995	12,505	284,490	290,742	43,878	43,878	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	284,490	12,505	271,984	278,237	42,529	42,529	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	271,984	12,505	259,479	265,732	41,179	41,179	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	259,479	12,505	246,974	253,227	39,830	39,830	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	246,974	12,505	234,469	240,722	38,480	38,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	234,469	12,505	221,964	228,217	37,131	37,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	221,964	12,505	209,459	215,712	35,782	35,782	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	209,459	12,505	196,954	203,207	34,432	34,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	196,954	12,505	184,449	190,702	33,083	33,083	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	184,449	12,505	171,944	178,197	31,734	31,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	171,944	12,505	159,439	165,692	30,384	30,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	159,439	12,505	146,934	153,187	29,035	29,035	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	146,934	12,505	134,429	140,682	27,685	27,685	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	134,429	12,505	121,924	128,177	26,336	26,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	121,924	12,505	109,419	115,672	24,987	24,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	109,419	12,505	96,914	103,167	23,637	23,637	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	96,914	12,505	84,409	90,661	22,288	22,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	84,409	12,505	71,904	78,156	20,939	20,939	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	71,904	12,505	59,399	65,651	19,589	19,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	59,399	12,505	46,894	53,146	18,240	18,240	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	46,894	12,505	34,389	40,641	16,890	16,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	34,389	12,505	21,884	28,136	15,541	15,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	21,884	12,505	9,379	15,631	14,192	14,192	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2073	9,379	12,505	-	4,689	9,885	9,885	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals	737,797				3,146,090	3,146,090	-					

\*\* 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.



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

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

A. Base Plan Facilities

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

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected		31,947	31,947
Prior Yr True-Up		31,295	31,295
True-Up Adjustment		(652)	(652)

Details	267,989	Current Year	2018
Investment	267,989	ROE increase accepted by FERC (Basis Points)	-
Service Year (yyyy)	2014	FCR w/o incentives, less depreciation	10.79%
Service Month (1-12)	1	FCR w/incentives approved for these facilities, less dep.	10.79%
Useful life	59	Annual Depreciation Expense	4.542
CIAC (Yes or No)	No		

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	267,989	4,164	263,825	265,907	32,957	32,957	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015	263,825	4,542	259,283	261,554	32,766	32,766	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	259,283	4,542	254,741	257,012	32,275	32,275	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	254,741	4,542	250,199	252,470	31,785	31,785	\$ -	\$ 35,555	\$ (3,770)	\$ 35,555	\$ (3,770)	\$ -
2018	250,199	4,542	245,657	247,928	31,295	31,295	\$ -	\$ 31,947	\$ (652)	\$ 31,947	\$ (652)	\$ -
2019	245,657	4,542	241,114	243,385	30,805	30,805	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	241,114	4,542	236,572	238,843	30,315	30,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	236,572	4,542	232,030	234,301	29,825	29,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	232,030	4,542	227,488	229,759	29,335	29,335	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	227,488	4,542	222,946	225,217	28,845	28,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	222,946	4,542	218,403	220,675	28,354	28,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	218,403	4,542	213,861	216,132	27,864	27,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	213,861	4,542	209,319	211,590	27,374	27,374	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	209,319	4,542	204,777	207,048	26,884	26,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	204,777	4,542	200,235	202,506	26,394	26,394	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	200,235	4,542	195,693	197,964	25,904	25,904	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	195,693	4,542	191,150	193,421	25,414	25,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	191,150	4,542	186,608	188,879	24,923	24,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	186,608	4,542	182,066	184,337	24,433	24,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	182,066	4,542	177,524	179,795	23,943	23,943	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	177,524	4,542	172,982	175,253	23,453	23,453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	172,982	4,542	168,439	170,711	22,963	22,963	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	168,439	4,542	163,897	166,168	22,473	22,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	163,897	4,542	159,355	161,626	21,983	21,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	159,355	4,542	154,813	157,084	21,493	21,493	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	154,813	4,542	150,271	152,542	21,002	21,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	150,271	4,542	145,728	148,000	20,512	20,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	145,728	4,542	141,186	143,457	20,022	20,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	141,186	4,542	136,644	138,915	19,532	19,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	136,644	4,542	132,102	134,373	19,042	19,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	132,102	4,542	127,560	129,831	18,552	18,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	127,560	4,542	123,018	125,289	18,062	18,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	123,018	4,542	118,475	120,746	17,571	17,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	118,475	4,542	113,933	116,204	17,081	17,081	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	113,933	4,542	109,391	111,662	16,591	16,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	109,391	4,542	104,849	107,120	16,101	16,101	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	104,849	4,542	100,307	102,578	15,611	15,611	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	100,307	4,542	95,764	98,036	15,121	15,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	95,764	4,542	91,222	93,493	14,631	14,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	91,222	4,542	86,680	88,951	14,141	14,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	86,680	4,542	82,138	84,409	13,650	13,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	82,138	4,542	77,596	79,867	13,160	13,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	77,596	4,542	73,053	75,325	12,670	12,670	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	73,053	4,542	68,511	70,782	12,180	12,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	68,511	4,542	63,969	66,240	11,690	11,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	63,969	4,542	59,427	61,698	11,200	11,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	59,427	4,542	54,885	57,156	10,710	10,710	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	54,885	4,542	50,343	52,614	10,220	10,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	50,343	4,542	45,800	48,071	9,729	9,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	45,800	4,542	41,258	43,529	9,239	9,239	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	41,258	4,542	36,716	38,987	8,749	8,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	36,716	4,542	32,174	34,445	8,259	8,259	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	32,174	4,542	27,632	29,903	7,769	7,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	27,632	4,542	23,089	25,361	7,279	7,279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	23,089	4,542	18,547	20,818	6,789	6,789	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	18,547	4,542	14,005	16,276	6,298	6,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	14,005	4,542	9,463	11,734	5,808	5,808	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	9,463	4,542	4,921	7,192	5,318	5,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	4,921	4,542	379	2,650	4,828	4,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2073	379		-	189	399	399	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals	267,989				1,123,472	1,123,472	-					

