

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 1 - Production System Peak Demand
For the Year Ended December 31, 2014

Month	(EDT)		Demand (MW)	<u>Source</u> ¹
	Day	Hour		
July	20	1700	5,608.1	CBR
July	28	1700	5,554.1	
July	29	1700	5,430.8	
August	17	1500	5,330.2	
September	3	1700	5,203.7	
Average Peak			5,425.4	
Average Production System Peak Demand			5,425.4	

Company's average five CP demands at time of PJM system peak.

Notes:

¹ CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Reco

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Appalachian Power Company
 Capacity Cost of Service Formula Rate
 Workpaper 2 - Production Revenue Credits
 For the Year Ending December 31, 2013

	Total	Production		Source ¹
		Demand	Energy	
Total	0	0	0	CBR
	0	0	0	

Notes:

¹ CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 3

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Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 4

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Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 5a - Materials and Supplies
Balances as of December 31, 2015

Period	Function ²	1540001	1540004	1540006	1540012	1540013	1540022	1540023	1540024	M&S	Source ¹
		M&S	M&S	Lime and	Urea	Transportation	M&S	M&S	M&S		
		Regular	Exempt Material	Limestone	Charge	Inventory	Lime & Limestone Intransit	Urea	Proj Spares	Total	
Dec-15	Production	62,973,437	674,733	3,848,039	755,226	0	309,066	3,964,382	0	72,524,883	
	Transmission	14,698,556	0	0	0	0	0	0	0	14,698,556	
	Distribution	15,437,981	0	0	0	793,068	0	0	0	16,231,049	
	Total	93,109,974	674,733	3,848,039	755,226	793,068	309,066	3,964,382	0	103,454,488	110.48.c

Period	Function ²	158	Source ¹
		Allowances	
Dec-15	Production	23,517,647	
	Transmission	0	
	Distribution	0	
	Total	23,517,647	110.52.c

M&S December 2015		
Dec-15	Production	70.10%
	Transmission	14.21%
	Distribution	15.69%
	Total	100.00%

Notes:

¹ References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

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Appalachian Power Power Company
 Capacity Cost of Service Formula Rate
 Workpaper 5b - Fuel Inventory
 For the Year Ended December 31, 2015

<u>Period</u>	1510001 Fuel Stock <u>Coal</u>	1510002 Fuel Stock <u>Oil</u>	1510003 Fuel Stock <u>Gas</u>	1510004 Fuel Stock <u>Coal Trans</u>	1510019 Fuel Stock <u>Prepays</u>	1510020 Fuel Stock <u>In Transit</u>	Fuel Stock <u>Total</u>	<u>Source</u> ¹	
Dec-14	102,857,651	3,929,104	68,207	-	-	7,431,374	114,286,336	110.45.c	
									Total
									114,286,336

<u>Period</u>	1520000 Fuel Stock <u>Undistributed</u>	<u>Source</u> ¹
Dec-14	5,055,842	110.46.c

Notes:

¹ References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 5c - Prepayments
For the Year Ended December 31, 2015

Period	1650001 Prepayments Insurance	1650004 Prepayments Interest	1650005 Prepayments Employee Benefits	1650006 Prepayments Other	1650009 Prepayments Carrying Cost	1650021/1650023 Prepayments Ins. & Lease	1650031/1650033 Prepayments Work Comp	165000215 Prepayments Taxes	Prepayments Total	Source ¹
Dec-15	2,081,320	25,818	213,500	116,848	91,198	1,759,186	-	2,045,305	8,230,780	111.57.c
Period	165001215 Use Tax	16500031 Work Comp	16500033 Work Com-Aff	1650032 Prepaid OCIP WC	1650034 PPD OCIP WC					
Dec-15	10,392	590,006	603,350	333,415	360,442					
Period	Excluded Rate Base ²	Non Labor Related ²		Labor Related ²						
Dec-15	1,887,213	6,130,067		213,500						

Notes:

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1650001 - This account shall include amounts representing prepayments of insurance.

1650004 - This account shall include amounts representing prepayments of interest.

1650005 - This account shall include amounts representing prepayments of employee benefits.

1650006 - This account shall include amounts representing prepayments of other items not listed.

1650009 - This account is used for factoring the AEP-East electric accounts receivable.

1650021 - This account shall include amounts representing prepayments of insurance with EIS (Energy Insurance Services).

1650023 - Track balance of prepaid lease expense for agreements that qualify as a lease under company policy and are not tracked in PowerPlant Lease Accounting system will use this account.

165000215 - This account shall include amounts representing prepayments of taxes.

165001215 - Prepaid Use Taxes

1650031 - Prepaid Workers Comp

1650032 - Record workers compensation for contractors

1650033 - Record workers compensation current charges

1650034 - Prepaid OCIP Work Comp LT

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 6a - Plant in Service
For the Year Ended December 31, 2015

Line	Month	Production				
		Total		ARO		Excluding ARO
		Amount	Source ¹	Amount	Source ¹	
1	Dec-15	6,156,912,069	205.46.g	72,548,492	205.15,24,34,44.g	6,084,363,577
2	Total					6,084,363,577
Transmission						
		Total		ARO		Excluding ARO
		Amount	Source ¹	Amount	Source ¹	
		3	Dec-15	2,406,274,556	207.58.g	-
4	Total					2,406,274,556
Distribution						
		Total		ARO		Excluding ARO
		Amount	Source ¹	Amount	Source ¹	
		5	Dec-15	3,400,127,773	207.75.g	3,069
6	Total					3,400,124,704
General						
		Total		ARO		Excluding ARO
		Amount	Source ¹	Amount	Source ¹	
		7	Dec-15	209,277,271	207.99.g	811,747
8	Total					208,465,524
Intangible						
		Total		ARO		Excluding ARO
		Amount	Source ¹	Amount	Source ¹	
		9	Dec-15	83,036,453	205.5.g	-
10	Total					83,036,453
11	12 Months December 31, 2015 Plant In Service (excluding ARO)					12,182,264,814

Notes:

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Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 6b - Accumulated Depreciation
For the Year Ending December 31, 2015

Line	Reserve Account	Total Reserve	Production	Transmission	Distribution	General	
1	1080005	38,555,986	21,304,120	11,114,983	5,949,996	186,887	
2	1080001 ARO	(27,312,477)	(26,667,676)	0	(1,723)	(643,078)	
3	1080001/1080011	(3,950,905,088)	(2,035,591,666)	(716,658,453)	(1,126,196,522)	(72,458,447)	
4	1110001	(52,947,650)				(52,947,650)	
5	1080013	0	0	0	0	0	
6	FF1 (22+30)	<u>TOTAL</u>	<u>(2,040,955,222)</u>	<u>(705,543,470)</u>	<u>(1,120,248,249)</u>	<u>(125,862,288)</u>	
7	Ln 6 - Ln2	APCo Exc ARO	(3,965,296,752)	(2,014,287,546)	(705,543,470)	(1,120,246,526)	(125,219,210)
8	Ln6 - Ln4	FF1 pg 219.29	(3,939,661,579)	(2,040,955,222)	(705,543,470)	(1,120,248,249)	(72,914,638)
9	Ln4 FF1pg 200.21		(52,947,650)				
10	Ln8 + Ln9 Total check FF1 pg 200.22+30		(3,992,609,229)				

Notes:

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² Note: Excludes reserve on Asset Retirement Obligations, to reflect their removal from gross plant.

³ References to data from FERC Form 1 are indicated as page#, line#, col.# for the total balances.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 6c - General Plant and Intangible Plant
For the Year Ended December 31, 2015

<u>Description</u>	<u>Account</u>	<u>31-Dec-14</u>
<u>Intangible Plant (FF1, 205.2-5 g)</u>		
Organization	301	133,394
Franchises and Consents	302	15,486,445
Miscellaneous Intangible Plant	303	67,416,614
TOTAL INTANGIBLE PLANT		83,036,453
<u>General Plant (FF1, 207.86-97,g)</u>		
Land	389	15,052,410
Structures	390	114,422,309
Office Equipment	391	6,900,393
Transportation	392	445
Stores Equipment	393	1,414,724
Tools, Shop, Garage, Etc.	394	27,955,826
Laboratory Equipment	395	2,737,066
Power Operated Equipment	396	0
Communications Equipment	397	33,360,799
Miscellaneous Equipment	398	6,621,552
Other Tangible Property	399	0
TOTAL GENERAL PLANT		208,465,524
<u>General Plant (FF1 207.86-97 g)</u>		
Total General and Intangible Exc. ARO		291,501,977
Total General and Intangible	205.5.g, 207.99.g	292,313,724

Note: Total includes Intangible Plant.
References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 6d - Depreciation Expense
For the Year Ended December 31, 2015

<u>Depreciation and Amortization Expense</u>	<u>Amount</u>	<u>Source</u>
Steam Production	175,176,949	FF1, 336, 2, b & d
Hydraulic Production - Conventional	2,890,929	FF1, 336, 4 b
Hydraulic Production-Pumped Storage	2,388,232	FF1, 336, 5 b
Other Production Plant	14,813,806	FF1, 336, 6 b
Transmission	37,558,327	FF1, 336, 7, b
Distribution	121,892,372	FF1, 336, 8, b
General	3,990,835	FF1, 336, 10, b & d
Intangible Plant	18,746,783	FF1, 336, 1, d
<i>Sub-Total</i>	377,458,233	FF1, 336, 12, b & d
<i>ARO Dep Exp</i>	6,375,693	FF1, 336, 12, c
Total Depreciation Expense	383,833,926	FF1, 336, 12, f

