

AEP East Companies' Transmission Cost of Service and Comparison of Retail Transmission Rates Present and Proposed

Transmission Cost of Service and Retail Cost Recovery and Rates

	APCo	CSP	I&M	KqPCo	KPCo	OPCo	WPCo	TOTAL
1	Transmission Cost of Service	\$191,200,964	\$79,810,462	\$120,368,570	\$2,671,422	\$52,270,060	\$149,496,020	\$597,515,927
2	Schedule 1A	\$3,517,597	\$859,827	\$1,235,106	\$42,164	\$763,784	\$3,386,085	\$9,847,546
3	Expansion Cost Amortization	\$715,319	\$296,081	\$568,434	\$0	\$173,000	\$838,546	\$2,591,381
4	Startup Cost Amortization	\$652,052	\$269,894	\$518,158	\$0	\$157,699	\$764,381	\$2,362,185
5	PJM Schedule 12	\$0	\$0	\$0	\$0	\$0	\$223,864	\$223,864
6	Total Cost of Service	\$196,085,932	\$81,236,265	\$122,690,268	\$2,713,586	\$53,364,544	\$154,708,896	\$612,540,902
7	Net Credits or Charges From 3rd Party and Affiliates	(\$68,228,980)	\$40,985,193	(\$63,567,440)	\$10,988,238	(\$14,346,666)	(\$11,165,025)	(\$96,561,551)
8	Present Residual T-COS	\$127,856,953	\$122,221,458	\$59,122,827	\$13,701,824	\$39,017,877	\$143,543,871	\$515,979,351
9	12-Mo. Avg. Coincident Load (MW)	5,763	3,498	3,098	349	1,244	4,325	18,553
10	Residual \$/kW-Month	\$1.85	\$2.91	\$1.59	\$3.27	\$2.61	\$2.77	\$2.32
11	Retail Collection Opportunity in Each State Jurisdiction	\$127,856,953	\$97,933,137	\$59,122,827	\$13,701,824	\$39,017,877	\$109,833,075	\$457,980,235
12	Collection Opp. \$/kW-Month	\$1.85	\$2.33	\$1.59	\$3.27	\$2.61	\$2.12	\$2.06
13	Proposed Retail T-COS	\$160,185,925	\$97,275,196	\$86,189,287	\$9,695,713	\$34,577,916	\$120,343,739	\$515,979,352
14	Proposed \$/kW-Month	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32	\$2.32

Notes:

- 1 & 2 The cost of service for each of these services reflects the costs accepted for filing by the FERC, subject to settlement, and if necessary hearings, and refunds.
- 3 & 4 Annual cost recovery permitted under FERC-approved 10-year and 15-year amortizations, respectively.
- 5 AEP has included one project, two new 765 kV breakers at Hanging Rock Station, in its PJM Transmission Formula rate effective March 1, 2009. Amount shown is the projected year end 2008 revenue requirement.
- 7 Values reflect the netting of charges and credits that each AEP Company would presently experience over a full year based on going-level rates, the projected Transmission Agreement settlements, and allocation methods.
- 9 The 12-Mo. Average Coincident Load is calculated as the average of the monthly PJM NSPL in the AEP Zone for the year ending October 31, 2008. Details are provided in WP AEP-206.2.3, Page 3 of 3.
- 11 Except in Ohio, the analysis assumes that AEP has the opportunity to recover the Residual T-COS. In Ohio, OPCo's and CSP's MLR share of the PJM OATT is recovered as shown in Exhibit AEP-208, Page 5 of 5.
- 13 The Proposed Retail T-COS is calculated in Exhibit AEP-210, Page 5 of 5.