\*\* 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. \_\_\_\_\_

(e.g. ER05-925-000)

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,174,872	1,174,872	-
Prior Yr True-Up	1,142,667	1,142,667	-
True-Up Adjustment	(32,305)	(32,305)	-

Details	2018	2018
Investment	9,218,629	Current Year
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	59	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**
2017	9,218,629	-	9,218,629	9,218,629	994,749	994,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	9,218,629	156,248	9,062,381	9,140,505	1,142,567	1,142,567	\$ -	1,174,872	(32,305)	1,174,872	(32,305)	\$ -
2019	9,062,381	156,248	8,906,133	8,984,257	1,125,707	1,125,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	8,906,133	156,248	8,749,885	8,828,009	1,108,846	1,108,846	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	8,749,885	156,248	8,593,637	8,671,761	1,091,986	1,091,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	8,593,637	156,248	8,437,389	8,515,513	1,075,126	1,075,126	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	8,437,389	156,248	8,281,141	8,359,265	1,058,266	1,058,266	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	8,281,141	156,248	8,124,893	8,203,017	1,041,406	1,041,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	8,124,893	156,248	7,968,645	8,046,769	1,024,546	1,024,546	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	7,968,645	156,248	7,812,397	7,890,521	1,007,686	1,007,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	7,812,397	156,248	7,656,150	7,734,273	990,825	990,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	7,656,150	156,248	7,499,902	7,578,026	973,965	973,965	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	7,499,902	156,248	7,343,654	7,421,778	957,105	957,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	7,343,654	156,248	7,187,406	7,265,530	940,245	940,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	7,187,406	156,248	7,031,158	7,109,282	923,385	923,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	7,031,158	156,248	6,874,910	6,953,034	906,525	906,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	6,874,910	156,248	6,718,662	6,796,786	889,664	889,664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	6,718,662	156,248	6,562,414	6,640,538	872,804	872,804	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	6,562,414	156,248	6,406,166	6,484,290	855,944	855,944	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	6,406,166	156,248	6,249,918	6,328,042	839,084	839,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	6,249,918	156,248	6,093,670	6,171,794	822,224	822,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	6,093,670	156,248	5,937,422	6,015,546	805,364	805,364	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	5,937,422	156,248	5,781,174	5,859,298	788,504	788,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	5,781,174	156,248	5,624,926	5,703,050	771,643	771,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	5,624,926	156,248	5,468,678	5,546,802	754,783	754,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	5,468,678	156,248	5,312,430	5,390,554	737,923	737,923	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	5,312,430	156,248	5,156,182	5,234,306	721,063	721,063	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	5,156,182	156,248	4,999,934	5,078,058	704,203	704,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	4,999,934	156,248	4,843,686	4,921,810	687,343	687,343	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	4,843,686	156,248	4,687,438	4,765,562	670,483	670,483	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	4,687,438	156,248	4,531,191	4,609,315	653,622	653,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	4,531,191	156,248	4,374,943	4,453,067	636,762	636,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	4,374,943	156,248	4,218,695	4,296,819	619,902	619,902	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	4,218,695	156,248	4,062,447	4,140,571	603,042	603,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	4,062,447	156,248	