

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

Twelve Months Ended 2021

KENTUCKY POWER COMPANY

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 130)	Total	DA	Allocator 1.00000	\$67,439,880
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	364,000			\$ 364,000
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				\$ -
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)				\$ 67,075,880

MEMO: The Carrying Charge Calculations on lines 7 to 12 below are used in calculating project revenue requirements billed through PJM Schedule 12, Transmission Enhancement Charges. The total non-incentive revenue requirements for these projects shown on line 5 is included in the total on line 4.

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)	-	DA	1.00000	\$ -
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	((In 1 - In 95)/((In 42) x 100))			14.97%
8	Monthly Rate	(In 7 / 12)			1.25%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	((In 1 - In 95 - In 100) /((In 42) x 100))			10.90%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	((In 1 - In 95 - In 100 - In 125 - In 126) /((In 42) x 100))			4.03%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				
14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
15	Total Load Dispatch & Scheduling (Account 561)	Line 75 Below			2,680,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				1,567,000
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				432,000
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			681,000

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KENTUCKY POWER COMPANY

	(1)	(2)	(3)	(4)	(5)
	RATE BASE CALCULATION	Data Sources (See "General Notes")	TO Total NOTE C	Allocator	Total Transmission
Line No.					
19	GROSS PLANT IN SERVICE				
19	Production	(Worksheet A in 14.(b))	1,232,251,000	NA	0.00000
20	Less: Production ARO (Enter Negative)	(Worksheet A in 14.(c))	(13,362,000)	NA	0.00000
21	Transmission	(Worksheet A in 14.(d) & TCOS Ln 134)	700,645,000	DA	688,437,000
22	Less: Transmission ARO (Enter Negative)	(Worksheet A in 14.(e))	-	TP	0.98258
23	Distribution	(Worksheet A in 14.(f))	987,086,000	NA	0.00000
24	Less: Distribution ARO (Enter Negative)	(Worksheet A in 14.(g))	-	NA	0.00000
25	General Plant	(Worksheet A in 14.(h))	73,869,000	W/S	0.07819
26	Less: General Plant ARO (Enter Negative)	(Worksheet A in 14.(i))	-	W/S	0.07819
27	Intangible Plant	(Worksheet A in 14.(j))	56,124,000	W/S	0.07819
28	TOTAL GROSS PLANT	(sum Ins 19 to 27)	3,036,613,000	GP	0.230059
				GTD=	0.40791
29	ACCUMULATED DEPRECIATION AND AMORTIZATION				
30	Production	(Worksheet A in 28.(b))	536,708,000	NA	0.00000
31	Less: Production ARO (Enter Negative)	(Worksheet A in 28.(c))	(5,972,000)	NA	0.00000
32	Transmission	(Worksheet A in 28.(d) & In 43.(c))	244,360,000	TP1=	0.97409
33	Less: Transmission ARO (Enter Negative)	(Worksheet A in 28.(e))	-	TP1=	0.97409
34	Distribution	(Worksheet A in 28.(f))	294,940,000	NA	0.00000
35	Less: Distribution ARO (Enter Negative)	(Worksheet A in 28.(g))	-	NA	0.00000
36	General Plant	(Worksheet A in 28.(h))	22,554,000	W/S	0.07819
37	Less: General Plant ARO (Enter Negative)	(Worksheet A in 28.(i))	-	W/S	0.07819
38	Intangible Plant	(Worksheet A in 28.(j))	19,169,000	W/S	0.07819
39	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 30 to 38)	1,111,759,000		241,290,291
40	NET PLANT IN SERVICE				
41	Production	(In 19 + In 20 - In 30 - In 31)	688,153,000		-
42	Transmission	(In 21 + In 22 - In 32 - In 33)	456,285,000		450,409,000
43	Distribution	(In 23 + In 24 - In 34 - In 35)	692,146,000		-
44	General Plant	(In 25 + In 26 - In 36 - In 37)	51,315,000		4,012,282
45	Intangible Plant	(In 27 - In 38)	36,955,000		2,889,484
46	TOTAL NET PLANT IN SERVICE	(sum Ins 41 to 45)	1,924,854,000	NP	0.237582
					457,310,767
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
48	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	(49,601,000)	NA	-
49	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(376,288,000)	DA	(85,561,000)
50	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(128,528,000)	DA	(685,000)
51	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	12,282,500	DA	2,390,500
52	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA	-
53	TOTAL ADJUSTMENTS	(sum Ins 48 to 52)	(542,134,500)		(83,855,500)
54	PLANT HELD FOR FUTURE USE	(Worksheet A in 44.(e) & In 45.(e))	556,000	DA	-
55	REGULATORY ASSETS	(Worksheet A in 51.(e))	-	DA	-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A in 54.(e))	(261,000)	W/S	0.07819
					(20,407)
57	WORKING CAPITAL	(Note E)			
58	Cash Working Capital	(1/8 * In 78)	1,089,250		1,070,271
59	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	12,000	TP	0.98258
60	A&G Materials & Supplies	(Worksheet C, In 3.(F))	22,000	W/S	0.07819
61	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.23006
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	74,436,500	W/S	0.07819
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	1,541,000	GP	0.23006
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000
65	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(72,769,500)	NA	0.00000
66	TOTAL WORKING CAPITAL	(sum Ins 58 to 65)	4,331,250		7,258,439
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	(332,000)	DA	1.00000
					(332,000)
68	RATE BASE (sum Ins 46, 53, 54, 55, 56, 66, 67)		1,387,013,750		380,361,298

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

KENTUCKY POWER COMPANY

	(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					
69	Production	321.80.b	272,715,000			
70	Distribution	322.156.b	40,993,000			
71	Customer Related Expense	322 & 323.164,171,178.b	7,037,000			
72	Regional Marketing Expenses	322.131.b	1,105,000			
73	Transmission	321.112.b	50,686,000			
74	TOTAL O&M EXPENSES	(sum Ins 69 to 73)	372,536,000			
75	Less: Total Account 561	(Note G) (Worksheet F, in 14.C)	2,680,000			
76	Less: Account 565	(Note H) 321.96.b	59,143,000			
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, in 4.C)	(19,851,000)			
78	Total O&M Allocable to Transmission	(Ins 73 - 75 - 76 - 77)	8,714,000	TP	0.98258	8,562,168
79	Administrative and General	323.197.b (Notes J and M)	27,430,000			
80	Less: Acct. 924, Property Insurance	323.185.b	899,000			
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(2,788,000)			
82	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-			
83	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(1,033,000)			
84	Acct. 928, Reg. Com. Exp.	323.189.b	-			
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	51,000			
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	1,206,000			
87	Balance of A & G	(In 79 - sum In 80 to in 86)	29,095,000	W/S	0.07819	2,274,917
88	Plus: Acct. 924, Property Insurance	(In 80)	899,000	GP	0.23006	206,823
89	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	-	TP	0.98258	-
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP	0.98258	-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	396,000	DA	1.00000	396,000
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	(10,697,655)	W/S	0.07819	(836,442)
93	A & G Subtotal	(sum Ins 87 to 92)	19,692,345			2,041,298
94	O & M EXPENSE SUBTOTAL	(In 78 + in 93)	28,406,345			10,603,466
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	1.00000	-
96	TOTAL O & M EXPENSE	(In 94 + in 95)	28,406,345			10,603,466
97	DEPRECIATION AND AMORTIZATION EXPENSE					
98	Production	336.2-6.f	36,387,000	NA	0.00000	-
99	Distribution	336.8.f	34,616,000	NA	0.00000	-
100	Transmission	336.7.f	18,815,000	TP1	0.97409	18,327,455
101	General	336.10.f	3,449,000	W/S	0.07819	269,675
102	Intangible	336.1.f	9,110,000	W/S	0.07819	712,304
103	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 98+99+ 100+101+102)	102,377,000			19,309,434
104	TAXES OTHER THAN INCOME	(Note N)				
105	Labor Related					
106	Payroll	Worksheet H In 24.(D)	2,086,000	W/S	0.07819	163,103
107	Plant Related					
108	Property	Worksheet H In 24.(C)	18,660,000	DA		5,941,805
109	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	6,883,000	NA	0.00000	-
110	Other	Worksheet H In 24.(E)	1,836,000	GP	0.23006	422,389
111	TOTAL OTHER TAXES	(sum Ins 106 to 110)	29,465,000			6,527,296
112	INCOME TAXES	(Note O)				
113	$T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =$		25.63%			
114	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		24.02%			
115	where WCLTD=(In 154) and WACC = (In 157)					
116	and FIT, SIT & p are as given in Note O.					
117	$GRCF=1 / (1 - T) =$ (from In 113)		1.3446			
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-			
119	Excess Deferred Income Tax	(Note U)	(33,735,000)	DA		(1,361,000)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	1,372,352	DA		681,000
121	Income Tax Calculation	(In 114 * In 126)	22,525,729			6,177,239
122	ITC adjustment	(In 117 * In 118)	-	GP	0.23006	-
123	Excess Deferred Income Tax	(In 117 * In 119)	(45,360,667)			(1,830,024)
124	Tax Effect of Permanent and Flow-Through Differences	(In 117 * In 120)	1,845,288			915,684
125	TOTAL INCOME TAXES	(sum Ins 121 to 124)	(20,989,649)			5,262,899
126	RETURN ON RATE BASE (Rate Base*WACC)	(In 68 * In 157)	93,785,326			25,718,785
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		18,000	DA	1.00000	18,000
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-			-
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 128 * In114)		-			-
130	TOTAL REVENUE REQUIREMENT		233,062,021			67,439,880
	(sum Ins 96, 103, 111, 125, 126, 127, 128, 129)					

