

Schedule 8.1 – Appendix 2

Appalachian Power Company (APCO)

Capacity Compensation Formula Rate

To be Effective June 1, 2016 through May 31, 2017

Docket No. ER13-539

Pursuant to PJM RAA Schedule 8.1 Appendix 2 (Formula Rate Implementation Protocols), American Electric Power, Inc. on behalf of its subsidiary Appalachian Power Company, has calculated its Annual Capacity Formula Rate Revenue Requirement to produce the “Annual Update” for the Rate Year beginning June 1, 2016 through May 30, 2017. All the files pertaining to the Annual Update are to be posted on the PJM website in PDF and Excel format. The first file provides the annual revenue requirement and the second file provides supporting work papers. An informational filing will also be submitted to the FERC.

The APCo capacity rate effective June 1 is \$437.46/MW/Day.