

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2014 and Projected Net Plant at Year-End 2015

WHEELING POWER COMPANY

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 138)			\$19,172,194
2	REVENUE CREDITS	(Note A) (Worksheet E)	1,490,429	DA 1.00000	\$ 1,490,429
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			\$ 17,681,765

MEMO: The Carrying Charge Calculations on lines 6 to 11 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 4 is included in the total on line 3.

4	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J)		58,699	DA 1.00000	\$ 58,699
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	((In 1 - In 105 - In 106) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			18.64%
7	Monthly Rate	(In 6 / 12)			1.55%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((In 1 - In 105 - In 106 - In 111 - In 112) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			15.55%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	((In 1 - In 105 - In 106 - In 111 - In 112 - In 133 - In 134) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			2.42%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J)				-
13	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
14	Total Load Dispatch & Scheduling (Account 561)	Line 85 Below			113,522
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				62
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				0
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			113,460

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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.	GROSS PLANT IN SERVICE				
18	Production	(Worksheet A In 1.C)	0	NA	0
19	Less: Production ARO (Enter Negative)	(Worksheet A In 2.C)	0	NA	0
20	Transmission	(Worksheet A In 3.E & Ln 142)	117,263,595	DA	117,263,595
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 143)	0	TP	0
22	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.D)		14,029,070	DA	14,029,070
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I, In 22.D)		0	DA	0
24	Distribution	(Worksheet A In 5.C)	153,112,340	NA	0
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.C)	0	NA	0
26	General Plant	(Worksheet A In 7.C)	5,284,101	W/S	668,954
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	-34,819	W/S	(4,408)
28	Intangible Plant	(Worksheet A In 9.C)	2,435,979	W/S	308,389
29	TOTAL GROSS PLANT	(sum Ins 18 to 28)	292,090,266		132,265,600
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	Production	(Worksheet A In 12.C)	0	NA	0
32	Less: Production ARO (Enter Negative)	(Worksheet A In 13.C)	0	NA	0
33	Transmission	(Worksheet A In 14.C & 28.C)	25,247,531	TP1=	25,247,531
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	0	TP1=	0
35	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.I)		204,851	DA	204,851
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I In. 24.D)		0	DA	0
37	Plus: Additional Transmission Depreciation for 2015 (In 111)		2,971,841	TP1	2,971,841
38	Plus: Additional General & Intangible Depreciation for 2015 (In 113 + In 114)		724,332	W/S	91,699
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I In 23.D)		0	DA	0
40	Distribution	(Worksheet A In 16.C)	41,087,683	NA	0
41	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.C)	0	NA	0
42	General Plant	(Worksheet A In 18.C)	2,639,297	W/S	334,128
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	-20,060	W/S	(2,540)
44	Intangible Plant	(Worksheet A In 20.C)	1,254,725	W/S	158,845
45	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 31 to 44)	74,110,200		29,006,356
46	NET PLANT IN SERVICE				
47	Production	(In 18 + In 19 - In 31 - In 32)	0		0
48	Transmission	(In 20 + In 21 - In 33 - In 34)	92,016,064		92,016,064
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		13,824,219		13,824,219
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		0		0
51	Plus: Additional Transmission Depreciation for 2015 (-In 37)		(2,971,841)		(2,971,841)
52	Plus: Additional General & Intangible Depreciation for 2015 (-In 38)		(724,332)		(91,699)
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		0		0
54	Distribution	(In 24 + In 25 - In 40 - In 41)	112,024,657		0
55	General Plant	(In 26 + In 27 - In 42 - In 43)	2,630,045		332,957
56	Intangible Plant	(In 28 - In 44)	1,181,254		149,544
57	TOTAL NET PLANT IN SERVICE	(sum Ins 47 to 56)	217,980,066		103,259,244
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE				
59	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.C)	0	NA	0
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	(41,426,980)	DA	(21,118,995)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(4,879,214)	DA	(439,106)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	2,891,810	DA	935,019
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	(3,159)	DA	(1,056)
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	(43,417,543)		(20,624,138)
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	-	DA	0
66	REGULATORY ASSETS	(Worksheet A In 36. (C))	0	DA	0
67	WORKING CAPITAL				
68	Cash Working Capital	(Note E) (1/8 * In 88)	76,942		76,942
69	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	2,545	TP	2,545
70	A&G Materials & Supplies	(Worksheet C, In 3.(D))	544	W/S	69
71	Stores Expense	(Worksheet C, In 4.(D))	0	GP(h)	0
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 6.G)	7,690,910	W/S	973,650
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 6.F)	140,627	GP(h)	59,797
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 6.E)	0	DA	0
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 6.D)	(7,328,077)	NA	0
76	TOTAL WORKING CAPITAL	(sum Ins 68 to 75)	583,491		1,113,003
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA	-
78	RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)		175,146,014		83,748,110

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	(1)	(2)	(3)	(4)	(5)
Line No.	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
79	OPERATION & MAINTENANCE EXPENSE				
79	Production	321.80.b	124,158,144		
80	Distribution	322.156.b	3,571,348		
81	Customer Related Expense	322.164,171,178.b	3,376,301		
82	Regional Marketing Expenses	322.131.b	-		
83	Transmission	321.112.b	729,060		
84	TOTAL O&M EXPENSES	(sum lns 79 to 83)	131,834,853		
85	Less: Total Account 561	(Note G) (Worksheet F, ln 14.C)	113,522		
86	Less: Account 565	(Note H) 321.96.b	-		
87	Less: State Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, ln 4.C)	-		
88	Total O&M Allocable to Transmission	(lns 83 - 85 - 86 - 87)	615,538	TP 1.00000	615,538
89	Administrative and General	323.197.b (Note J)	2,666,638		
90	Less: Acct. 924, Property Insurance	323.185.b	210,312		
91	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(357,814)		
92	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
93	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(30,474)		
94	Acct. 928, Reg. Com. Exp.	323.189.b	13,545		
95	Acct. 930.1, Gen. Advert. Exp.	323.191.b	2,343		
96	Acct. 930.2, Misc. Gen. Exp.	323.192.b	54,784		
97	Balance of A & G	(ln 89 - sum ln 90 to ln 96)	2,773,942	W/S 0.12660	351,174
98	Plus: Acct. 924, Property Insurance	(ln 90)	210,312	GP(h) 0.42522	89,428
99	Acct. 928 - Transmission Specific	Worksheet F ln 18.(E) (Note L)	-	TP 1.00000	-
100	Acct 930.1 - Only safety related ads -Direct	Worksheet F ln 30.(E) (Note L)	-	TP 1.00000	-
101	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F ln 36.(E) (Note L)	1,469	DA 1.00000	1,469
102	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 7, (Note M)	307,178	W/S 0.12660	38,888
103	A & G Subtotal	(sum lns 97 to 102)	3,292,901		480,960
104	O & M EXPENSE SUBTOTAL	(ln 88 + ln 103)	3,908,439		1,096,497
105	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA 1.00000	-
106	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA 1.00000	-
107	TOTAL O & M EXPENSE	(ln 104 + ln 105 + ln 106)	3,908,439		1,096,497
108	DEPRECIATION AND AMORTIZATION EXPENSE				
109	Production	336.2-6.f	-	NA 0.00000	-
110	Distribution	336.8.f	5,016,617	NA 0.00000	-
111	Transmission	336.7.f	2,971,841	TP1 1.00000	2,971,841
112	Plus: Transmission Plant-in-Service Additions (Worksheet I ln 21.I)		204,851	DA 1.00000	204,851
113	General	336.10.f	151,281	W/S 0.12660	19,152
114	Intangible	336.1.f	573,051	W/S 0.12660	72,547
115	TOTAL DEPRECIATION AND AMORTIZATION	(lns 109+110+111 +112+113+114)	8,917,641		3,268,391
116	TAXES OTHER THAN INCOME	(Note N)			
117	Labor Related				
118	Payroll	Worksheet H ln 21.(D)	196,840	W/S 0.12660	24,919
119	Plant Related				
120	Property	Worksheet H ln 21.(C) & ln 35.(C)	2,128,588	DA	959,927
121	Gross Receipts/Sales & Use	Worksheet H ln 21.(F)	7,282,902	NA 0.00000	-
122	Other	Worksheet H ln 21.(E)	751,060	GP(h) 0.42522	319,364
123	TOTAL OTHER TAXES	(sum lns 118 to 122)	10,359,390		1,304,211
124	INCOME TAXES	(Note O)			
125	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		39.23%		
126	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		57.79%		
127	where WCLTD=(ln 162) and WACC = (ln 165)				
128	and FIT, SIT & p are as given in Note O.				
129	$GRCF=1 / (1 - T) =$ (from ln 125)		1.6454		
130	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	-		
131	Income Tax Calculation	(ln 127 * ln 135)	10,342,106		4,945,199
132	ITC adjustment	(ln 129 * ln 130)	-	NP(h) 0.44502	-
133	TOTAL INCOME TAXES	(sum lns 131 to 132)	10,342,106		4,945,199
134	RETURN ON RATE BASE (Rate Base * WACC)	(ln 78 * ln 165)	17,897,496		8,557,897
135	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, ln 2.(B))		-	DA 1.00000	-
136	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, ln 4, Cols. ((F) & (H))		-		-
137	Tax Impact on (Gains) / Losses on Sales of Plant Held for Future Use (ln 136 * ln126)		-		-
138	TOTAL REVENUE REQUIREMENT		51,425,073		19,172,194
	(sum lns 107, 115, 123, 133, 134, 135, 136, 137)				