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KENTUCKY POWER COMPANY

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
131	Total transmission plant	(In 21)								700,645,000
132	Less transmission plant excluded from PJM Tariff (Worksheet A, In 42, Col. (d)) (Note P)									-
133	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 42, Col. (b)) (Note Q)									12,208,000
134	Transmission plant included in PJM Tariff	(In 131 - In 132 - In 133)								688,437,000
135	Percent of transmission plant in PJM Tariff	(In 134 / In 131)						TP=		0.98258
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)								
137	Production	354.20.b	15,664,000	8,871,000	24,535,000	NA	0.00000			-
138	Transmission	354.21.b	1,000	3,218,000	3,219,000	TP	0.98258			3,162,912
139	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000			-
140	Distribution	354.23.b	7,719,000	1,170,000	8,889,000	NA	0.00000			-
141	Other (Excludes A&G)	354.24,25,26.b	1,869,000	1,940,000	3,809,000	NA	0.00000			-
142	Total	(sum Ins 137 to 141)	25,253,000	15,199,000	40,452,000					3,162,912
143	Transmission related amount							W/S=		0.07819
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)									\$
145	Long Term Interest	(Worksheet M, In. 37, col. (d))								39,009,000
146	Preferred Dividends	(Worksheet M, In. 71)								-
147	Development of Common Stock:									
148	Proprietary Capital	(Worksheet M, In. 14, col. (b))								867,634,000
149	Less: Preferred Stock	(Worksheet M, In. 14, col. (c))								-
150	Less: Account 216.1	(Worksheet M, In. 14, col. (d))								-
151	Less: Account 219	(Worksheet M, In. 14, col. (e))								814,000
152	Common Stock	(In 148 - In 149 - In 150 - In 151)								866,820,000
153										
154	Long Term Debt (Note T) Worksheet M, In 28, col. (g), In 38, col. (d))		\$	%	Cap Limit	Cost (Note S)			Weighted	
155	Preferred Stock (In 149)		1,036,923,077	54.47%	54.47%	3.76%				0.0205
156	Common Stock (In 152)		-	0.00%	0.00%	-				0.0000
157	Total (Sum Ins 154 to 156)		866,820,000	45.53%	45.53%	10.35%				0.0471
			1,903,743,077					WACC=		0.0676
158	Capital Structure Equity Limit (Note Z)	55%								

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KENTUCKY 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. 7) If AEP East companies have any directly assigned transmission facilities, the revenue credits in the AEP East formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. See Worksheet E for details.						
B	The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet Q and any over under recovery will be filed and posted as part of the informational filing.						
C	Transmission Plant Balances in this study are projected or actual average of 13-month balances.						
D	The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flowthrough 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 the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(f)-1(h)(6)(i). RMO2-7-000, 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. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.						
E	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 78. It excludes: 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 75. 2) Costs of Transmission of Electricity by Others, as described in Note H. 3) The impact of state regulatory deferrals and amortizations, as shown on line 77 4) All A&G Expenses, as shown on line 93.						
F	Consistent with Paragraph 657 of Order 2003-A, the amount on line 67 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 127.						
G	Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.						
H	Removes cost of transmission service provided by others to determine the basis of cash working capital on line 78. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such cost is added back on line 95 to determine the total O&M collected in the formula. The amounts on line 95 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12. The addbacks on line 95 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 line 95 is the KENTUCKY POWER COMPANY general ledger.						
I	Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.						
J	General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.						
K	These deductions on lines 81 through 83 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 recorded in FERC Accounts 928 (Regulatory Commission Expense), 930.1 (Safety Related Advertising) and 930.2 (Miscellaneous General Expenses) that are not directly related to or properly allocable to transmission service will be removed from the TCOS. If AEP includes any expenses booked to these accounts in future ATRR updates, AEP must provide supporting information demonstrating that the underlying activities are directly related to providing transmission service. 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.						
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 118) multiplied by (1/(1-T)). If the applicable tax rates are zero enter 0. Inputs Required: <table><tr><td>FIT =</td><td>21.00%</td></tr><tr><td>SIT=</td><td>5.86% (State Income Tax Rate or Composite SIT. Worksheet G)</td></tr><tr><td>p =</td><td>0.00% (percent of federal income tax deductible for state purposes)</td></tr></table> If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.	FIT =	21.00%	SIT=	5.86% (State Income Tax Rate or Composite SIT. Worksheet G)	p =	0.00% (percent of federal income tax deductible for state purposes)
FIT =	21.00%						
SIT=	5.86% (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 145) / Long-Term Debt (In 154). Preferred Stock cost rate = preferred dividends (In 146) / preferred outstanding (In 155). Common Stock cost rate (ROE) = 10.35%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO Membership. The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains and Losses are computed on Worksheet M. The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.						
T	The Long Term Debt balance for I&M includes the accumulated balance of principle and related interest for Spent Nuclear Fuel Disposal Costs collected prior to April 7, 1983. This total balance of \$265,249,280 at 12/31/12 is not included in the balance in line 154 above. The cost rates for long-term debt shall include interest expense and related periodic expenses (such as remarketing and letter of credit fees) as recorded in FERC Account 427 or 430, amortization of issuance costs (including insurance) and discounts as recorded in FERC Account 428, issuance premiums as recorded in FERC Account 429 and losses or gains on reacquired debt as recorded in FERC Accounts 428.1 or 429.1, respectively. The cost rates for preferred stock (if applicable) shall include the dividends.						
U	Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.						
V	Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.						
W	The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.						
X	Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.						
Y	The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.						
Z	Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.						

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
KENTUCKY POWER COMPANY

		Gross Plant In Service								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	1,231,567,000	13,362,000	695,228,000		970,802,000		69,481,000		51,151,000
2	January	1,231,401,000	13,362,000	694,892,000		972,246,000		70,206,000		51,330,000
3	February	1,231,259,000	13,362,000	695,047,000		974,603,000		70,936,000		52,628,000
4	March	1,231,232,000	13,362,000	695,104,000		977,683,000		71,667,000		53,417,000
5	April	1,231,376,000	13,362,000	695,209,000		980,634,000		72,402,000		54,552,000
6	May	1,231,627,000	13,362,000	696,191,000		983,586,000		73,137,000		55,684,000
7	June	1,231,797,000	13,362,000	696,339,000		986,639,000		73,874,000		56,072,000
8	July	1,231,832,000	13,362,000	697,950,000		989,702,000		74,610,000		57,208,000
9	August	1,231,729,000	13,362,000	698,118,000		992,713,000		75,333,000		58,330,000
10	September	1,232,097,000	13,362,000	698,922,000		995,622,000		76,060,000		58,541,000
11	October	1,233,501,000	13,362,000	700,017,000		999,596,000		76,787,000		59,644,000
12	November	1,234,274,000	13,362,000	717,864,000		1,002,721,000		77,525,000		60,760,000
13	December of Rate Year	1,235,568,000	13,362,000	727,506,000		1,005,574,000		78,285,000		60,291,000
14	Average of the 13 Monthly Balances	1,232,251,000	13,362,000	700,645,000	-	987,086,000	-	73,869,000	-	56,124,000

		Accumulated Depreciation								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	Company Records (Included in total in Column (b)) FF1, page 219, Ins 20-24, Col. (b)	Company Records (Included in total in Column (b)) FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d)) FF1, page 219, In 26, Col. (b)	Company Records (Included in total in Column (f)) FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h)) FF1, page 200, In 21, Col. (b)				
15	December Prior to Rate Year	526,238,000	5,712,000	237,929,000		285,209,000		20,987,000		16,907,000
16	January	528,137,000	5,756,000	238,999,000		287,131,000		21,236,000		16,447,000
17	February	529,957,000	5,799,000	240,069,000		288,672,000		21,488,000		17,130,000
18	March	531,755,000	5,842,000	241,139,000		290,219,000		21,744,000		17,489,000
19	April	533,183,000	5,886,000	242,209,000		291,775,000		22,002,000		18,207,000
20	May	534,863,000	5,929,000	243,279,000		293,338,000		22,265,000		18,945,000
21	June	536,484,000	5,972,000	244,351,000		294,910,000		22,530,000		18,948,000
22	July	538,153,000	6,016,000	245,423,000		296,490,000		22,799,000		19,713,000
23	August	539,757,000	6,059,000	246,498,000		298,080,000		23,072,000		20,497,000
24	September	541,726,000	6,102,000	247,572,000		299,678,000		23,348,000		20,397,000
25	October	543,685,000	6,146,000	248,648,000		301,285,000		23,627,000		21,206,000
26	November	545,586,000	6,189,000	249,726,000		302,904,000		23,909,000		22,033,000
27	December of Rate Year	547,680,000	6,232,000	250,836,000		304,532,000		24,195,000		21,283,000
28	Average of the 13 Monthly Balances	536,708,000	5,972,000	244,360,000	-	294,940,000	-	22,554,000	-	19,169,000