**AEP Transmission Agreement
Comparison of Variation in MLR, 1 CP and 12 CP Allocation Factors
2005 through 2009**

PRESENT MLR

	12 MONTHS AVERAGE MLR						12 MONTHS AVERAGE MLR VARIANCE						MLR		
	2005		2006		2007		2008		2009		2009		5 YR MAX	5 YR MIN	RANGE
	Actual	Projected	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected			
Appalachian Power	32.178%	29.566%	33.034%	32.760%	32.440%	11.730%	-0.830%	-0.974%	11.730%	11.730%	11.730%	33.034%	29.566%	3.468%	
Columbus Southern Power	17.412%	18.860%	18.772%	19.125%	19.032%	-0.470%	1.881%	-0.484%	8.317%	8.317%	8.317%	19.125%	17.412%	1.713%	
Indiana & Michigan Power	18.658%	19.546%	19.137%	18.418%	18.487%	-2.091%	-3.759%	0.376%	4.756%	4.756%	4.756%	19.546%	18.418%	1.128%	
Kingsport Power	7.631%	7.435%	6.895%	6.959%	7.113%	-7.262%	0.924%	2.214%	-2.569%	-2.569%	-2.569%	7.631%	6.895%	0.736%	
Kentucky Power	24.120%	24.593%	22.163%	22.739%	22.928%	-9.884%	2.602%	0.828%	1.961%	1.961%	1.961%	24.593%	22.163%	2.431%	
Wheeling Power															

7 MEMBER MLR

	AVERAGE MODIFIED 7 MEMBER MLR						AVERAGE MODIFIED 7 MEMBER MLR VARIANCE						MODIFIED MLR		
	2005		2006		2007		2008		2009		2009		5 YR MAX	5 YR MIN	RANGE
	Actual	Projected	Actual	Actual	Actual	Actual	Actual	Projected	Projected	Projected	Projected	Projected	Projected	Projected	
Appalachian Power	30.136%	27.823%	31.302%	30.855%	30.656%	12.507%	-1.430%	-0.645%	-7.676%	-7.676%	-7.676%	31.302%	27.823%	3.480%	
Columbus Southern Power	17.378%	18.854%	18.764%	19.113%	19.002%	-0.477%	1.855%	-0.576%	8.498%	8.498%	8.498%	19.113%	17.378%	1.735%	
Indiana & Michigan Power	18.621%	19.540%	19.130%	18.406%	18.458%	-2.098%	-3.753%	0.284%	4.933%	4.933%	4.933%	19.540%	18.406%	1.134%	
Kingsport Power	1.994%	1.733%	1.719%	1.898%	1.794%	-0.810%	10.372%	-5.441%	-13.052%	-13.052%	-13.052%	1.994%	1.719%	0.274%	
Kentucky Power	7.616%	7.433%	6.892%	6.954%	7.102%	-7.268%	0.900%	2.121%	-2.405%	-2.405%	-2.405%	7.616%	6.892%	0.723%	
Ohio Power	22.751%	23.201%	20.846%	21.363%	21.509%	-10.152%	2.481%	0.680%	1.979%	1.979%	1.979%	23.201%	20.846%	2.355%	
Wheeling Power	1.505%	1.416%	1.346%	1.411%	1.479%	-4.974%	4.864%	4.774%	-5.899%	-5.899%	-5.899%	1.505%	1.346%	0.159%	