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
139	Total transmission plant	(In 20)						117,263,595
140	Less transmission plant excluded from PJM Tariff (Note P)							-
141	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C)) (Note Q)							-
142	Transmission plant included in PJM Tariff	(In 139 - In 140 - In 141)						<u>117,263,595</u>
143	Percent of transmission plant in PJM Tariff	(In 142 / In 139)					TP	1.00000
144	WAGES & SALARY ALLOCATOR (W/S)	(Note R)						
			Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
145	Production	354.20.b	0	0	-	NA	0.00000	-
146	Transmission	354.21.b	0	383,999	383,999	TP	1.00000	383,999
147	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000	-
148	Distribution	354.23.b	1,542,207	406,997	1,949,204	NA	0.00000	-
149	Other (Excludes A&G)	354.24,25,26.b	353,274	346,750	700,024	NA	0.00000	-
150	Total	(sum Ins 145 to 149)	<u>1,895,481</u>	<u>1,137,746</u>	<u>3,033,227</u>			<u>383,999</u>
151	Transmission related amount						W/S=	0.12660
152	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
153	Long Term Interest	(Worksheet L, In. 35, col. (D))						<u>1,312,500</u>
154	Preferred Dividends	(Worksheet L, In. 40, col. (D))						-
155	<u>Development of Common Stock:</u>							
156	Proprietary Capital	(FF1 p 112, Ln 16.c)						98,472,987
157	Less: Preferred Stock	(FF1 p 112, Ln 3.c)						-
158	Less: Account 216.1	(FF1 p 112, Ln 12.c)						-
159	Less: Account 219	(FF1 p 112, Ln 15.c)						<u>772,181</u>
160	Common Stock	(In 156 - In 157 - In 158 - In 159)						<u>97,700,806</u>
161							Cost (Note S)	Weighted
162	Long Term Debt (Note T) Worksheet L, In 35, col. (B))		<u>25,000,000</u>				0.0525	0.0107
163	Preferred Stock (In 157)		-				-	0.0000
164	Common Stock (In 160)		<u>97,700,806</u>				11.49%	0.0915
165	Total (Sum Ins 162 to 164)		<u>122,700,806</u>				WACC=	0.1022

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Letter

Notes

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

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
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.
- C Transmission Plant balances in this study are projected as of December 31, 2015. Other ratebase amounts are as of December 31, 2014.
- 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. 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 88. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 85.
2) AEP transmission equalization transfers, as shown on line 86
3) The impact of state regulatory deferrals and amortizations, as shown on line 87
4) All A&G Expenses, as shown on line 103.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 77 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 135.
- 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 15 & 16 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 88. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on lines 105 and 106 to determine the total O&M collected in the formula. The amounts on lines 105 and 106 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11.

The addbacks on lines 105 and 106 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 lines 105 and 106 is the WHEELING POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K These deductions on lines 91 through 93 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L Expenses 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. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O, and the process for updating the annual total is documented on Attachment F. Allowable PBOP Expense Formula.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (ln 130) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT = 6.50% (State Income Tax Rate or Composite SIT. Worksheet G)
p = 0.00% (percent of federal income tax deductible for state purposes)
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (ln 153) / long term debt (ln 162). Preferred Stock cost rate = preferred dividends (ln 154) / preferred outstanding (ln 163). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO membership.
In the Projected & Historic templates, the interest expense on long-term debt is the sum of a full year's interest expense at the coupon rate for each issuance outstanding as of December 31 of the historic year. The projected expense for variable rate debt will be based on the effective rate at December 31. These conventions ensure that the expense used in the projection will reflect a full year, similar to the actual expense that will appear in the subsequent true-up of the projection, and minimize the impact on the true-up of using a partial year interest expense. The projection will reflect the actual historic-year expense recorded for issuance expenses, discounts and premiums, and gains or losses on reacquired debt. Eligible hedging gains or losses will be limited to five basis points of the projected capital structure. Details and calculations are shown on Worksheet L.
- T This note only applies to Indiana Michigan Power Company.
- U This note only applies to the true-up template.

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Line No.			Total	DA	Allocator	Transmission Amount
166	REVENUE REQUIREMENT (w/o incentives)	(ln 303)				\$17,232,349
167	REVENUE CREDITS	(Note A) (Worksheet E)	1,490,429		1.00000	\$ 1,490,429
168	REVENUE REQUIREMENT For All Company Facilities	(ln 166 less ln 167)				\$ 15,741,919

MEMO: The Carrying Charge Calculations on lines 171 to 176 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 169 is included in the total on line 168.

169	Not applicable on this template					
170	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)					
171	Annual Rate	((ln 166 - ln 270 - ln 271) / ln 213 x 100)				18.73%
172	Monthly Rate	(ln 171 / 12)				1.56%
173	NET PLANT CARRYING CHARGE ON LINE 171 , w/o depreciation or ROE incentives (Note B)					
174	Annual Rate	((ln 166 - ln 270 - ln 271 - ln 276) / ln 213 x 100)				15.50%
175	NET PLANT CARRYING CHARGE ON LINE 174, w/o Return, income taxes or ROE incentives (Note B)					
176	Annual Rate	((ln 166 - ln 270 - ln 271 - ln 276 - ln 298 - ln 299) / ln 213 x 100)				2.71%
177	Not applicable on this template					
178	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES					
179	Total Load Dispatch & Scheduling (Account 561)	Line 250 Below				113,522
180	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)					62
181	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)					0
182	Total 561 Internally Developed Costs	(Line 179 - Line 180 - Line 181)				113,460

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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.	GROSS PLANT IN SERVICE				
183	Production	(Worksheet A In 1.C)	-	NA	-
184	Less: Production ARO (Enter Negative)	(Worksheet A In 2.C)	-	NA	-
185	Transmission	(Worksheet A In 3.E & Ln 307)	117,263,595	DA	117,263,595
186	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 308)	-	TP	-
187	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	N/A
188	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	N/A
189	Distribution	(Worksheet A In 5.C)	153,112,340	NA	-
190	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.C)	-	NA	-
191	General Plant	(Worksheet A In 7.C)	5,284,101	W/S	668,954
192	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	(34,819)	W/S	(4,408)
193	Intangible Plant	(Worksheet A In 9.C)	2,435,979	W/S	308,389
194	TOTAL GROSS PLANT	(sum Ins 183 to 193)	278,061,196	GP(h)=	118,236,530
				GTD=	0.43371
195	ACCUMULATED DEPRECIATION AND AMORTIZATION				
196	Production	(Worksheet A In 12.C)	-	NA	-
197	Less: Production ARO (Enter Negative)	(Worksheet A In 13.C)	-	NA	-
198	Transmission	(Worksheet A In 14.C & 28.C)	25,247,531	TP1=	25,247,531
199	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	-	TP1=	-
200	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA	N/A
201	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
202	Plus: Additional Transmission Depreciation for 2015 (In 276)		N/A	TP1	N/A
203	Plus: Additional General & Intangible Depreciation for 2015 (In 275 + In 276)		N/A	W/S	N/A
204	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
205	Distribution	(Worksheet A In 16.C)	41,087,683	NA	-
206	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.C)	-	NA	-
207	General Plant	(Worksheet A In 18.C)	2,639,297	W/S	334,128
208	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	(20,060)	W/S	(2,540)
209	Intangible Plant	(Worksheet A In 20.C)	1,254,725	W/S	158,845
210	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 196 to 209)	70,209,176		25,737,965
211	NET PLANT IN SERVICE				
212	Production	(In 183 + In 184 - In 196 - In 197)	-		-
213	Transmission	(In 185 + In 186 - In 198 - In 199)	92,016,064		92,016,064
214	Plus: Transmission Plant-in-Service Additions (In 187 - In 200)		N/A		N/A
215	Plus: Additional Trans Plant on Transferred Assets (In 188 - In 201)		N/A		N/A
216	Plus: Additional Transmission Depreciation for 2015 (-In 202)		N/A		N/A
217	Plus: Additional General & Intangible Depreciation for 2015 (-In 203)		N/A		N/A
218	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 204)		N/A		N/A
219	Distribution	(In 189 + In 190 - In 205 - In 206)	112,024,657		-
220	General Plant	(In 191 + In 192 - In 207 - In 208)	2,630,045		332,957
221	Intangible Plant	(In 193 - In 209)	1,181,254		149,544
222	TOTAL NET PLANT IN SERVICE	(sum Ins 212 to 221)	207,852,020	NP(h)=	92,498,565
				0.445021	
223	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
224	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.C)	-	NA	-
225	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	(41,426,980)	DA	(21,118,995)
226	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(4,879,214)	DA	(439,106)
227	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	2,891,810	DA	935,019
228	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	(3,159)	DA	(1,056)
229	TOTAL ADJUSTMENTS	(sum Ins 224 to 228)	(43,417,543)		(20,624,138)
230	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	-	DA	-
231	REGULATORY ASSETS	(Worksheet A In 36. (C))	-	DA	-
232	WORKING CAPITAL	(Note E)			
233	Cash Working Capital	(1/8 * In 253)	76,942		76,942
234	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	2,545	TP	2,545
235	A&G Materials & Supplies	(Worksheet C, In 3.(D))	544	W/S	69
236	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	-
237	Prepayments (Account 165) - Labor Allocated	(Worksheet D, In 6.G)	7,690,910	W/S	973,650
238	Prepayments (Account 165) - Gross Plant	(Worksheet D, In 6.F)	140,627	GP(h)	59,797
239	Prepayments (Account 165) - Transmission Only	(Worksheet D, In 6.E)	-	DA	-
240	Prepayments (Account 165) - Unallocable	(Worksheet D, In 6.D)	(7,328,077)	NA	-
241	TOTAL WORKING CAPITAL	(sum Ins 233 to 240)	583,491		1,113,003
242	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA	-
243	RATE BASE (sum Ins 222, 229, 230, 231, 241, 242)		165,017,968		72,987,430