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c) Company Records (included in total in column (b) of accumulated depreciation above)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (b) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year	12,208,000	6,201,000		
30	January	12,208,000	6,222,000		
31	February	12,208,000	6,244,000		
32	March	12,208,000	6,266,000		
33	April	12,208,000	6,288,000		
34	May	12,208,000	6,310,000		
35	June	12,208,000	6,332,000		
36	July	12,208,000	6,354,000		
37	August	12,208,000	6,375,000		
38	September	12,208,000	6,397,000		
39	October	12,208,000	6,419,000		
40	November	12,208,000	6,441,000		
41	December of Rate Year	12,208,000	6,463,000		
42	Average of the 13 Monthly Balances	12,208,000	6,332,000	-	-

43 Transmission Accum Depreciation net of GSU 238,028,000

<u>Plant Held For Future Use</u>		<u>Source of Data</u>	<u>Balance @ December 31, 2021</u>	<u>Balance @ December 31, 2020</u>	<u>Average Balance for 2021</u>
(a)	(b)	(c)	(d)	(e)	
44 <u>Plant Held For Future Use</u>	FF1, page 214, ln 47, Col. (d)	556,000	556,000		556,000
45 <u>Transmission Plant Held For Future Use</u> (Included in total on line 44)	Company Records - Note 1	-	-		-

Regulatory Assets and Liabilities Approved for Recovery in Ratebase

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

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

Unfunded Reserves Summary (Company Records)

	<u>Description</u>	<u>Account</u>			
52					
53a	Accum Prv I/D Worker's Com	261,000	261,000		261,000
53b					-
54	Total	261,000	261,000		261,000

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

NOTE 2: The ratebase should not include the unamortized balance of hedging gains or losses.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
KENTUCKY POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2021</u>	<u>(D) Balance @ December 31, 2020</u>	<u>(E) Average Balance for 2021</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	49,937,000	49,265,000	49,601,000
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	49,937,000	49,265,000	49,601,000
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	378,837,000	373,739,000	376,288,000
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	14,832,000	14,832,000	14,832,000
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	278,176,000	273,614,000	275,895,000
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	85,829,000	85,293,000	85,561,000
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	129,377,000	127,679,000	128,528,000
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	24,376,000	24,376,000	24,376,000
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	104,311,000	102,623,000	103,467,000
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	690,000	680,000	685,000
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	11,748,000	12,817,000	12,282,500
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	9,165,000	9,165,000	9,165,000
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	428,000	1,026,000	727,000
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	2,154,000	2,626,000	2,390,500
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.67(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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

(DEBIT) CREDIT

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
	PER BOOKS	NON-APPLICATION UTILITY	AVERAGE ELECTRIC UTILITY (B+C+D+E)/2	FUNCTIONALIZATION AVERAGE	FUNCTIONALIZATION 12/31/2020	FUNCTIONALIZATION 12/31/2021								
ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2020	BALANCE AS OF 12-31-2021	BALANCE AS OF 12-31-2021	UTILITY (B+C+D+E)/2	GENERATION TRANSMISSION DISTRIBUTION	GENERATION TRANSMISSION DISTRIBUTION	GENERATION TRANSMISSION DISTRIBUTION							
1.00 ACCOUNT 281:														
2.01	0	0		0	0	0	0							
2.02														
2.03			0	0	0	0	0							
2.04	0	0	0	0	0	0	0							
2.05	0	0	0	0	0	0	0							
2.06														
TOTAL ACCOUNT 281	0	0	0	0	0	0	0							
4 ACCOUNT 281 - ARO-Related Deferrals	0	0	0	0	0	0	0							
5 ACCOUNT 282:														
5.01	0	0		0	0	0	0							
5.02	0	0		0	0	0	0							
5.03	0	0		0	0	0	0							
5.04	0	0		0	0	0	0							
5.05	0	0		0	0	0	0							
5.06	0	0		0	0	0	0							
5.07	0	0		0	0	0	0							
5.08	0	0		0	0	0	0							
5.09	0	0		0	0	0	0							
5.10	0	0		0	0	0	0							
5.11	0	0		0	0	0	0							
5.12	0	0		0	0	0	0							
5.13	0	0		0	0	0	0							
5.14	0	0		0	0	0	0							
5.15	0	0		0	0	0	0							
5.16	0	0		0	0	0	0							
5.17	0	0		0	0	0	0							
5.18	0	0		0	0	0	0							
5.19	0	0		0	0	0	0							
5.20	0	0		0	0	0	0							
5.21	0	0		0	0	0	0							
5.22	0	0		0	0	0	0							
5.23	0	0		0	0	0	0							
5.24	0	0		0	0	0	0							
5.25	0	0		0	0	0	0							
5.26	0	0		0	0	0	0							
5.27	0	0		0	0	0	0							
5.28	0	0		0	0	0	0							
5.29	0	0		0	0	0	0							
5.30	0	0		0	0	0	0							
5.31	0	0		0	0	0	0							
5.32	0	0		0	0	0	0							
5.33	0	0		0	0	0	0							
5.34	0	0		0	0	0	0							
5.35	0	0		0	0	0	0							
5.36	0	0		0	0	0	0							
5.37	0	0		0	0	0	0							
5.38	0	0		0	0	0	0							
5.39			0	0	0	0	0							
5.40			0	0	0	0	0							
5.41			0	0	0	0	0							
TOTAL ACCOUNT 282	0	0	0	0	0	0	0							
7 ACCOUNT 282 - ARO-Related Deferrals	0	0	0	0	0	0	0							
8 ACCOUNT 283:														
8.01	0	0		0	0	0	0							
8.02	0	0		0	0	0	0							
8.03	0	0		0	0	0	0							
8.04	0	0		0	0	0	0							
8.05	0	0		0	0	0	0							
8.06	0	0		0	0	0	0							
8.07	0	0		0	0	0	0							
8.08	0	0		0	0	0	0							
8.09	0	0		0	0	0	0							
8.10	0	0		0	0	0	0							
8.11	0	0		0	0	0	0							
8.12	0	0		0	0	0	0							
8.13	0	0		0	0	0	0							
8.14	0	0		0	0	0	0							
8.15	0	0		0	0	0	0							
8.16	0	0		0	0	0	0							
8.17	0	0		0	0	0	0							
8.18	0	0		0	0	0	0							
8.19	0	0		0	0	0	0							
8.20	0	0		0	0	0	0							
8.21	0	0		0	0	0	0							
8.22	0	0		0	0	0	0							
8.23	0	0		0	0	0	0							
8.24	0	0		0	0	0	0							
8.25	0	0		0	0	0	0							
8.26	0	0		0	0	0	0							
8.27	0	0		0	0	0	0							
8.28	0	0		0	0	0	0							
8.29	0	0		0	0	0	0							
8.30	0	0		0	0	0	0							
8.31	0	0		0	0	0	0							
8.32	0	0		0	0	0	0							
8.33	0	0		0	0	0	0							
8.34	0	0		0	0	0	0							
8.35	0	0		0	0	0	0							
8.36	0	0		0	0	0	0							
8.37	0	0		0	0	0	0							
8.38	0	0		0	0	0	0							
8.39	0	0		0	0	0	0							
8.40	0	0		0	0	0	0							
8.41	0	0		0	0	0	0							
8.42	0	0		0	0	0	0							
8.43	0	0		0	0	0	0							
8.44	0	0		0	0	0	0							
8.45	0	0		0	0	0	0							
8.46	0	0		0	0	0	0							
8.47	0	0		0	0	0	0							
8.48	0	0		0	0	0	0							
8.49	0	0		0	0	0	0							
8.50	0	0		0	0	0	0							
8.51	0	0		0	0	0	0							
8.52	0	0		0	0	0	0							
8.53	0	0		0	0	0	0							
8.54	0	0		0	0	0	0							
8.55	0	0		0	0	0	0							
8.56	0	0		0	0	0	0							
8.57	0	0		0	0	0	0							
8.58	0	0		0	0	0	0							
8.59	0	0		0	0	0	0							
8.60	0	0		0	0	0	0							
8.61	0	0		0	0	0	0							
8.62	0	0		0	0	0	0							
8.63	0	0		0	0	0	0							
8.64	0	0		0	0	0	0							
8.65	0	0		0	0	0	0							
8.66	0	0		0	0	0	0							
8.67	0	0		0	0	0	0							
8.68	0	0		0	0	0	0							
8.69	0	0		0	0	0	0							
8.70	0	0		0	0	0	0							
8.71	0	0		0	0	0	0							
8.72	0	0		0	0	0	0							
8.73	0	0		0	0	0	0							
8.74	0	0		0	0	0	0							
8.75	0	0		0	0	0	0							
8.76	0	0		0	0	0	0							
8.77	0	0		0	0	0	0							
8.78	0	0		0	0	0	0							
8.79	0	0		0	0	0	0							
8.80	0	0		0	0	0	0							
8.81	0	0		0	0	0	0							
8.82	0	0		0	0	0	0							
8.83	0	0		0	0	0	0							
8.84	0	0		0	0	0	0							
8.85	0	0		0	0	0	0							
8.86	0	0		0	0	0	0							
8.87	0	0		0	0	0	0							
8.88	0	0		0	0	0	0							
8.89	0	0		0	0	0	0							
8.90	0	0		0	0	0	0							
8.91	0	0		0	0	0	0							
8.92	0	0		0	0	0	0							
8.93			0	0	0	0	0							
8.94			0	0	0	0	0							
8.95			0	0	0	0	0							
8.96			0	0	0	0	0							
8.97			0	0	0	0	0							
8.98			0	0	0	0	0							
8.99			0	0	0	0	0							
TOTAL ACCOUNT 283	0	0	0	0	0	0	0							
11 DEFERRED STATE INCOME TAXES	0	0	0	0	0	0	0							
TOTAL ACCOUNT 283	0	0	0	0	0	0	0							
13 ACCOUNT 283 - ARO-Related Deferrals	0	0	0	0	0	0	0							
JURISDICTIONAL AMOUNTS FUNCTIONALIZED														
TOTAL COMPANY AMOUNTS FUNCTIONALIZED														
REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT														
NOTE: POST 1970 ACCUMULATED DEFERRED INV-TAX CRED. (UDTCL) IN AC 255														
TOTAL ACCOUNT 255	0	0	0	0	0	0	0							