1CP

	1CP (AEP Zonal Peak)						1CP								
	2005		2006		2007		2008		2009		2009		5 YR MAX	5 YR MIN	RANGE
	Avg Monthly CP	11/04 thru 10/04	Avg Monthly CP	11/05 thru 10/05	Avg Monthly CP	11/06 thru 10/06	Avg Monthly CP	11/07 thru 10/07	Avg Monthly CP	11/08 thru 10/08	Avg Monthly CP	11/09 thru 10/09	Projected	Projected	
Appalachian Power	29.443%	26.841%	27.485%	28.452%	28.183%	08/03/04 1700	08/08/07 1400	08/08/07 1400	01/25/08 0800	01/25/08 0800	01/25/08 0800	20.146%	34.183%	7.342%	
Columbus Southern Power	18.332%	19.356%	20.854%	21.630%	17.261%	07/26/05 1500	08/02/06 1700	08/08/07 1400	01/25/08 0800	01/25/08 0800	01/25/08 0800	-20.199%	21.630%	17.261%	4.369%
Indiana & Michigan Power	19.913%	19.423%	19.110%	17.428%	15.592%	08/03/04 1700	08/08/07 1400	08/08/07 1400	01/25/08 0800	01/25/08 0800	01/25/08 0800	-10.537%	19.913%	15.592%	4.321%
Kingsport Power	1.463%	1.564%	1.569%	1.640%	2.191%	07/26/05 1500	08/02/06 1700	08/08/07 1400	01/25/08 0800	01/25/08 0800	01/25/08 0800	33.567%	2.191%	1.463%	0.728%
Kentucky Power	5.820%	6.484%	6.419%	6.048%	7.736%	07/26/05 1500	08/02/06 1700	08/08/07 1400	01/25/08 0800	01/25/08 0800	01/25/08 0800	27.925%	7.736%	5.820%	1.917%
Ohio Power	23.613%	24.863%	23.045%	23.340%	21.588%	07/26/05 1500	08/02/06 1700	08/08/07 1400	01/25/08 0800	01/25/08 0800	01/25/08 0800	-7.504%	24.863%	21.588%	3.275%
Wheeling Power	1.416%	1.468%	1.518%	1.462%	1.448%	07/26/05 1500	08/02/06 1700	08/08/07 1400	01/25/08 0800	01/25/08 0800	01/25/08 0800	3.650%	1.518%	1.416%	0.101%

PROPOSED 12CP

	AVERAGE 12CP						AVERAGE 12CP VARIANCE						12CP		
	2005		2006		2007		2008		2009		2009		5 YR MAX	5 YR MIN	RANGE
	Avg Monthly CP	11/04 thru 10/04	Avg Monthly CP	11/05 thru 10/05	Avg Monthly CP	11/06 thru 10/06	Avg Monthly CP	11/07 thru 10/07	Avg Monthly CP	11/08 thru 10/08	Avg Monthly CP	11/09 thru 10/09	Projected	Projected	
Appalachian Power	28.638%	28.331%	29.800%	30.603%	31.062%	11/04 thru 10/04	11/05 thru 10/05	11/06 thru 10/06	11/07 thru 10/07	11/07 thru 10/08	11/07 thru 10/08	5.184%	31.062%	28.331%	2.731%
Columbus Southern Power	17.355%	17.064%	17.741%	19.253%	18.852%	11/04 thru 10/04	11/05 thru 10/05	11/06 thru 10/06	11/07 thru 10/07	11/07 thru 10/08	11/07 thru 10/08	-2.080%	19.253%	17.064%	2.188%
Indiana & Michigan Power	19.327%	19.400%	19.544%	17.083%	16.696%	11/04 thru 10/04	11/05 thru 10/05	11/06 thru 10/06	11/07 thru 10/07	11/07 thru 10/08	11/07 thru 10/08	-12.692%	19.544%	16.696%	2.848%
Kingsport Power	1.744%	1.751%	1.737%	1.672%	1.880%	11/04 thru 10/04	11/05 thru 10/05	11/06 thru 10/06	11/07 thru 10/07	11/07 thru 10/08	11/07 thru 10/08	12.477%	1.880%	1.672%	0.209%
Kentucky Power	6.891%	6.924%	7.022%	6.926%	6.705%	11/04 thru 10/04	11/05 thru 10/05	11/06 thru 10/06	11/07 thru 10/07	11/07 thru 10/08	11/07 thru 10/08	-3.197%	7.022%	6.705%	0.317%
Ohio Power	24.521%	25.008%	22.608%	23.076%	23.313%	11/04 thru 10/04	11/05 thru 10/05	11/06 thru 10/06	11/07 thru 10/07	11/07 thru 10/08	11/07 thru 10/08	1.029%	25.008%	22.608%	2.401%
Wheeling Power	1.522%	1.522%	1.549%	1.388%	1.491%	11/04 thru 10/04	11/05 thru 10/05	11/06 thru 10/06	11/07 thru 10/07	11/07 thru 10/08	11/07 thru 10/08	-10.405%	1.549%	1.388%	0.161%

