

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data
AEP Appalachian Transmission Company

For Twelve Months Ended

2022

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 113)				\$13,712,008
			Total		Allocator	
2	REVENUE CREDITS	(Worksheet E, In 8) (Note A)	-	DA	1.00000	\$ -
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, In 9) (Note X)				0
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)				\$ 13,712,008

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)	-	DA	1.00000	\$ -
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	((In 1 - In 80) / (In 33) x 100)			14.40%
8	Monthly Rate	(In 7 / 12)			1.20%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	((In 1 - In 80 - In 83) / (In 33) x 100)			11.79%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	((In 1 - In 80 - In 83 - In 108 - In 109) / (In 33) x 100)			3.77%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				-
14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
15	Total Load Dispatch & Scheduling (Account 561)	Line 63 Below			16,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				-
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			16,000

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(1)		(2)	(3)	(4)	(5)
RATE BASE CALCULATION		Data Sources (See "General Notes")	TO Total NOTE C	Allocator	Total Transmission
Line No.					
19	GROSS PLANT IN SERVICE				
19	Transmission	(Worksheet A in 14.(d) & Ln 117)	101,205,000	DA	101,205,000
20	Less: Transmission ARO (Enter Negative)	(Worksheet A in 14.(e))	-	TP 1.00000	-
21	General Plant	(Worksheet A in 14.(h))	67,000	W/S 1.00000	67,000
22	Less: General Plant ARO (Enter Negative)	(Worksheet A in 14.(i))	-	W/S 1.00000	-
23	Intangible Plant	(Worksheet A in 14.(j))	1,789,000	W/S 1.00000	1,789,000
24	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	103,061,000	GP= 1.000000 GTD= 1.00000	103,061,000
25	ACCUMULATED DEPRECIATION AND AMORTIZATION				
26	Transmission	(Worksheet A in 28.(d) & Ln 43.(b))	5,986,000	DA 1.00000	5,986,000
27	Less: Transmission ARO (Enter Negative)	(Worksheet A in 28.(e))	-	TP 1.00000	-
28	General Plant	(Worksheet A in 28.(h))	-	W/S 1.00000	-
29	Less: General Plant ARO (Enter Negative)	(Worksheet A in 28.(i))	-	W/S 1.00000	-
30	Intangible Plant	(Worksheet A in 28.(j))	499,000	W/S 1.00000	499,000.00
31	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	6,485,000		6,485,000
32	NET PLANT IN SERVICE				
33	Transmission	(In 19 + In 20 - In 26 - In 27)	95,219,000		95,219,000
34	General Plant	(In 21 + In 22 - In 28 - In 29)	67,000		67,000
35	Intangible Plant	(In 23 - In 30)	1,290,000		1,290,000
36	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	96,576,000	NP= 1.000000	96,576,000
37	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
38	Account No. 281.1 (enter negative)	(Worksheet B, in 2 & in 5.E)	-	NA	-
39	Account No. 282.1 (enter negative)	(Worksheet B, in 7 & in 10.E)	(5,111,000)	DA	(3,914,000)
40	Account No. 283.1 (enter negative)	(Worksheet B, in 12 & in 15.E)	(1,352,000)	DA	(1,346,000)
41	Account No. 190.1	(Worksheet B, in 17 & in 20.E)	2,459,000	DA	2,391,000
42	Account No. 255 (enter negative)	(Worksheet B, in 24 & in 25.E)	-	DA	-
43	TOTAL ADJUSTMENTS	(sum Ins 38 to 42)	(4,004,000)		(2,869,000)
44	PLANT HELD FOR FUTURE USE	(Worksheet A in 44.(e)) in 45.(e))	-	DA	-
45	REGULATORY ASSETS	(Worksheet A in 51.(e))	-	DA	-
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y (Worksheet A in 54.(e))		-	W/S 1.00000	-
47	WORKING CAPITAL	(Note E)			
48	Cash Working Capital	(1/8 * In 66)	225,250		225,250
49	Transmission Materials & Supplies	(Worksheet C, in 2.(F))	151	TP 1.00000	151
50	A&G Materials & Supplies	(Worksheet C, in 3.(F))	-	W/S 1.00000	-
51	Stores Expense	(Worksheet C, in 4.(F))	-	GP 1.00000	-
52	Prepayments (Account 165) - Labor Allocated	(Worksheet C, in 8.(G))	-	W/S 1.00000	-
53	Prepayments (Account 165) - Gross Plant	(Worksheet C, in 8.(F))	-	GP 1.00000	-
54	Prepayments (Account 165) - Transmission Only	(Worksheet C, in 8.(E))	-	DA 1.00000	-
55	Prepayments (Account 165) - Unallocable	(Worksheet C, in 8.(D))	-	NA 0.00000	-
56	TOTAL WORKING CAPITAL	(sum Ins 48 to 55)	225,401		225,401
57	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, in 8.B)	-	DA 1.00000	-
58	RATE BASE (sum Ins 36, 43, 44, 45, 46, 56, 57)		92,797,401		93,932,401