DEBIT (CREDIT)

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

KENTUCKY POWER COMPANY, INC.

Worksheet B-3

Excess/ Deficient ADIT Worksheet for Total Company and Functional Balances

For Year Ended December 31, 2019

Debit/(Credit)

A	B	C	D	E
TOTAL COMPANY BALANCES				
Line No.	Account (NOTE A)	Description of Account	Protected Unprotected	Tax Rate Change Act
Deferred Tax Account (NOTE B)				
1a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
1b	2811001	ADFIT - Accel Amortization Property	Protected	TCJA 2017
1c	2814001	ADFIT - Accel Amort FAS 109 Excess	Protected	TCJA 2017
1d	2821001	ADFIT - Utility Property	Protected	TCJA 2017
1e	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
1f	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
1g	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
1h	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
1i	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
1j	NOTE E			
Regulatory Deferral Accounts				
2a	182.3	Regulatory Asset		TCJA 2017
2b	254	Regulatory Liability		TCJA 2017
2c	NOTE E			
3	Total For Accounting Entires (Sum of Lines 1a through 2c)			

TRANSMISSION FUNCTION BALANCES

Deferred Tax Account (NOTE B)				
4a	1904001	ADFIT - FAS 109 Excess	N/A	TCJA 2017
4b	2821001	ADFIT - Utility Property	Protected	TCJA 2017
4c	2821001	ADFIT - Utility Property	Unprotected	TCJA 2017
4d	2824001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017
4e	2824001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017
4f	2831001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017
4g	2834001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017
4h	NOTE E			
Regulatory Deferral Accounts				
5a	182.3	Regulatory Asset		TCJA 2017
5b	254	Regulatory Liability		TCJA 2017
5c	NOTE E			
6	Total For Accounting Entires (Sum of Lines 4a through 5c)			

GENERAL NOTE: ADIT Tax balances provided in the formula presented in Attachment H-14B are maintained on both a to formula, the information for excess and deficient ADIT is also presented for both total company and the transmission function transmission functional summary.

NOTE A: In order to ensure ratebase neutrality, AEP utilizes the fourth digit of its seven digit FERC Tax subaccount number. The fourth digit of a FERC tax account refers to the utility operations balances or activity. Accounts with the "1" in the fourth position of the account number indicates accounts used to track regulatory accounting requirements balance, which will ensure that in the formula rate the excess or deficiency amounts will be part of ratebase, but the amounts recorded in the "4" accounts will be offset on a net basis in the regulatory asset or liability subaccount.

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

NOTE C: The amounts of the remeasurement shown here are as of the effective date of the change in tax rates and will

NOTE D: The ten year amortization period for unprotected excess ADIT is consistent with the period agreed upon by the Company at the 166 FERC ¶ 61,125 (2010).

that may be necessary to track that tax rate change.

NOTE F: The amount of excess amortization entries shown in lines 1a through 1j and 4a through 4h are shown as a debit and 6 is the offset recorded to the 410/411 account and will tie to the total company and transmission function service.

F	G	H	I	J
Excess Balance at Remeasurement (NOTE C)	Amortization Methodology (NOTE D)	Amotization Period	1/1/2019 Beginning Balances	
			Excess ADIT Regulatory Offset	Excess ADIT in Utility Deferrals
(22,201,492)			53,539,469	(21,130,045)
			21,130,045	
(92,216,055)	ARAM	Life of Asset		(89,817,108)
(58,572,784)	10 Years	1/2018 - 12/2027		(55,926,721)
			89,817,108	
			55,926,721	
(39,072,283)	10 Years	1/2018 - 12/2027		(34,536,499)
			51,322,793	
			(2,380,180)	
			(269,355,956)	
			0	(201,410,373)
(35,312,263)	ARAM	Life of Asset	8,951,911	
(434,774)	10 Years	1/2018 - 12/2027		(31,541,620)
				(3,611,369)
			31,541,620	
			3,611,369	
1,632,023	10 Years	1/2018 - 12/2027		1,476,754
			1,852,640	
			(951,955)	
			(45,005,585)	
			0	(33,676,235)

tal company and transmission functional basis. Because both sets of numbers are presented in the on on this worksheet. Account 281 only applies to the generation function, so is not presented in the

nders to identify balances associated with utility operations vs regulatory reporting requirements. A "1" in " designation will be included in the determination of ratebase to be recovered in the formula rate. A "4" nts. The excess ADIT amounts recorded in accounts with the "4" designation will be contra to the "1" ut at the total FERC account level the tax liability or asset will be recorded at the current Federal FIT rate. ccount established for this purpose.

of ADIT accounts provided for each specific change in tax rates.
l remain static on this workpaper.

Company and its customers and approved for the Company's PJM formula rates. *Appalachian Power*

debit or credit to the ADIT account from which it is being amortized. The total in line 3 al amounts of excess or deficient ADIT amortization shown on line 119 of the cost of

K	L	M	N	O	P
	Balance Sheet Entries		Tax Expense Entries		12/31/2019 Er
Balance Sheet Account Reclassifications	182.3	254	410/411 Excess Amortization	410/411 Deferred Tax Expense/ (Benefit)	Excess ADIT Regulatory Offset
Sum of Cc					
		12,627,349			66,166,818
			2,820,473	(1,314,581)	
		(1,505,893)			19,624,152
			341,296	13,394,589	
			7,810,740	(14,629,105)	
		(13,735,885)			76,081,223
		6,818,365			62,745,086
			(104,544)	3,018,668	
		(17,320,250)			34,002,543
					(2,380,180)
		13,116,314			(256,239,642)
-	-	-	(10,867,965)	(469,571)	-

NOTE F

Sum of Cc					
		2,216,571			11,168,482
			679,186	3,747,498	
			1,382,165	(6,183,166)	
		(4,426,684)			27,114,936
		4,801,001			8,412,370
			(565,223)	2,528,576	
		(4,340,794)			(2,488,154)
					(951,955)
		1,749,906			(43,255,679)
-	-	-	(1,496,128)	(92,908)	-

NOTE F

Q	R
Ending Balance	
Excess ADIT in Utility Deferrals	Reference
Cols (I) - (O)	
	WS B - 2 Col B/C, ADIT item 2.71
(19,624,153)	Company Records
	WS B-1 Col B/C ADIT item 2.06
(76,081,223)	
(62,745,086)	WS B - 1 Cols M+N+O , ADIT Item 5.32
	WS B - 1 Col C, ADIT Item 5.32
(31,622,375)	WS B - 1 Col C, ADIT Item 9.61
	WS B - 1 Col C, ADIT Item 9.64

Company Records

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

(190,072,837)

Cols (I) - (O)	
	Company Records
(27,114,936)	
(8,412,370)	WS B - 1 Col N, ADIT 5.32
	Company Records
3,440,107	WS B - 1 Col N, item 9.61
	Company Records

Company Records

Company Records

(32,087,199)

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
KENTUCKY POWER COMPANY

(A)

(B)

(C)

(D)

(E)

(F)

(G)

(H)

(I)

Materials & Supplies

Line Number	Source	Balance @ December 31, 2021	Balance @ December 31, 2020	Average Balance for 2021	
1					
2	Transmission Materials & Supplies	FF1, p. 227, In 8, Col. (c) & (b)	12,000	12,000	12,000
3	General Materials & Supplies	FF1, p. 227, In 11, Col. (c) & (b)	22,000	22,000	22,000
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, In 16, Col. (c) & (b)	0	0	-

Prepayment Balance Summary (Note 1)

	Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	
5							
6	Totals as of December 31, 2021	3,208,000	(74,332,000)	0	1,541,000	75,999,000	77,540,000
7	Totals as of December 31, 2020	3,208,000	(71,207,000)		1,541,000	72,874,000	74,415,000
8	Average Balance	3,208,000	(72,769,500)	-	1,541,000	74,436,500	75,977,500