AEP Transmission Agreement
Summary of Agreement Modification Impacts
Performed 2008¹ Cost Sharing vs. Proposed 2009² Cost Sharing
\$(000)

Summary of Impact
1CP Cost Allocation
(Exhibit AEP-208)

Company	2008 Total T & LSE Related	2009 Total T & LSE Related	AEP Net Change 2009 - 2008
Appalachian Power	(\$68,764)	(\$68,229)	\$536
Columbus Southern Power	\$39,209	\$40,985	\$1,776
Indiana & Michigan Power	(\$65,596)	(\$63,567)	\$2,029
Kingsport Power	\$9,696	\$10,988	\$1,292
Kentucky Power	(\$14,880)	(\$14,347)	\$533
Ohio Power	(\$11,800)	(\$11,165)	\$635
Wheeling Power	\$8,091	\$8,773	\$682
Total	(\$104,043)	(\$96,562)	\$7,482

Summary of Impact
MLR⁵ Cost Allocation
(Exhibit AEP-209)

Company	2008 Total T & LSE Related	2009 Total T & LSE Related	AEP Net Change 2009 - 2008
Appalachian Power	(\$68,764)	(\$68,229)	\$535
Columbus Southern Power	\$39,209	\$40,985	\$1,776
Indiana & Michigan Power	(\$65,596)	(\$63,567)	\$2,029
Kingsport Power	\$9,696	\$10,988	\$1,292
Kentucky Power	(\$14,880)	(\$14,347)	\$533
Ohio Power	(\$11,800)	(\$11,165)	\$635
Wheeling Power	\$8,091	\$8,773	\$682
Total	(\$104,043)	(\$96,562)	\$7,482

Summary of Impact
12CP Cost Allocation
(Exhibit AEP-210)

Company	2008 Total T & LSE Related	2009 Total T & LSE Related	AEP Net Change 2009 - 2008
Appalachian Power	(\$68,764)	(\$68,229)	\$536
Columbus Southern Power	\$39,209	\$40,985	\$1,776
Indiana & Michigan Power	(\$65,596)	(\$63,567)	\$2,029
Kingsport Power	\$9,696	\$10,988	\$1,292
Kentucky Power	(\$14,880)	(\$14,347)	\$533
Ohio Power	(\$11,800)	(\$11,165)	\$635
Wheeling Power	\$8,091	\$8,773	\$682
Total	(\$104,043)	(\$96,562)	\$7,482

Proposed Allocation:⁴

Company	2008 Total T & LSE Related	2009 Total T & LSE Related	AEP Net Change 2009 - 2008
Appalachian Power	(\$67,333)	(\$20,241)	\$47,092
Columbus Southern Power	\$34,191	\$7,989	(\$26,202)
Indiana & Michigan Power	(\$33,351)	(\$41,858)	(\$8,507)
Kingsport Power	\$4,998	\$8,554	\$3,556
Kentucky Power	(\$17,499)	(\$13,551)	\$3,949
Ohio Power	(\$28,520)	(\$43,193)	(\$14,673)
Wheeling Power	\$3,471	\$5,739	\$2,267
Total	(\$104,043)	(\$96,562)	\$7,482

