

Formula Rate Update for

**AEP Appalachian Transmission Company, Inc.
AEP Indiana Michigan Transmission Company, Inc.
AEP Kentucky Transmission Company, Inc.
AEP Ohio Transmission Company, Inc.
AEP West Virginia Transmission Company, Inc.**

**To be Effective July 1, 2015
Docket No ER10-355**

Pursuant to Attachment H-20A (Formula Rate Implementation Protocols) in PJM Tariff, AEP has calculated its Annual Transmission Revenue Requirements (ATRR) to produce the “Annual Update” for the Rate Year beginning July 1, 2015 through June 30, 2016. All the files pertaining to the Annual Update are also posted on the PJM website in PDF format along with supporting workpapers. The first file provides the ATRR and rates for Network transmission service and Scheduling System Control and Dispatch Service, Schedule 1A.

AEP network service rate will increase effective July 1, 2015 from \$7,083.07 per MW per year or \$19.41/MW Day to \$9,323.87 per MW per year or \$25.54/MW Day with the AEP annual revenue requirement increasing from \$161,821,872 to \$227,577,878.

The AEP Transmission Companies’ Schedule 1A rates are not applicable because they are handled via AEP Operating Companies.

An annual revenue requirement of \$87,259,618 for RTEP projects (including true-up and interest) is to be collected under PJM Tariff Schedule 12. The RTEP Project revenue requirement includes:

1. b1465.4 (Rockport Jefferson) of \$1,400,283
2. b1465.2 (Rockport Jefferson-MVAR Bank) \$2,105,019
3. b2048 (Tanners Creek 345/138 kV transformer) \$873,939
4. b1818 (Expand the Allen station) \$3,313,394
5. b1819 (Rebuild Robinson Park) \$3,630,294
6. b0570 (Lima-Sterling) \$1,343,234
7. b1231 (Wapakoneta-West Moulton) \$499,989
8. b1034.1 (South Canton-Wagenhals-Wayview 138 kV) \$1,135,924
9. b1034.8 (South Canton Wagenhals Station) \$788,422
10. b1864.2 (West Bellaire-Brues 138 kV Circuit) \$165,512
11. b1870 (Ohio Central Transformer) \$1,157,364
12. b1032.2 (Two 138kV outlets to Delano/Camp Sherman) \$794,740
13. b1034.2 (Loop existing South Canton-Wayview 138kV) \$1,309,614
14. b1034.3 (345/138kV 450 MVA transformer Canton Central) \$2,711,173

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15. b1970 (Reconductor Kammer-West Bellaire) \$2,727,692
16. b2018 (Loop Conesville-Bixby 345 kV) \$1,947,610
17. b2021 (OHTCo - Add 345/138kV trans. Sporn, Kanawha & Muskingum River stations) \$4,482,976
18. b2032 (Rebuild 138kV Elliott Tap Poston line) \$(432,386)
19. b1032.1 (Construct new 345/138kV station Marquis-Bixby) \$3,457,342
20. b1032.4 (Install 138/69kV transformer Ross Highland) \$643,594
21. b1666 (Build 8 breaker 138kV station Fostoria-East Lima) \$1,528,116
22. b1819 (Rebuild Robinson Park 345kV double circuit) \$4,010,942
23. b1957 (Terminate Transformer #2 SW Lima) \$714,472
24. b2019 (Establish Burger 345/138kV station) \$6,416,043
25. b2017 (OHTCo Rebuild Sporn-Waterford-Muskingum River) \$7,243,003
26. b1661 (765kV circuit breaker Wyoming station) \$769,141
27. b1864.1 (Add 2 345/138kV transformers at Kammer) \$18,429,787
28. b2021 (WVTCO - Add 345/138kV trans. Sporn, Kanawha & Muskingum River stations) \$3,427,461
29. b1948 (New 765/345 interconnection Sporn) \$6,946,099
30. b1962 (Add four 765kV breakers Kammer) \$2,348,715
31. b2017 (WVTCO Rebuild Sporn-Waterford-Muskingum River) \$231,097
32. b2020 (Rebuild Amos-Kanawha River 138 kV corridor) \$772,367
33. b2022 (Tristate-Kyger Creek 345kV line at Sporn) \$366,645