Appalachian Power Power Company
Capacity Cost of Service Formula Rate
Workpaper 7

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COLUMN A	COLUMN B	COLUMN D	COLUMN J	COLUMN K	COLUMN L
	PER BOOKS	NON-APPLICABLE/NON-UTILI	FUNCTIONALIZATION 12/31/15		
	BALANCE AS OF 12-31-15	BALANCE AS OF 12-31-15	GENERATION	TRANSMISSION	DISTRIBUTION
1 ACCOUNT 281:					
2					
3 TX AMORT POLLUTION CONT EQPT	317,728,821		317,728,821	0	0
4					
5 NON-UTILITY DEFERRED FIT	0	0			
6 SFAS 109 FLOW-THRU 281.3	0	0			
7 SFAS 109 EXCESS DFIT 281.4	0	0			
8					
9 TOTAL ACCOUNT 281	317,728,821	0	317,728,821	0	0
10					
11 ACCOUNT 282:					
12					
13					
14 BOOK VS. TAX DEPRECIATION	1,227,912,026		359,079,128	381,109,421	487,723,477
15 FERC ORDER 144 CATCH UP	0		0	0	0
16 CAPD INTEREST - SECTION 481(a) - CHANGE IN METHD	1,130,454		353,785	477,146	299,524
17 RELOCATION COST - SECTION 481(a) - CHANGE IN METH	219,826		0	0	219,826
18 PJM INTEGRATION - SEC 481(a) - INTANG - DFD LABOR	114,472		0	114,472	0
19 R & D DEDUCTION - SECTION 174	3,574,798		3,179,523	58,551	336,724
20 BK PLANT IN SERVICE-SFAS 143-ARO	21,477,532		21,238,405	(447)	239,574
21 MNTR CARBON CAPTURE - SFAS 143 - ARO	(2,239,125)		(2,239,125)	0	0
22 DFIT GENERATION PLANT	89,751,340		89,751,340	0	0
23 GAIN/LOSS ON ACRS/MACRS PROPERTY	110,780,046		46,131,416	8,580,615	56,068,015
24 GAIN/LOSS ON ACRS/MACRS-BK/TX UNIT PROP	(19,990,462)		(19,990,462)	0	0
25 ABFUDC	1,259,792		1,259,020	287	485
26 ABFUDC - TRANSMISSION	1,420,548		0	1,420,548	0
27 ABFUDC - GENERAL	17,432		0	6,292	11,140
28 ABFUDC - DISTRIBUTION	3,636		0	0	3,636
29 TAXES CAPITALIZED	3,056		0	1,141	1,915
30 PENSIONS CAPITALIZED	(231)		0	(86)	(145)
31 SEC 481 PENS/OPEB ADJUSTMENT	(70,199)		(65,939)	(2,022)	(2,238)
32 SAVINGS PLAN CAPITALIZED	837		0	313	524
33 PERCENT REPAIR ALLOWANCE	19,023,200		12,768,509	2,093,995	4,160,696
34 BOOK/TAX UNIT OF PROPERTY ADJ	125,459,971		125,459,971	0	0
35 BK/TAX UNIT OF PROPERTY ADJ-SEC 481 ADJ	60,044,175		60,044,175	0	0
36 CAPITALIZED RELOCATION COSTS	3,932,074		0	417,455	3,514,619
37 EXTRAORDINARY LOSS ON DISP OF PROP	44,734		0	0	44,734
38 DEFED TAX GAIN - FIBER OPTIC LINE	0		0	0	0
39 DISALLOWED COSTS-RESERVE DEFICIENCY-APCO VA	(13,749,133)		(13,749,133)	0	0
40 AMORT PERPETUAL TERM ELECT PLT	0		0	0	0
41 CAPITALIZED LEASES - A/C 1011 ASSETS	0		0	0	0
42 GAIN ON REACQUIRED DEBT	1,089		0	407	682
43 REMOVAL COSTS	1,867,691		1,867,691	0	0
44 REMOVAL COSTS - ARO-MTNR CARBON CAPTURE	(64,317)		(64,317)	0	0
45 REMOVAL COSTS REV - SFAS 143 - ARO	(798,376)		(798,376)	0	0
46 TAX WRITE OFF MINE DEVEL COSTS	(316,319)		(316,319)	0	0
47 BK DEPLETION -- NUEAST	312,822		312,822	0	0
48 2007 IRS AUDIT ADJUSTMENTS - A/C 282	0		0	0	0
49 NON-UTILITY DEFERRED FIT	0	(0)			
50 SFAS 109 FLOW-THRU 282.3	128,165,945	(128,165,945)			
51 SFAS 109 EXCESS DFIT 282.4	(1,771,929)	1,771,929			
52					
53 TOTAL ACCOUNT 282	1,757,517,406	(126,394,017)	684,222,114	394,278,089	552,623,187
54					
55					
Labor Related			(65,939)	(654)	219,882
Energy Related			(3,497)	0	0
ARO			18,136,587	(447)	239,574
Demand Related			666,154,963	394,279,190	552,163,731
Excluded			965,037,863		

	COLUMN A	COLUMN B	COLUMN D	COLUMN J	COLUMN K	COLUMN L
56 ACCOUNT 283:						
57						
58 NOL - STATE C/F - DEF STATE TAX ASSET - L/T		537,936		537,936	0	0
59 SW - UNDER RECOVERY FUEL COST		20,704,380		20,704,380	0	0
60 SV - UNDER RECOVERY FUEL COST		9,554,796		9,554,796	0	0
61 WV - ENEC UNDER RECOVERY BANK		0		0	0	0
62 DEFQ EQUITY CARRY CHGS - WV-ENEC		(221,361)		(221,361)	0	0
63 WV UNRECOV FUEL POOL CAPACITY IMPACT		0		0	0	0
64 WV CENTURY ENEC UNDER RECOVERY		0		0	0	0
65 WV UNREC FUEL DISPUTED COAL INV		0		0	0	0
66 PROPERTY TAX - NEW METHOD - BOOK		4,905,103		42,403	1,381,485	3,481,215
67 PROP TX-STATE 2 OLD METHOD-TX		1,897,034		1,897,034	0	0
68 DEFQ TAX GAIN - APCO WV SEC REG ASSET		116,187,034		116,187,034	0	0
69 MTM BK GAIN - A/L - TAX DEFL		4,563,747		4,563,747	0	0
70 MARK & SPREAD - DEFL - 283 A/L		(679,996)		(679,996)	0	0
71 ACCRUED BK PENSION EXPENSE		50,971,749		21,314,894	2,192,250	27,464,605
72 ACCRUED BK PENSION COSTS - SFAS 158		(76,188,363)		(28,168,289)	(6,113,437)	(41,906,637)
73 REG ASSET - DEFERRED RTO COSTS		571,242		0	571,242	0
74 DEFQ ENVIRON COMP COSTS & CARRYING CHARGES		33,568		33,568	0	0
75 DEFQ SYS RELIABILITY COSTS & CARRYING CHARGES		45,312		0	18,842	26,470
76 DEFQ EQUITY CARRY CHRGS-RELIABILITY CAPITAL		(15,742)		0	(11,175)	(4,567)
77 DEFQ EXPS (A/C 186)		340,472		340,472	0	0
78 DEFQ STORM DAMAGE		25,281,917		0	0	25,281,917
79 RATE CASE DEFERRED CHARGES		0		0	0	0
80 BK DEFL-DEMAND SIDE MNGMT EXP		1,245,298		0	0	1,245,298
81 DEFQ BK LOSS-NON AFF SALE-EMA		154,926		154,926	0	0
82 BOOK > TAX - EMA - A/C 283		9,007,272		9,007,272	0	0
83 DEFQ TX GAIN - INTERCO SALE - EMA		-375,758		-375,758	0	0
84 DEFQ TAX GAIN - EPA AUCTION		(11,908)		(11,908)	0	0
85 DEFQ BOOK GAIN - EPA AUCTION		0		0	0	0
86 BK DEFL - MACSS COSTS		441,890		0	0	441,890
87 TRANSITION REGULATORY ASSETS		(1)		0	0	(1)
88 REG ASSET-SFAS 143 - ARO		833,811		833,811	0	0
89 REG ASSET-SFAS 158 - PENSIONS		76188362.95		28168288.75	6113437.05	41906637.15
90 REG ASSET-SFAS 158 - SERP		219608.2		-68.95	0	219677.15
91 REG ASSET-SFAS 158 - OPEB		-246151.8		-190438.76	104325.7	-160038.74
92 REG ASSET-UNDERRECOVERY-VIRGINIA T-RAC		26,114,288		0	26,114,288	0
93 REG ASSET-MOUNTAINEER CARBON CAPTURE		(4,977,311)		(4,977,311)	0	0
94 REG ASSET-DEFERRED RPS COSTS		0		0	0	0
95 REG ASSET-CARRYING CHARGES-WV ENEC		0		0	0	0
96 TAX DEFL - NON-DEPRECIABLES		0		0	0	0
97 REG ASSET-DEFQ SEVERANCE COSTS		(3,283,271)		(3,987,570)	110,605	593,694
98 REG ASSET-TRANS AGREEMENT PHASE-IN-WV		603,750		603,750	0	0
99 REG ASSET-DEFQ VA WIND REPLACEMENT CSTS		0		0	0	0
100 REG ASSET-NET CCS FEED STUDY COSTS		413,001		413,001	0	0
101 REG ASSET-DEFQ VA DEMAND RESPONSE PROGRAM		4,457,807		0	0	4,457,807
102 REG ASSET DRESDEN UNRECOG EQUITY CC WV		0		0	0	0
103 REG ASSET DRESDEN OPERATION COST VA		1,571,577		1,571,577	0	0
104 REG ASSET DRESDEN CARRYING COSTS VA		282,167		282,167	0	0
105 REG ASSET DRESDEN UNRECOG EQUITY CC VA		(53,839)		(53,839)	0	0
106 REG ASSET DRESDEN CARRYING COST WV		0		0	0	0
107 REG ASSET DRESDEN OPERATING COSTS WV		0		0	0	0
108 REG ASSET-DEFERRED VA RPS INCREM COSTS-CURRENT		0		0	0	0
109 REG ASSET-DEFERRED VA WIND NON-INCREM COSTS		0		0	0	0
110 REG ASSET-DEFQ VA SOFTWARE LICENSING EXPENSE		0		0	0	0
111 REG ASSET-WV VMP (VEGETATION MGMT) COSTS		10,694,910		0	0	10,694,910
112 REG ASSET-CARRYING CHARGES-WV VMP		474,632		0	0	474,632
113 REG ASSET-WW CC-CONSTR SURCHARG UNRECOG EQ		0		0	0	0
114 REG ASSET-WW CONSTR SURCHRG OPER COSTS		0		0	0	0
115 REG ASSET-WW CC CONSTR SURCHRG		0		0	0	0
116 REG ASSET-UNREC EQUITY CC WV-AMOS 3		(327,304)		(327,304)	0	0
117 REG ASSET-CARRYING CHARGES WV-AMOS 3		1,009,882		1,009,882	0	0
118 REG ASSET-IGCC PRE-CONSTRUCTION COSTS		3,350,679		3,350,679	0	0
119 REG ASSET-FELMAN PREM/DISC-ENEC-WV		407,896		407,896	0	0
120 REG ASSET-WV AIR QUALITY PERMIT FEES		215,985		215,985	0	0
121 REG ASSET-NBV-ARO-RETIRED PLANTS		11,440,931		11,440,931	0	0
122 REG ASSET-EXTRA LOSS-CLINCH RIVER PLANT		16,678,000		16,678,000	0	0
123 REG ASSET-EXTRA LOSS-GLEN LYN U5 NET PLANT		9,557		9,557	0	0
124 REG ASSET-EXTRA LOSS-SPORN PLANT		3,147,406		3,147,406	0	0
125 REG ASSET-EXTRA LOSS-KANAWHA RIVER PLANT		8,960,201		8,960,201	0	0
126 REG ASSET-EXTRA LOSS-GLEN LYN U6 NET PLANT		1,529,235		1,529,235	0	0
127 REG ASSET-COAL CO UNCOLL ACCTS		1,221,208		0	0	1,221,208
128 REG ASSET-CAR CHGS-WV VMP RESERVE		(243,790)		0	0	(243,790)
129 REG ASSET-VA EE-RAC EFFICIENT PRODUCTS		1,401		0	0	1,401
130 REG ASSET-VA EE-RAC HOME ENERGY PROG		13,705		0	0	13,705