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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.					
	59	OPERATION & MAINTENANCE EXPENSE				
	60	Customer Related Expense	322 & 323.164,171.178.b			
	61	Regional Marketing Expenses	322.131.b			
	62	Transmission	321.112.b			
	63	TOTAL O&M EXPENSES	(sum Ins 59 to 61)			
	64	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)			
	65	Less: Account 565	(Note H) 321.96.b			
	66	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)			
	67	Total O&M Allocable to Transmission	(Ins 61 - 63 - 64 - 65)	TP	1.00000	1,802,000
	68	Administrative and General	323.197.b (Notes J & M)			
	69	Less: Acct. 924, Property Insurance	323.185.b			
	70	Acct. 928, Rea. Com. Exp.	323.189.b			
	71	Acct. 930.1, Gen. Advert. Exp.	323.191.b			
	72	Acct. 930.2, Misc. Gen. Exp.	323.192.b			
	73	Balance of A & G	(In 67 - sum In 68 to In 71)	W/S	1.00000	347,000
	74	Plus: Acct. 924, Property Insurance	(In 68)	GP(h)	1.00000	24,000
	75	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	TP	1.00000	-
	76	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	TP	1.00000	-
	77	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	DA	1.00000	1,000
	78	PSOP Adjustment	Worksheet O Ln 16.(B). (Note K & M)	W/S	1.00000	47,000
	79	A & G Subtotal	(sum Ins 72 to 77)			419,000
	80	O & M EXPENSE SUBTOTAL	(In 66 + In 78)			2,221,000
	81	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		DA	0.00000	-
	82	TOTAL O & M EXPENSE	(In 79 + In 80)			2,221,000
	83	DEPRECIATION AND AMORTIZATION EXPENSE				
	84	Transmission	336.7.f	TP	1.00000	2,489,000
	85	General	336.10.f	W/S	1.00000	1,000
	86	Intangible	336.1.f	W/S	1.00000	346,000
	87	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)			2,836,000
	88	TAXES OTHER THAN INCOME	(Note N)			
	89	Labor Related				
	90	Payroll	Worksheet H In 23.(D)	W/S	1.00000	-
	91	Plant Related				
	92	Property	Worksheet H-p2 In 3.(C) & In 3.(G)	DA	1.00000	856,000
	93	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	NA	0.00000	-
	94	Other	Worksheet H In 23.(E)	GP	1.00000	165,000
	95	TOTAL OTHER TAXES	(sum Ins 89 to 93)			1,021,000
	96	INCOME TAXES	(Note O)			
	97	$T=1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p) =$	26.14%			
	98	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$ (In 139)	23.80%			
	99	where WCLTD=(In 136) and WACC = (In 139)				
	100	and FIT, SIT & p are as given in Note O.				
	101	GRCF=1 / (1 - T) = (from In 96)	1.3540			
	102	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)			
	103	Excess Deferred Income Tax	(Note T)	NP(h)	1.00000	1,000
	104	Tax Effect of Permanent and Flow-Through Differences	(Note T)	NP(h)	1.00000	18,000
	105	Income Tax Calculation	(In 97 * In 109)			1,462,717
	106	ITC adjustment	(In 100 * In 101)	NP(h)	1.00000	-
	107	Excess Deferred Income Tax	(In 100 * In 102)			1,354
	108	Tax Effect of Permanent and Flow-Through Differences	(In 100 * In 103)			24,371
	109	TOTAL INCOME TAXES	(sum Ins 104 to 107)			1,488,442
	110	RETURN ON RATE BASE (Rate Base*WACC)	(In 58 * In 139)			6,145,566
	111	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))	-	DA	1.00000	-
	112	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))	-			-
	113	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 111 * In97)	-			-
	114	TOTAL REVENUE REQUIREMENT	13,620,076			13,712,008
		(sum Ins 81, 86, 94, 108, 109, 110, 111, 112)				

No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF					
114	Total transmission plant		(ln 19)		101,205,000	
115	Less transmission plant excluded from PJM Tariff (Worksheet A, ln 42.(d)) (Note P)				-	
					-	
116	Less transmission plant included in OATT Ancillary Services (Worksheet A, ln 42, Col. (b)) (Note Q)				-	
117	Transmission plant included in PJM Tariff (ln 114 - ln 115 - ln 116)				101,205,000	
118	Percent of transmission plant in PJM Tariff (ln 117 / ln 114)				TP= 1.00000	
119	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total	
120	Line Deliberately Left Blank					
121	Transmission	354.21.b	0	314,000	314,000	
122	Regional Market Expenses	354.22.b	0	0	-	
123	Line Deliberately Left Blank					
124	Other (Excludes A&G)	354.24,25,26.b	0	0	-	
125	Total	(sum Ins 121, 122, & 124)	-	314,000	314,000	
126	Transmission related amount					
	Actual (Uncapped) Capital Structure					
127	WEIGHTED AVERAGE COST OF CAPITAL (WACC)					
128	Long Term Interest (Worksheet M, ln 36, col.(d))					
129	Preferred Dividends (Worksheet M, ln. 45, col.(d))					
130	Development of Common Stock:					
131	Proprietary Capital (Worksheet M, ln. 14, col.(b))					
132	Less: Preferred Stock (Worksheet M, ln. 14, col.(c))					
133	Less: Account 216.1 (Worksheet M, ln. 14, col.(d))					
134	Less: Account 219 (Worksheet M, ln. 14, col.(e))					
135	Common Stock (ln 131 - ln 132 - ln 133 - ln 134)					
	Capital Structure Percentages					
	\$	Actual	Cap Limit	Cost (Note S)	Weighted	
136	Long Term Debt (Note S) Worksheet M, ln 28, col. (g), ln 37, col. (d))	60,600,000	57.49%	57.49%	3.73%	
137	Preferred Stock (ln 132)	-	0.00%	0.00%	0.00%	
138	Common Stock (ln 135)	44,801,000	42.51%	42.51%	10.35%	
139	Total (Sum Ins 136 to 138)	105,401,000	100.00%			
	WACC= 0.0654					
140	Capital Structure Equity Limit (Note Z)					
	55.00%					

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Letter

Notes

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 Transmission Companies have any directly assigned transmission facilities, the revenue credits in the 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 R 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 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 flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(f)(1)-(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.

E

Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 66. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 63.
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 65
4) All A&G Expenses, as shown on line 78.

F

Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 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 110.

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 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.

The addbacks on line80 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 line80 is the AEP Appalachian Transmission 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

The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.

L

Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.

M

See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.

N

Includes only FICA, unemployment, highway, property and other assessments. 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 101) multiplied by (1/(1-T)) . If the applicable tax rates are zero enter 0.

Inputs Required:	FIT =	21.00%	
	SIT =	6.51%	(State Income Tax Rate or Composite SIT, Worksheet G)
	p =	0.00%	(percent of federal income tax deductible for state purposes)

P

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.

Q

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.

R

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.

S

Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.

Long Term Debt cost rate = long-term interest (Ln 128)/average long term debt (Ln 136). Preferred Stock cost rate = preferred dividends (Ln 129)/preferred outstanding (In 137).
Common Stock cost rate (ROE) = 10.35%, per the Settlement in FERC Docket No. EL17-13. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual 13 month average balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.

T

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.

U

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

V

The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.

W

AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.