3,906,199	3,984,323	586,182	586,182	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	3,906,199	156,248	3,749,951	3,828,075	569,322	569,322	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	3,749,951	156,248	3,593,703	3,671,827	552,461	552,461	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	3,593,703	156,248	3,437,455	3,515,579	535,601	535,601	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	3,437,455	156,248	3,281,207	3,359,331	518,741	518,741	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	3,281,207	156,248	3,124,959	3,203,083	501,881	501,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	3,124,959	156,248	2,968,711	3,046,835	485,021	485,021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	2,968,711	156,248	2,812,463	2,890,587	468,161	468,161	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	2,812,463	156,248	2,656,215	2,734,339	451,301	451,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	2,656,215	156,248	2,499,967	2,578,091	434,440	434,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	2,499,967	156,248	2,343,719	2,421,843	417,580	417,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	2,343,719	156,248	2,187,471	2,265,595	400,720	400,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	2,187,471	156,248	2,031,223	2,109,347	383,860	383,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	2,031,223	156,248	1,874,975	1,953,099	367,000	367,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	1,874,975	156,248	1,718,727	1,796,851	350,140	350,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	1,718,727	156,248	1,562,479	1,640,603	333,280	333,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	1,562,479	156,248	1,406,232	1,484,356	316,419	316,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	1,406,232	156,248	1,249,984	1,328,108	299,559	299,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	1,249,984	156,248	1,093,736	1,171,860	282,699	282,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	1,093,736	156,248	937,488	1,015,612	265,839	265,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	937,488	156,248	781,240	859,364	248,979	248,979	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	781,240	156,248	624,992	703,116	232,119	232,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2073	624,992	156,248	468,744	546,868	215,258	215,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2074	468,744	156,248	312,496	390,620	198,398	198,398	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2075	312,496	156,248	156,248	234,372	181,538	181,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2076	156,248	156,248	0	78,124	164,678	164,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals		9,218,629			39,558,470	39,558,470	-					

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

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





AEP East Companies  
Cost of Service Formula Rate Using 2018 FF1 Balances  
Worksheet L Reserved for Future Use  
Appalachian Power Company

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

Line No	Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	
(Note A)		(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	3,804,481,343		(3,524,449)	1,354,510	3,806,651,282
2	January	3,857,075,402		(3,524,449)	1,293,360	3,859,306,491
3	February	3,852,218,535		(3,463,213)	1,669,753	3,854,011,995
4	March	3,889,499,031		(3,463,213)	641,606	3,892,320,637
5	April	3,904,103,709		(3,463,213)	567,285	3,906,999,636
6	May	3,905,096,375		(3,463,213)	492,963	3,908,066,624
7	June	3,925,918,971		(3,463,213)	(363,059)	3,929,745,243
8	July	3,948,372,237		(3,463,213)	(437,381)	3,952,272,830
9	August	3,949,699,631		(3,463,213)	(511,702)	3,953,674,546
10	September	3,971,961,239		(3,463,213)	(1,367,725)	3,976,792,176
11	October	3,992,520,613		(3,463,213)	(1,442,046)	3,997,425,872
12	November	3,968,127,669		(3,463,213)	(1,516,368)	3,973,107,250
13	December of Rate Year	4,006,253,056		(3,463,213)	(4,942,665)	4,014,658,933
14	Average of the 13 Monthly Balances	3,921,179,062	-	(3,472,634)	(350,882)	3,925,002,578