	COLUMN A	COLUMN B	COLUMN D	COLUMN J	COLUMN K	COLUMN L
131 REG ASSET-VA EE-RAC APPLIANCE RECYCLING		639		0	0	639
132 REG ASSET-VA EE-RAC C&I PRESCRIPTIVE		7,110		0	0	7,110
133 REG ASSET-VA EE-RAC MOBILE HOME ES		506		0	0	506
134 REG ASSET-VA EE-RAC EQUITY MARGIN		(2,066)		0	0	(2,066)
135 BOOK LEASES CAPITALIZED FOR TAX		10,602,961		8,671,144	331,035	1,600,782
136 CAPITALIZED SOFTWARE COST - BOOK		14,283,400		5,132,475	2,955,774	6,195,152
137 LOSS ON REACQUIRED DEBT		35,523,154		17,500,633	7,209,322	10,813,199
138 DEFD SFAS 106 BOOK COSTS		0		0	0	0
139 SFAS 106-MEDICARE SUBSIDY-(PPACA)-REG ASSET		1,854,778		767,161	119,781	967,835
140 REG ASSET - ACCRUED SFAS 112		6,866,425		3,036,180	521,215	3,309,029
141 STATE NOL CURRENT BENEFIT		1,779,559		1,779,559	0	0
142 NON-UTILITY DEFERRED FIT		378,847	(378,847)			
143 SFAS 109 FLOW-THRU 283.3		152,029,235	(152,029,235)			
144 SFAS 109 EXCESS DFIT 283.4		0	0			
145 ADIT FED - HEDGE-INTEREST RATE 2830015		3,448,269	(3,448,269)			
146 ADIT FED - HEDGE-FOREIGN EXC 2830016		39,965	(39,965)			
147 SFAS 133 ADIT FED - SFAS 133 NONAFFIL 2830006		0	0			
148						
149		556,471,662	(155,896,316)	260,854,136	41,618,989	98,102,222
150						
151						
152 DEFD STATE INCOME TAXES		61,981,829		40,917,989	8,899,513	12,164,328
153 SFAS 109 - DEFD STATE INCOME TAXES		246,830,335	(246,830,335)			
154						
155 TOTAL ACCOUNT 283		865,283,826	(402,726,651)	301,772,125	50,518,501	110,266,549
156						
157						
Labor Related				30,060,203	5,893,346	37,996,260
Energy Related				38,824,255	0	1,221,208
ARO				12,274,741	0	0
Demand Related				220,612,926	44,625,156	71,049,081
Excluded				173,059,792		
158 JURISDICTIONAL AMOUNTS FUNCTIONALIZED						
159						
160 TOTAL COMPANY AMOUNTS FUNCTIONALIZED						
161						
162 REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT						
163						
164 NOTE: POST 1970 ACCUMULATED DEFERRED						
165 INV TAX CRED. (JDITC) IN A/C 255						
166 SEC ALLOC - ITC - 46F1 - 10%		172,882		37,336	115,806	19,740
167 HYDRO CREDIT - ITC - 46F1		851,995		851,995	0	0
168						
169 TOTAL ACCOUNT 255		1,024,877	0	889,331	115,806	19,740

	<u>COLUMN A</u>	<u>COLUMN B</u>	<u>COLUMN D</u>	<u>COLUMN J</u>	<u>COLUMN K</u>	<u>COLUMN L</u>
		<u>PER BOOKS</u>	<u>NON-APPLICABLE/NON-UTILITY</u>	<u>FUNCTIONALIZATION 12/31/15</u>		
<u>ACCUMULATED DEFERRED FIT ITEMS</u>	<u>BALANCE AS OF 12-31-15</u>	<u>BALANCE AS OF 12-31-15</u>		<u>GENERATION</u>	<u>TRANSMISSION</u>	<u>DISTRIBUTION</u>
1 ACCOUNT 190:						
2						
3 NOL & TAX CREDIT C/F - DEF TAX ASSET	11,571,210			10,543,865	21,948	1,005,397
4 BOOK VS. TAX DEPRECIATION	-			-	-	-
5 INT EXP CAPITALIZED FOR TAX	75,480,808			53,273,771	17,336,521	4,870,516
6 CIAC-BOOK RECEIPTS	-			-	-	-
7 CIAC - BOOK RECEIPTS-DISTR -SV	5,713,796			-	199,643	5,514,152
8 CIAC - BOOK RECEIPTS-TRANS	484,357			-	484,357	-
9 CIAC - BOOK RECEIPTS-DISTR -SW	2,742,903			-	112,989	2,629,914
10 CIAC - MUSSER ACQUISITION	-			-	-	-
11 SW - OVER RECOVERY FUEL COSTS	-			-	-	-
12 SV - OVER RECOVERY FUEL COSTS	-			-	-	-
13 PROVS POSS REV REFDS	2,099,433			370,376	1,648,035	81,022
14 SALE/LEASEBK-GRUNDY	641			-	-	641
15 MTM BK LOSS - A/L - TAX DEFL	-			-	-	-
16 MARK & SPREAD-DEFL-190-A/L	(1,257,398)			(1,257,398)	-	-
17 PROV WORKER'S COMP	123,686			86,214	9,084	28,388
18 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	(88,787)			237	-	(89,024)
19 ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158	219,608			(69)	-	219,677
20 ACCRD BK SUP. SAVINGS PLAN EXP	202,148			59,972	-	142,176
21 EMPLOYER SAVINGS PLAN MATCH	-			-	-	-
22 ACCRUED PSI PLAN EXP	2,051,495			100,699	-	1,950,796
23 BK PROV UNCOLL ACCTS	1,140,808			(342,671)	777	1,482,703
24 PROV-TRADING CREDIT RISK - A/L	24,917			24,917	-	-
25 PROV-FAS 157 - A/L	(2,114)			(2,114)	-	-
26 ACCRD COMPANY INCENT PLAN-ENGAGE TO GAIN	-			-	-	-
27 ACCRD COMPANYWIDE INCENTV PLAN	6,185,790			2,451,200	(177,048)	3,911,638
28 ACCRD ENVIRONMENTAL LIAB-CURRENT	4,200			-	-	4,200
29 ACCRUED BOOK VACATION PAY	2,899,863			1,121,790	(159,744)	1,937,816
30 (ICDP)-INCENTIVE COMP DEFERRAL PLAN	440,150			13,793	-	426,358
31 ACCRUED BK SEVERANCE BENEFITS	1,094,235			1,094,235	-	-
32 ACCRUED INTEREST EXPENSE - STATE	-			-	-	-
33 ACCRUED INTEREST-LONG-TERM - FIN 48	(606,977)			(609,266)	1,564	725
34 ACCRUED INTEREST-SHORT-TERM - FIN 48	-			-	-	-
35 ACCRUED STATE INCOME TAX EXP	49,457			-	(240,349)	289,806
36 BK DFL RAIL TRANS REV/EXP	(177,579)			(177,579)	-	-
37 ACCRUED RTO CARRYING CHARGES	-			-	-	-
38 PROV LOSS-CAR CHG-PURCHASD EMA	182,467			182,467	-	-
39 DEFED EQUITY CARRYING CHRGS-ENVIRON COMP CO:	-			-	-	-
40 FEDERAL MITIGATION PROGRAMS	2,141,898			2,141,898	-	-
41 STATE MITIGATION PROGRAMS	(0)			(0)	-	-
42 DEFED REV-EPRI/MNTR CARBON CAPTURE-CUR	-			-	-	-
43 DEFED REV-EPRI/MNTR CARBON CAPTURE-LT	-			-	-	-
44 DEFED BK CONTRACT REVENUE	371,203			-	371,203	-
45 DEFED STORM DAMAGES	-			-	-	-
46 FK BK WRITE-OFF BLUE RDGE EASE	13,422			13,422	-	-
47 FR BK WRITE-OFF BLUE RDGE EASE	15,660			15,660	-	-
48 SV BK WRITE-OFF BLUE RDGE EASE	99,325			99,325	-	-
49 CV BK WRITE-OFF BLUE RDGE EASE	6,218			6,218	-	-
50 TAX > BOOK BASIS - EMA-A/C 190	160,441			160,441	-	-
51 DEFED TX LOSS-INTERCO SALE-EMA	380,023			380,023	-	-
52 DEFED BOOK GAIN-EPA AUCTION	(125,145)			(125,145)	-	-
53 ADVANCE RENTAL INC (CUR MO)	724,476			-	-	724,476
54 DEFERRED BOOK RENTS	451,168			-	451,168	-
55 REG LIAB-UNREAL MTM GAIN-DEFL	2,927,477			2,927,477	-	-
56 SECURITIZATION DEFED EQUITY INCOME - LONG-TERM	1,385,419			1,385,419	-	-
57 CAPITALIZED SOFTWARE COSTS-TAX	51,023			1,525	(361)	49,859
58 CAPITALIZED ADVERTISING EXP-TX	1,385,627			-	1,385,627	-
59 ACCRD SFAS 106 PST RETIRE EXP	(3,712,601)			(1,920,867)	(346,402)	(1,445,332)
60 SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	11,569,716			5,813,427	523,255	5,233,035