Company	2008 Total T & LSE Related	2009 Total T & LSE Related	AEP Net Change 2009 - 2008
Appalachian Power	(\$56,807)	(\$38,199)	\$18,608
Columbus Southern Power	\$23,164	\$16,855	(\$6,310)
Indiana & Michigan Power	(\$29,070)	(\$27,268)	\$1,801
Kingsport Power	\$6,125	\$6,534	\$410
Kentucky Power	(\$13,528)	(\$16,781)	(\$3,253)
Ohio Power	(\$37,177)	(\$43,599)	(\$6,421)
Wheeling Power	\$3,249	\$5,896	\$2,647
Total	(\$104,043)	(\$96,562)	\$7,482

Company	2008 Total T & LSE Related	2009 Total T & LSE Related	AEP Net Change 2009 - 2008
Appalachian Power	(\$57,912)	(\$36,130)	\$21,782
Columbus Southern Power	\$23,778	\$16,090	(\$7,688)
Indiana & Michigan Power	(\$34,863)	(\$36,238)	(\$1,375)
Kingsport Power	\$5,135	\$6,971	\$1,836
Kentucky Power	(\$13,652)	(\$18,803)	(\$5,151)
Ohio Power	(\$29,675)	(\$34,411)	(\$4,736)
Wheeling Power	\$3,145	\$5,959	\$2,814
Total	(\$104,043)	(\$96,562)	\$7,482

Net Change From Trans. Agreement Modification:

Company	2008 Net T & LSE Related	2009 Net T & LSE Related	AEP Net Change 2009 - 2008
Appalachian Power	\$1,432	\$47,988	\$46,556
Columbus Southern Power	(\$5,019)	(\$32,996)	(\$27,977)
Indiana & Michigan Power	\$32,245	\$21,709	(\$10,536)
Kingsport Power	(\$4,698)	(\$2,435)	\$2,264
Kentucky Power	(\$2,619)	\$796	\$3,415
Ohio Power	(\$16,721)	(\$32,028)	(\$15,308)
Wheeling Power	(\$4,620)	(\$3,034)	\$1,586
Total	\$0	(\$0)	(\$0)

Company	2008 Net T & LSE Related	2009 Net T & LSE Related	AEP Net Change 2009 - 2008
Appalachian Power	\$11,958	\$30,030	\$18,072
Columbus Southern Power	(\$16,045)	(\$24,131)	(\$8,085)
Indiana & Michigan Power	\$36,527	\$36,299	(\$228)
Kingsport Power	(\$3,572)	(\$4,454)	(\$882)
Kentucky Power	\$1,353	\$7,434	(\$3,787)
Ohio Power	(\$25,378)	(\$32,434)	(\$7,056)
Wheeling Power	(\$4,843)	(\$2,877)	\$1,966
Total	\$0	\$0	\$0

Company	2008 Net T & LSE Related	2009 Net T & LSE Related	AEP Net Change 2009 - 2008
Appalachian Power	\$10,853	\$32,099	\$21,246
Columbus Southern Power	(\$15,431)	(\$24,895)	(\$9,464)
Indiana & Michigan Power	\$30,734	\$27,330	(\$3,404)
Kingsport Power	(\$4,562)	(\$4,017)	\$545
Kentucky Power	\$1,228	(\$4,457)	(\$5,685)
Ohio Power	(\$17,875)	(\$23,246)	(\$5,371)
Wheeling Power	(\$4,947)	(\$2,814)	\$2,133
Total	\$0	(\$0)	(\$0)

1. Revenues and Costs with Calendar 2008 Allocations
2. Projected Revenues, Costs and Allocations
3. T-related revenues and costs as presently shared, primarily by 5 Member MLR
4. Three "Proposed" allocation scenarios compared. All share T revenues by annual revenue requirements. T cost sharing varies as labeled.
5. Modified 7 Member MLR in Proposed

AEP Transmission Agreement
Summary of Revenue, Demand, Energy and Other Allocation Factors
Summary of Revenue Requirement Allocation Factors