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Acct 221 Bonds (b)	Less: Acct 222 Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
(Note A)		(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year	298,676,142	104,375,000		3,820,691,863		4,014,993,005
16	January	298,676,142	104,375,000		3,820,687,434		4,014,988,576
17	February	286,967,349	104,375,000		3,820,682,954		4,003,275,303
18	March	286,967,349	104,375,000		3,820,678,423		4,003,270,773
19	April	286,967,349	104,375,000		3,820,673,841		4,003,266,190
20	May	286,967,349	-		3,820,669,206		4,107,636,555
21	June	286,967,349	-		3,820,664,518		4,107,631,867
22	July	286,967,349	-		3,820,659,776		4,107,627,126
23	August	274,760,610	-		3,820,654,981		4,095,415,591
24	September	274,760,610	-		3,820,650,130		4,095,410,740
25	October	274,760,610	-		3,820,645,224		4,095,405,834
26	November	274,760,610	-		3,820,640,263		4,095,400,873
27	December of Rate Year	274,760,610	-		3,820,635,244		4,095,395,854
28	Average of the 13 Monthly Balances	284,073,802	40,144,231	-	3,820,664,143	-	4,064,593,714

NOTE 1: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (Page 257 Column H of the FF1)

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	<b>Annual Interest Expense for 2018</b>						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)				185,758,245		
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.				(1,128,834)		
32	Plus: Allowed Hedge Recovery From Ln 55 below.				(1,128,834)		
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)				3,440,688		
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)				3,936,995		
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
37	<b>Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)</b>				193,135,928		
38	<b>Average Cost of Debt for 2018 (Ln 37/ Ln 28 (g))</b>				<b>4.75%</b>		

**CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES**

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

HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2018	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Amortization Period	
					Beginning	Ending
40 Senior Unsecured Notes - Series I	-	-	-	0	Jan-05	Jul-14
41 Senior Unsecured Notes - Series K	-	-	-	0	Jun-05	May-15
42 Senior Unsecured Notes - Series L	-	-	-	-	Sep-05	Sep-15
43 Senior Unsecured Notes - Series H	37,120	-	37,120	531,356	May-03	May-33
44 Senior Unsecured Notes - Series N	(194,199)	-	(194,199)	(3,349,923)	Apr-06	Apr-36
45 Senior Unsecured Notes - Series Q	159,678	-	159,678	3,067,005	Mar-08	Apr-38
46 Senior Unsecured Notes - Series S	-	-	-	-	May-10	May-15
47 Senior Unsecured Notes - Series T	(1,131,434)	-	(1,131,434)	(2,514,294)	Mar-11	Mar-21
48						
49				(2,265,856)		
50 Total Hedge Amortization	(1,128,834)	-	-			
51 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			(1,128,834)			
52 Total Average Capital Structure Balance for 2018 (TCOS, Ln 157)			7,989,596,293			
53 Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
54 Limit of Recoverable Amount			3,994,798			
55 Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			<b>(1,128,834)</b>			

**Development of Cost of Preferred Stock**

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

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

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

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

Line	(A) Date	(B) Property Description	(C) Function (T) or (G) T = Transmission G = General	(D) Basis	(E) Proceeds	(F) (Gain) / Loss	(G) Functional Allocator	(H) Functionalized Proceeds (Gain) / Loss	(I) FERC Account
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4					Net (Gain) or Loss for 2018	-		-	

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

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

**Allocation of PBOP Settlement Amount for 2018**

Line#	Company	Total Company Amount						
		Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 2018	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A)	(B)=(A)/Total (A)	(C)=(B) * -127041505	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
		(Line 14)						
2	APCo	(21,243,233)	36.83%	(46,793,855)	9.272%	(1,969,696)	(4,338,779)	2,369,082
3	I&M	(14,970,273)	25.96%	(32,975,997)	4.367%	(653,716)	(1,439,983)	786,267
4	KPCo	(4,775,930)	8.28%	(10,520,253)	7.919%	(378,188)	(833,058)	454,871
5	KNGP	(455,895)	0.79%	(1,004,230)	12.123%	(55,270)	(121,748)	66,477
6	OPCo	(15,305,203)	26.54%	(33,713,769)	11.486%	(1,757,897)	(3,872,235)	2,114,338
7	WPCo	(923,113)	1.60%	(2,033,401)	2.686%	(24,793)	(54,613)	29,820
8	<b>Sum of Lines 2 to 7</b>	<b>(57,673,647)</b>		<b>(127,041,505)</b>		<b>(4,839,561)</b>	<b>(10,660,416)</b>	<b>5,820,855</b>