61	ACCRD OPEB COSTS - SFAS 158	(246,152)		(190,439)	104,325	(160,038)
62	ACCRD SFAS 112 PST EMPLOY BEN	6,894,297		3,064,052	521,215	3,309,030
63	ACCRD BOOK ARO EXPENSE - SFAS 143	45,053,650		44,658,523	7,677	387,450
64	ACCRD BK ARO EXP - MTNR CARBON CAPTURE	4,071,513		4,071,513	-	-
65	SFAS 106 - MEDICARE SUBSIDY - NORM - (PPACA)	(5,729,453)		(2,430,800)	(350,342)	(2,948,312)
66	GROSS RECEIPTS- TAX EXPENSE	121,213		121,213	-	-
67	ACCRUED BK REMOVAL COST - ACRS	99,027,125		14,651,400	29,695,809	54,679,917
68	FIN 48 - DEFD STATE INCOME TAXES	(17,714)		(1,006)	(12,448)	(4,261)
69	DEFD STATE INCOME TAXES	21,683,881		14,321,296	3,114,829	4,247,755
70	ACCRD SIT/FRANCHISE TAX RESERVE	(783,321)		(593,236)	-	(190,085)
71	ACCRUED SALES & USE TAX RESERVE	190,085		-	-	190,085
72	ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	91,791		0	0	91,791
73	ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	(36,322)		(49,069)	9,497	3,251
74	SFAS 109 - DEFD SIT LIABILITY	-		-	-	-
75	1985-1987 IRS AUDIT SETTLEMENT	-		-	-	-
76	1991-1996 IRS AUDIT SETTLEMENT	89,808		-	-	89,808
77	1997-2003 IRS AUDIT SETTLEMENT	1,336,187		-	-	1,336,187
78	2007 IRS AUDIT ADJUSTMENTS - A/C 190	-		-	-	-
79	IRS CAPITALIZATION ADJUSTMENT	2,913,180		1,442,669	1,088,964	381,547
80	AMT CREDIT - DEFERRED	3,174,757		2,856,949	87,795	230,013
81	REHAB CREDIT - DEFD TAX ASSET RECLASS	4,450,348		-	-	4,450,348
82	NON-UTILITY DEFERRED FIT	1,465,144	(1,465,144)	-	-	-
83	SFAS 109 FLOW-THRU 190.3	82,638,288	(82,638,288)	-	-	-
84	SFAS 109 EXCESS DFIT 190.4	954,116	(954,116)	-	-	-
85	SFAS 133 ADIT FED - SFAS NONAFFIL 1900006	-	-	-	-	-
86	ADIT FED - PENSION OCI NAF 1900009	-	-	-	-	-
87	ADIT FED - PENSION OCI 1900010	-	-	-	-	-
88	ADIT FED - NON-UMWA PRW OCI 1900011	(256,198)	256,198	-	-	-
89	ADIT FED - UMWA PRW OCI 1900012	-	-	-	-	-
90	ADIT FED - HEDGE-INTEREST RATE 1900015	1,469,916	(1,469,916)	-	-	-
91	ADIT FED - HEDGE-FOREIGN EXC 1900016	68,339	(68,339)	-	-	-
92	NON-UTILITY DEFERRED SIT 1902002	-	-	-	-	-
93	DEFERRED SIT 1901002	1,536,960		1,536,960	-	-
94						
95	TOTAL ACCOUNT 190	398,585,901	(86,339,603)	161,293,289	55,889,587	95,063,422
	Labor Related			9,264,971	123,981	12,566,067
	Energy Related			1,770,180	371,203	0
	ARO			48,730,036	7,677	387,450
	Demand Related			101,528,102	55,386,726	82,109,905
	Excluded			199,683,045		

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 8b - Effective Income Tax Rate
For the Year Ended December 31, 2015

Effective Income Tax Rate

$T=1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * P)\} =$	37.38%
EIT=(T/(1-T)) * (1-(WCLTD/WACC)) = where WCLTD and WACC from Appendix 2, pg. 11, Col.(4) and FIT, SIT & P are as shown below.	21.55%
GRCF=1 / (1 - T)	1.5969
Amortized Investment Tax Credit (enter negative)	FF1 P.114, Ln.19, Col.c (24,053)
FIT	35.0000%
SIT	3.6600% State Income Tax Rate (Composite).
P	0.0000% Percent of FIT deductible for state purposes (Note 3).
WCLTD	4.52%
WACC	7.07%

Development of Composite State Income Tax Rates for 2011 (Note 1)

Tennessee Income Tax	6.5000%	
Apportionment Factor - Note 2	2.3200%	
Effective State Income Tax Rate		0.15000%
Michigan Business Income Tax	6.0000%	
Apportionment Factor - Note 2	0.0600%	
Effective State Income Tax Rate		0.00000%
Virginia Net Income Tax	6.0000%	
Apportionment Factor - Note 2	0.0000%	
Effective State Income Tax Rate		0.00000%
West Virginia Net Income	6.5000%	
Apportionment Factor - Note 2	52.7600%	
Effective State Income Tax Rate		3.43000%
Illinois Corporation Income Tax	9.5000%	
Apportionment Factor - Note 2	0.8800%	
Effective State Income Tax Rate		0.0800%
Total Effective State Income Tax Rate		3.6600%

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

Note 2: From Company Books and Records.

Note 3: Percent deductible for state purposes provided from Company's books and records.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 8c - Taxes Other Than Income Taxes
For the Year Ended December 31, 2015

Payroll Related Other Taxes	8,768,970	Payroll
Property Related Other Taxes	60,928,806	Property
Direct Production Related	22,744,487	Production
Direct Distribution Related	-	Distribution
Other	18,350,119	Other
Not Allocated ((Gross Receipts, Commi	12,925,854	NA
	123,718,236	

Line No.	(A) Annual Tax Expenses by Type	(B) FERC FORM 1 Tie-Back	(C) FERC FORM 1 Reference	(D) Basis
1	Revenue Taxes			
2	Gross Receipts Tax	12,821,321	P.263.1 In 4 (i)	N/A
		(43,587)	P.263.1 In 28 (i)	N/A
		148,120	P.263.1 In 29 (i)	N/A
		-		
3	Real Estate and Personal Property Taxes			
4	Real and Personal Property - West Virginia	20,758,289	P.263 In 34 (i)	Property
		21,226,320	P.263 In 35 (i)	Property
		71,887	P.263 In 39 (i)	Property
		76,344	P.263 In 40 (i)	Property
5	Real and Personal Property - Virginia	(42,690)	P.263.2 In 19 (i)	Property
		16,473,441	P.263.2 In 20 (i)	Property
		473	P.263.2 In 23 (i)	Property
		426	P.263.2 In 24 (i)	Property
		7,709	P.263.2 In 25 (i)	Property
		229,517	P.263.2 In 26 (i)	Property
6	Real and Personal Property - Tennessee	28,086	P.263.3 In 7 (i)	Property
		1,004,360	P.263.3 In 8 (i)	Property
7	Real and Personal Property - Other Jurisdictions	17,319	P.263.1 In 32 (i)	Property
		1,076,436	P.263.1 In 33 (i)	Property
		889	P.263.3 In 35 (i)	Property
8	Payroll Taxes			
9	Federal Insurance Contribution (FICA)	8,490,128	P.263 In 6 (i)	Payroll