Prepayments Account 165 - Balance @ 12/31/2021

9	Acc. No.	Description	2021 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	789,000	-		789,000		789,000	Plant Related Insurance Policies
11	1650005	Prepaid Employee Benefits	0	-				-	
12	1650006	Other Prepayments	220,000	220,000				-	Prepaid - Gen
13	165000219	Prepaid Taxes	878,000	878,000				-	Prepaid Interest - Distribution
14	1650009	Prepaid Carry Cost-Factored AR	57,000	57,000				-	AR Factoring
15	1650010	Prepaid Pension Benefits	50,618,000	-		50,618,000		50,618,000	Pension
16	1650014	FAS 158 Qual Contra Asset	(50,618,000)	(50,618,000)				-	SFAS 158 Contra Acct
17	1650016	FAS 112 ASSETS	0	-				-	
18	165001219	Prepaid Use Taxes	63,000	63,000				-	Prepaid Tax - Dist
19	165001119	Prepaid Sales Taxes	396,000	396,000				-	SFAS 112 Overfunding Asset
20	1650021	Prepaid Insurance - EIS	752,000	-	752,000			752,000	Plant Related Insurance Policies
21	1650023	Prepaid Lease	53,000	53,000				-	Prepaid Lease - Dist
22	1650031	Prepaid OCIP Work Comp	0	-				-	
23	1650033	Prepaid OCIP Work Comp-Aff	0	-				-	
24	1650035	PRW Without Med-D Benefits	25,381,000	-		25,381,000		25,381,000	Labor Related Expense
25	1650036	PRW for Med-D Benefits	0	-				-	
26	1650037	FAS 158 Contra-PRW Exc Med-D	(25,381,000)	(25,381,000)				-	SFAS 158 Offset
27									
28									
29									
30		Subtotal - Form 1, p 111.57.c	3,208,000	(74,332,000)	0	1,541,000	75,999,000	77,540,000	

Prepayments Account 165 - Balance @ 12/31/ 2020

31	Acc. No.	Description	2020 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
32	1650001	Prepaid Insurance	789,000	-		789,000		789,000	Plant Related Insurance Policies
33	1650005	Prepaid Employee Benefits	0	-				-	
34	1650006	Other Prepayments	220,000	220,000				-	Prepaid - Gen
35	165000219	Prepaid Taxes	878,000	878,000				-	Prepaid Interest - Distribution
36	1650009	Prepaid Carry Cost-Factored AR	57,000	57,000				-	AR Factoring
37	1650010	Prepaid Pension Benefits	50,618,000	-		50,618,000		50,618,000	Pension
38	1650014	FAS 158 Qual Contra Asset	(50,618,000)	(50,618,000)				-	SFAS 158 Contra Acct
39	1650016	FAS 112 ASSETS	0	-				-	
40	165001219	Prepaid Use Taxes	63,000	63,000				-	Prepaid Tax - Dist
41	165001119	Prepaid Sales Taxes	396,000	396,000				-	SFAS 112 Overfunding Asset
42	1650021	Prepaid Insurance - EIS	752,000	-	752,000			752,000	Plant Related Insurance Policies
43	1650023	Prepaid Lease	53,000	53,000				-	Prepaid Lease - Dist
44	1650031	Prepaid OCIP Work Comp	0	-				-	
45	1650033	Prepaid OCIP Work Comp-Aff	0	-				-	
46	1650035	PRW Without Med-D Benefits	22,256,000	-		22,256,000		22,256,000	Labor Related Expense
47	1650036	PRW for Med-D Benefits	0	-				-	
48	1650037	FAS 158 Contra-PRW Exc Med-D	(22,256,000)	(22,256,000)				-	SFAS 158 Offset
49									
50									
51									
52		Subtotal - Form 1, p 111.57.d	3,208,000	(71,207,000)		1,541,000	72,874,000	74,415,000	

Note 1: Prepayment Balance will not include: (i) federal and state income tax payments made to offset additional tax liabilities resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; (ii) outstanding income tax refunds due to the company resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; or (iii) prepayments of federal or state income taxes which are attributable to income earned during periods prior to January 1 of the year depicted in the Balance Sheet (as described in USdA Account 236).

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
KENTUCKY POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2021</u>
1	Net Funds from IPP Customers 12/31/2020 (2021 FORM 1, P269)	(323,000)
2	Interest Accrual (Company Records - Note 1)	(18,000)
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2021 (2021 FORM 1, P269)	(341,000)
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	(332,000)

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
KENTUCKY 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)	4,446,000	4,446,000	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	674,000	660,000	14,000
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	8,373,000	8,023,000	350,000
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	1,371,000	1,371,000	-
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	23,441,000	23,441,000	-
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	38,305,000	37,941,000	364,000
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	38,305,000	37,941,000	364,000

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

Note 2 The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)

9 Facility Credits under PJM OATT Section 30.9

-

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

(A)	(B)	(C)	(D)	(E)	(F)
Line Number	Item No.	Description	2021 Expense	100% Non-Transmission	100% Transmission Specific
Regulatory O&M Deferrals & Amortizations					
1	5660009	PJM/OATT Over/Under Recovery	(19,851,000)		
2					
3					
4		Total	(19,851,000)		
Detail of Account 561 Per FERC Form 1					
5					
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	0		
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	540,000		
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	1,567,000		
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	141,000		
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 Services	432,000		
14		Total of Account 561	2,680,000		
Account 928					
15	9280000	Regulatory Commission Exp	-	-	-
16	9280001	Regulatory Commission Exp-Case	-	-	-
17	9280002	Regulatory Commission Exp-Case	-	-	-
18	9280005	Reg Com Exp-FERC Trans Cases	-	-	-
19					
20		Total (FERC Form 1 p.323.189.b)	-	-	-
Account 930.1					
21	9301000	General Advertising Expenses	13,000	13,000	-
22	9301001	Newspaper Advertising Space	1,000	1,000	-
23	9301002	Radio Station Advertising Time	9,000	9,000	-
24	9301003	TV Station Advertising Time	2,000	2,000	-
25	9301009	Fairs, Shows, and Exhibits	-	-	-
26	9301010	Publicity	-	-	-
27	9301012	Public Opinion Surveys	24,000	24,000	-
28	9301015	Other Corporate Comm Exp	2,000	2,000	-
29					
30					
31					
32					
33					
34					
35					
36					
37		Total (FERC Form 1 p.323.191.b)	51,000	51,000	-
Account 930.2					
38	9302000	Misc General Expenses	176,000	176,000	
39	9302003	Corporate & Fiscal Expenses	17,000	17,000	
40	9302004	Research, Develop&Demonstr Exp	-	-	
41	9302006	Assoc Business Development Materials Sold	31,000	31,000	
42	9302007	Assoc Business Development Exp	982,000	586,000	396,000
43		Total (FERC Form 1 p.323.192.b)	1,206,000	810,000	396,000

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
KENTUCKY POWER COMPANY

Kentucky Income Tax Rate	5.00%	
Apportionment Factor - Note 1	87.92%	
Effective State Tax Rate		4.40%
West Virginia Income Tax Rate	6.50%	
Apportionment Factor - Note 1	21.04%	
Effective State Tax Rate		1.37%
Michigan Corporate Income Tax	6.00%	
Apportionment Factor - Note 1	0.03%	
Effective State Tax Rate		0.00%
Ohio Franchise Tax Rate	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
_____ Tax Rate	0.00%	
Apportionment Factor - Note 1	0.00%	
Effective State Tax Rate		0.00%
Illinois Corporation Income Tax Rate	9.50%	
Apportionment Factor - Note 1	0.93%	
Effective State Tax Rate		0.09%
Total Effective State Income Tax Rate		<u>5.86%</u>

Note 1 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 Actual/Projected FF1 Balances
Worksheet H Supporting Taxes Other than Income
KENTUCKY 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	39,000				39,000
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Kentucky	15,123,000	15,123,000			
5	Real and Personal Property - West Virginia	3,537,000	3,537,000			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	2,050,000		2,050,000		
10	Federal Unemployment Tax	12,000		12,000		
11	State Unemployment Insurance	24,000		24,000		
12	Production Taxes					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	6,373,000				6,373,000
16	State Public Service Commission Fees	1,195,000			1,195,000	
17	State Franchise Taxes	641,000			641,000	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	468,000				468,000
21	Federal Excise Tax	3,000				3,000
22	Michigan Single Business Tax	-				-
23						
24	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	29,465,000	18,660,000	2,086,000	1,836,000	6,883,000

NOTE 1: The detail of each total company number and its source in the FERC Form 1 is shown on WS H-1.