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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.	OPERATION & MAINTENANCE EXPENSE				
244	Production	321.80.b	124,158,144		
245	Distribution	322.156.b	3,571,348		
246	Customer Related Expense	322 & 323.164,171,178.b	3,376,301		
247	Regional Marketing Expenses	322.131.b	-		
248	Transmission	321.112.b	729,060		
249	TOTAL O&M EXPENSES	(sum Ins 244 to 248)	131,834,853		
250	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	113,522		
251	Less: Account 565	(Note H) 321.96.b	-		
252	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
253	Total O&M Allocable to Transmission	(Ins 248 - 250 - 251 - 252)	615,538	TP	1.00000
254	Administrative and General	323.197.b (Note J)	2,666,638		
255	Less: Acct. 924, Property Insurance	323.185.b	210,312		
256	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(357,814)		
257	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
258	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(30,474)		
259	Acct. 928, Reg. Com. Exp.	323.189.b	13,545		
260	Acct. 930.1, Gen. Advert. Exp.	323.191.b	2,343		
261	Acct. 930.2, Misc. Gen. Exp.	323.192.b	54,784		
262	Balance of A & G	(In 254 - sum In 255 to In 261)	2,773,942	W/S	0.12660
263	Plus: Acct. 924, Property Insurance	(In 255)	210,312	GP(h)	0.42522
264	Acct. 928 - Transmission Specific	Worksheet F In 18.(E) (Note L)	-	TP	1.00000
265	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 30.(E) (Note L)	-	TP	1.00000
266	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 36.(E) (Note L)	1,469	DA	1.00000
267	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 7, (Note M)	307,178	W/S	0.12660
268	A & G Subtotal	(sum Ins 262 to 267)	3,292,901		
269	O & M EXPENSE SUBTOTAL	(In 253 + In 268)	3,908,439		
270	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA	1.00000
271	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	1.00000
272	TOTAL O & M EXPENSE	(In 269 + In 270 + In 271)	3,908,439		
273	DEPRECIATION AND AMORTIZATION EXPENSE				
274	Production	336.2-6.f	-	NA	0.00000
275	Distribution	336.8.f	5,016,617	NA	0.00000
276	Transmission	336.7.f	2,971,841	TP1	1.00000
277	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		
278	General	336.10.f	151,281	W/S	0.12660
279	Intangible	336.1.f	573,051	W/S	0.12660
280	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 274+275+276+277+278+279)	8,712,790		
281	TAXES OTHER THAN INCOME	(Note N)			
282	Labor Related				
283	Payroll	Worksheet H In 21.(D)	196,840	W/S	0.12660
284	Plant Related				
285	Property	Worksheet H In 21.(C) & In 35.(C)	2,128,588	DA	
286	Gross Receipts/Sales & Use	Worksheet H In 21.(F)	7,282,902	NA	0.00000
287	Other	Worksheet H In 21.(E)	751,060	GP(h)	0.42522
288	TOTAL OTHER TAXES	(sum Ins 283 to 287)	10,359,390		
289	INCOME TAXES	(Note O)			
290	$T=1 - \frac{[(1 - SIT) * (1 - FIT)]}{(1 - SIT * FIT * p)}$		39.23%		
291	$EIT=(T/(1-T)) * (1-(WCLTD/WACC))$		57.79%		
292	where WCLTD=(In 327) and WACC = (In 330)				
293	and FIT, SIT & p are as given in Note O.				
294	$GRCF=1 / (1 - T)$ = (from In 290)		1.6454		
295	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
296	Income Tax Calculation	(In 291 * In 299)	9,744,061		
297	ITC adjustment	(In 294 * In 295)	-	NP(h)	0.44502
298	TOTAL INCOME TAXES	(sum Ins 296 to 297)	9,744,061		
299	RETURN ON RATE BASE (Rate Base*WACC)	(In 243 * In 330)	16,862,550		
300	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	1.00000
301	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		
302	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 301 * In291)		-		
303	TOTAL REVENUE REQUIREMENT	(sum Ins 272, 280, 288, 298, 299, 300, 301, 302)	49,587,230		

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
304	Total transmission plant	(In 185)						117,263,595
305	Less transmission plant excluded from PJM Tariff	(Note P)						-
306	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 23, Col. (C)) (Note Q)						-
307	Transmission plant included in PJM Tariff	(In 304 - In 305 - In 306)						117,263,595
308	Percent of transmission plant in PJM Tariff	(In 307 / In 304)					TP=	1.00000
309	WAGES & SALARY ALLOCATOR (W/S)	(Note R)						
310	Production	354.20.b	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
311	Transmission	354.21.b	0	0	-	NA	0.00000	-
312	Regional Market Expenses	354.22.b	0	383,999	383,999	TP	1.00000	383,999
313	Distribution	354.23.b	0	0	-	NA	0.00000	-
314	Other (Excludes A&G)	354.24,25,26.b	1,542,207	406,997	1,949,204	NA	0.00000	-
315	Total	(sum Ins 310 to 314)	353,274	346,750	700,024	NA	0.00000	-
			1,895,481	1,137,746	3,033,227			383,999
316	Transmission related amount						W/S=	0.12660
317	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
318	Long Term Interest	(Worksheet L, In. 35, col. (D))						1,312,500
319	Preferred Dividends	(Worksheet L, In. 40, col. (D))						-
320	Development of Common Stock:							
321	Proprietary Capital	(FF1 p 112, Ln 16.c)						98,472,987
322	Less: Preferred Stock	(FF1 p 112, Ln 3.c)						-
323	Less: Account 216.1	(FF1 p 112, Ln 12 .c)						-
324	Less: Account 219	(FF1 p 112, Ln 15.c)						772,181
325	Common Stock	(In 321 - In 322 - In 323 - In 324)						97,700,806
326								
327	Long Term Debt (Note T) Worksheet L, In 35, col. (B))		\$	%		Cost (Note S)		Weighted
328	Preferred Stock (In 322)		25,000,000	20.37%		0.0525		0.0107
329	Common Stock (In 325)		-	0.00%		-		0.0000
330	Total (Sum Ins 327 to 329)		97,700,806	79.63%		11.49%		0.0915
			122,700,806				WACC=	0.1022

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WHEELING POWER COMPANY

Letter

Notes

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

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
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.
- C Transmission Plant balances in this study are historic as of December 31, 2014.
- 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.
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 253. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 250.
2) AEP transmission equalization transfers, as shown on line 251
3) The impact of state regulatory deferrals and amortizations, as shown on line 252
4) All A&G Expenses, as shown on line 268.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 242 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 300.
- 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 180 & 181 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 253. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on lines 270 and 271 to determine the total O&M collected in the formula. The amounts on lines 270 and 271 are also excluded in the calculation of the FCR percentage calculated on lines 170 through 176.
The addbacks on lines 270 and 271 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 lines 270 and 271 is the WHEELING POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K These deductions on lines 256 through 258 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L Expenses 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. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O, and the process for updating the annual total is documented on Attachment F, Allowable PBOP Expense Formula.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (In 295) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT= 6.50% (State Income Tax Rate or Composite SIT. Worksheet G))
p = 0.00% (percent of federal income tax deductible for state purposes)
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (In 318) / long term debt (In 327). Preferred Stock cost rate = preferred dividends (In 319) / preferred outstanding (In 328).
Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for remaining a member of the PJM RTO.
- In the Projected & Historic templates, the interest expense on long-term debt is the sum of a full year's interest expense at the coupon rate for each issuance outstanding as of December 31 of the historic year. The projected expense for variable rate debt will be based on the effective rate at December 31. These conventions ensure that the expense used in the projection will reflect a full year, similar to the actual expense that will appear in the subsequent true-up of the projection, and minimize the impact on the true-up of using a partial year interest expense. The projection will reflect the actual historic-year expense recorded for issuance expenses, discounts and premiums, and gains or losses on reacquired debt. Eligible hedging gains or losses will be limited to five basis points of the projected capital structure. Details and calculations are shown on Worksheet L.
- T This note only applies to Indiana Michigan Power Company.
- U This note only applies to the true-up template.

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Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 138)			\$17,315,430
2	REVENUE CREDITS	(Note A) (Worksheet E)	1,490,429	DA 1.00000	\$ 1,490,429
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			\$ 15,825,000

MEMO: The Carrying Charge Calculations on lines 6 to 11 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 4 is included in the total on line 3.

4	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet K)		51,761	DA 1.00000	\$ 51,761
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	((In 1 - In 105 - In 106) / In 48 x 100)			19.03%
7	Monthly Rate	(In 6 / 12)			1.59%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((In 1 - In 105 - In 106 - In 111) / In 48 x 100)			15.77%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	((In 1 - In 105 - In 106 - In 111 - In 133 - In 134) / In 48 x 100)			2.74%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet K)				-
13	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
14	Total Load Dispatch & Scheduling (Account 561)	Line 85 Below			113,522
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				62
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			113,460

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Line No.	(1) RATE BASE CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total NOTE C	(4) Allocator	(5) Total Transmission
18	GROSS PLANT IN SERVICE				
18	Production	(Worksheet A In 1.E)	-	NA	-
19	Less: Production ARO (Enter Negative)	(Worksheet A In 2.E)	-	NA	-
20	Transmission	(Worksheet A In 3.E & Ln 142)	114,956,364	DA	114,956,364
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 143)	-	TP	-
22	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	N/A
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	N/A
24	Distribution	(Worksheet A In 5.E)	148,978,410	NA	-
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.E)	-	NA	-
26	General Plant	(Worksheet A In 7.E)	5,238,276	W/S	663,153
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	(34,819)	W/S	(4,408)
28	Intangible Plant	(Worksheet A In 9.E)	1,650,575	W/S	208,959
29	TOTAL GROSS PLANT	(sum Ins 18 to 28)	270,788,805	GP(h)=	115,824,067
				GTD=	0.00000
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	Production	(Worksheet A In 12.E)	-	NA	-
32	Less: Production ARO (Enter Negative)	(Worksheet A In 13.E)	-	NA	-
33	Transmission	(Worksheet A In 14.E & 28.E)	23,976,392	TP1=	23,976,392
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.E)	-	TP1=	-
35	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA	N/A
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
37	Plus: Additional Transmission Depreciation for 2015 (In 111)		N/A	TP1	N/A
38	Plus: Additional General & Intangible Depreciation for 2015 (In 110 + In 111)		N/A	W/S	N/A
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
40	Distribution	(Worksheet A In 16.E)	40,141,712	NA	-
41	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.E)	-	NA	-
42	General Plant	(Worksheet A In 18.E)	2,563,657	W/S	324,553
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	(19,642)	W/S	(2,487)
44	Intangible Plant	(Worksheet A In 20.E)	967,098	W/S	122,432
45	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 31 to 44)	67,629,215		24,420,890
46	NET PLANT IN SERVICE				
47	Production	(In 18 + In 19 - In 31 - In 32)	-		-
48	Transmission	(In 20 + In 21 - In 33 - In 34)	90,979,973		90,979,973
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		N/A		N/A
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		N/A		N/A
51	Plus: Additional Transmission Depreciation for 2015 (-In 37)		N/A		N/A
52	Plus: Additional General & Intangible Depreciation for 2015 (-In 38)		N/A		N/A
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		N/A		N/A
54	Distribution	(In 24 + In 25 - In 40 - In 41)	108,836,698		-
55	General Plant	(In 26 + In 27 - In 42 - In 43)	2,659,443		336,679
56	Intangible Plant	(In 28 - In 44)	683,477		86,526
57	TOTAL NET PLANT IN SERVICE	(sum Ins 47 to 56)	203,159,590	NP(h)=	91,403,178
				0.44991	
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
59	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA	-
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(39,058,451)	DA	(20,499,426)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(4,411,024)	DA	(380,480)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	2,844,222	DA	853,814
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(6,891)	DA	(2,284)
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	(40,632,144)		(20,028,376)
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	-	DA	-
66	REGULATORY ASSETS	(Worksheet A In 36. (E))	-	DA	-
67	WORKING CAPITAL	(Note E)			
68	Cash Working Capital	(1/8 * In 88)	76,942		76,942
69	Transmission Materials & Supplies	(Worksheet C, In 2.F)	1,970	TP	1,970
70	A&G Materials & Supplies	(Worksheet C, In 3.F)	2,212	W/S	280
71	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	-
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	7,606,182	W/S	962,924
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	142,788	GP(h)	61,075
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	-
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(7,269,999)	NA	-
76	TOTAL WORKING CAPITAL	(sum Ins 68 to 75)	560,096		1,103,191
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8 (B))	-	DA	-
78	RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)		163,087,542		72,477,993