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 8c - Taxes Other Than Income Taxes
For the Year Ended December 31, 2013

(A)	(B)	(C)	(D)	
Line No.	Annual Tax Expenses by Type	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Basis
10	Federal Unemployment Tax	61,207	P.263 In 9 (i)	Payroll
11	State Unemployment Insurance	147,499	P.263.1 In 17 (i)	Payroll
		4,012	P.263.1 In 38 (i)	Payroll
		65,744	P.263.2 In 33 (i)	Payroll
		11	P.263.3 In 19 (i)	Payroll
12	Production Taxes	369	P.263.4 In 20 (i)	Payroll
13	State Severance Taxes	-		
14	Miscellaneous Taxes			
15	State Business & Occupation Tax	(223,987)	P.263 In 20 (i)	Production
		22,947,754	P.263 In 21 (i)	Production
16	State Public Service Commission Fees	2,236,765	P.263 In 25 (i)	Other
		3,499,703	P.263 In 26 (i)	Other
17	State Franchise Taxes	46,216	P.263.1 In 21 (i)	Other
		(3,608)	P.263.1 In 22 (i)	Other
		924,003	P.263.2 In 9 (i)	Other
		11,280,000	P.263.2 In 10 (i)	Other
		60	P.263.3 In 29 (i)	Other
		60	P.263.3 In 30 (i)	Other
		195,071	P.263.3 In 3 (i)	Other
		170,000	P.263.3 In 4 (i)	Other
18	State Lic/Registration Fee	25	P.263.1 In 10 (i)	Other
		1,700	P.263.2 In 35 (i)	Other
		(600)	P.263.2 In 38 (i)	Other
		22	P.263.3 In 11 (i)	Other
19	Misc. State and Local Tax	626	P.263.1 In 8 (i)	Other
		122	P.263.3 In 21 (i)	Other
20	Sales & Use	-		
		(46)	P.263.1 In 26 (i)	Other
21	Federal Excise Tax	5,630	P.263 In 13 (i)	Production
		15,090	P.263 In 14 (i)	Production
22	Michigan Single Business Tax	-		
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	123,718,236		

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 9a - Wages and Salaries
For the Year Ended December 31, 2015

	APCo ¹	AEPSC ²	Total
Production:			
Operation	31,599,868	18,585,965	50,185,833
Maintenance	29,230,896	6,022,401	35,253,297
Total	60,830,764	24,608,366	85,439,130
Transmission:			
Operation	88,043	8,148,648	8,236,691
Maintenance	401,924	4,031,143	4,433,067
Total	489,967	12,179,791	12,669,758
Distribution:			
Operation	8,615,386	3,232,916	11,848,302
Maintenance	23,053,799	1,117,485	24,171,284
Total	31,669,185	4,350,401	36,019,586
Customer Accounts	8,026,199	9,220,122	17,246,321
Customer Service and Informational	2,357,636	275,010	2,632,646
Sales	0	0	0
Total Wages and Salaries Excluding A & G	103,373,751	50,633,690	154,007,441
Administrative and General			
Operation	3,558,217	28,952,682	32,510,899
Maintenance	2,634,017	360,837	2,994,854
Total	6,192,234	29,313,519	35,505,753
Total O & M Payroll	109,565,985	79,947,209	189,513,194

¹ Wages and Salaries from FERC Form Pg. 354.

² From Company Books and Records.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 9b - Production Payroll Demand/Energy Allocation
For the Year Ended December 31, 2015

<u>Account</u>	<u>Demand</u> ¹	<u>Energy</u> ¹	<u>Total</u>	<u>Source</u> ¹
500	Operation Supervision and Engineering	12,674,239	12,674,239	CBR
501	Fuel		2,760,140	
502	Steam Expense	12,104,309	12,104,309	
505	Electric Expense	615,713	615,713	
506	Misc. Steam Power Expense	12,162,134	12,162,134	
510	Maintenance Supv & Engineering		3,810,136	
511	Maintenance of Structures	1,803,039	1,803,039	
512	Maintenance of Boiler Plant		13,456,322	
513	Maintenance of Electric Plant		4,964,631	
514	Maintenance of Misc Plant	8,056,159	8,056,159	
517	Operation Supv & Engineering	0	0	
519	Coolants and Water	0	0	
520	Steam Expenses	0	0	
523	Electric Expenses	0	0	
524	Misc Nuclear Power Expense	0	0	
528	Maintenance Supv & Engineering		-	0
529	Maintenance of Structures	0	0	
530	Maintenance of Reactor Plant		-	0
531	Maintenance of Electric Plant		-	0
532	Maintenance of Misc Nuclear Plant		-	0
535	Operation Supv & Engineering	944,351	944,351	
536	Water for Power	558	558	
537	Hydraulic Expenses	204,254	204,254	
538	Electric Expenses	2,102	2,102	
539	Miscellaneous Hydraulic Power	1,434,233	1,434,233	
540	Rents	1,764	1,764	
541	Maintenance Supv & Engineering	150,453	150,453	
542	Maintenance of Structures	745,339	745,339	
543	Maint of Reservoirs, Dams and Waterways	665,109	665,109	
544	Maintenance of Electric Plant		1,385,602	
545	Maintenance of Misc Hydraulic Plant	53,808	53,808	
546	Operation Supv & Engineering	401,575	401,575	
547	Fuel		66,328	
548	Generation Expenses	301,465	301,465	
549	Misc Power Generation Exp	23,091	23,091	
553	Maintenance of Generating & Electric Plant	162,699	162,699	
554	Maintenance of Misc Other Power Gen Plant	0	0	
555	Purchased Power	0	0	
556	System Control	1,485,188	1,485,188	
557	Other Expense	5,004,389	5,004,389	
Total Allocated Labor Expense		58,995,971	26,443,159	85,439,130
Allocation Factors		0.6905029464	0.3094970536	1.0000000000

¹ CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 10a - O & M Expense Summary by Account
For the Year Ended December 31, 2015

Production

Account	Amount	Source
500 Operation Supv & Engineering	18,801,538	320.4.(b)
501 Fuel	639,778,892	320.5.(b)
502 Steam Expenses	48,333,670	320.6.(b)
505 Electric Expenses	879,047	320.9.(b)
506 Misc. Steam Power Expense	32,379,328	320.10.(b)
507 Rents	9,905	320.11.(b)
509 Allowances	569,863	320.12.(b)
517 Operation Supv & Engineering	0	320.24.(b)
518 Fuel	0	320.25.(b)
519 Coolants and Water	0	320.26.(b)
520 Steam Expenses	0	320.27.(b)
523 Electric Expenses	0	320.30.(b)
524 Misc. Nuclear Power Expense	0	320.31.(b)
535 Operation Supv & Engineering	1,508,046	320.44.(b)
536 Water for Power	31,360	320.45.(b)
537 Hydraulic Expenses	383,442	320.46.(b)
538 Electric Expenses	6,863	320.47.(b)
539 Miscellaneous Hydraulic Power	2,888,352	320.48.(b)
540 Rents	350,336	320.49.(b)
546 Operation Supv & Engineering	245,833	321.62.(b)
547 Fuel	3,870,682	321.63.(b)
548 Generation Expenses	359,396	321.64.(b)
549 Misc. Power Generation Expense	55,591	321.65.(b)
Total Operation	750,452,144	
510 Maintenance Supv & Engineering	4,527,510	320.15.(b)
511 Maintenance of Structures	7,948,357	320.16.(b)
512 Maintenance of Boiler Plant	64,361,295	320.17.(b)
513 Maintenance of Electric Plant	17,674,621	320.18.(b)
514 Maintenance of Misc Plant	13,965,264	320.19.(b)
528 Maintenance Supv & Engineering	0	320.35.(b)
529 Maintenance of Structures	0	320.36.(b)
530 Maintenance of Reactor Plant	0	320.37.(b)
531 Maintenance of Electric Plant	0	320.38.(b)
532 Maintenance of Misc. Nuclear Plant	0	320.39.(b)
541 Maintenance Supv & Engineering	162,855	320.53.(b)
542 Maintenance of Structures	1,900,669	320.54.(b)
543 Maintenance of Reservious, Dams and Waterways	3,395,769	320.55.(b)
544 Maintenance of Electric Plant	4,671,227	320.56.(b)
545 Maintenance of Miscellaneous Hydraulic Plant	829,573	320.57.(b)
551 Maintenance Supv & Engineering	0	321.69.(b)
553 Maintenance of Generating & Electric Plant	580,071	321.71.(b)
554 Maintenance of Misc. Other Power Gen. Plant	0	321.72.(b)
Total Maintenance	120,017,212	
555 Purchased Power	439,192,165	321.76.(b)
556 System Control	2,039,921	321.77.(b)
557 Other Expense	8,769,291	321.78.(b)
Total Other	450,001,377	321.79.(b)
Total Production	1,320,470,733	321.80.(b)

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 10a - O & M Expense Summary by Account
For the Year Ended December 31, 2015