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

	APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report	(16,451,990)	(12,482,067)	(3,951,629)	(344,539)	(11,517,600)	(427,831)	(45,175,656)
10 Additional PBOP Ledger Entries (from Company Records)	460,632	518,852	427,533			(385,001)	
11 Medicare Subsidy							
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(15,991,358)	(11,963,215)	(3,524,096)	(344,539)	(11,517,600)	(812,832)	(44,153,640)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(5,251,875)	(3,007,058)	(1,251,834)	(111,356)	(3,787,603)	(110,281)	(13,520,007)
14 Company PBOP Expense (Ln 12 + Ln 13)	(21,243,233)	(14,970,273)	(4,775,930)	(455,895)	(15,305,203)	(923,113)	(57,673,647)

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the actual formula rate; (b) the cumulative net present value of projected PBOP costs during the next four years, as estimated by the then current actuarial report, assuming a discount rate equal to the actual formula rate weighted average cost of capital for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowance will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEP EAST COMPANIES  
Worksheet - P CALCULATION OF  
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNT  
EFFECTIVE AS OF 6/1/2015  
FOR MULTIPLE JURISDICTION COMPANIES  
Appalachian Power Company

	VIRGINIA			WEST VIRGINIA			FERC WHOLESALE			FERC KINGSFORT			COMPANY	
	(1) PLANT ACCT.	VA SCC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(2) PSC OF WV APPROVED RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(3) FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(4) FERC RATES	ALLOCATION FACTOR (5)		WTD AVG. DEPREC. RATE
<b>TRANSMISSION PLANT</b>														
Land Rights - Va.	350.1	0.66%	1.000000	0.66%										0.66%
Energy Storage Equip	351.0				6.67%	1.000000	6.67%							6.67%
Structures & Improvements	352.0	1.55%	0.493311	0.76%	1.52%	0.413727	0.63%	2.19%	0.034448	0.08%	2.19%	0.058514	0.13%	1.60%
Station Equipment	353.0	1.95%	0.493311	0.96%	1.68%	0.413727	0.70%	2.19%	0.034448	0.08%	2.19%	0.058514	0.13%	1.87%
Towers & Fixtures	354.0	1.14%	0.493311	0.56%	1.54%	0.413727	0.64%	2.19%	0.034448	0.08%	2.19%	0.058514	0.13%	1.41%
Poles & Fixtures	355.0	2.77%	0.493311	1.37%	2.64%	0.413727	1.09%	2.19%	0.034448	0.08%	2.19%	0.058514	0.13%	2.67%
Overhead Conductor	356.0	1.01%	0.493311	0.50%	1.19%	0.413727	0.49%	2.19%	0.034448	0.08%	2.19%	0.058514	0.13%	1.20%
Underground Conduit	357.0	1.23%	0.493311	0.61%	1.45%	0.413727	0.60%	2.19%	0.034448	0.08%	2.19%	0.058514	0.13%	1.42%
Underground Conductors	358.0	3.18%	0.493311	1.57%	7.23%	0.413727	2.99%	2.19%	0.034448	0.08%	2.19%	0.058514	0.13%	4.77%

(1) As approved in VA Case No. PUE 2011-00037 on Nov. 30, 2011.  
Depreciation rates were made effective on January 1, 2012.

(2) Approved by PSC of WV Order dated May 26, 2015 in  
Case No. 14-1151-E-D effective June 1, 2015.

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

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

(5) Transmission allocation factors are changed annually in January based on  
September factors as per the PJM tariff approved in FERC Docket ER08-1329  
Attachment H-14B, Part II, pg. 15 of 21.

(6) Energy Storage Equipment is a new account established per FERC Order 784.

**GENERAL NOTES:**

The rates for each AEP company have been approved by their respective regulatory commissions.

APCo falls under the authority of Virginia, West Virginia and the FERC. Therefore, APCo's rates are a composite of the jurisdictions under which it operates. Each jurisdiction's rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate for the company.

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

AEP EAST COMPANIES  
Worksheet - P CALCULATION OF  
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNT  
EFFECTIVE AS OF October 31, 2018  
FOR MULTIPLE JURISDICTION COMPANIES  
INDIANA MICHIGAN POWER COMPANY

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

(1) As approved in Indiana Case No. 44967.

(2) As approved in MICHIGAN Case No. U18370.

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

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

**GENERAL NOTES:**

The rates for each AEP company have been approved by their respective regulatory commissions.