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2014 with Average Ratebase Balances

WHEELING POWER COMPANY

Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator	(5) Total Transmission
	OPERATION & MAINTENANCE EXPENSE				
79	Production	321.80.b	124,158,144		
80	Distribution	322.156.b	3,571,348		
81	Customer Related Expense	322.164,171,178.b	3,376,301		
82	Regional Marketing Expenses	322.131.b	-		
83	Transmission	321.112.b	729,060		
84	TOTAL O&M EXPENSES	(sum Ins 79 to 83)	131,834,853		
85	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	113,522		
86	Less: Account 565	(Note H) 321.96.b	-		
87	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
88	Total O&M Allocable to Transmission	(Ins 83 - 85 - 86 - 87)	615,538	TP 1.00000	615,538
89	Administrative and General	323.197.b (Note J)	2,666,638		
90	Less: Acct. 924, Property Insurance	323.185.b	210,312		
91	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(357,814)		
92	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
93	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(30,474)		
94	Acct. 928, Reg. Com. Exp.	323.189.b	13,545		
95	Acct. 930.1, Gen. Advert. Exp.	323.191.b	2,343		
96	Acct. 930.2, Misc. Gen. Exp.	323.192.b	54,784		
97	Balance of A & G	(In 89 - sum In 90 to In 96)	2,773,942	W/S 0.12660	351,174
98	Plus: Acct. 924, Property Insurance	(In 90)	210,312	GP(h) 0.42773	89,956
99	Acct. 928 - Transmission Specific	Worksheet F In 18.(E) (Note L)	-	TP 1.00000	-
100	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 30.(E) (Note L)	-	TP 1.00000	-
101	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 36.(E) (Note L)	1,469	DA 1.00000	1,469
102	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 7, (Note M)	307,178	W/S 0.12660	38,888
103	A & G Subtotal	(sum Ins 97 to 102)	3,292,901		481,488
104	O & M EXPENSE SUBTOTAL	(In 88 + In 103)	3,908,439		1,097,025
105	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA 1.00000	-
106	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA 1.00000	-
107	TOTAL O & M EXPENSE	(In 104 + In 105 + In 106)	3,908,439		1,097,025
108	DEPRECIATION AND AMORTIZATION EXPENSE				
109	Production	336.2-6.f	-	NA 0.00000	-
110	Distribution	336.8.f	5,016,617	NA 0.00000	-
111	Transmission	336.7.f	2,971,841	TP1 1.00000	2,971,841
112	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
113	General	336.10.f	151,281	W/S 0.12660	19,152
114	Intangible	336.1.f	573,051	W/S 0.12660	72,547
115	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 109+110+111+112+113+114)	8,712,790		3,063,540
116	TAXES OTHER THAN INCOME				
117	Labor Related	(Note N)			
118	Payroll	Worksheet H In 21.(D)	196,840	W/S 0.12660	24,919
119	Plant Related				
120	Property	Worksheet H In 21.(C) & In 35.(C)	2,128,588	DA	959,927
121	Gross Receipts/Sales & Use	Worksheet H In 21.(F)	7,282,902	NA 0.00000	-
122	Other	Worksheet H In 21.(E)	751,060	GP(h) 0.42773	321,250
123	TOTAL OTHER TAXES	(sum Ins 118 to 122)	10,359,390		1,306,097
124	INCOME TAXES				
125	T=1 - {(1 - SIT) * (1 - FIT)} / (1 - SIT * FIT * p) =		39.23%		
126	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		58.39%		
127	where WCLTD=(In 162) and WACC = (In 165)				
128	and FIT, SIT & p are as given in Note O.				
129	GRCF=1 / (1 - T) = (from In 125)		1.6454		
130	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
131	Income Tax Calculation	(In 126 * In 134)	9,829,014		4,368,128
132	ITC adjustment	(In 129 * In 130)	-	NP(h) 0.44991	-
133	TOTAL INCOME TAXES	(sum Ins 131 to 132)	9,829,014		4,368,128
134	RETURN ON RATE BASE (Rate Base*WACC)	(In 78 * In 165)	16,832,686		7,480,641
135	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
136	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
137	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 136 * In126)		-		-
138	TOTAL REVENUE REQUIREMENT	(sum Ins 107, 115, 123, 133, 134, 135)	49,642,319		17,315,430

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2014 with Average Ratebase Balances

WHEELING POWER COMPANY

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
139	Total transmission plant	(In 20)						114,956,364
140	Less transmission plant excluded from PJM Tariff (Note P)							-
141	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C)) (Note Q)							-
142	Transmission plant included in PJM Tariff	(In 139 - In 140 - In 141)						114,956,364
143	Percent of transmission plant in PJM Tariff	(In 142 / In 139)					TF	1.00000
144	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
145	Production	354.20.b	0	0	-	NA	0.00000	-
146	Transmission	354.21.b	0	383,999	383,999	TP	1.00000	383,999
147	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000	-
148	Distribution	354.23.b	1,542,207	406,997	1,949,204	NA	0.00000	-
149	Other (Excludes A&G)	354.24,25,26.b	353,274	346,750	700,024	NA	0.00000	-
150	Total	(sum Ins 145 to 149)	1,895,481	1,137,746	3,033,227			383,999
151	Transmission related amount						W/S=	0.12660
152	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
153	Long Term Interest	(Worksheet M, In. 21, col. (E))						1,312,500
154	Preferred Dividends	(Worksheet M, In. 56, col. (E))						-
155	<u>Development of Common Stock:</u>							Average
156	Proprietary Capital	(Worksheet M, In. 1, col. (E))						109,349,070
157	Less: Preferred Stock	(Worksheet M, In. 2, col. (E))						-
158	Less: Account 216.1	(Worksheet M, In. 3, col. (E))						-
159	Less: Account 219	(Worksheet M, In. 4, col. (E))						872,193
160	Common Stock	(In 156 - In 157 - In 158 - In 159)						108,476,876
161		Average \$						
162	Long Term Debt (Note T) W/S M, In 11, In 22, col. (E))	25,000,000						
163	Preferred Stock (In 157)	-						
164	Common Stock (In 160)	108,476,876						
165	Total (Sum Ins 162 to 164)	133,476,876						
			Capital Structure Weighting				Cost (Note S)	Weighted
			Actual	Cap Limit				
			18.73%	0.00%			0.0525	0.0098
			0.00%	0.00%			-	0.0000
			81.27%	0.00%			11.49%	0.0934
							WACC=	0.1032
166	Capital Structure Equity Limit (Note U)	100.0%						

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2014 with Average Ratebase Balances

WHEELING POWER COMPANY

Letter

Notes

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

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
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.
- C Transmission Plant balances in this study reflect the average of the balances at December 31, 2013 and December 31, 2014.
- 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. 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 88. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 85.
2) AEP transmission equalization transfers, as shown on line 86
3) The impact of state regulatory deferrals and amortizations, as shown on line 87
4) All A&G Expenses, as shown on line 103.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 77 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 135.
- 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 15 & 16 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 88. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on lines 105 and 106 to determine the total O&M collected in the formula. The amounts on lines 105 and 106 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11. The addbacks on lines 105 and 106 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 lines 105 and 106 is the WHEELING POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense. applicable only for state regulatory purposes.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K These deductions on lines 91 through 93 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L Expenses 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. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O, and the process for updating the annual total is documented on Attachment F. Allowable PBOP Expense Formula.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (In 130) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT= 6.50% (State Income Tax Rate or Composite SIT. Worksheet G)
p = 0.00% (percent of federal income tax deductible for state purposes)
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (In 153) / long term debt (In 162). Preferred Stock cost rate = preferred dividends (In 154) / preferred outstanding (In 163). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO membership. Interest expense for the true-up WACC is based on actual expenses for the true-up year. The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the true-up capital structure. Details and calculations of the true-up weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains and Losses are defined in the Formula Protocols in the tariff, and on Worksheet M.
- T This note only applies to Indiana Michigan Power Company.
- U Per Settlement, equity for WHEELING POWER COMPANY is limited to 100% of Capital Structure. If the percentage of equity exceeds the cap, the excess is included in weighted percentage of long term debt in the capital structure. During the period ended December 31, 2011 the equity cap is in effect. During this period, a change in the cap percentage must be approved via a 205 filing with the FERC.

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet A Supporting Plant Balances
WHEELING POWER COMPANY

<u>Line</u>	<u>(A)</u>	<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	<u>(E)</u>
<u>Number</u>	<u>Rate Base Item & Supporting Balance</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2014</u>	<u>Balance @ December 31, 2013</u>	<u>Average Balance for 2014</u>
NOTE: Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.					
Plant Investment Balances					
1	Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	-	-	-
2	Production Asset Retirement Obligation (ARO)	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44	-	-	-
3	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	117,263,595	112,649,133	114,956,364
4	Transmission Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	-	-	-
5	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	153,112,340	144,844,479	148,978,410
6	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74	-	-	-
7	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	5,284,101	5,192,451	5,238,276
8	General Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	34,819	34,819	34,819
9	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5	2,435,979	865,170	1,650,575
10	Total Property Investment Balance	(Sum of Lines: 3, 1, 5, 7, 9)	278,096,015	263,551,233	270,823,624
11	Total ARO Balance (included in total on line 10)	(Sum of Lines: 4, 2, 6, 8)	34,819	34,819	34,819
Accumulated Depreciation & Amortization Balances					
12	Production Accumulated Depreciation	FF1, page 219, Ins 20-24, Col. (b)	-	-	-
13	Production ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
14	Transmission Accumulated Depreciation	FF1, page 219, In 25, Col. (b)	25,247,531	22,705,252	23,976,392
15	Transmission ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
16	Distribution Accumulated Depreciation	FF1, page 219, In 26, Col. (b)	41,087,683	39,195,741	40,141,712
17	Distribution ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
18	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)	2,639,297	2,488,016	2,563,657
19	General ARO Accumulated Depreciation	Company Records - Note 1	20,060	19,225	19,642
20	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)	1,254,725	679,470	967,098
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 12, 16, 18, 20)	70,229,236	65,068,479	67,648,858
22	Total ARO Balance (included in total on line 21)	(Sum of Lines: 15, 13, 17, 19)	20,060	19,225	19,642
Generation Step-Up Units					
23	GSU Investment Amount	Company Records - Note 1	-	-	-
24	GSU Accumulated Depreciation	Company Records - Note 1	-	-	-
25	GSU Net Balance	(Line 23 - Line 24)	-	-	-
Transmission Accumulated Depreciation Net of GSU Accumulated Depreciation					
26	Transmission Accumulated Depreciation	(Line 14 Above)	25,247,531	22,705,252	23,976,392
27	Less: GSU Accumulated Depreciation	(Line 24 Above)	-	-	-
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)	25,247,531	22,705,252	23,976,392
Plant Held For Future Use					
29	Plant Held For Future Use	FF1, page 214, In 47, Col. (d)	-	-	-
30	Transmission Plant Held For Future	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.					
31					-
32					-
33					-
34					-
35					-
36	Total Regulatory Deferrals Included in Ratebase		-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's property accounting ledger.

