

Formula Rate Update for AEP East subsidiaries in PJM

**To be Effective July 1, 2013 through June 30, 2014
Docket No ER08-1329**

Pursuant to PJM OATT Attachment H-14A (Formula Rate Implementation Protocols), AEP has calculated its Annual Transmission Revenue Requirements (ATRR) to produce the “Annual Update” for the Rate Year beginning July 1, 2013 through June 30, 2014. All the files pertaining to the Annual Update are to be posted on the PJM website in PDF format. The first file provides the ATRR and rates for Network transmission service and Scheduling System Control and Dispatch Service (Schedule 1A), and the annual transmission revenue requirement for RTEP projects (Schedule 12). An informational filing will also be submitted to the FERC.

AEP network service rate will increase effective July 1, 2013 from \$26,339.82 per MW per year to \$29,042.93 per MW per year with the AEP annual revenue requirement increasing from \$646,136,826 to \$676,950,019.

The AEP Schedule 1A rate increased from \$.0643 per MWh to \$.0829 per MWh.

An annual revenue requirement of \$8,440,878 for RTEP projects (including true-up and interest) is to be collected under PJM Tariff Schedule 12. The RTEP Project revenue requirement includes:

1. b0839 (Twin Branch) \$1,187,960
2. b0318 (Amos 765/138 kV Transformer) \$1,952,440
3. b0504 (Hanging Rock) \$1,014,540
4. b0570 (East Side Lima) \$24,004
5. b1034.1 (Torrey-West Canton) \$528,784
6. b1034.6 (138kV circuit South Canton Station) \$424,916
7. b1231 (West Moulton Station) \$933,951
8. b1465.2 (Rockport Jefferson 300 MVAR bank) \$44,386
9. b1465.3 (Rockport Jefferson 765 kV line) \$1,301,059
10. b1712.2 (Altavista-Leesville 138kV line) \$301,999
11. b1864.1 (Kammer 345/138 kV transformers) \$682,672
12. b1864.2 (West Bellaire-Brues 138 kV circuit) of \$44,166