I&M falls under the authority of Indiana, Michigan and the FERC. Therefore, I&M's rates are a composite of the jurisdictions under which it operates. Each jurisdiction's rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate for the company.

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

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

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b><i>TRANSMISSION PLANT</i></b>		
Structures & Improvements	352.0	1.04%
Station Equipment	353.0	1.49%
Towers & Fixtures	354.0	0.12%
Poles & Fixtures	355.0	2.14%
Overhead Conductors	356.0	0.77%
Underground Conduit	357.0	Note 2
Underground Conductors	358.0	Note 2
<b>Composite Transmission Depreciation Rate</b>		<b>1.46%</b>
<b>GENERAL PLANT</b>		
Structures & Improvements	390.0	1.71%
Office Furniture & Equipment	391.0	2.82%
Stores Equipment	393.0	2.22%
Tools Shop & Garage Equipment	394.0	3.12%
Laboratory Equipment	395.0	3.17%
Communication Equipment	397.0	3.32%
Miscellaneous Equipment	398.0	4.92%
<b>Total General Plant</b>		<b>3.25%</b>

Reference:

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

Note 2: Kingsport Power Company does not have investment in plant accounts 357 or 358. Therefore, there are no depreciation rates approved

**General Note**

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

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

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b><i>TRANSMISSION PLANT</i></b>		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductors	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%

Reference:

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

**General Note**

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

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

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

Reference:

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

**General Note:**

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

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

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b><i>TRANSMISSION PLANT</i></b>		
Structures & Improvements	352.0	0.69%
Station Equipment	353.0	1.70%
Towers & Fixtures	354.0	0.04%
Poles & Fixtures	355.0	2.65%
Overhead Conductors	356.0	1.12%
Underground Conduit	357.0	2.00%
Underground Conductors	358.0	5.00%
Trails & Roads	359.0	-

Note 1: Rates Approved in WV Public Service Commission Case No. 14-1151-E-D.

**General Note:**

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



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

Reconciliation Revenue Requirement For Year 2016 Available May 25, 2017 <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> \$0	-	2016 Forecasted Revenue Requirement For Year 2016 <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> \$0	=	True-up Adjustment - Over (Under) Recovery <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> \$0
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Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.2960%				

An over or under collection will be recovered prorata over 2016, held for 2017 and returned prorata over 2018

<u>Calculation of Interest</u>					Monthly	
January	Year 2016	-	0.2960%	12	-	-
February	Year 2016	-	0.2960%	11	-	-
March	Year 2016	-	0.2960%	10	-	-
April	Year 2016	-	0.2960%	9	-	-
May	Year 2016	-	0.2960%	8	-	-
June	Year 2016	-	0.2960%	7	-	-
July	Year 2016	-	0.2960%	6	-	-
August	Year 2016	-	0.2960%	5	-	-
September	Year 2016	-	0.2960%	4	-	-
October	Year 2016	-	0.2960%	3	-	-
November	Year 2016	-	0.2960%	2	-	-
December	Year 2016	-	0.2960%	1	-	-
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January through December	Year 2017	-	0.2960%	12	-	-
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>					Monthly	
January	Year 2018	-	0.2960%		-	-
February	Year 2018	-	0.2960%		-	-
March	Year 2018	-	0.2960%		-	-
April	Year 2018	-	0.2960%		-	-
May	Year 2018	-	0.2960%		-	-
June	Year 2018	-	0.2960%		-	-
July	Year 2018	-	0.2960%		-	-
August	Year 2018	-	0.2960%		-	-
September	Year 2018	-	0.2960%		-	-
October	Year 2018	-	0.2960%		-	-
November	Year 2018	-	0.2960%		-	-
December	Year 2018	-	0.2960%		-	-
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**AEP East Companies**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet Q - True-up With Interest**

Reconciliation Revenue Requirement For Year 2016 Available May 25, 2017	-	2016 Forecasted Revenue Requirement For Year 2016	=	True-up Adjustment - Over (Under) Recovery
\$0		\$0		\$0

Interest Rate on Amount of Refunds or Surcharge from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
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				Annual		
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<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
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November	Year 2018	-	0.2960%	-	-	-
December	Year 2018	-	0.2960%	-	-	-
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True-Up Adjustment with Interest	-
Less Over (Under) Recovery	-
Total Interest	-

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