NOTE: The ratebase should not include the unamortized balance of hedging gains or losses.

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2014</u>	<u>(D) Balance @ December 31, 2013</u>	<u>(E) Average Balance for 2014</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
4	Less: Other Excluded Deferrals	Company Records - 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)	41,426,980	36,689,922	39,058,451
8	Less: ARO Related Deferrals	Company Records - Note 1	(1,870)	(1,578)	(1,724)
9	Less: Other Excluded Deferrals	Company Records - Note 1	20,309,855	16,811,643	18,560,749
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	21,118,995	19,879,857	20,499,426
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	4,879,214	3,942,834	4,411,024
13	Less: ARO Related Deferrals	Company Records - Note 1	0	0	-
14	Less: Other Excluded Deferrals	Company Records - Note 1	4,440,108	3,620,980	4,030,544
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	439,106	321,854	380,480
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	2,891,810	2,796,633	2,844,222
18	Less: ARO Related Deferrals	Company Records - Note 1	45,584	42,850	44,217
19	Less: Other Excluded Deferrals	Company Records - Note 1	1,911,207	1,981,174	1,946,191
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	935,019	772,609	853,814
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	3,159	10,622	6,891
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	0	0	-
24	ITC Balances Includeable Ratebase	Ln 22 - In 23	3,159	10,622	6,891
25	Transmission Related Deferrals	Company Records - Note 1	1,056	3,511	2,284

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax accounting ledger.

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

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
WHEELING POWER COMPANY

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number	Source	Balance @ December 31, 2014	Balance @ December 31, 2013	Average Balance for 2014				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	2,545	1,395	1,970			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	544	3,880	2,212			
4	Stores Expense (Undistributed)	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary

5	Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	
6	Totals as of December 31, 2014	503,460	(7,328,077)	0	140,627	7,690,910	7,831,537
7	Totals as of December 31, 2013	454,484	(7,211,920)		144,950	7,521,454	7,666,404
8	Average Balance	478,972	(7,269,999)	-	142,788	7,606,182	7,748,970

Prepayments Account 165 - Balance @ 12/31/2014

9	Acc. No.	Description	2014 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	46,982	-		46,982		46,982	Plant Related Insurance Policies
11	165000214	Prepaid Taxes	362,833	362,833				-	Prepaid Taxes-Distribution
12	1650010	Prepaid Pension Benefits	7,305,843				7,305,843	7,305,843	Prefunded Pension Expense
13	1650014	FAS 158 Qual Contra Asset	(7,305,843)	(7,305,843)				-	SFAS 158 Offset
14	1650016	FAS 112 ASSETS	0	-				-	
15	1650021	Prepaid Insurance - EIS	93,645	-		93,645		93,645	
16	1650035	PRW without Med-D Benefits	(374,282)				(374,282)	(374,282)	
17	1650036	PRW for Med-D Benefits	759,349				759,349	759,349	
18	1650037	FAS 158 Contra-PRW Exc Med	(385,067)	(385,067)				-	SFAS 158 Offset
		Subtotal - Form 1, p 111.57.c	503,460	(7,328,077)	0	140,627	7,690,910	7,831,537	

Prepayments Account 165 - Balance @ 12/31/ 2013

19	Acc. No.	Description	2013 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
20	1650001	Prepaid Insurance	42,064			42,064		42,064	Plant Related Insurance Policies
21	165000213	Prepaid Taxes	309,534	309,534		0		-	Prepaid Taxes-Distribution
22	1650010	Prepaid Pension Benefits	7,521,454				7,521,454	7,521,454	Prefunded Pension Expense
23	1650014	FAS 158 Qual Contra Asset	(7,521,454)	(7,521,454)				-	SFAS 158 Offset
24	1650016	FAS 112 ASSETS	0	0				-	
25	1650021	Prepaid Insurance - EIS	102,886			102,886		102,886	
		Subtotal - Form 1, p 111.57.d	454,484	(7,211,920)		144,950	7,521,454	7,666,404	

AEP East Companies
 Cost of Service Formula Rate Using 2014 FF1 Balances
 Worksheet D Supporting IPP Credits
 WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2014</u>
1	Net Funds from IPP Customers 12/31/2013 (2014 FORM 1, P269, line 24.b)	-
2	Interest Accrual (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 12/31/2014 (2014 FORM 1, P269, line 24.f)	-
8	Average Balance for Year as Indicated in Column ((In 1 + In 7)/2)	-

Note 1 On this worksheet Company Records refers to WHEELING POWER COMPANY's general ledger.

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet E Supporting Revenue Credits
WHEELING POWER COMPANY

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non-Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	152,240	152,240	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	8,839	8,839	-
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	592,230	513,588	78,641
4	Account 4560015, Associated Business Development - (Company Records - Note 1)	15,000	15,000	-
5	Account 456 - Other Electric Revenues - (Company Records - Note 1)	19,209,320	17,797,532	1,411,788
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b)))	19,977,628	18,487,199	1,490,429
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	19,977,628	18,487,199	1,490,429

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

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
WHEELING POWER COMPANY

<u>Line Number</u>	<u>(A) Item No.</u>	<u>(B) Description</u>	<u>(C) 2014 Expense</u>	<u>(D) 100% Non-Transmission</u>	<u>(E) 100% Transmission Specific</u>	<u>(F) Explanation</u>
Regulatory O&M Deferrals & Amortizations						
1	5700005	Maint Station-Reliability-Df	-			
2						
3						
4		Total	<u>0</u>			
Detail of Account 561 Per FERC Form 1						
5	FF1 p 321.84.b	561 - Load Dispatching	0			
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	1,220			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	99,167			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	0			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	62			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	13,073			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	0			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	0			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Serv	0			
14		Total of Account 561	<u>113,522</u>			
Account 928						
15	9280000	Regulatory Commission Exp	-	-	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	13,545	13,545	-	
18		Total	<u>13,545</u>	<u>13,545</u>	<u>-</u>	
Account 930.1						
19	9301000	General Advertising Expenses	-	-	-	
20	9301001	Newspaper Advertising Space	-	-	-	
21	9301002	Radio Station Advertising Time	8	8	-	
22	9301007	Special Adv Space & Prod Exp	-	-	-	
23	9301008	Direct Mail and Handouts	-	-	-	
24	9301009	Fairs, Shows, and Exhibits	-	-	-	
25	9301010	Publicity	232	232	-	
26	9301011	Dedications, Tours, & Openings	-	-	-	
27	9301012	Public Opinion Surveys	1,838	1,838	-	
28	9301014	Video Communications	-	-	-	
29	9301015	Other Corporate Comm Exp	264	264	-	
30		Total	<u>2,342</u>	<u>2,342</u>	<u>-</u>	
Account 930.2						
31	9302000	Misc General Expenses	33,602	33,602		
32	9302003	Corporate & Fiscal Expenses	996	996		
33	9302004	Research, Develop&Demonstr Exp	950	950		
34	9302006	Assoc Bus Dev-Materials Sold	0	0		
35	9302007	Assoc Business Development Exp	19,236	17,767	1,469	
36		Total	<u>54,784</u>	<u>53,315</u>	<u>1,469</u>	

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
WHEELING POWER COMPANY

West Virginia Corporate Income Tax	6.50%	
Apportionment Factor - Note 2	99.95%	
Effective State Tax Rate		6.50%
State Income Tax Rate - Ohio	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate		<u>6.50%</u>

Note 1 The Ohio State Income Tax is being phased-out prorata over a 5 year period from 2005 through 2009. The taxable portion of income is 20% in 2009. The phase-out factors can be found in the Ohio Revised Code at 5733.01(G)2(a)(v). This tax has been replaced with a Commercial Activities Tax that is included in Schedule H and H-1.

Note 2 Apportionment Factors are determined as part of the Company's annual tax return for that jurisdiction.

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet H Supporting Taxes Other than Income
WHEELING POWER COMPANY

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	Gross Receipts Tax	5,278,062				5,278,062
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - West Virginia	2,128,588	2,128,588			
5	Real and Personal Property - Other	0	-			
6	Payroll Taxes					
7	Federal Insurance Contribution (FICA)	188,610		188,610		
8	Federal Unemployment Tax	1,633		1,633		
9	State Unemployment Insurance	6,597		6,597		
10	Production Taxes					
11	State Severance Taxes	-				-
12	Miscellaneous Taxes					
13	State Business & Occupation Tax	2,004,840				2,004,840
14	State Public Service Commission Fees	752,060			752,060	
15	State Franchise Taxes	(1,055)			(1,055)	
16	State Lic/Registration Fee	55			55	
17	Misc. State and Local Tax	-			-	
18	Sales & Use	-			-	
19	Federal Excise Tax	-			-	
20	Michigan Single Business Tax	-			-	
21	Total Taxes by Allocable Basis (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.	<u>10,359,390</u>	<u>2,128,588</u>	<u>196,840</u>	<u>751,060</u>	<u>7,282,902</u>
Functional Property Tax Allocation						
		Production	Transmission	Distribution	General	Total
22	Functionalized Net Plant (Hist. TCOS, Lns 212 thru 222) WEST VIRGINIA JURISDICTION	-	92,016,064	112,024,657	2,630,045	206,670,766
23	Percentage of Plant in WEST VIRGINIA JURISDICTION		100.00%	100.00%	100.00%	
24	Net Plant in WEST VIRGINIA JURISDICTION (Ln 22 * Ln 23)	-	92,016,064	112,024,657	2,630,045	206,670,766
25	Less: Net Value of Exempted Generation Plant	-	-	-	-	-
26	Taxable Property Basis (Ln 24 - Ln 25)	-	92,016,064	112,024,657	2,630,045	206,670,766
27	Relative Valuation Factor		100%	100%	100%	
28	Weighted Net Plant (Ln 26 * Ln 27)	-	92,016,064	112,024,657	2,630,045	
29	General Plant Allocator (Ln 28 / (Total - General Plant))	0.00%	45.10%	54.90%	-100.00%	
30	Functionalized General Plant (Ln 29 * General Plant)	-	1,186,069	1,443,976	(2,630,045)	-
31	Weighted WEST VIRGINIA JURISDICTION Plant (Ln 28 + 30)	-	93,202,133	113,468,633	(0)	206,670,766
32	Functional Percentage (Ln 31/Total Ln 31)	0.00%	45.10%	54.90%		
33	Functionalized Expense in WEST VIRGINIA JURISDICTION	-	959,927	1,168,661		2,128,588
34	Total Other Jurisdictions: (Line 5 * Net Plant Allocator)		-			-
35	Total Func. Property Taxes (Sum Lns 33, 34)	-	959,927	1,168,661		2,128,588