Functional Property Tax Allocation					
	Production	Transmission	Distribution	General	Total
25 Functionalized Net Plant (TCOS, Lns 41 thru 46)	688,153,000	456,285,000	692,146,000	51,315,000	1,887,899,000
KENTUCKY JURISDICTION					
26 Percentage of Plant in KENTUCKY JURISDICTION	14.11%	98.22%	100.00%	99.75%	
27 Net Plant in KENTUCKY JURISDICTION (Ln 25 * Ln 26)	97,098,388	448,163,127	692,146,000	51,186,713	1,288,594,228
28 Less: Net Value of Exempted Generation Plant	14,103,758				
29 Taxable Property Basis (Ln 27 - Ln 28)	82,994,630	448,163,127	692,146,000	51,186,713	1,274,490,470
30 Relative Valuation Factor	33.00%	100.00%	100.00%	100.00%	
31 Weighted Net Plant (Ln 29 * Ln 30)	27,388,228	448,163,127	692,146,000	51,186,713	
32 General Plant Allocator (Ln 31 / (Total - General Plant))	2.35%	38.38%	59.27%	-100.00%	
33 Functionalized General Plant (Ln 32 * General Plant)	1,200,579	19,645,499	30,340,634	(51,186,713)	-
34 Weighted KENTUCKY JURISDICTION Plant (Ln 31 + 33)	28,588,807	467,808,626	722,486,634	(1)	1,218,884,067
35 Functional Percentage (Ln 34/Total Ln 34)	2.35%	38.38%	59.27%		
WEST VIRGINIA JURISDICTION					
46 Net Plant in WEST VIRGINIA JURISDICTION (Ln 25 - Ln 27 - Ln 37)	591,054,612	8,121,873	-	128,288	599,304,772
47 Less: Net Value Exempted Generation Plant	390,382,888				
48 Taxable Property Basis	200,671,724	8,121,873	-	128,288	208,921,884
49 Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
50 Weighted Net Plant (Ln 48 * Ln 49)	200,671,724	8,121,873	-	128,288	
51 General Plant Allocator (Ln 50 / (Total - General Plant))	96.11%	3.89%	0.00%	-100.00%	
52 Functionalized General Plant (Ln 52 * General Plant)	123,297	4,990	-	(128,288)	
53 Weighted WEST VIRGINIA JURISDICTION Plant (Ln 50 + 52)	200,795,021	8,126,863	-	(1)	208,921,884
54 Functional Percentage (Ln 53/Total Ln 53)	96.11%	3.89%	0.00%		

(Total Company Amount Ties to FFI p.114, Ln 14,(c))

Note 2: The transmission functional amounts for any Real Estate and Property taxes listed on pages 263 of the FERC Form 1 will be allocated using the transmission functional allocator calculated for each state in Worksheet H of the applicable year that the taxes were assessed. Real and Personal Property - Other Jurisdictions will be allocated using the Gross Plant Allocator from the applicable year.

13984000

AEP East Companies
Cost of Service Formula Rate Using 2021 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
KENTUCKY POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using 2021 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
KENTUCKY POWER COMPANY

Page 1 of 2

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 (TCOS, ln 156)				10.35%
Project ROE Incentive Adder				
ROE with additional basis point incentive				10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through 156)				
	%	Cost	Weighted cost	
Long Term Debt	54.47%	3.76%	2.049%	
Preferred Stock	0.00%	0.00%	0.000%	
Common Stock	45.53%	10.35%	4.713%	
		R =	6.762%	

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

Rate Base (TCOS, ln 68)	380,361,298
R (from A. above)	6.762%
Return (Rate Base x R)	25,718,785

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

Return (from B. above)	25,718,785
Effective Tax Rate (TCOS, ln 114)	24.02%
Income Tax Calculation (Return x CIT)	6,177,239
ITC Adjustment	-
Excess Deferred Income Tax	(1,830,024)
Tax Affect of Permanent Differences	915,684
Income Taxes	5,262,899

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
	Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2021	-	\$ -

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 (TCOS, ln 1)	67,439,880
Lease Payments (TCOS, Ln 95)	-
Return (TCOS, ln 126)	25,718,785
Income Taxes (TCOS, ln 125)	5,262,899
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	36,458,196

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	36,458,196
Return (from I.B. above)	25,718,785
Income Taxes (from I.C. above)	5,262,899
Annual Revenue Requirement, with Basis Point ROE increase	67,439,880
Depreciation (TCOS, ln 100)	18,327,455
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	49,112,426

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (TCOS, ln 42)	450,409,000
Annual Revenue Requirement, with Basis Point ROE increase	67,439,880
FCR with Basis Point increase in ROE	14.97%
Annual Rev. Req. w/ Basis Point ROE increase, less Dep.	49,112,426
FCR with Basis Point ROE increase, less Depreciation	10.90%
FCR less Depreciation (TCOS, ln 10)	10.90%
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2021 (TCOS, ln 21)	688,437,000
Annual Depreciation and Amortization Expense (TCOS, ln 100)	18,327,455
Composite Depreciation Rate	2.66%
Depreciable Life for Composite Depreciation Rate	37.56
Round to nearest whole year	38

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 2021 FF1 Balances
Worksheet L Reserved for Future Use
KENTUCKY POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
KENTUCKY POWER COMPANY

Line No	Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	834,128,000			767,000	833,361,000
2	January	845,647,000			775,000	844,872,000
3	February	852,394,000			783,000	851,611,000
4	March	858,415,000			791,000	857,624,000
5	April	858,778,000			798,000	857,980,000
6	May	859,790,000			806,000	858,984,000
7	June	865,709,000			814,000	864,895,000
8	July	873,586,000			822,000	872,764,000
9	August	879,583,000			829,000	878,754,000
10	September	881,984,000			837,000	881,147,000
11	October	883,998,000			845,000	883,153,000
12	November	888,125,000			853,000	887,272,000
13	December of Rate Year	897,104,000			860,000	896,244,000
14	Average of the 13 Monthly Balances	867,634,000	-	-	814,000	866,820,077

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Acct 221 Bonds (b)	Less: Acct 222 Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year		-		995,000,000		995,000,000
16	January		-		995,000,000		995,000,000
17	February		-		1,070,000,000		1,070,000,000
18	March		-		1,070,000,000		1,070,000,000
19	April		-		1,070,000,000		1,070,000,000
20	May		-		1,070,000,000		1,070,000,000
21	June		-		1,030,000,000		1,030,000,000
22	July		-		1,030,000,000		1,030,000,000
23	August		-		1,030,000,000		1,030,000,000
24	September		-		1,030,000,000		1,030,000,000
25	October		-		1,030,000,000		1,030,000,000
26	November		-		1,030,000,000		1,030,000,000
27	December of Rate Year		-		1,030,000,000		1,030,000,000
28	Average of the 13 Monthly Balances	-	-	-	1,036,923,000	-	1,036,923,077

NOTE 1: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (Page 257 Column H of the FF1)

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2021						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			38,181,000			
	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.			-			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			-			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			761,000			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			67,000			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
37	Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)			39,009,000			
38	Average Cost of Debt for 2021 (Ln 37/ Ln 28 (g))			3.76%			

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

39 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.

					Amortization Period		
HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)		Total Hedge (Gain)/Loss for 2021	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Beginning	Ending
40	Senior Unsecured Notes - Series G	-	-	-	-		
41	Senior Unsecured Notes - Series H	-	-	-	-		
42	Senior Unsecured Notes - Series J	-	-	-	-		
43				-			
44				-			
45				-			
46				-			
47				-			
48				-			
49					-		
50	Total Hedge Amortization	-	-				
51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			-			
52	Total Average Capital Structure Balance for 2021 (TCOS, Ln 157)			1,903,743,077			
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
54	Limit of Recoverable Amount			951,872			
55	Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			-			

Development of Cost of Preferred Stock**Preferred Stock**

56 0% Series - 0 - Dividend Rate (p. 250-251)
 57 0% Series - 0 - Par Value (p. 250-251)
 58 0% Series - 0 - Shares O/S (p.250-251)
 59 0% Series - 0 - Monetary Value (Ln 57 * Ln 58)
 60 0% Series - 0 - Dividend Amount (Ln 56 * Ln 59)

	0.000%	0.000%
\$	-	\$ -
	-	-
	-	-
	-	-

61 0% Series - 0 - Dividend Rate (p. 250-251)
 62 0% Series - 0 - Par Value (p. 250-251)
 63 0% Series - 0 - Shares O/S (p.250-251)
 64 0% Series - 0 - Monetary Value (Ln 62 * Ln 63)
 65 0% Series - 0 - Dividend Amount (Ln 61 * Ln 64)

	0.000%	0.000%
\$	-	\$ -
	-	-
	-	-
	-	-

66 0% Series - 0 - Dividend Rate (p. 250-251)
 67 0% Series - 0 - Par Value (p. 250-251)
 68 0% Series - 0 - Shares O/S (p.250-251)
 69 0% Series - 0 - Monetary Value (Ln 67 * Ln 68)
 70 0% Series - 0 - Dividend Amount (Ln 66 * Ln 69)

	0.000%	0.000%
\$	-	\$ -
	-	-
	-	-
	-	-

71 **Balance of Preferred Stock (Lns 59, 64, 69)**
 72 **Dividends on Preferred Stock (Lns 60, 65, 70)**
 73 **Average Cost of Preferred Stock (Ln 72/71)**