	<u>Transmission and Related Services Annual Revenue Requirement of Each AEP-East Company and in Total</u>							
	<u>AEP-East Total</u>	<u>APCo</u>	<u>CSP</u>	<u>I&M</u>	<u>KgPCo</u>	<u>KPCo</u>	<u>OPCo</u>	<u>WPCo</u>
1	% ATRR Present	100.00%	35.50%	11.30%	20.15%	0.43%	23.87%	0.57%
	AEP Zonal ATRR For PJM OATT (w/o TEA) ¹	\$507,227,581	\$177,851,214	\$58,897,471	\$101,432,448	\$2,397,126	\$40,766,848	\$122,759,546
	Other Operating Revenues (other than T Svc)	(\$11,071,122)	(\$1,713,887)	(\$2,824,184)	(\$1,460,433)	(\$285,000)	(\$155,411)	(\$4,317,207)
	Net Annual Transmission Rev. Req. w/o GF Rev Cred	\$496,156,459	\$176,137,327	\$56,073,287	\$99,972,015	\$2,112,126	\$40,611,437	\$118,442,339
								\$2,807,928
2	% ARR S1 Present	100.00%	28.72%	11.06%	23.23%	0.51%	31.88%	0.46%
	AEP Schedule 1A Revenue Requirement ¹	\$14,031,886	\$4,029,637	\$1,551,294	\$3,260,004	\$71,760	\$581,160	\$4,473,961
3	% ATRR Proposed	100.00%	31.99%	13.35%	20.14%	0.45%	8.74%	0.28%
	AEP Zonal ATRR For PJM OATT (w/o TEA) ²	\$606,660,130	\$194,760,242	\$80,634,099	\$121,604,664	\$2,729,719	\$52,537,787	\$151,527,693
	Other Operating Revenues (other than T Svc)	(\$8,920,339)	(\$3,559,278)	(\$823,637)	(\$1,236,094)	(\$58,297)	(\$267,727)	(\$1,807,809)
	Net Annual Transmission Rev. Req. w/o GF Rev Cred	\$597,739,791	\$191,200,964	\$79,810,462	\$120,368,570	\$2,671,422	\$52,270,060	\$149,719,884
								\$1,698,429
4	% ARR S1 Proposed	100.00%	35.72%	8.73%	12.54%	0.43%	7.76%	0.44%
	AEP Schedule 1A Revenue Requirement ²	\$9,847,546	\$3,517,597	\$859,827	\$1,235,106	\$42,164	\$763,784	\$3,386,085
5	% ARR ECRC	100.00%	27.60%	11.43%	21.94%	0.00%	6.68%	0.00%
	AEP Expansion Cost ³	\$17,461,244	\$4,892,470	\$1,954,758	\$3,882,938	\$0	\$1,178,359	\$5,552,719
	ECRC Amortization/Year Avg. Est.	\$2,591,381	\$715,319	\$296,081	\$568,434	\$0	\$173,000	\$838,546
6	% ARR SCRC	100.00%	28.42%	12.21%	21.10%	0.00%	6.20%	0.00%
	Startup Cost Recovery Charge ³	\$17,522,217	\$4,980,238	\$2,139,051	\$3,697,098	\$0	\$1,086,074	\$5,619,756
	SCRC Amortization/Year Avg. Est.	\$2,362,185	\$671,390	\$288,367	\$498,409	\$0	\$146,415	\$757,604
7	Total Pole Miles (TPM)	100.00%	28.01%	11.19%	22.25%	0.00%	6.75%	31.80%

1 As approved in Docket No. ER05-751, including Wyoming-Jacksons Ferry
2 As proposed in Docket No. ER08-1329, effective 3/1/09 subject to further determination.
3 Total Deferred PJM Expansion and RTO Start Up costs as of 1/1/05, prior to beginning amortization

AEP Transmission Agreement
Summary of Revenue, Demand, Energy and Other Allocation Factors
AEP NSPL¹ (1CP), 12CP, and MLR² Demand Allocation Factors
For 2008 and 2009