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.
X 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.
Y 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.
Z

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP Appalachian Transmission Company

Line No	Month (a)	Gross Plant In Service				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	100,189,000		5,000		1,553,000
2	January	100,279,000		6,000		1,684,000
3	February	100,344,000		7,000		1,749,000
4	March	100,388,000		7,000		1,765,000
5	April	100,432,000		7,000		1,781,000
6	May	100,478,000		8,000		1,796,000
7	June	100,526,000		8,000		1,812,000
8	July	100,569,000		8,000		1,825,000
9	August	100,609,000		73,000		1,837,000
10	September	100,646,000		82,000		1,848,000
11	October	100,683,000		134,000		1,858,000
12	November	100,733,000		186,000		1,868,000
13	December of Rate Year	109,785,000		334,000		1,875,000
14	Average of the 13 Monthly Balances	101,205,000	-	67,000	-	1,789,000

Line No	Month (a)	Accumulated Depreciation				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
15	December Prior to Rate Year	4,746,000		-		330,000
16	January	4,953,000		-		355,000
17	February	5,159,000		-		382,000
18	March	5,366,000		-		410,000
19	April	5,572,000		-		439,000
20	May	5,779,000		-		468,000
21	June	5,985,000		-		497,000
22	July	6,192,000		-		526,000
23	August	6,399,000		-		556,000
24	September	6,606,000		-		586,000
25	October	6,813,000		-		615,000
26	November	7,020,000		1,000		646,000
27	December of Rate Year	7,227,000		1,000		676,000
28	Average of the 13 Monthly Balances	5,986,000	-	-	-	499,000

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP Appalachian Transmission Company

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)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (d) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year	-	-	-	-
30	January	-	-	-	-
31	February	-	-	-	-
32	March	-	-	-	-
33	April	-	-	-	-
34	May	-	-	-	-
35	June	-	-	-	-
36	July	-	-	-	-
37	August	-	-	-	-
38	September	-	-	-	-
39	October	-	-	-	-
40	November	-	-	-	-
41	December of Rate Year	-	-	-	-
42	Average of the 13 Monthly Balances	-	-	-	-

43 Transmission Accumulated Depreciation net of GSU 5,986,000

<u>Plant Held For Future Use</u>		<u>Source of Data</u>	<u>Balance @ December 31, 2022</u>	<u>Balance @ December 31, 2021</u>	<u>Average Balance for 2022</u>
(a)	(b)		(c)	(d)	(e)
44 <u>Plant Held For Future Use</u>	FF1, page 214, ln 47, Col. (d)		-	-	-
45 <u>Transmission Plant Held For Future Use (Included in total on line 4</u>	Company Records - Note 1		-	-	-

Regulatory Assets and Liabilities Approved for Recovery In Ratebase

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

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

Unfunded Reserves Summary (Company Records)

52 Description Account

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP Appalachian Transmission Company

53a	-	-	-	-	-
53b	-	-	-	-	-
54	Total			-	-

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.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
AEP Appalachian Transmission Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2022</u>	<u>(D) Balance @ December 31, 2021</u>	<u>(E) Average Balance for 2022</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	-	-	-
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)	-	-	-
5	Transmission Related Deferrals	Ln 2 - In 3 - In 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	5,818,000	4,404,000	5,111,000
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	-	-	-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	1,578,000	816,000	1,197,000
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	4,240,000	3,588,000	3,914,000
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	1,415,000	1,289,000	1,352,000
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	-	-	-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	6,000	6,000	6,000
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	1,409,000	1,283,000	1,346,000
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	2,264,000	2,654,000	2,459,000
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	-	-	-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	68,000	68,000	68,000
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	2,196,000	2,586,000	2,391,000
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - In 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

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 Worksheet B.

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

(DEBIT) CREDIT

COLUMN A	COLUMN B		COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
	PER BOOKS		NON-APPLICABLE/NON-UTILITY		AVERAGE ELECTRIC		FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2021			FUNCTIONALIZATION 12/31/2022		
ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2021	BALANCE AS OF 12-31-2022	BALANCE AS OF 12-31-2021	BALANCE AS OF 12-31-2022	UTILITY (B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION		GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1.00 ACCOUNT 281:															
2.01	0	0			0	0	0	0							
2.02	0	0			0	0	0	0							
2.03	0	0	0	0	0	0	0	0							
2.04	0	0	0	0	0	0	0	0							
2.05	0	0	0	0	0	0	0	0							
2.06	0	0	0	0	0	0	0	0							
3 TOTAL ACCOUNT 281	0	0	0	0	0	0	0	0		0	0	0	0	0	0
4 ACCOUNT 281 - ARO-Related Deferrals	0	0	0	0	0	0	0	0		0	0	0	0	0	0
5 ACCOUNT 282:															
5.01	0	0			0	0	0	0							
5.02	0	0			0	0	0	0							
5.03	0	0			0	0	0	0							
5.04	0	0			0	0	0	0							
5.05	0	0			0	0	0	0							
5.06	0	0			0	0	0	0							
5.07	0	0			0	0	0	0							
5.08	0	0			0	0	0	0							
5.09	0	0			0	0	0	0							
5.10	0	0			0	0	0	0							
5.11	0	0			0	0	0	0							
5.12	0	0			0	0	0	0							
5.13	0	0			0	0	0	0							
5.14	0	0			0	0	0	0							
5.15	0	0			0	0	0	0							
5.16	0	0			0	0	0	0							
5.17	0	0			0	0	0	0							
5.18	0	0			0	0	0	0							
5.19	0	0			0	0	0	0							
5.20	0	0			0	0	0	0							
5.21	0	0			0	0	0	0							
5.22	0	0			0	0	0	0							
5.23	0	0			0	0	0	0							
5.24	0	0			0	0	0	0							
5.25	0	0			0	0	0	0							
5.26	0	0			0	0	0	0							
5.27	0	0			0	0	0	0							
5.28	0	0			0	0	0	0							
5.29	0	0			0	0	0	0							
5.30	0	0			0	0	0	0							
5.31	0	0			0	0	0	0							
5.32	0	0			0	0	0	0							
5.33	0	0			0	0	0	0							
5.34	0	0			0	0	0	0							
5.35	0	0			0	0	0	0							
5.36	0	0			0	0	0	0							
5.37	0	0			0	0	0	0							
5.38	0	0			0	0	0	0							
5.39			0	0	0										
5.40			0	0	0										
5.41			0	0	0										
6 TOTAL ACCOUNT 282	0	0	0	0	0	0	0	0		0	0	0	0	0	0
7 ACCOUNT 282 - ARO-Related Deferrals	0	0	0	0	0	0	0	0		0	0	0	0	0	0