-	-	-
0.00%	0.00%	0.00%

Average

-

-

-

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
KENTUCKY 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.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Line	Date	Property Description	Function (T) or (G) T = Transmission G = General	Basis	Proceeds	(Gain) / Loss	Functional Allocator	Functionalized Proceeds (Gain) / Loss	FERC Account
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4				Net (Gain) or Loss for 2021		-		-	

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

1 Total AEP East Operating Company PBOP Settlement Amount (127,042,000)

Allocation of PBOP Settlement Amount for 2021

Total Company Amount

Line#	Company	Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOP Recovery Allowance	Labor Allocator for 2021	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A)	(B)=(A)/Total (A)	(C)=(B) * -127042000	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
		(Line 14)						
2	APCo	(16,579,000)	36.54%	(46,416,231)	9.207%	(1,526,430)	(4,273,546)	2,747,116
3	I&M	(12,009,000)	26.46%	(33,621,601)	4.475%	(537,358)	(1,504,441)	967,083
4	KPCo	(3,821,000)	8.42%	(10,697,655)	7.824%	(298,953)	(836,980)	538,026
5	KNGP	(376,000)	0.83%	(1,052,687)	11.212%	(42,157)	(118,027)	75,870
6	OPCo	(11,910,000)	26.25%	(33,344,430)	11.570%	(1,377,956)	(3,857,865)	2,479,909
7	WPCo	(682,000)	1.50%	(1,909,396)	3.184%	(21,718)	(60,803)	39,085
8	Sum of Lines 2 to 7	(45,377,000)		(127,042,000)		(3,804,572)	(10,651,662)	6,847,090

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	(12,806,000)	(10,920,000)	(3,094,000)	(262,000)	(8,879,000)	(329,000)	(36,290,000)
10 Additional PBOP Ledger Entries (from Company Records)	351,000	1,340,000	306,000	-	-	(263,000)	
11 Medicare Subsidy	-	-	-	-	-	-	-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(12,455,000)	(9,580,000)	(2,788,000)	(262,000)	(8,879,000)	(592,000)	(34,556,000)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(4,124,000)	(2,429,000)	(1,033,000)	(114,000)	(3,031,000)	(89,000)	(10,820,000)
14 Company PBOP Expense (Ln 12 + Ln 13)	(16,579,000)	(12,009,000)	(3,821,000)	(376,000)	(11,910,000)	(681,000)	(45,376,000)

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the actual formula rate; (b) the cumulative net present value of projected PBOP costs during the next four years, as estimated by the then current actuarial report, assuming a discount rate equal to the actual formula rate weighted average cost of capital for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowance will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF 3/6/2019
FOR MULTIPLE JURISDICTION COMPANIES
Appalachian Power Company

	VIRGINIA				WEST VIRGINIA			FERC WHOLESALE			FERC KINGSFORT			COMPANY
	(1)				(2)			(3)			(4)			
	PLANT	VA SCC	ALLOCATION	WTD AVG.	PSC OF WV	ALLOCATION	WTD AVG.	FERC	ALLOCATION	WTD AVG.	FERC	ALLOCATION	WTD AVG.	WTD AVG.
	ACCT.	RATES	FACTOR (5)	DEPREC.	APPROVED	FACTOR (5)	DEPREC.	RATES	FACTOR (5)	DEPREC.	RATES	FACTOR (5)	DEPREC.	DEPREC.
				RATE	RATES		RATE							RATE
TRANSMISSION PLANT														
Land Rights - Va.	350.1	0.66%	1.000000	0.66%										0.66%
Energy Storage Equip	351.0				14.22%	1.000000	14.22%							14.22%
Structures & Improvements	352.0	1.55%	0.492648	0.76%	1.62%	0.414603	0.67%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.63%
Station Equipment	353.0	1.95%	0.492648	0.96%	2.37%	0.414603	0.98%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.14%
Towers & Fixtures	354.0	1.14%	0.492648	0.56%	1.59%	0.414603	0.66%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.42%
Poles & Fixtures	355.0	2.77%	0.492648	1.36%	2.71%	0.414603	1.12%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.68%
Overhead Conductor	356.0	1.01%	0.492648	0.50%	1.53%	0.414603	0.63%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	1.33%
Underground Conduit	351.0	1.23%	0.492648	0.61%	3.71%	0.414603	1.54%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	2.35%
Underground Conductors	351.0	3.18%	0.492648	1.57%	5.24%	0.414603	2.17%	2.19%	0.033874	0.07%	2.19%	0.058874	0.13%	3.94%
GENERAL PLANT														
Structures & Improvements	390.0	1.50%	0.519557	0.78%	1.91%	0.425935	0.81%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.78%
Office Furniture & Equipment	391.0	2.78%	0.519557	1.44%	3.17%	0.425935	1.35%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.98%
Transportation Equipment	392.0	0.00%	0.519557	0.00%	3.40%	0.425935	1.45%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.64%
Stores Equipment	393.0	1.60%	0.519557	0.83%	1.80%	0.425935	0.77%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.79%
Tools Shop & Garage Equipment	394.0	2.07%	0.519557	1.08%	2.57%	0.425935	1.09%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.36%
Laboratory Equipment	395.0	1.53%	0.519557	0.79%	4.01%	0.425935	1.71%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.69%
Power Operated Equipment	396.0	0.00%	0.519557	0.00%	3.90%	0.425935	1.66%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	1.85%
Communication Equipment	397.0	3.27%	0.519557	1.70%	4.98%	0.425935	2.12%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	4.01%
Miscellaneous Equipment	398.0	2.51%	0.519557	1.30%	2.70%	0.425935	1.15%	3.43%	0.019780	0.07%	3.43%	0.034728	0.12%	2.64%

(1) As approved in VA Case No. PUE 2011-00037 on Nov. 30, 2011.
Depreciation rates were made effective on January 1, 2012.

(3) Approved by FERC March 2, 1990 in Docket ER90-132.

(4) Approved by FERC March 2, 1990 in Docket ER90-133.

(2) Approved by PSC of WV Order dated May 26, 2015 in
Case No. 14-1151-E-D effective June 1, 2015.

(5) Transmission allocation factors are changed annually in January based on
September factors as per the PJM tariff approved in FERC Docket ER08-1329
Attachment H-14B, Part II, pg. 15 of 21.

(6) Energy Storage Equipment is a new account established per FERC Order 784.

GENERAL NOTES:

The rates for each AEP company have been approved by their respective regulatory commissions.

APCo falls under the authority of Virginia, West Virginia and the FERC. Therefore, APCo's rates are a composite of the jurisdictions under which it operates. Each jurisdictions' rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate for the company.

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.

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF October 31, 2018
FOR MULTIPLE JURISDICTION COMPANIES
INDIANA MICHIGAN POWER COMPANY

	INDIANA				MICHIGAN			FERC WHOLESALE			COMPANY
	(1)				(2)			(3)			
PLANT	IURC	ALLOCATION	WTD AVG.		MPSC	WTD AVG.		FERC	ALLOCATION	WTD AVG.	WTD AVG.
ACCT.	RATES	FACTOR (4)	DEPREC. RATE		APPROVED RATES	DEPREC. RATE		RATES	FACTOR (4)	DEPREC. RATE	DEPREC. RATE
TRANSMISSION PLANT											
Land Improvements	350.1	1.4800%	0.652103	0.9651%	1.4400%	0.144206	0.2077%	1.4400%	0.203691	0.2933%	1.47%
Structures & Improvements	352.0	1.5500%	0.652103	1.0108%	1.5000%	0.144206	0.2163%	1.5000%	0.203691	0.3055%	1.53%
Station Equipment	353.0	1.8600%	0.652103	1.2129%	1.8400%	0.144206	0.2653%	1.8400%	0.203691	0.3748%	1.85%
Towers & Fixtures	354.0	1.6900%	0.652103	1.1021%	1.5700%	0.144206	0.2264%	1.5700%	0.203691	0.3198%	1.65%
Poles & Fixtures	355.0	2.8500%	0.652103	1.8585%	2.8300%	0.144206	0.4081%	2.8300%	0.203691	0.5764%	2.84%
Overhead Conductors	356.0	1.9700%	0.652103	1.2846%	1.8900%	0.144206	0.2725%	1.8900%	0.203691	0.3850%	1.94%
Underground Conduit	357.0	1.8600%	0.652103	1.2129%	1.7700%	0.144206	0.2552%	1.7700%	0.203691	0.3605%	1.83%
Underground Conductors	358.0	1.7000%	0.652103	1.1086%	1.6600%	0.144206	0.2394%	1.6600%	0.203691	0.3381%	1.69%
Trails & Roads	359.0	1.5000%	0.652103	0.9782%	1.4800%	0.144206	0.2134%	1.4800%	0.203691	0.3015%	1.49%

(1) As approved in Indiana Case No. 44967.

(2) As approved in MICHIGAN Case No. U18370.

(3) FERC wholesale formula rate agreements specify that the depreciation rates in the formula rates change upon approval of MPSC rates in the Michigan jurisdiction.

(4) The rates approved for each jurisdiction are updated when approved by that commission. These demand-based allocation factors for all jurisdictions are updated when new rates are approved in one of the jurisdictions. These allocation factors reflect I&M's 12 monthly Coincident Peaks during test year of the most recent rate case.