Transmission

560	Operation Supv & Engineering	4,530,831	321.83.(b)
561.1	Load Dispatch-Reliability	22,947	321.85.(b)
561.2	Load Dispatch-Monitor and Operate	3,317,089	321.86.(b)
561.3	Load Dispatch-Transmission Service	0	321.87.(b)
561.4	Scheduling, System Control	6,471,032	321.88.(b)
561.5	Reliability, Planning and Standards Dev.	579,471	321.89.(b)
561.6	Transmission Service Studies	483	321.90.(b)
561.7	Generation Interconnection Studies	0	321.91.(b)
561.8	Reliability, Planning and Standards Dev.	1,610,477	321.92.(b)
562	Station Expense	1,216,869	321.93.(b)
563	Overhead Line Expense	51,980	321.94.(b)
564	Underground Line Expense	56,073	321.95.(b)
565	Trans of Electricity by Others	120,478,714	321.96.(b)
566	Misc Transmission Expense	(15,675,884)	321.97.(b)
567	Rents	50,584	321.98.(b)
	Total Operation	122,710,665	321.99.(b)
568	Maintenance Supv & Engineering	284,543	321.101.(b)
569	Maintenance of Structures	71,110	321.102.(b)
569.1	Mainteneance of Computer Hardware	2,384	321.103.(b)
569.2	Maintenance of Computer Software	349,490	321.104.(b)
569.3	Maintenance of Communication Equip	8,300	321.105.(b)
570	Maintenance of Station Equip	3,085,901	321.107.(b)
571	Maintenance of OH Lines	16,168,523	321.108.(b)
572	Maintenance of UG Lines	12,359	321.109.(b)
573	Maintenance of Misc Trans	1,255,732	321.110.(b)
	Total Maintenance	21,238,343	321.111.(b)
	Total Transmission	143,949,008	321.112.(b)

Regional Market Expense

575.7	Market Facilitation, Monitoring and Compliance	4,908,106	322.121.(b)
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Distribution

580	Operation Supv & Engineering	4,429,827	322.134.(b)
581	Load Dispatching	350,483	322.135.(b)
582	Station Expense	1,196,071	322.136.(b)
583	Overhead Line Expense	678,270	322.137.(b)
584	Underground Line Expense	2,241,173	322.138.(b)
585	Street Lighting	165,283	322.139.(b)
586	Meter Expenses	334,822	322.140.(b)
587	Customer Installations	1,042,160	322.141.(b)
588	Misc Distribution Expense	17,399,308	322.142.(b)
589	Rents	1,340,538	322.143.(b)
	Total Operation	29,177,935	322.144.(b)

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 10a - O & M Expense Summary by Account
For the Year Ended December 31, 2015

590	Maintenance Supv & Engineering	165,844	322.146.(b)
591	Maintenance of Structures	151,324	322.147.(b)
592	Maintenance of Station Equip	1,766,812	322.148.(b)
593	Maintenance of OH Lines	99,302,308	322.149.(b)
594	Maintenance of UG Lines	1,325,067	322.150.(b)
595	Maintenance of Line Trsfrs	2,615,973	322.151.(b)
596	Maintenance of Street Lights	342,620	322.152.(b)
597	Maintenance of Meters	496,872	322.153.(b)
598	Maintenance of Misc Dist Plant	4,404,613	322.154.(b)
	Total Maintenance	110,571,432	322.155.(b)
	Total Distribution	139,749,367	322.156.(b)
 Customer Accounts			
901	Supervision	812,387	322.159.(b)
902	Meter Reading Expenses	4,361,318	322.160.(b)
903	Customer Records/Collection	26,496,003	322.161.(b)
904	Uncollectible Accounts	5,927,217	322.162.(b)
905	Misc Customer Accts Exp	74,841	322.163.(b)
	Total Customer Accounts	37,671,767	322.164.(b)
 Customer Service and Informational			
907	Supervision	653,373	323.167.(b)
908	Customer Assistance	9,411,199	323.168.(b)
909	Info & Instructional Adv	0	323.169.(b)
910	Misc Cust Service & Info Expense	5,893	323.170.(b)
	Total Customer Service	10,070,465	323.171.(b)
 Sales Expense			
911	Supervision	2,354	323.174.(b)
912	Selling Expenses	262,017	323.175.(b)
913	Advertising Expenses	0	323.176.(b)
916	Misc Sales Expense	0	323.177.(b)
	Total Sales Expense	264,371	323.178.(b)

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 10a - O & M Expense Summary by Account
For the Year Ended December 31, 2015

Administrative and General

920	A & G Salaries	40,295,881	323.181.(b)
921	Office Supplies & Exp	5,549,681	323.182.(b)
922	Adm Exp Trsfr - Credit	(5,793,064)	323.183.(b)
923	Outside Services	10,748,961	323.184.(b)
924	Property Insurance	2,519,543	323.185.(b)
925	Injuries and Damages	8,407,453	323.186.(b)
926	Employee Benefits	17,526,206	323.187.(b)
926a	Less: Actual Employee Benefits (Note A)	(15,087,648)	
926b	Allowed Employee Benefits (Note B)	6,222,780	
926	Employee Benefits	<u>8,661,337</u>	
927	Franchise Requirements	0	323.188.(b)
928	Regulatory Commission Exp	3,654,326	323.189.(b)
929	Duplicate Charges - Credit	(207,635)	323.190.(b)
930.1	General Advertising Expense	339,442	323.191.(b)
930.2	Misc General Expense	7,770,072	323.192.(b)
930.2	Company Dues and Memberships	0	323.192.(b)
931	Rents	<u>2,316,429</u>	323.193.(b)
	Total Operation	84,262,427	320.194.(b)
935	Maintenance of Gen Plant	<u>11,478,794</u>	323.196.(b)
	Total Maintenance	11,478,794	
	Total Administrative & General	<u>95,741,221</u>	323.197.(b)
	Total O & M Expenses	<u><u>1,752,825,038</u></u>	323.198.(b)
	Total Elec O & M Exp. - FERC Form1 pg. 323, L. 198(b)	1,762,763,495	
	Difference	9,938,457	

Actual Expense - Removed from Cost of Service	
Note A: Acct 926 (0039) PBOP Gross Cost	(16,958,385)
Acct 926 (0057) PBOP Medicare Part Subsidy	1,870,737
PBOP Amounts in Annual Informational Filing	(15,087,648)
Allowable Expense	
Note A: Acct 926 (0039) PBOP Gross Cost	10,806,289
Acct 926 (0057) PBOP Medicare Part Subsidy	(4,583,509)
PBOP Amounts Recovery Allowance	6,222,780

Note A: Changing PBOP included in the formula rate will require, as applicable, a FPA Section 205 or Section 206 filing.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 11 - Regulatory Commission Expense
For the Year Ended December 31, 2015

	<u>FF1, pg., Ln. Col.</u>	<u>Amount</u>
<i>Retail</i>		
Misc. Exp.	351, Ln. 33, Col(h)	65,025
Virginia RPS-RAC	351, Ln. 35, Col(h)	91,165
Virginia IRP	351, Ln. 37, Col(h)	415,867
West Virginia ENEC	351, Ln. 39, Col(h)	273,988
Virginia EE/DR Plan Filing	351, Ln. 43, Col(h)	104,287
West Virginia Base Rate Case	351, Ln. 45, Col(h)	221,560
West Virginia Terms & Conditions Filing	351.1, Ln. 1, Col(h)	82,565
West Virginia IRP Filing	351.1, Ln. 3, Col(h)	112,382
Virginia Fuel Filing	351.1, Ln. 5, Col(h)	213,073
Virginia Demand Response	351.1, Ln. 7, Col(h)	36,066
Virginia T-Rac filing	351.1, Ln. 10, Col(h)	175,001
Virginia Exp Solar Tariff	351.1, Ln. 12, Col(h)	173,151
<i>Total Retail</i>		<u>1,964,130</u>
<i>Wholesale - FERC ¹</i>		
Smith Mountain - Adm. Federal Power Act	351, Ln. 3, Col(h)	1,002,697
Leesville Hydro Project - Adm. Federal Power Act	351, Ln. 7, Col(h)	78,179
Claytor Hydro Project - Adm. Federal Power Act	351, Ln. 11, Col(h)	147,178
Byllesby Buck Hydro Project - Adm. Federal Power Act	351, Ln. 15, Col(h)	58,349
Marmet and London Hydro - Adm. Federal Power Act	351, Ln. 19, Col(h)	65,935
Winfield Hydro - Adm. Federal Power Act	351, Ln. 23, Col(h)	44,024
Reusens Hydro Project - Adm. Federal Power Act	351, Ln. 27, Col(h)	20,676
Niagara Hydro Project - Adm. Federal Power Act	351, Ln. 31, Col(h)	5,590
PJM FERC Filing	351, Ln. 41, Col(h)	267,568
<i>Total Wholesale</i>		<u>1,690,196</u>
Total FF1, pg. 351, Ln. 46, Col(h)		3,654,326

¹ Assessment for cost of administration of Federal Water Power Act.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 12a - Common Stock
For the Year Ending December 31, 2015

Line No.	Month	Total Capital	Source(s)	Preferred Stock				Unapprop Sub Earnings	Source	Acc Oth Comp Income	Source	Common Equity Balance
				Issued	Premium (Discount)	G(L) on Reacq'd	Source(s)*					
		a		b	c	d		e		f		g=a-b-c-d-e-f
1	Dec-15	3,475,050,090	112.16.c	0	0	0	112.3.c,6.c.,7.c.	1,758,641	112.12.c.	(2,792,656)	112.15.c.	3,476,084,105

NOTE: * Includes preferred portions of capital stock (common and preferred) accounts according to Company Books and Records below.