8	ACCOUNT 283:												
9.01		0	0			0		0	0	0			
9.02		0	0			0		0	0	0			
9.03		0	0			0		0	0	0			
9.04		0	0			0		0	0	0			
9.05		0	0			0		0	0	0			
9.06				0	0	0							
9.07				0	0	0							
9.08				0	0	0							
9.09				0	0	0							
10		0	0	0	0	0		0	0	0	0	0	0
11	DEFD STATE INCOME TAXES	0	0			0		0	0	0			
11.01						0		0	0	0			
12	TOTAL ACCOUNT 283	0	0	0	0	0		0	0	0	0	0	0
13	ACCOUNT 283 - ARO-Related Deferrals	0	0	0	0	0		0	0	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. (JDTTC) IN A/C 255												
18.01		0	0			0		0	0	0			
18.02		0	0			0		0	0	0			
19													
20	TOTAL ACCOUNT 255	0	0	0	0	0		0	0	0	0	0	0

3 TOTAL ACCOUNT 190
4 ACCOUNT 190 - ARO-Related Deferals

APPALACHAIN TRANSMISSION COMPANY, INC.
Worksheet B-3
Excess/ Deficient ADIT Worksheet
For Year Ended December 31, 2022
Debit/(Credit)

A B C D E

Line No.	Account (NOTE A)	Description of Account	Protected Unprotected	Tax Rate Change Act
Deferred Tax Account (NOTE B)				
1a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
1b	2821001	ADFIT - Utility Property	Protected	TCJA 2017
1c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
1d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
1e	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
1f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
1g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
1h	NOTE D			
Regulatory Deferral Accounts				
2a	182.3	Regulatory Asset		TCJA 2017
2b	254	Regulatory Liability		TCJA 2017
2c	NOTE D			
3	Total For Accounting Entires (Sum of Lines 1a through 2b)			

NOTE A: In order to ensure ratebase neutrality, AEP utilizes the fourth digit of its seven digit FERC Tax subaccount number. The fourth digit of a FERC tax account refers to the utility operations balance or entry. Accounts with the "1" at the fourth place of the account number indicates accounts used to track regulatory accounting requirements. This will ensure that in the formula rate the excess amount will be part of ratebase, but at the total FERC account in the "4" will be offset on a net basis in the regulatory asset or liability subaccount established for this purpose.

NOTE B: The amount of the FIT gross up to recorded on regulatory assets and liabilities will be reported on the first line.

NOTE C: The ten year amortization period for unprotected excess ADIT is consistent with the period agreed upon by the Company, et al, 166 FERC ¶ 61,135 (2019).

NOTE D: In the event of future tax rate changes, additional lines will be inserted as required to reflect any new ADIT or

NOTE E: The amount of excess amortization entries shown in lines 1a through 1h are shown as a debit or credit to the charged to the 410/411 account.

[illegible]

[illegible]

Q

Ending Balance

R

Excess ADIT in Utility
Deferrals

Cols (I) - (O)

Reference

-
-
-

WS B - 2 Col B/C, ADIT Item 2.11

WS B - 1 Col N, ADIT Item 5.11

WS B - 1 Col N, ADIT Item 5.12

WS B - 1 Col B/C, ADIT Item 5.13

WS B - 1 Col N, ADIT Item 9.03

WS B - 1 Col B/C, ADIT Item 9.08

Company Records

FERC Form 1 p. 278 Ln. 3 Cols, (b) /(f)

-

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
AEP Appalachian Transmission Company

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number	Source	Balance @ December 31, 2022	Balance @ December 31, 2021	Average Balance for 2022				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	151	151	151			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)			-			
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)
5						
6	Totals as of December 31, 2022	0	0	0	0	0
7	Totals as of December 31, 2021	0	0	0	0	0
8	Average Balance	-	-	-	-	-

Prepayments Account 165 - Balance @ 12/31/2022

9	Acc. No.	Description	2022 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10				-		-		-	
11				-		-		-	
12				-		-		-	
13				-		-		-	
14				-		-		-	
15				-		-		-	
16				-		-		-	
17				-		-		-	
18				-		-		-	
19				-		-		-	
20				-		-		-	
21				-		-	-	-	
22				-		-	-	-	
23				-		-	-	-	
24				-		-	-	-	
25				-		-	-	-	
		Subtotal - Form 1, p 111.57.c	0	0	0	0	0	0	

Prepayments Account 165 - Balance @ 12/31/ 2021

26	Acc. No.	Description	2021 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
27				-		0		-	
28				-		-		-	
29				-		-		-	
30				-		-		-	
31				-		-		-	
32				-		-		-	
33				-		-		-	
34				-		-		-	
35				-		-		-	
36				-		-	-	-	
37				-		-	-	-	
38				-		-	-	-	
39				-		-	-	-	
40				-		-	-	-	
		Subtotal - Form 1, p 111.57.d	0	0	0	0	0	0	

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 refunds due to [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).

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
AEP Appalachian Transmission Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2022</u>
1	Net Funds from IPP Customers 12/31/2021 (2022 FORM 1, P269)	-
2	Interest Expense (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2022 (2022 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column $((\text{Ln } 1 + \text{Ln } 7)/2)$	-

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
AEP Appalachian Transmission Company

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)		-	
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)		-	
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	15,271,000	15,271,000	
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))	15,271,000	15,271,000	-
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	15,271,000	15,271,000	-
9	Facility Credits under PJM OATT Section 30.9			

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or AEP Appalachian Transmission 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)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
AEP Appalachian Transmission Company

Formula Rate
WS F Misc Exp
Page 20 of 37

	(A)	(B)	(C)	(D)	(E)	(F)
	<u>Line</u>		<u>2022</u>	<u>100%</u>	<u>100%</u>	
	<u>Number</u>	<u>Item No.</u>	<u>Expense</u>	<u>Non-Transmission</u>	<u>Transmission</u>	<u>Explanation</u>
		<u>Description</u>		<u>Specific</u>		
		<u>Regulatory O&M Deferrals & Amortizations</u>				
1						
2						
3						
4		Total	-			
		<u>Detail of Account 561 Per FERC Form 1</u>				
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	-			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	13,000			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	-			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	3,000			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	-			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	-			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	-			
14		Total of Account 561	16,000			
		<u>Account 928</u>				
15				-	-	
16				-	-	
17				-	-	
18				-	-	
19				-	-	
20				-	-	
21		Total (FERC Form 1 p.323.189.b)	-	-	-	
		<u>Account 930.1</u>				
22				-	-	
23				-	-	
24				-	-	
25				-	-	
26				-	-	
27				-	-	
28				-	-	
29				-	-	
30				-	-	
31				-	-	
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37				-	-	
38		Total (FERC Form 1 p.323.191.b)	-	-	-	
		<u>Account 930.2</u>				
39	9302000	Misc General Expenses	2,000	2,000	-	
40	9302003	Corporate & Fiscal Expenses	1,000	1,000	-	
41	9302007	Assoc Business Development Exp	1,000	-	1,000	
42						
43		Total (FERC Form 1 p.323.192.b)	4,000	3,000	1,000	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
AEP Appalachian Transmission Company