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet H-1 Form 1 Source Reference of Company Amounts on WS H
WHEELING POWER COMPANY

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
1	Revenue Taxes			
2	Gross Receipts Tax	5,278,062	5,278,062	P.263 ln 28 (i)
3	Real Estate and Personal Property Taxes			
4	Real and Personal Property - West Virginia	2,128,588	958,174	P.263 ln 17 (i)
			1,166,910	P.263 ln 18 (i)
			1,903	P.263 ln 22 (i)
			1,601	P.263 ln 23 (i)
			-	
5	Real and Personal Property - Ohio	-		
6	Payroll Taxes			
7	Federal Insurance Contribution (FICA)	188,610	188,610	P.263 ln 4 (i)
8	Federal Unemployment Tax	1,633	1,633	P.263 ln 5 (i)
9	State Unemployment Insurance	6,597	6,597	P.263 ln 29 (i)
10	Production Taxes			
11	State Severance Taxes	-		
12	Miscellaneous Taxes			
13	Muni Business & Occupation Tax	2,004,840	2,004,840	P.263 ln 38 (i)
14	State Public Service Commission Fees	752,060	314,878	P.263 ln 30 (i)
			437,182	P.263 ln 31 (i)
15	State Franchise Taxes	(1,055)	(1,137)	P.263 ln 15 (i)
			82	P.263 ln 16 (i)
			-	
			-	
16	State Lic/Registration Fee	55	25	P.263 ln 32 (i)
			30	P.263 ln 40 (i)
			-	
			-	
17	Misc. State and Local Tax	-		
18	Sales & Use	-	-	P.263 ln 35 (i)
19	Federal Excise Tax	-		
20	Michigan Single Business Tax	-		
21	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	10,359,390	10,359,390	

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

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet I Supporting Transmission Plant in Service Additions
WHEELING POWER COMPANY

(A) (B) (C) (D) (E) (F) (G) (H) (I)

I. Calculation of Composite Depreciation Rate

1	Transmission Plant @ Beginning of Historic Period (2014) (P.206, In 58,(b)):	112,649,133
2	Transmission Plant @ End of Historic Period (2014) (P.207, In 58,(g)):	117,263,595
3		<u>229,912,728</u>
4	Average Balance of Transmission Investment	114,956,364
5	Annual Depreciation Expense, Historic TCOS, In 276	2,971,841
6	Composite Depreciation Rate	2.59%
7	Round to 2.59% to Reflect a Composite Life of 39 Years	2.59%

II. Calculation of Property Placed in Service by Month and the Related Depreciation Expense

8	Month in Service	Capitalized Balance	Composite Annual Depreciation Rate	Annual Depreciation	Monthly Depreciation	No. Months Depreciation	First Year Depreciation Expense
9	January	\$ 373,935	2.59%	\$ 9,685	\$ 807	11	\$ 8,877
10	February	\$ 407,570	2.59%	\$ 10,556	\$ 880	10	\$ 8,800
11	March	\$ 3,396,010	2.59%	\$ 87,957	\$ 7,330	9	\$ 65,970
12	April	\$ 417,885	2.59%	\$ 10,823	\$ 902	8	\$ 7,216
13	May	\$ 4,399,280	2.59%	\$ 113,941	\$ 9,495	7	\$ 66,465
14	June	\$ 2,685,193	2.59%	\$ 69,546	\$ 5,796	6	\$ 34,776
15	July	\$ 404,024	2.59%	\$ 10,464	\$ 872	5	\$ 4,360
16	August	\$ 387,495	2.59%	\$ 10,036	\$ 836	4	\$ 3,344
17	September	\$ 389,063	2.59%	\$ 10,077	\$ 840	3	\$ 2,520
18	October	\$ 389,502	2.59%	\$ 10,088	\$ 841	2	\$ 1,682
19	November	\$ 389,580	2.59%	\$ 10,090	\$ 841	1	\$ 841
20	December	\$ 389,533	2.59%	\$ 10,089	\$ 841	0	-
21	Investment	<u>\$ 14,029,070</u>				Depreciation Expense	<u>\$ 204,851</u>

III. Plant Transferred

22	\$ -	<== This input area is for original cost plant
23	\$ -	<== This input area is for accumulated depreciation that may be associated with capital expenditures. It would have an impact if a company had assets transferred from a subsidiary.
24 (Ln 7 * Ln 22)	\$ -	<== This input area is for additional Depreciation Expense

IV. List of Major Projects Expected to be In-Service in 2015

	<u>Estimated Cost</u> <u>(000's)</u>	<u>Month in Service</u>
25 Major Zonal Projects		
26 T/WV/Tidd-Collier 345kV Circui	\$ 3,850	Jul-15
26 T/WP/George Washington Station	\$ 3,099	Apr-15
27	Subtotal \$ 6,948	
28 PJM Socialized/Beneficiary Allocated Regional Projects		
29 N/A	\$0	
30	Subtotal \$0	

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
WHEELING POWER COMPANY

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

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

ROE w/o incentives (Projected TCOS, In 164)			11.49%
Project ROE Incentive Adder			<=ROE Adder Cannot Exceed 125 Basis Points
ROE with additional basis point incentive			11.49% <= ROE Including Incentives Cannot Exceed 12.74% Until July 1, 2012
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the Projected TCOS, Ins 162 through 164)			
	%	Cost	Weighted cost
Long Term Debt	20.37%	5.25%	1.070%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	79.63%	11.49%	9.149%
		R =	10.219%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS				
	Rev Require	W Incentives	Incentive Amounts	
PROJECTED YEAR	2015	58,699	58,699	\$ -

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

Rate Base (Projected TCOS, In 78)	83,748,110
R (from A. above)	10.219%
Return (Rate Base x R)	8,557,897

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

Return (from B. above)	8,557,897
Effective Tax Rate (Projected TCOS, In 126)	57.79%
Income Tax Calculation (Return x CIT)	4,945,199
ITC Adjustment	-
Income Taxes	4,945,199

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

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

Annual Revenue Requirement (Projected TCOS, In 1)	19,172,194
T.E.A. & Lease Payments (Projected TCOS, Lns 105 & 106)	-
Return (Projected TCOS, In 134)	8,557,897
Income Taxes (Projected TCOS, In 133)	4,945,199
Annual Revenue Requirement, Less TEA Charges, Return and Taxes	5,669,099

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	5,669,099
Return (from I.B. above)	8,557,897
Income Taxes (from I.C. above)	4,945,199
Annual Revenue Requirement, with Basis Point ROE increase	19,172,194
Depreciation (Projected TCOS, In 111)	2,971,841
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	16,200,353

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (Projected TCOS, In 48)	92,016,064
Annual Revenue Requirement, with Basis Point ROE increase	19,172,194
FCR with Basis Point increase in ROE	20.84%
Annual Rev. Req. w/ Basis Point ROE increase, less Dep.	16,200,353
FCR with Basis Point ROE increase, less Depreciation	17.61%
FCR less Depreciation (Projected TCOS, In 9)	15.55%
Incremental FCR with Basis Point ROE increase, less Depreciation	2.06%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Historic Period (2014) (P.206, In 58,(b)):	112,649,133
Transmission Plant @ End of Historic Period (2014) (P.207, In 58,(g)):	117,263,595
Subtotal	229,912,728
Average Transmission Plant Balance for 2014	114,956,364
Annual Depreciation Rate (Projected TCOS, In 111)	2,971,841
Composite Depreciation Rate	2.59%
Depreciable Life for Composite Depreciation Rate	38.68
Round to nearest whole year	39

WPCo Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1864.1 (Two additional 345/138 kV transformers at Kammer)

Current Projected Year ARR	-
Current Projected Year ARR w/ Incentive	-
Current Projected Year Incentive ARR	-

Details		Current Year	2015
Investment	-		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	15.55%
Useful life	39	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	-

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.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2013	-	-	-	-	-	-	\$ 349,494	\$ 349,494
2014	-	-	-	-	-	-	\$ -	\$ -
2015	-	-	-	-	-	-		
2016	-	-	-	-	-	-		
2017	-	-	-	-	-	-		
2018	-	-	-	-	-	-		
2019	-	-	-	-	-	-		
2020	-	-	-	-	-	-		
2021	-	-	-	-	-	-		
2022	-	-	-	-	-	-		
2023	-	-	-	-	-	-		
2024	-	-	-	-	-	-		
2025	-	-	-	-	-	-		
2026	-	-	-	-	-	-		
2027	-	-	-	-	-	-		
2028	-	-	-	-	-	-		
2029	-	-	-	-	-	-		
2030	-	-	-	-	-	-		
2031	-	-	-	-	-	-		
2032	-	-	-	-	-	-		
2033	-	-	-	-	-	-		
2034	-	-	-	-	-	-		
2035	-	-	-	-	-	-		
2036	-	-	-	-	-	-		
2037	-	-	-	-	-	-		
2038	-	-	-	-	-	-		
2039	-	-	-	-	-	-		
2040	-	-	-	-	-	-		
2041	-	-	-	-	-	-		
2042	-	-	-	-	-	-		
2043	-	-	-	-	-	-		
2044	-	-	-	-	-	-		
2045	-	-	-	-	-	-		
2046	-	-	-	-	-	-		
2047	-	-	-	-	-	-		
2048	-	-	-	-	-	-		
2049	-	-	-	-	-	-		
2050	-	-	-	-	-	-		
2051	-	-	-	-	-	-		
2052	-	-	-	-	-	-		
2053	-	-	-	-	-	-		
2054	-	-	-	-	-	-		
2055	-	-	-	-	-	-		
2056	-	-	-	-	-	-		
2057	-	-	-	-	-	-		
2058	-	-	-	-	-	-		
2059	-	-	-	-	-	-		
2060	-	-	-	-	-	-		
2061	-	-	-	-	-	-		
2062	-	-	-	-	-	-		
2063	-	-	-	-	-	-		
2064	-	-	-	-	-	-		
2065	-	-	-	-	-	-		
2066	-	-	-	-	-	-		
2067	-	-	-	-	-	-		
2068	-	-	-	-	-	-		
2069	-	-	-	-	-	-		
2070	-	-	-	-	-	-		
2071	-	-	-	-	-	-		
2072	-	-	-	-	-	-		
Project Totals	-	-	-	-	-	-		