Account	Description		Dec-15
2 2010001	Common Stock Issued		260,457,768
		Source ¹	112.2.c
3 2040002	PS Not Subj to Mandatory Redem		-
		Source ¹	112.3.c
4 2070000	Prem on Capital Stk		-
		Source ¹	112.6.c
5 2080000	Donations Recvd from Stckhldrs	CBR ²	1,825,984,503
6 2100000	Gain Rslc/Cancl Req Cap Stock	CBR ²	433
7 2110000	Miscellaneous Paid-In Capital	CBR ²	2,642,015
8			1,828,626,951
		Source ¹	112.7.c
9 2151000	Appropriations of Retained Earnings	CBR ²	14,414,270
10 2160001	Unapprp Retnd Erngs-Unrestricted	CBR ²	1,275,811,848
11 4330000	Transferred from Income	CBR ²	340,523,267
12 4370000	Div Decl-PS Not Sub to Man Red	CBR ²	-
13 4380001	Dividends Declared	CBR ²	(243,750,000)
14 4390000	Adj to Retained Earnings	CBR ²	-
15	Retained Earnings		1,386,999,386
		Source ¹	112.11.c
16 2161001	Unap Undist Consol Sub Erng	CBR ²	1,649,788
17 2161002	Unap Undist Nonconsol Sub Erng	CBR ²	-
18 4181001 & 002	Equity in Earnings	CBR ²	108,853
19	Unapprop Sub Earnings	CBR ²	1,758,641
		Source ¹	112.12.c
20 2190002	OCI-Min Pen Liab FAS 158-Affil	CBR ²	(6,889,879)
21 2190004	OCI-Min Pen Liab FAS 158-SERP	CBR ²	-
22 2190006	OCI-Min Pen Liab FAS 158-Qual	CBR ²	-
23 2190007	OCI-Min Pen Liab FAS 158-OPEB	CBR ²	475,797
24 2190010	OCI-for Commodity Hedges	CBR ²	-
25 2190015	Accum OCI-Hdg-CF-Int Rate	CBR ²	3,674,120
26 2190016	Accum OCI-Hdg-CF-For Exchg	CBR ²	(52,694)
27	Acc Oth Comp Inc		(2,792,656)
		Source ¹	112.15.c
28	Total Capital	CBR ²	3,475,050,090
29	Common Equity Balance	CBR ²	3,476,084,105

Notes:

¹ References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

² CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 12b - Preferred Stock
For the Year Ending December 31, 2015

Month	Preferred Stock		Premium on Preferred		Discount) on Preferred		Other Paid in Capital - Pfd		Total Outstanding a+b-c+d	Preferred Dividends
	a		b		c		d			
	Acct 204	Source 1	Acct 207	Source 1	Acc 213	Source 1	Acc 208-211	Source 1		
Dec-15	0	112.3.c	0	112.6.c	0	112.9.c	0	112.7.c	0	0
Total	0		0		0		0		0	0

Cost of Preferred Stock = Pfd Dividends/Average Pfd Outstanding Balance = 0.00%

NOTES:

- (1) All data is from the monthly Balance Sheet of the Company's Books and Records (CBR).
- (2) Accounts 207-213 are capital stock accounts containing both common and preferred capital. Preferred portions of these accounts are from the CBR.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 13 - Outstanding Long-Term Debt
For the Year Ending December 31, 2015

Line	Period	Advances from Associated Co	FF1 Reference	Bonds	FF1 Reference	(Reacquired Bonds)	FF1 Reference	Installment Purchase	FF1 Reference	Senior Unsecured Notes	FF1 Reference	Debntr Trust Pref Secy Insts	FF1 Reference	Total Debt Outstanding	Reference
		2230000 a		2210000 b		2220001 c		2240002 d		2240006 e		2240046 f		g=a+b+c+d+e+f	
1	Dec-15	0	112.20.c.	345,097,743	112.18.c.	0	112.19.c.	275,686,624	257, col. (h)	3,000,000,000	257, col. (h)	0	257, col. (h)	3,620,784,367	FF1, 112.20.c & 112.21.c
2	Dec-15	0		345,097,743		0		275,686,624		3,000,000,000		0		3,620,784,367	

Appalachian Power Company
Interest & Amortization on Long-Term Debt
For the Year Ending December 31, 2015

Line	Description	Acct	Amount
1	Interest IPC	4270002	10,177,772
2	Interest Debentures	4270004	9,983,942
3	Interest Other LTD	4270005	312,637
4	Interest Unsecured	4270006	166,921,974
5	Interest PCRB	4270012	671,875
6		(FF1, P.117,L.62)	188,068,200
7	Amort Debt Disc/ Exp	Acct 428 (FF1, P.117, L.63)	2,916,356
8	Amort Loss Reacq	Acct 428.1 (FF1, P.117, L.64)	3,960,759
9	Interest* Assoc LT	4300001 (FF1, P.117, L.67)	-
10	Amort Debt Premium	Acct 429 (FF1, P.117, L.65)	-
11	Amort Gain Reacq	Acct 429.1 (FF1, P.117, L.66)	-
12	Cost of Long Term Debt		194,945,315
13	Reconciliation to FF1, 257, 33, i		
14	Interest on LT Debt	Line 4	188,068,200
15	Interest on Assoc LT Debt	Line 7	-
16	Total (FF1, 257, 33, i)		188,068,200
17	Amortization of Hedge Gain / Loss included in Acct 4270006 (subject to limit on B-13)		(422,540)

*Per Company Books and Records interest associated with LTD.

Reconciliation Account 430	
4300001 Interest Expense Long Term Debt	-
4300003 Interest Expense Short Term Debt	239,745
FF1, pg. 117, Ln. 67	239,745

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 13a - Recoverable Hedge Gains/Losses
For the Year Ended December 31, 2015

HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge Gain or Loss for 2013	Less Excludable Amounts (See NOTE on Line For the Year Ended December 31, 2015)	Net Includable Hedge Amount	Remaining Unamortized Balance	Amortization Period	
					Beginning	Ending
Senior Unsecured Notes - Series I	-		-	-	Jan-05	Jul-14
Senior Unsecured Notes - Series K	556,802		556,802	-	Jun-05	Jun-17
Senior Unsecured Notes - Series L	(179,159)		(179,159)	-	Sep-05	Oct-35
Senior Unsecured Notes - Series H	37,068		37,068	642,612	May-03	May-33
Senior Unsecured Notes - Series N	(194,198)		(194,198)	(3,932,519)	Apr-06	Apr-36
Senior Unsecured Notes - Series Q	159,672		159,672	3,546,027	Mar-08	Apr-38
Senior Unsecured Notes - Series S	328,707		328,707	-	May-10	May-15
Senior Unsecured Notes - Series T	(1,131,432)	-	(1,131,432)	(5,908,592)	Mar-11	Mar-21
		-	-			
		-	-			
Total Hedge Amortization	(422,540)	-	(422,540)			

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 14 - Non-Fuel Power Production O&M Expenses
For the Year Ending December 31, 2015

<u>Account</u>		<u>December</u>	<u>Less Carbon Capture Expense²</u>	<u>Total</u>	<u>Source¹</u>
500	Demand	18,801,538		18,801,538	320.4.(b)
502	Demand	48,333,670		48,333,670	320.6.(b)
503	Energy	0		0	320.7.(b)
504 - Cr.	Energy	0		0	320.8.(b)
505	Demand	879,047		879,047	320.9.(b)
506	Demand	32,379,328	0	32,379,328	320.10.(b)
507	Demand	9,905		9,905	320.11.(b)
509	Energy	569,863		569,863	320.12.(b)
510	Energy	4,527,510		4,527,510	320.15.(b)
511	Demand	7,948,357		7,948,357	320.16.(b)
512	Energy	64,361,295		64,361,295	320.17.(b)
513	Energy	17,674,621		17,674,621	320.18.(b)
514	Demand	13,965,264		13,965,264	320.19.(b)
517	Demand	0		0	320.24.(b)
519	Demand	0		0	320.26.(b)
520	Demand	0		0	320.27.(b)
521	Demand	0		0	320.28.(b)
522 - Cr.	Demand	0		0	320.29.(b)
523	Demand	0		0	320.30.(b)
524	Demand	0		0	320.31.(b)
525	Demand	0		0	320.32.(b)
528	Energy	0		0	320.35.(b)
529	Demand	0		0	320.36.(b)
530	Energy	0		0	320.37.(b)
531	Energy	0		0	320.38.(b)
532	Energy	0		0	320.39.(b)
535	Demand	1,508,046		1,508,046	320.44.(b)
536	Demand	31,360		31,360	320.45.(b)
537	Demand	383,442		383,442	320.46.(b)
538	Demand	6,863		6,863	320.47.(b)
539	Demand	2,888,352		2,888,352	320.48.(b)
540	Demand	350,336		350,336	320.49.(b)
541	Demand	162,855		162,855	320.53.(b)
542	Demand	3,395,769		1,900,669	320.54.(b)
543	Demand	3,395,769		3,395,769	320.55.(b)
544	Energy	4,671,227		4,671,227	320.56.(b)
545	Demand	829,573		829,573	320.57.(b)
546	Demand	245,833		245,833	321.62.(b)
548	Demand	359,396		359,396	321.64.(b)
549	Demand	55,591		55,591	321.65.(b)
550	Demand	0		0	321.66.(b)
551	Demand	0		0	321.69.(b)
552	Demand	0		0	321.70.(b)
553	Demand	580,071		580,071	321.71.(b)
554	Demand	0		0	321.72.(b)
<hr/>					
Total		228,314,881	0	226,819,781	
<hr/>					
Demand		136,510,365	0	135,015,265	
Energy		91,804,516	0	91,804,516	
Total		228,314,881	0	226,819,781	
<hr/>					
Demand	%			59.525%	
Energy	%			40.475%	
Total	%			100.000%	

Notes:

¹ References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances pgs. 320-323,,b

² From Company's Books and Records.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 15a

Intentionally left blank - not applicable.