1	Tennessee Excise Tax Rate	6.50%	
	Apportionment Factor - Note 1	99.80%	
	Effective State Tax Rate		6.49%
2	Virginia State Tax Rate	6.00%	
	Apportionment Factor - Note 1	0.26%	
	Effective State Tax Rate		0.02%
3	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
4	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
5	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		<u>6.51%</u>

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

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
NOTE 1						
1	Revenue Taxes					
2	Gross Receipts Tax	-				-
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - West Virginia	-	-			
5	Real and Personal Property - Virginia	-	-			
6	Real and Personal Property - Tennessee	856,000	856,000			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	165,000			165,000	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-			-	-
21	Federal Excise Tax	-			-	-
22	Michigan Single Business Tax	-			-	-
23	Total Taxes by Allocable Basis	1,021,000	856,000	-	165,000	-
(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				
		Lines 24-58 Column (B) Deliberately Left Blank	Transmission	Lines 24-58 Column (D) Deliberately Left Blank	General	Total
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	95,219,000	-	67,000	95,286,000
WEST VIRGINIA JURISDICTION						
25	Percentage of Plant in WEST VIRGINIA JURISDICTION					
26	Net Plant in WEST VIRGINIA JURISDICTION (Ln 24 * Ln 25)	-	-	-	-	-
27	Less: Net Value of Exempted Generation Plant					
28	Taxable Property Basis (Ln 26 - Ln 27)	-	-	-	-	-
29	Relative Valuation Factor					
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-	-
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33	Weighted WEST VIRGINIA JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%		
_____ JURISDICTION						
35	Net Plant in _____ JURISDICTION (Ln 24 - Ln 26)	-	95,219,000	-	67,000	95,286,000
36	Less: Net Value Exempted Generation Plant					
37	Taxable Property Basis	-	95,219,000	-	67,000	95,286,000
38	Relative Valuation Factor					
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-	-
40	General Plant Allocator (Ln 39 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
41	Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-	-
42	Weighted _____ JURISDICTION Plant (Ln 39 + 41)	-	-	-	-	-
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%		

(A)		(B)	(C)	(D)		
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference		
1	Revenue Taxes					
2	Gross Receipts Tax	-	-			
(A)	(B)	(C)	(D)	(E)	(F)	(G)
"Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)"	Tax Year	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Tax Year Factor (Note 2)	Transmission Function (Note 2)
Real Estate and Personal Property Taxes Total						
3	(Ln 4 + Ln 5 + Ln 6 + Ln 7)	856,000				856,000
4	Real and Personal Property - West Virginia	-	-			-
			-			-
			-			-
			-			-
			-			-
5	Real and Personal Property - Virginia	-	-		100%	-
			-			-
			-			-
			-			-
			-			-
6	Real and Personal Property - Tennessee	856,000	856,000		100%	856,000
						-
7	Real and Personal Property - Other Jurisdictions	-	-			-
			-			-

(A)		(B)	(C)	(D)	
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	
8	Payroll Taxes				
9	Federal Insurance Contribution (FICA)	-	-		
10	Federal Unemployment Tax	-	-		
11	State Unemployment Insurance	-	-		
12	<i>Line Left Deliberately Blank</i>				
13	State Severance Taxes	-	-		
14	Miscellaneous Taxes				
15	State Business & Occupation Tax	-	-		
16	State Public Service Commission Fees	-	-		
17	State Franchise Taxes	165,000	165,000		
18	State Lic/Registration Fee	-	-		
19	Misc. State and Local Tax	-	-		
20	Sales & Use	-	-		
21	Federal Excise Tax	-	-		
22	Michigan Single Business Tax	-	-		
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	1,021,000	1,021,000		

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet I RESERVED
AEP Appalachian Transmission Company

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
AEP Appalachian Transmission Company

Page 1 of 2

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 138)	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 136 through 138)	
	%
Long Term Debt	57.49%
Preferred Stock	0.00%
Common Stock	42.51%
	Cost
	3.73%
	0.00%
	4.399%
	Weighted cost
	2.143%
	0.000%
	6.543%
R =	

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

Rate Base (TCOS, ln 58)	93,932,401
R (from A. above)	6.543%
Return (Rate Base x R)	6,145,566

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

Return (from B. above)	6,145,566
Effective Tax Rate (TCOS, ln 97)	23.80%
Income Tax Calculation (Return x CIT)	1,462,717
ITC Adjustment	-
Excess Deferred Income Tax	1,354
Tax Affect of Permanent Differences	24,371
Income Taxes	1,488,442

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
	Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2022	-	\$ -

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)	13,712,008
Lease Payments (TCOS, ln 80)	-
Return (TCOS, ln 109)	6,145,566
Income Taxes (TCOS, ln 108)	1,488,442
Annual Revenue Requirement, Less Return and Taxes	6,078,000

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

Annual Revenue Requirement, Less Return and Taxes	6,078,000
Return (from I.B. above)	6,145,566
Income Taxes (from I.C. above)	1,488,442
Annual Revenue Requirement, with 0 Basis Point ROE increase	13,712,008
Depreciation & Amortization (TCOS, ln 83)	2,489,000
Annual Rev. Req, w/0 Basis Point ROE increase, less Depreciation	11,223,008

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

Net Transmission Plant (Projected TCOS, ln 33)	95,219,000
Annual Revenue Requirement, with 0 Basis Point ROE increase	13,712,008
FCR with 0 Basis Point increase in ROE	14.40%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	11,223,008
FCR with 0 Basis Point ROE increase, less Depreciation	11.79%
FCR less Depreciation (TCOS, ln 10)	11.79%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2022 TCOS, ln 19	101,205,000
Annual Depreciation and Amortization Expense (TCOS, ln 83)	2,489,000
Composite Depreciation Rate	2.46%
Depreciable Life for Composite Depreciation Rate	40.66
Average Life in Whole Years	41

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

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

A. Base Plan Facilities

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

Project Description:

Current Projected Year ARR	=
Current Projected Year ARR w/ Incentive	=
Current Projected Year Incentive ARR	=

[illegible]

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

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

SPE OF THE PROJECT				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		

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

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet L RESERVED
AEP Appalachian Transmission Company

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
AEP Appalachian Transmission 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	37,793,000	-	-	-	37,793,000
2	January	38,120,000	-	-	-	38,120,000
3	February	38,394,000	-	-	-	38,394,000
4	March	38,737,000	-	-	-	38,737,000
5	April	39,062,000	-	-	-	39,062,000
6	May	39,411,000	-	-	-	39,411,000
7	June	49,056,000	-	-	-	49,056,000
8	July	49,416,000	-	-	-	49,416,000
9	August	49,779,000	-	-	-	49,779,000
10	September	50,112,000	-	-	-	50,112,000
11	October	50,485,000	-	-	-	50,485,000
12	November	50,842,000	-	-	-	50,842,000
13	December of Rate Year	51,206,000	-	-	-	51,206,000
14	Average of the 13 Monthly Balances	44,801,000	-	-	-	44,801,000

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Bonds (b)	Less: 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	-	-	60,600,000	-	-	60,600,000
16	January	-	-	60,600,000	-	-	60,600,000
17	February	-	-	60,600,000	-	-	60,600,000
18	March	-	-	60,600,000	-	-	60,600,000
19	April	-	-	60,600,000	-	-	60,600,000
20	May	-	-	60,600,000	-	-	60,600,000
21	June	-	-	60,600,000	-	-	60,600,000
22	July	-	-	60,600,000	-	-	60,600,000
23	August	-	-	60,600,000	-	-	60,600,000
24	September	-	-	60,600,000	-	-	60,600,000
25	October	-	-	60,600,000	-	-	60,600,000
26	November	-	-	60,600,000	-	-	60,600,000
27	December of Rate Year	-	-	60,600,000	-	-	60,600,000
28	Average of the 13 Monthly Balances	-	-	60,600,000	-	-	60,600,000

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)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
AEP Appalachian Transmission Company

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2022						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			2,259,000			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			-			
33	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			-			
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			-			
35	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)			-			
36	Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)			2,259,000			
37	Average Cost of Debt for 2022 (Ln 36/ Ln 28 (g))			3.73%			

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

38 AEP Appalachian Transmission Company may not include costs (or gains) related to interest hedging activities.

	Amortization Period				
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2022	Remaining Unamortized Balance	Beginning	Ending
39					
40					
41					
42					
43	Net (Gain)/Loss Hedge Amortization To Be Removed	-	-	-	-

Development of Cost of Preferred Stock

44	Balance of Preferred Stock (Line 14 (c))	-
45	Dividends on Preferred Stock (Acct 437, FF1 118.29))	
46	Average Cost of Preferred Stock (Ln 45 / Ln 44)	#DIV/0!

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
AEP Appalachian Transmission Company

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

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

AEP/Co subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Calculation of Post-employment Benefits Other than Pensions Expenses Allocable to Transmission Service
Worksheet O - PBOP Support
AEP Appalachian Transmission Company

PBOP	(A)	(B)
1	<u>Calculation of PBOP Expenses</u>	
2	<u>AEP System PBOP Rate</u>	
3	Total AEP System PBOP expenses	-\$109,892,000
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$109,892,000
6	Total AEP System Direct Labor Expense	\$1,489,638,000
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.074
8	Currently Approved PBOP Rate	-\$0.043
9	Base PBOP TransCo labor expensed in current year	\$332,000
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$14,000
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$61,000
15	Actual PBOP Expense (Sum Lines 11-14)	-\$61,000
16	PBOP Adjustment Line 10 less Line 15	\$47,000

Note: PBOP Expense will be calculated in accordance with the settlement in Docket ER10-355.

As part of the annual update process, AEP will provide to transmission customers and include in its informational filing an independently prepared actuarial report that includes a ten (10) year forecast of PBOP expenses. During the annual update process conducted for rate year 2018 and every four years thereafter, Worksheet O will be used to determine whether the PBOP allowance rate (\$PBOP per \$Direct O&M Labor) should be adjusted going forward for the next four years. If the annual actuarial report issued during the year of any PBOP rate review projects PBOP costs during the next four years that, when allocated to the AEP Transmission Companies based on their projected direct labor expenses over that same projected four-year period, absent a change in the PBOP Rate, will likely cause the AEP East Transmission Companies to over or under collect their cumulative PBOP expenses by more than 20% of the projected next four year's total PBOP expense, taking into account the net over or under collection of such expenses during the previous four years, the PBOP rate shall be adjusted. In order to determine whether continued use of the then approved PBOP rate is likely to result in the AEP Companies' incurrence of a cumulative allowance of PBOP costs under the formula rate will result in a cumulative over or under-recovery of actual PBOP expenses exceeding 20% over the subsequent four year period, Worksheet O will be used to determine (a) the level of cumulative over or under collections of PBOP expense during the time since the PBOP allowance rate was last set, including carrying costs based on the weighted average cost of capital each year from the formula rate actual transmission cost-of-service (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 transmission cost of service average cost of capital for the immediately prior calendar year and (c) the cumulative net present value of continued collections over the next four years based on the projected AEP Transmission Companies direct labor expenses and the then effective PBOP allowance rate assuming a discount rate equal to the prior year weighted average cost of capital. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance rate used in the formula rate calculation shall be changed to the value that will cause the projected result of (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years, (a)+(b)-(c), is less than 20% of (b), then the PBOP Rate 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 Rate stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEPTCo subsidiaries in PJM
Worksheet - P
DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS
EFFECTIVE AS OF JANUARY 1, 2020

AEP Appalachian Transmission Company

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Electric Storage Equipment (4)	351.0	0.00%
Structures & Improvements	352.0	1.99%
Station Equipment	353.0	2.70%
Towers & Fixtures	354.0	1.64%
Poles & Fixtures	355.0	3.46%
OH Conductor & Devices	356.0	1.65%
Underground Conduit	357.0	2.49%
Underground Conductor	358.0	4.72%

GENERAL PLANT

Structures & Improvements	390.0	1.89%
Office Furniture & Equipment	391.0	3.21%
Transportation Equipment	393.0	3.46%
Stores Equipment	394.0	1.78%
Tools Shop & Garage Equipment	395.0	2.59%
Laboratory Equipment	396.0	3.87%
Communication Equipment	394.0	5.05%
Miscellaneous Equipment	398.0	2.67%