GENERAL NOTES:

The rates for each AEP company have been approved by their respective regulatory commissions.

I&M falls under the authority of Indiana, Michigan and the FERC. Therefore, I&M's rates are a composite of the jurisdictions under which it operates. Each jurisdictions' rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate for the company.

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.

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 09/1/2016
FOR SINGLE JURISDICTION COMPANIES
KINGSPORT POWER COMPANY

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Structures & Improvements	352.0	1.04%
Station Equipment	353.0	1.49%
Towers & Fixtures	354.0	0.12%
Poles & Fixtures	355.0	2.14%
Overhead Conductors	356.0	0.77%
Underground Conduit	357.0	Note 2
Underground Conductors	358.0	Note 2
Composite Transmission Depreciation Rate		1.46%
GENERAL PLANT		
Structures & Improvements	390.0	1.71%
Office Furniture & Equipment	391.0	2.82%
Stores Equipment	393.0	2.22%
Tools Shop & Garage Equipmen	394.0	3.12%
Laboratory Equipment	395.0	3.17%
Communication Equipment	397.0	3.32%
Miscellaneous Equipment	398.0	4.92%
Total General Plant		3.25%

Reference:

Note 1: Rates Approved In Tennessee Regulatory Authority Docket No. 16-00001.
K

Note 2: Kingsport Power Company does not have investment in plant
accounts 357 or 358. Therefore, there are no depreciation rates approved

General Note

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.

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 07/1/2015
FOR SINGLE JURISDICTION COMPANIES
KENTUCKY POWER COMPANY

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductors	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%

Reference:

Note 1: Rates Approved in KPSC Case No. 2014-00396.

General Note

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.

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 1/1/2012
FOR SINGLE JURISDICTION COMPANIES
OHIO POWER COMPANY

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Structures & Improvements	352.0	2.02%
Station Equipment	353.0	2.29%
Twrs and Fixtures Above 69 KV	354.0	1.88%
Twrs and Fixtures Below 69 KV	354.0	1.88%
Poles and Fixtures Above 69 KV	355.0	3.52%
Poles and Fixtures Below 69 KV	355.0	3.52%
Overhead Conductor & Devices Above 69KV	356.0	1.91%
Overhead Conductor & Devices MSP	356.0	1.91%
Overhead Conductor & Devices 138KV	356.0	1.91%
Overhead Conductor & Devices 69KV	356.0	1.91%
Overhead Conductor & Devices CLR	356.0	1.91%
Underground Conduit	357.0	2.26%
Underground Conductors	358.0	3.27%

Reference:

Note 1: These are the weighted average of the depreciation rates in effect for Columbus Southern Power and Ohio Power prior to the merger of Columbus Southern into Ohio Power.

General Note:

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.

AEP EAST COMPANIES
PJM FORMULA RATE
WORKSHEET P - TRANSMISSION DEPRECIATION RATES
EFFECTIVE AS OF 3/6/2019
FOR SINGLE JURISDICTION COMPANIES
WHEELING POWER COMPANY

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Structures & Improvements	352.0	1.15%
Station Equipment	353.0	2.22%
Towers & Fixtures	354.0	2.65%
Poles & Fixtures	355.0	2.41%
Overhead Conductors	356.0	1.32%
Underground Conduit	351.0	9.94%
Underground Conductors	351.0	13.98%
Trails & Roads	359.0	-
GENERAL PLANT		
Structures & Improvements	390.0	1.08%
Office Furniture & Equipment	391.0	2.13%
Stores Equipment	393.0	1.78%
Tools Shop & Garage Equipment	394.0	1.65%
Communication Equipment	397.0	5.09%
Miscellaneous Equipment	398.0	2.76%

Note 1: Rates Approved in WV Public Service Commission Case No. 14-1151-E-D.

General Note:

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.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet Q - True-up With Interest

Reconciliation Revenue Requirement For Year 2019 Available May 25, 2020	-	2019 Forecasted Revenue Requirement For Year 2019	=	True-up Adjustment - Over (Under) Recovery
\$62,361,158		\$61,493,027		(\$868,131)

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.4195%				

An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorata over 2020

<u>Calculation of Interest</u>				<u>Monthly</u>		
January	Year 2019	(72,344)	0.4195%	12	3,642	75,986
February	Year 2019	(72,344)	0.4195%	11	3,338	75,683
March	Year 2019	(72,344)	0.4195%	10	3,035	75,379
April	Year 2019	(72,344)	0.4195%	9	2,731	75,076
May	Year 2019	(72,344)	0.4195%	8	2,428	74,772
June	Year 2019	(72,344)	0.4195%	7	2,124	74,469
July	Year 2019	(72,344)	0.4195%	6	1,821	74,165
August	Year 2019	(72,344)	0.4195%	5	1,517	73,862
September	Year 2019	(72,344)	0.4195%	4	1,214	73,558
October	Year 2019	(72,344)	0.4195%	3	910	73,255
November	Year 2019	(72,344)	0.4195%	2	607	72,951
December	Year 2019	(72,344)	0.4195%	1	303	72,648
					23,672	891,803

<u>Annual</u>						
January through December	Year 2020	891,803	0.4195%	12	44,893	936,696

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				<u>Monthly</u>		
January	Year 2021	(936,696)	0.4195%		3,929	860,423
February	Year 2021	(860,423)	0.4195%		3,609	783,830
March	Year 2021	(783,830)	0.4195%		3,288	706,915
April	Year 2021	(706,915)	0.4195%		2,966	629,678
May	Year 2021	(629,678)	0.4195%		2,641	552,116
June	Year 2021	(552,116)	0.4195%		2,316	474,230
July	Year 2021	(474,230)	0.4195%		1,989	396,016
August	Year 2021	(396,016)	0.4195%		1,661	317,475
September	Year 2021	(317,475)	0.4195%		1,332	238,604
October	Year 2021	(238,604)	0.4195%		1,001	159,402
November	Year 2021	(159,402)	0.4195%		669	79,868
December	Year 2021	(79,868)	0.4195%		335	0
					25,737	

True-Up Adjustment with Interest	962,434
Less Over (Under) Recovery	(868,131)
Total Interest	94,303

Note 1: The interest rate to be applied to the over recovery or under recovery amounts will be determined using the average monthly FERC interest rate (as determined pursuant to 18 C.F.R. Section 35.19a) for the twenty (20) months from the beginning of the rate year being trued-up through August 31 of the following year.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet Q - True-up With Interest

Reconciliation Revenue Requirement For Year 2019 Available May 25, 2020	-	2019 Forecasted Revenue Requirement For Year 2019	=	True-up Adjustment - Over (Under) Recovery
\$452,172		\$1,057,070		\$604,898

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.4195%				

An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorata over 2020

<u>Calculation of Interest</u>				Monthly		
January	Year 2019	50,408	0.4195%	12	(2,538)	(52,946)
February	Year 2019	50,408	0.4195%	11	(2,326)	(52,734)
March	Year 2019	50,408	0.4195%	10	(2,115)	(52,523)
April	Year 2019	50,408	0.4195%	9	(1,903)	(52,311)
May	Year 2019	50,408	0.4195%	8	(1,692)	(52,100)
June	Year 2019	50,408	0.4195%	7	(1,480)	(51,888)
July	Year 2019	50,408	0.4195%	6	(1,269)	(51,677)
August	Year 2019	50,408	0.4195%	5	(1,057)	(51,466)
September	Year 2019	50,408	0.4195%	4	(846)	(51,254)
October	Year 2019	50,408	0.4195%	3	(634)	(51,043)
November	Year 2019	50,408	0.4195%	2	(423)	(50,831)
December	Year 2019	50,408	0.4195%	1	(211)	(50,620)
					(16,494)	(621,392)

Annual				Annual		
January through December	Year 2020	(621,392)	0.4195%	12	(31,281)	(652,673)

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2021	652,673	0.4195%	(2,738)	55,884	(599,527)
February	Year 2021	599,527	0.4195%	(2,515)	55,884	(546,159)
March	Year 2021	546,159	0.4195%	(2,291)	55,884	(492,566)
April	Year 2021	492,566	0.4195%	(2,066)	55,884	(438,748)
May	Year 2021	438,748	0.4195%	(1,841)	55,884	(384,705)
June	Year 2021	384,705	0.4195%	(1,614)	55,884	(330,435)
July	Year 2021	330,435	0.4195%	(1,386)	55,884	(275,937)
August	Year 2021	275,937	0.4195%	(1,158)	55,884	(221,211)
September	Year 2021	221,211	0.4195%	(928)	55,884	(166,255)
October	Year 2021	166,255	0.4195%	(697)	55,884	(111,068)
November	Year 2021	111,068	0.4195%	(466)	55,884	(55,650)
December	Year 2021	55,650	0.4195%	(233)	55,884	(0)
					(17,933)	

True-Up Adjustment with Interest	(670,607)
Less Over (Under) Recovery	604,898
Total Interest	(65,708)

Note 1: The interest rate to be applied to the over recovery or under recovery amounts will be determined using the average monthly FERC interest rate (as determined pursuant to 18 C.F.R. Section 35.19a) for the twenty (20) months from the beginning of the rate year being trued-up through August 31 of the following year.