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 15b

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Appalachian Power Company
 Capacity Cost of Service Formula Rate
 Workpaper 15c - Purchased Power
 For the Year Ended December 31, 2015

<u>Month</u>	<u>Demand (\$) ¹</u>	<u>Energy (\$) ¹</u>	<u>Other Charges ²</u>	<u>Total Purchased Power Expense</u>
Dec-14	56,351,848	382,840,317	0	439,192,165
Total	56,351,848	382,840,317	0	439,192,165
	327, j	327, k	327, l	327, m

Notes:

¹ References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

² The deferred portion of APCo's capacity equalization payments related to environmental compliance investments FF 1, pg. 327, column (l)

Appalachian Power Company
 Capacity Cost of Service Formula Rate
 Workpaper 15d - Off-System Sales
 For the Year Ended December 31, 2015

<u>Month</u>	<u>Demand (\$) ¹</u>	<u>Other Charges (\$) ¹</u>	<u>Energy (\$) ¹</u>	<u>Total</u>
Dec-15	1,430,018	0	117,607,263	119,037,281

<u>Month</u>	<u>(\$) Margins ²</u>
Dec-15	15,943,577

¹ References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.
 F1, 311, h, i, j (Non-RQ)

² margins provided by Accounting (represents 75% of system sales margins)

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 16 - GSU Plant and Accumulated Depreciation Balance
For the Year Ended December 31, 2015

company	major_location	asset_location	utility_account	depr_group	state	month	book_cost	allocated_reserve	net_book_value
Appalachian Power - Gen	Transmission Subs =c69KV-WV, APCo	Belle 46KV Substation : APCo : 3205	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2015	\$ 107,576.00	\$ 49,466.96	\$ 58,109.04
Appalachian Power - Gen	Transmission Subs =c69KV-WV, APCo	Byllesby 69KV Substation : APCo : 0631	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2015	\$ 132,441.00	\$ 101,694.03	\$ 30,746.97
Appalachian Power - Gen	Transmission Subs 138KV-WV, APCo	Cabin Creek 138KV/46KV Substation : APCo : 3005	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2015	\$ 107,576.00	\$ 44,004.92	\$ 63,571.08
Appalachian Power - Gen	Ceredo Generating Plant	Ceredo Generating Plant : APCo : CERGP	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2015	\$ 5,398,124.18	\$ 1,199,335.68	\$ 4,198,788.50
Appalachian Power - Gen	Transmission Subs 138KV-WV, APCo	Claytor 138KV Substation : APCo : 0621	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2015	\$ 673,990.00	\$ 310,671.74	\$ 363,318.26
Appalachian Power - Gen	Transmission Subs 138KV-WV, APCo	Clinch River 138KV Substation : APCo : 0771	35200 - Structures and Impri	APCo 101/6 352 GSU	VA	12/2015	\$ 46,746.00	\$ 24,416.99	\$ 22,329.01
Appalachian Power - Gen	Clinch River Generating Plant	Clinch River Generating Plant : APCo : 0770	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2015	\$ 539,626.53	\$ 387,753.66	\$ 151,872.87
Appalachian Power - Gen	Dresden Generating Plant	Dresden Generating Plant : APCo : DRESGP	35300 - Station Equipment	APCo 101/6 353 Dresden FOH	VA	12/2015	\$ 17,759,482.75	\$ 1,347,822.32	\$ 16,411,660.43
Appalachian Power - Gen	Dresden Generating Plant	Dresden Plant - Virginia AFUDC : APCo : DRESAFUDCVA	35300 - Station Equipment	APCo 101/6 353 Dresden V.OH	VA	12/2015	\$ 1,628,160.99	\$ 323,513.77	\$ 1,304,647.22
Appalachian Power - Gen	John E Amos Generating Plant	John E. Amos Generating Plant Common Facilities for Units 1, 2 & 3 : APCo : 0743	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2015	\$ 1,166,092.20	\$ 682,885.10	\$ 483,207.10
Appalachian Power - Gen	John E Amos Generating Plant	John E. Amos Generating Plant Unit 3 : APCo : 0743	35200 - Structures and Impri	APCo 101/6 352 GSU	WV	12/2015	\$ 24,415.85	\$ 9,012.31	\$ 15,403.54
Appalachian Power - Gen	John E Amos Generating Plant	John E. Amos Generating Plant Unit 3 : APCo : 0743	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2015	\$ 13,810,778.40	\$ 6,505,073.85	\$ 7,305,704.55
Appalachian Power - Gen	John E Amos Generating Plant	John E. Amos Generating Plant Units 1 & 2 : APCo : 0740	35200 - Structures and Impri	APCo 101/6 352 GSU	WV	12/2015	\$ 61,600.00	\$ 32,501.07	\$ 29,098.93
Appalachian Power - Gen	John E Amos Generating Plant	John E. Amos Generating Plant Units 1 & 2 : APCo : 0740	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2015	\$ 12,178,734.88	\$ 4,895,012.43	\$ 7,283,722.45
Appalachian Power - Gen	Transmission Subs 138KV-WV, APCo	Leesville 138KV Substation : APCo : 0691	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2015	\$ 193,579.48	\$ 155,829.70	\$ 37,749.78
Appalachian Power - Gen	Transmission Subs =c69KV-WV, APCo	London Hydro 46KV Substation : APCo : 0521	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2015	\$ 366,061.00	\$ 217,140.59	\$ 148,920.41
Appalachian Power - Gen	Transmission Subs =c69KV-WV, APCo	Marmet Hydro 46KV Substation : APCo : 0511	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2015	\$ 25,751.00	\$ 20,979.63	\$ 4,771.37
Appalachian Power - Gen	Mountaineer Generating Plant	Mountaineer Generating Plant : APCo : 0710	35200 - Structures and Impri	APCo 101/6 352 GSU	WV	12/2015	\$ 84,966.37	\$ 35,764.02	\$ 49,202.35
Appalachian Power - Gen	Mountaineer Generating Plant	Mountaineer Generating Plant : APCo : 0710	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2015	\$ 4,941,535.98	\$ 2,382,799.62	\$ 2,558,736.36
Appalachian Power - Gen	Niagara Hydro Plant	Niagara Hydro Plant : APCo : 0650	35200 - Structures and Impri	APCo 101/6 352 GSU	VA	12/2015	\$ 1,579.00	\$ 711.48	\$ 867.52
Appalachian Power - Gen	Niagara Hydro Plant	Niagara Hydro Plant : APCo : 0650	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2015	\$ 374,454.12	\$ 64,765.57	\$ 309,688.55
Appalachian Power - Gen	Transmission Subs =c69KV-WV, APCo	Reusens 34.5KV Substation : APCo : 0681	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2015	\$ 58,521.00	\$ 47,677.71	\$ 10,843.29
Appalachian Power - Gen	Smith Mt Pumped Storage Hydro Plant	Smith Mountain Pumped Storage Hydro Plant : APCo : 0550	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2015	\$ 1,721,558.88	\$ 814,925.36	\$ 906,633.52
Appalachian Power - Gen	Transmission Subs =c69KV-WV, APCo	Winfield Hydro 69KV Substation : APCo : 0531	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2015	\$ 1,959,926.26	\$ 388,033.06	\$ 1,571,893.20
Appalachian Power - Gen Total							\$ 63,363,277.87	\$ 20,041,791.57	\$ 43,321,486.30

Appalachian Power Company
 Workpaper 17-Balance of Transmission Investment
 Capacity Cost of Service Formula Rate
 Balance as of December 2015

fr_desc	fpa	fc_sortid	description	beginning_balance	additions	retirements	transfers	adjustments	ending_balance	start_month	end_month
none	353 - Station Equipment	6	Transmission Plant - Electric	904,044,745	113,841,140	9,821,949	5,770,278	-	1,013,834,214	1/1/15	12/1/15

Notes:

References to data from FERC Form 1 page(s) 206,207, Ln. 50

Appalachian Power Company
Capacity Cost of Service Formula Rate
Workpaper 18 - Fuel Expense
For the Year Ending December 31, 2015

<u>Fuel</u>		<u>Source</u> ^{1 2}
Fuel - Account 501	639,778,892	320, 5, b
Fuel - Account 518	0	320, 25, b
Fuel - Account 547	3,870,682	321, 63, b
Total Fuel	643,649,574	
 <u>Other</u>		
Fuel Handling	24,266,397	CBR
Sale of Fly Ash (Revenue & Expense)	(87,771)	CBR

Notes:

¹ References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

² CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.

Appalachian Power Company
 Capacity Cost of Service Formula Rate
 Workpaper 19 - Plant Held for Future Use
 For the Year Ending December 31, 2015

	End of Year		
	Total	Demand ¹	Energy
Production	428,415	428,415	0
Transmission	1,874,156		
Distribution	2,403,260		
General	35,386		
Total	4,741,216	428,415	0

FF1, 214, d

Notes:

¹ CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.