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

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

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

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
<u>Development of Long Term Debt Balances at Year End</u>							
1 Bonds (112.18.c&d)							-
2 Less: Reacquired Bonds (112.19.c&d)							-
3 LT Advances from Assoc. Companies (112.20.c&d)							-
4 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund							-
5 Less: Fair Value Hedges (See Note on Ln 7 below)							-
6 Total Long Term Debt Balance	-	-	-	-	-	-	-
7 NOTE: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (page 257, Column H of the FF1)							
<u>Development of Long Term Debt Interest Expense</u>							
8 Interest on Long Term Debt (256-257.33.i)							-
9 Amort of Debt Discount & Expense (117.63.c)							-
10 Amort of Loss on Reacquired Debt (117.64.c)							-
11 Less: Amort of Premium on Debt (117.65.c)							-
12 Less: Amort of Gain on Reacquired Debt (117.66.c)							-
13 Less: Hedge Interest on pp 256-257(i)							-
14 LTD Interest Expense	-	-	-	-	-	-	-
<u>Development of Cost of Preferred Stock and Preferred Dividends</u>							
15 Dividend Rate (p. 250-251. 7.a)							-
16 Par Value (p. 250-251. 8.c)							-
17 Shares Outstanding (p.250-251. 8.e)							-
18 Monetary Value (Ln 16 * Ln 17)	-	-	-	-	-	-	-
19 Dividend Amount (Ln 15 * Ln 18)	-	-	-	-	-	-	-
20 Dividend Rate (p. 250-251. 7.a)							-
21 Par Value (p. 250-251. 8.c)							-
22 Shares Outstanding (p.250-251. 8.e)							-
23 Monetary Value (Ln 21 * Ln 22)	-	-	-	-	-	-	-
24 Dividend Amount (Ln 20 * Ln 23)	-	-	-	-	-	-	-
25 Dividend Rate (p. 250-251. 7.a)							-
26 Par Value (p. 250-251. 8.c)							-
27 Shares Outstanding (p.250-251. 8.e)							-
28 Monetary Value (Ln 26 * Ln 27)	-	-	-	-	-	-	-
29 Dividend Amount (Ln 25 * Ln 28)	-	-	-	-	-	-	-
30 Dividend Rate (p. 250-251. 7.a)							-
31 Par Value (p. 250-251. 8.c)							-
32 Shares Outstanding (p.250-251. 8.e)							-
33 Monetary Value (Ln 31 * Ln 32)	-	-	-	-	-	-	-
34 Dividend Amount (Ln 30 * Ln 33)	-	-	-	-	-	-	-
35 Preferred Stock (Lns 18, 23, 28,33)	-	-	-	-	-	-	-
36 Preferred Dividends (Lns 19, 24, 29,34)	-	-	-	-	-	-	-
<u>Development of Common Equity</u>							
37 Proprietary Capital (112.16.c)							-
38 Less: Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
39 Less: Account 216.1 (112.12.c)							-
40 Less: Account 219.1 (112.15.c)							-
41 Balance of Common Equity	-	-	-	-	-	-	-
<u>Calculation of Capital Shares</u>							
42 Long Term Debt (Ln 6 Above)	-	-	-	-	-	-	-
43 Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
44 Common Equity (Ln 41 Above)	-	-	-	-	-	-	-
45 Total Company Structure	-	-	-	-	-	-	-
46 LTD Capital Shares (Ln 42 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
47 Preferred Stock Capital Shares (Ln 43 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
48 Common Equity Capital Shares (Ln 44 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
49 Reserved							
50 Reserved							
51 Reserved							
52 Reserved							
<u>Calculation of Capital Cost Rate</u>							
53 LTD Capital Cost Rate (Ln 14 / Ln 6)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
54 Preferred Stock Capital Cost Rate (Ln 36 / Ln 35)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%			

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
<u>Development of Long Term Debt Balances at Year End</u>							
60 Bonds (112.18.c&d)							-
61 Less: Reacquired Bonds (112.19.c&d)							-
62 LT Advances from Assoc. Companies (112.20.c&d)							-
63 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund							-
64 Less: Fair Value Hedges (See Note on Ln 66 below)							-
65 Total Long Term Debt Balance	-	-	-	-	-	-	-
66 NOTE: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (p. 257, Column H of the FF1)							
<u>Development of Long Term Debt Interest Expense</u>							
67 Interest on Long Term Debt (256-257.33.i)							-
68 Amort of Debt Discount & Expense (117.63.c)							-
69 Amort of Loss on Reacquired Debt (117.64.c)							-
70 Less: Amort of Premium on Debt (117.65.c)							-
71 Less: Amort of Gain on Reacquired Debt (117.66.c)							-
72 Less: Hedge Interest on pp 256-257(i)							-
73 LTD Interest Expense	-	-	-	-	-	-	-
<u>Development of Cost of Preferred Stock and Preferred Dividends</u>							
74 Dividend Rate (p. 250-251. 7.a)							
75 Par Value (p. 250-251. 8.c)							
76 Shares Outstanding (p.250-251. 8.e)							
77 Monetary Value (Ln 75 * Ln 76)	-	-	-	-	-	-	-
78 Dividend Amount (Ln 74 * Ln 77)	-	-	-	-	-	-	-
79 Dividend Rate (p. 250-251. 7.a)							
80 Par Value (p. 250-251. 8.c)							
81 Shares Outstanding (p.250-251. 8.e)							
82 Monetary Value (Ln 80 * Ln 81)	-	-	-	-	-	-	-
83 Dividend Amount (Ln 79 * Ln 82)	-	-	-	-	-	-	-
84 Dividend Rate (p. 250-251. 7.a)							
85 Par Value (p. 250-251. 8.c)							
86 Shares Outstanding (p.250-251. 8.e)							
87 Monetary Value (Ln 85 * Ln 86)	-	-	-	-	-	-	-
88 Dividend Amount (Ln 84 * Ln 87)	-	-	-	-	-	-	-
89 Dividend Rate (p. 250-251. 7.a)							
90 Par Value (p. 250-251. 8.c)							
91 Shares Outstanding (p.250-251. 8.e)							
92 Monetary Value (Ln 90 * Ln 91)	-	-	-	-	-	-	-
93 Dividend Amount (Ln 89 * Ln 92)	-	-	-	-	-	-	-
94 Preferred Stock (Lns 77, 82, 87,92)	-	-	-	-	-	-	-
95 Preferred Dividends (Lns 78, 83, 88,93)	-	-	-	-	-	-	-
<u>Development of Common Equity</u>							
96 Proprietary Capital (112.16.c)							-
97 Less: Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
98 Less: Account 216.1 (112.12.c)							-
99 Less: Account 219.1 (112.15.c)							-
100 Balance of Common Equity	-	-	-	-	-	-	-
<u>Calculation of Capital Shares</u>							
101 Long Term Debt (Ln 65 Above)	-	-	-	-	-	-	-
102 Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
103 Common Equity (Ln 100 Above)	-	-	-	-	-	-	-
104 Total Company Structure	-	-	-	-	-	-	-
105 LTD Capital Shares (Ln 101 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
106 Preferred Stock Capital Shares (Ln 102 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
107 Common Equity Capital Shares (Ln 103 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
108 Reserved							
109 Reserved							
110 Reserved							
111 Reserved							
<u>Calculation of Capital Cost Rate</u>							
112 LTD Capital Cost Rate (Ln 73 / Ln 65)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
113 Preferred Stock Capital Cost Rate (Ln 95 / Ln 94)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
114 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
<u>Calculation of Weighted Capital Cost Rate</u>							
115 LTD Weighted Capital Cost Rate (Ln 105 * Ln 112)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
116 Preferred Stock Capital Cost Rate (Ln 106 * Ln 113)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
117 Common Equity Capital Cost Rate (Ln 107 * Ln 114)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
118 Total Company Structure	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