** 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.

WPCo Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1864.2 (West Bellaire-Brues 138 kV Circuit)

Current Projected Year ARR	58,699
Current Projected Year ARR w/ Incentive	58,699
Current Projected Year Incentive ARR	-

Details		Current Year	2015
Investment	340,288		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	15.55%
Useful life	39	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	8,725

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.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2013	340,288	1,454	338,834	54,141	54,141	\$ -	\$ 44,166	\$ 44,166
2014	338,834	8,725	330,108	60,055.46	60,055	\$ -	\$ 33,234	\$ 33,234
2015	330,108	8,725	321,383	58,699	58,699	\$ -		
2016	321,383	8,725	312,658	57,342	57,342	\$ -		
2017	312,658	8,725	303,932	55,985	55,985	\$ -		
2018	303,932	8,725	295,207	54,628	54,628	\$ -		
2019	295,207	8,725	286,482	53,272	53,272	\$ -		
2020	286,482	8,725	277,756	51,915	51,915	\$ -		
2021	277,756	8,725	269,031	50,558	50,558	\$ -		
2022	269,031	8,725	260,306	49,202	49,202	\$ -		
2023	260,306	8,725	251,580	47,845	47,845	\$ -		
2024	251,580	8,725	242,855	46,488	46,488	\$ -		
2025	242,855	8,725	234,130	45,131	45,131	\$ -		
2026	234,130	8,725	225,404	43,775	43,775	\$ -		
2027	225,404	8,725	216,679	42,418	42,418	\$ -		
2028	216,679	8,725	207,954	41,061	41,061	\$ -		
2029	207,954	8,725	199,228	39,704	39,704	\$ -		
2030	199,228	8,725	190,503	38,348	38,348	\$ -		
2031	190,503	8,725	181,778	36,991	36,991	\$ -		
2032	181,778	8,725	173,052	35,634	35,634	\$ -		
2033	173,052	8,725	164,327	34,277	34,277	\$ -		
2034	164,327	8,725	155,602	32,921	32,921	\$ -		
2035	155,602	8,725	146,876	31,564	31,564	\$ -		
2036	146,876	8,725	138,151	30,207	30,207	\$ -		
2037	138,151	8,725	129,426	28,850	28,850	\$ -		
2038	129,426	8,725	120,700	27,494	27,494	\$ -		
2039	120,700	8,725	111,975	26,137	26,137	\$ -		
2040	111,975	8,725	103,250	24,780	24,780	\$ -		
2041	103,250	8,725	94,524	23,423	23,423	\$ -		
2042	94,524	8,725	85,799	22,067	22,067	\$ -		
2043	85,799	8,725	77,074	20,710	20,710	\$ -		
2044	77,074	8,725	68,348	19,353	19,353	\$ -		
2045	68,348	8,725	59,623	17,996	17,996	\$ -		
2046	59,623	8,725	50,898	16,640	16,640	\$ -		
2047	50,898	8,725	42,172	15,283	15,283	\$ -		
2048	42,172	8,725	33,447	13,926	13,926	\$ -		
2049	33,447	8,725	24,722	12,569	12,569	\$ -		
2050	24,722	8,725	15,996	11,213	11,213	\$ -		
2051	15,996	8,725	7,271	9,856	9,856	\$ -		
2052	7,271	7,271	-	7,271	7,271	\$ -		
2053	-	-	-	-	-	\$ -		
2054	-	-	-	-	-	\$ -		
2055	-	-	-	-	-	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals	340,288	340,288		1,389,729	1,389,729	-		

** 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.

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
WHEELING POWER COMPANY

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

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

ROE w/o incentives (True-Up TCOS, In 164)			11.49%
Project ROE Incentive Adder		0	<==ROE Adder Cannot Exceed 100 Basis Points
ROE with additional 0 basis point incentive		11.49%	<== ROE Including Incentives Cannot Exceed 12.5% Until July 1, 2012
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the True-Up TCOS, Ins 162 through 164)			
	%	Cost	Weighted cost
Long Term Debt	18.73%	5.25%	0.983%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	81.27%	11.49%	9.338%
		R =	10.321%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR	2014	Rev Require	W Incentives	Incentive Amounts
As Projected in Prior Year WS J	\$	33,234	\$	33,234
Actual after True-up	\$	51,761	\$	51,761
True-up of ARR For 2014		18,527		18,527

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

Rate Base (True-Up TCOS, In 78)	72,477,993
R (from A. above)	10.321%
Return (Rate Base x R)	7,480,641

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

Return (from B. above)	7,480,641
Effective Tax Rate (True-Up TCOS, In 126)	58.39%
Income Tax Calculation (Return x CIT)	4,368,128
ITC Adjustment	-
Income Taxes	4,368,128

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 (True-Up TCOS, In 1)	17,315,430
T.E.A. & Lease Payments (True-Up TCOS, Lns 105 & 106)	-
Return (True-Up TCOS, In 134)	7,480,641
Income Taxes (True-Up TCOS, In 133)	4,368,128
Annual Revenue Requirement, Less TEA	5,466,661

Charges, Return and Taxes

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	5,466,661
Return (from I.B. above)	7,480,641
Income Taxes (from I.C. above)	4,368,128
Annual Revenue Requirement, with 0 Basis Point ROE increase	17,315,430
Depreciation (True-Up TCOS, In 111)	2,971,841
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	14,343,589

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

Net Transmission Plant (True-Up TCOS, In 48)	90,979,973
Annual Revenue Requirement, with 0 Basis Point ROE increase	17,315,430
FCR with 0 Basis Point increase in ROE	19.03%

Annual Rev. Req. w / 0 Basis Point ROE increase, less Dep.	14,343,589
FCR with 0 Basis Point ROE increase, less Depreciation	15.77%
FCR less Depreciation (True-Up TCOS, In 9)	15.77%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Historic Period (P.206, In 58,(b)):	112,649,133
Transmission Plant @ End of Historic Period (P.207, In 58,(g)):	117,263,595
Subtotal	229,912,728
Average Transmission Plant Balance for	114,956,364
Annual Depreciation Rate (True-Up TCOS, In 111)	2,971,841
Composite Depreciation Rate	2.59%
Depreciable Life for Composite Depreciation Rate	38.68
Round to nearest whole year	39

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1864.1 (Two additional 345/138 kV transformers at Kammer)

2014	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details		Current Year	2014
Investment	-		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	15.77%
Useful life	39	FCR w/incentives approved for these facilities, less dep.	15.77%
CIAC (Yes or No)	No	Annual Depreciation Expense	-

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2013	-	-	-	-	-	-	-	\$ 349,494	\$ (349,494)	\$ 349,494	\$ (349,494)	\$ -
2014	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2015	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2016	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2017	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2018	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2019	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2020	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2021	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2022	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2023	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2024	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2025	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2026	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2027	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2028	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2029	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2030	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2031	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2032	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2033	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2034	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2035	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2036	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2037	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2038	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2039	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2040	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2041	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2042	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2043	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2044	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2045	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2046	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2047	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2048	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2049	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2050	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2051	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2052	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2053	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2054	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2055	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2056	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2057	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2058	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2059	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2060	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED]

(e.g. ER05-925-000)

Project Description: RTEP ID: b1864.2 (West Bellaire-Brues 138 kV Circuit)

2014	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	33,234	33,234	-
Prior Yr True-Up	51,761	51,761	-
True-Up Adjustment	18,527	18,527	-

Details		Current Year	2014
Investment	286,601		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	15.77%
Useful life	39	FCR w/incentives approved for these facilities, less dep.	15.77%
CIAC (Yes or No)	No	Annual Depreciation Expense	7,349

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2013	286,601	1,225	285,376	285,989	46,313	46,313	\$ -	\$ 44,166	\$ 2,147	\$ 44,166	\$ 2,147	\$ -
2014	285,376	7,349	278,027	281,702	51,761	51,761	\$ -	\$ 33,234	\$ 18,527	\$ 33,234	\$ 18,527	\$ -
2015	278,027	7,349	270,679	274,353	50,602	50,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	270,679	7,349	263,330	267,004	49,444	49,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	263,330	7,349	255,981	259,656	48,285	48,285	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	255,981	7,349	248,632	252,307	47,127	47,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	248,632	7,349	241,284	244,958	45,968	45,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	241,284	7,349	233,935	237,609	44,809	44,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	233,935	7,349	226,586	230,261	43,651	43,651	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	226,586	7,349	219,238	222,912	42,492	42,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	219,238	7,349	211,889	215,563	41,334	41,334	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	211,889	7,349	204,540	208,214	40,175	40,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	204,540	7,349	197,191	200,866	39,017	39,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	197,191	7,349	189,843	193,517	37,858	37,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	189,843	7,349	182,494	186,168	36,699	36,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	182,494	7,349	175,145	178,819	35,541	35,541	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	175,145	7,349	167,796	171,471	34,382	34,382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	167,796	7,349	160,448	164,122	33,224	33,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	160,448	7,349	153,099	156,773	32,065	32,065	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	153,099	7,349	145,750	149,424	30,906	30,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	145,750	7,349	138,401	142,076	29,748	29,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	138,401	7,349	131,053	134,727	28,589	28,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	131,053	7,349	123,704	127,378	27,431	27,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	123,704	7,349	116,355	120,029	26,272	26,272	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	116,355	7,349	109,006	112,681	25,114	25,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	109,006	7,349	101,658	105,332	23,955	23,955	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	101,658	7,349	94,309	97,983	22,796	22,796	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	94,309	7,349	86,960	90,635	21,638	21,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	86,960	7,349	79,611	83,286	20,479	20,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	79,611	7,349	72,263	75,937	19,321	19,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	72,263	7,349	64,914	68,588	18,162	18,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	64,914	7,349	57,565	61,240	17,004	17,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	57,565	7,349	50,216	53,891	15,845	15,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	50,216	7,349	42,868	46,542	14,686	14,686	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	42,868	7,349	35,519	39,193	13,528	13,528	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	35,519	7,349	28,170	31,845	12,369	12,369	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	28,170	7,349	20,821	24,496	11,211	11,211	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	20,821	7,349	13,473	17,147	10,052	10,052	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	13,473	7,349	6,124	9,798	8,894	8,894	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	6,124	6,124	-	3,062	6,607	6,607	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals	286,601	286,601			1,205,353	1,205,353	-					