[illegible]

AEPTCo Subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet R - True-up With Interest

Reconciliation Revenue Requirement For Year 2020 Available May 25, 2021	-	2020 Forecasted Revenue Requirement For Year 2020	=	True-up Adjustment Over (Under) Recovery
\$10,959,696		\$10,153,569		(\$806,127)

Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3145%				

An over or under collection will be recovered prorata over 2019, held for 2020 and returned prorata over 2021

Calculation of Interest					Monthly	
January	Year 2020	(67,177)	0.3145%	12	2,535	69,713
February	Year 2020	(67,177)	0.3145%	11	2,324	69,501
March	Year 2020	(67,177)	0.3145%	10	2,113	69,290
April	Year 2020	(67,177)	0.3145%	9	1,901	69,079
May	Year 2020	(67,177)	0.3145%	8	1,690	68,867
June	Year 2020	(67,177)	0.3145%	7	1,479	68,656
July	Year 2020	(67,177)	0.3145%	6	1,268	68,445
August	Year 2020	(67,177)	0.3145%	5	1,056	68,234
September	Year 2020	(67,177)	0.3145%	4	845	68,022
October	Year 2020	(67,177)	0.3145%	3	634	67,811
November	Year 2020	(67,177)	0.3145%	2	423	67,600
December	Year 2020	(67,177)	0.3145%	1	211	67,389
					16,479	822,606

January through December	Year 2020	822,606	0.3145%	12	31,045	853,651
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Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly	
January	Year 2022	(853,651)	0.3145%		2,685	783,736
February	Year 2022	(783,736)	0.3145%		2,465	713,600
March	Year 2022	(713,600)	0.3145%		2,244	643,245
April	Year 2022	(643,245)	0.3145%		2,023	572,667
May	Year 2022	(572,667)	0.3145%		1,801	501,868
June	Year 2022	(501,868)	0.3145%		1,578	430,846
July	Year 2022	(430,846)	0.3145%		1,355	359,601
August	Year 2022	(359,601)	0.3145%		1,131	288,132
September	Year 2022	(288,132)	0.3145%		906	216,438
October	Year 2022	(216,438)	0.3145%		681	144,518
November	Year 2022	(144,518)	0.3145%		455	72,373
December	Year 2022	(72,373)	0.3145%		228	(0)
					17,551	

True-Up Adjustment with Interest	871,203
Less Over (Under) Recovery	(806,127)
Total Interest	65,076

Note 1: The interest rate to be applied to the over recovery or under recovery 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.

AEPTCo Subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet R - True-up With Interest

Reconciliation Revenue Requirement For Year 2020 Available May 25, 2021	-	2020 Forecasted Revenue Requirement For Year 2020	=	True-up Adjustment Over (Under) Recovery
\$71,840		\$34,000		(\$37,840)

Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3145%				

An over or under collection will be recovered prorata over 2019, held for 2020 and returned prorata over 2021

Calculation of Interest					Monthly	
January	Year 2020	(3,153)	0.3145%	12	119	3,272
February	Year 2020	(3,153)	0.3145%	11	109	3,262
March	Year 2020	(3,153)	0.3145%	10	99	3,252
April	Year 2020	(3,153)	0.3145%	9	89	3,243
May	Year 2020	(3,153)	0.3145%	8	79	3,233
June	Year 2020	(3,153)	0.3145%	7	69	3,223
July	Year 2020	(3,153)	0.3145%	6	60	3,213
August	Year 2020	(3,153)	0.3145%	5	50	3,203
September	Year 2020	(3,153)	0.3145%	4	40	3,193
October	Year 2020	(3,153)	0.3145%	3	30	3,183
November	Year 2020	(3,153)	0.3145%	2	20	3,173
December	Year 2020	(3,153)	0.3145%	1	10	3,163
					774	38,613

January through December	Year 2020	38,613	0.3145%	12	1,457	40,071
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Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly	
January	Year 2022	(40,071)	0.3145%		126	36,789
February	Year 2022	(36,789)	0.3145%		116	33,497
March	Year 2022	(33,497)	0.3145%		105	30,194
April	Year 2022	(30,194)	0.3145%		95	26,881
May	Year 2022	(26,881)	0.3145%		85	23,558
June	Year 2022	(23,558)	0.3145%		74	20,224
July	Year 2022	(20,224)	0.3145%		64	16,880
August	Year 2022	(16,880)	0.3145%		53	13,525
September	Year 2022	(13,525)	0.3145%		43	10,160
October	Year 2022	(10,160)	0.3145%		32	6,784
November	Year 2022	(6,784)	0.3145%		21	3,397
December	Year 2022	(3,397)	0.3145%		11	0
					824	

True-Up Adjustment with Interest	40,895
Less Over (Under) Recovery	(37,840)
Total Interest	3,055

Note 1: The interest rate to be applied to the over recovery or under recovery 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.