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

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

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet L Supporting Projected Cost of Debt
WHEELING POWER COMPANY

Calculation of Projected Interest Expense Based on Outstanding Debt at Year End

<u>Line Number</u>	<u>(A) Issuance</u>	<u>(B) Principle Outstanding</u>	<u>(C) Interest Rate</u>	<u>(D) Annual Expense (See Note S on Projected Template)</u>	<u>(E) Notes</u>
1	Long Term Debt (FF1.p. 256-257.h)				
2	Advances From Associated Co.	25,000,000	5.250%	1,312,500	
3					
4	Installment Purchase Contracts (FF1.p. 256-257.h, a)				
5	N/A for Wheeling Power Company				-
6					-
7					-
8					-
9					-
10					-
11					-
12					-
13					-
14					-
15					-
16					-
17					-
18					-
19					-
20					-
21					-
22					-
23					-
24					-
25					-
26					-
27	Issuance Discount, Premium, & Expenses:				
28	Auction Fees	FF1.p. 256 & 257.Lines Described as Fees		-	
29	Allowable Hedge Amortization (See Ln 45 Below)			-	
30	Amort of Debt Discount and Expenses	FF1.p. 117.63.c		-	
31	Amort of Debt Premimums (Enter Negative)	FF1.p. 117.65.c		-	
32	Reacquired Debt:				
33	Amortization of Loss	FF1.p. 117.64.c		-	
34	Amortization of Gain	FF1.p. 117.66.c		-	
35	Total Interest on Long Term Debt	25,000,000	5.25%	1,312,500	
36	Preferred Stock (FF1.p. 250-251)	Preferred Shares Outstanding			
37	None	-	0.00%	-	
38					-
39					-
40	Dividends on Preferred Stock	-		-	
41	Net Total Hedge Gains and Losses (WS M, Ln 35, (E))			-	
42	Total Projected Capital Structure Balance for 2015 (Projected TCOS, Ln 165)			122,700,806	
43	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005	
44	Limit of Recoverable Amount			61,350	
45	Recoverable Hedge Amortization (Lesser of Ln 41 or Ln 44)			-	

AEP East Companies
Transmission Cost of Service Formula Rate
WHEELING POWER COMPANY

Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital Based on Average of Balances At 12/31/2013 & 12/31/2014

(A)	(B)	(C)	(D)	(E)
Line		Balances @ 12/31/2014	Balances @ 12/31/2013	Average
Development of Average Balance of Common Equity				
1	Proprietary Capital (112.16.c&d)	98,472,987	120,225,152	109,349,070
2	Less Preferred Stock (Ln 55 Below)	0	0	-
3	Less Account 216.1 (112.12.c&d)	0	0	0
4	Less Account 219.1 (112.15.c&d)	772,181	972,206	872,193
5	Average Balance of Common Equity	97,700,806	119,252,946	108,476,876

Development of Cost of Long Term Debt Based on Average Outstanding Balance				
6	Bonds (112.18.c&d)	0	0	0
7	Less: Reacquired Bonds (112.19.c&d)	0	0	0
8	LT Advances from Assoc. Companies (112.20.c&d)	25,000,000	25,000,000	25,000,000
9	Senior Unsecured Notes (112.21.c&d)	0	0	0
10	Less: Fair Value Hedges (See Note on Ln 12 below)	0	0	0
11	Total Average Debt	25,000,000	25,000,000	25,000,000

12 **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. (Column H of the FF1)**

13	Annual Interest Expense for 2014			
14	Interest on Long Term Debt (256-257.33.i)			1,312,500
15	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 14 and shown in Ln 34 below.			-
16	Plus: Allowed Hedge Recovery From Ln 39 below.			-
17	Amort of Debt Discount & Expense (117.63.c)			-
18	Amort of Loss on Reacquired Debt (117.64.c)			-
19	Less: Amort of Premium on Debt (117.65.c)			-
20	Less: Amort of Gain on Reacquired Debt (117.66.c)			-
21	Total Interest Expense (Ln 14 + Ln 17 + Ln 18 - Ln 19 - Ln 20)			1,312,500
22	Average Cost of Debt for 2014 (Ln 21/Ln 11)			5.25%

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

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

HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2014	Less Excludable Amounts (See NOTE on Line 23)	Net Includable Hedge Amount	Remaining Unamortized Balance	Amortization Period	
					Beginning	Ending
24 Senior Unsecured Notes	0	-	-			
25 Senior Unsecured Notes	0	-	-			
26 Senior Unsecured Notes	0	-	-			
27 Senior Unsecured Notes	0	-	-			
28 Senior Unsecured Notes	0	-	-			
29 Senior Unsecured Notes	0	-	-			
30 Senior Unsecured Notes	0	-	-			
31 Senior Unsecured Notes	0	-	-			
32 Senior Unsecured Notes	0	-	-			
33 Senior Unsecured Notes	0	-	-			
34 Total Hedge Amortization	-	-	-			
35 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 24 to 33)			-			
36 Total Average Capital Structure Balance for 2014 (True-UP TCOS, Ln 165)			133,476,876			
37 Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
38 Limit of Recoverable Amount			66,738			
39 Recoverable Hedge Amortization (Lesser of Ln 35 or Ln 38)			-			

Development of Cost of Preferred Stock

Preferred Stock			Average
40 0% Series - 0 - Dividend Rate (p. 250-251. 7 & 10.a)		0.00%	0.00%
41 0% Series - 0 - Par Value (p. 250-251. 8.c)	\$	-	\$
42 0% Series - 0 - Shares O/S (p.250-251. 8 & 11.e)		-	-
43 0% Series - 0 - Monetary Value (Ln 41 * Ln 42)		-	-
44 0% Series - 0 - Dividend Amount (Ln 40 * Ln 43)		-	-
45 0% Series - - Dividend Rate (p. 250-251.a)		-	-
46 0% Series - - Par Value (p. 250-251.c)		-	-
47 0% Series - - Shares O/S (p.250-251. e)		-	-
48 0% Series - - Monetary Value (Ln 46 * Ln 47)		-	-
49 0% Series - - Dividend Amount (Ln 45 * Ln 48)		-	-
50 0% Series - - Dividend Rate (p. 250-251.a)		-	-
51 0% Series - - Par Value (p. 250-251.c)		-	-
52 0% Series - - Shares O/S (p.250-251.e)		-	-
53 0% Series - - Monetary Value (Ln 51 * Ln 52)		-	-
54 0% Series - - Dividend Amount (Ln 50 * Ln 53)		-	-
55 Balance of Preferred Stock (Lns 43, 48, 53)		-	-
56 Dividends on Preferred Stock (Lns 44, 49, 54)		-	-
57 Average Cost of Preferred Stock (Ln 56/55)		0.00%	0.00%

- Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
WHEELING POWER COMPANY

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

Line	(A) Date	(B) Property Description	(C) Function (T) or (G) T = Transmission G = General	(D) Basis	(E) Proceeds	(F) (Gain) / Loss	(G) Functional Allocator	(H) Functionalized Proceeds (Gain) / Loss	(I) FERC Account
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4					Net (Gain) or Loss for 2014	- <hr/> <hr/>		- <hr/> <hr/>	

AEP East Companies
Cost of Service Formula Rate Using 2014 FF1 Balances
Worksheet O - Calculation of Postemployment Benefits Other than Pensions Expenses Allocable to Transmission Service
WHEELING POWER COMPANY

Total AEP East Operating Company PBOP Settlement Amount 30,000,000

Allocation of PBOP Settlement Amount for 2014

Line#	Company	Total Company Amount						
		Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 2014	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * 30000000	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
1	APCo	(13,980,707)	36.87%	11,060,258	7.080%	(989,797)	783,037	(1,772,834)
2								
3	I&M	(9,910,530)	26.13%	7,840,305	4.555%	(451,452)	357,148	(808,600)
4	KPCo	(3,026,000)	7.98%	2,393,895	7.063%	(213,739)	169,090	(382,829)
5	KNGP	(304,086)	0.80%	240,565	11.505%	(34,986)	27,677	(62,663)
6	OPCo	(10,311,857)	27.19%	8,157,799	18.192%	(1,875,953)	1,484,083	(3,360,036)
7	WPCo	(388,288)	1.02%	307,178	12.660%	(49,156)	38,888	(88,044)
8	Sum of Lines 1 to 7	(37,921,469)		30,000,000		(3,615,083)	2,859,923	(6,475,006)

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

	APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report	(13,415,837)	(10,057,152)	(3,040,335)	(285,159)	(9,435,001)	(361,523)	(36,595,007)
10 Additional PBOP Ledger Entries (from Company Records)	395,759	814,185	252,888	3,649	114,856	3,709	
11 Medicare Subsidy	-	-	-	-	-	-	-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(13,020,078)	(9,242,967)	(2,787,447)	(281,510)	(9,320,145)	(357,814)	(35,009,962)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(960,629)	(667,563)	(238,553)	(22,576)	(991,712)	(30,474)	(2,911,507)
14 Company PBOP Expense (Ln 12 + Ln 13)	(13,980,707)	(9,910,530)	(3,026,000)	(304,086)	(10,311,857)	(388,288)	(37,921,469)

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 1/1/2009
FOR SINGLE JURISDICTION COMPANIES
WHEELING POWER COMPANY

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Structures & Improvements	352.0	2.70%
Station Equipment	353.0	2.70%
Towers & Fixtures	354.0	2.70%
Poles & Fixtures	355.0	2.70%
Overhead Conductors	356.0	2.70%
Underground Conduit	357.0	2.70%
Underground Conductors	358.0	2.70%
Trails & Roads	359.0	2.70%

Note 1: Rates Approved in WV Public Service Commission Case No. PSC 90-243-E-42T.

General Note:

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