2008 Demand Factors

Company (1)	AEP Zone		Average		Average	
	1CP %	12CP %	MLR %	7 Mbr MLR %	(5)	
	(2)	(3)	(4)			
Appalachian Power	28.452%	30.603%	32.760%	30.855%		
Columbus Southern Power	21.630%	19.253%	19.125%	19.113%		
Indiana & Michigan Power	17.428%	17.083%	18.418%	18.406%		
Kingsport Power	1.640%	1.672%	0.000%	1.898%		
Kentucky Power	6.048%	6.926%	6.959%	6.954%		
Ohio Power	23.340%	23.076%	22.739%	21.363%		
Wheeling Power	1.462%	1.388%	0.000%	1.411%		
Total	100.000%	100.000%	100.000%	100.000%	100.000%	

2009 Demand Factors

AEP Zone	AEP Zone		Average		Average	
	1CP %	12CP %	MLR %	7 Mbr MLR %	(9)	
	(6)	(7)	(8)			
	34.183%	31.062%	32.440%	30.656%		
	17.261%	18.852%	19.032%	19.002%		
	15.592%	16.696%	18.487%	18.458%		
	2.191%	1.880%	0.000%	1.794%		
	7.736%	6.705%	7.113%	7.102%		
	21.588%	23.313%	22.928%	21.509%		
	1.448%	1.491%	0.000%	1.479%		
Total	100.000%	100.000%	100.000%	100.000%	100.000%	

1 NSPL = Network Service Peak Load, per PJM OATT

2 MLR = Member Load Ratio, per Existing Agreement (4 and 8), and Modified for 7 Members (5 and 9)

AEP Transmission Agreement
Summary of Revenue, Demand, Energy and Other Allocation Factors
Energy Allocation Factors (MWh%)
2008 Actual and Projected 2009

Actual	APCo	CSP	I&M	KGP	KPCO	OPCO	WPCO	TOTAL
AEP LSE MWH	37,132,091	23,454,972	21,427,297	2,286,344	7,815,097	31,188,241	2,221,448	125,525,490
AEP LSE %	29.58%	18.69%	17.07%	1.82%	6.23%	24.85%	1.77%	100.00%
AEP Formula Rt. Cust.	1,271,249	506,488	4,020,711		100,098			5,898,546
Formula Rt. %	21.55%	8.59%	68.16%		1.70%			100.00%
Other LSE								12,498,836
								143,922,872

Actual costs from transmission settlement statements **\$12,105,495**
 Schedule 1A Rate \$ / MWH from filing \$0.0686
 Total Schedule 1A Charge (Total MWH * Rate) \$9,875,987
 Out and Through (Actual Total - Calculated Total) \$2,229,507

LSE \$8,613,559
 Formula \$404,758
 Other LSE \$857,670

Projected	APCo	CSP	I&M	KGP	KPCO	OPCO	WPCO	TOTAL	% of Total
AEP LSE MWH	38,075,628	24,120,383	22,095,126	2,300,259	8,271,268	30,747,842	2,225,337	127,835,844	87.16%
AEP LSE %	29.78%	18.87%	17.28%	1.80%	6.47%	24.05%	1.74%	100.00%	
AEP Formula Rt. Cust.	1,345,006	532,509	4,228,333		103,718			6,209,565	4.23%
Formula Rt. %	21.66%	8.58%	68.09%		1.67%			100.00%	
Other LSE								12,623,824	8.61%
								146,669,233	100.00%

Allocation of ARR based on
 % of Total

Existing Schedule 1A Zonal ARR¹ **\$7,942,546**
 LSE **\$6,922,666**
 Formula **\$336,265**
 Other LSE \$683,615
 Point to Point Service Credit¹ \$1,905,000
 Other LSE TOTAL **\$2,588,615**

¹ As proposed in Docket No. ER08-1329, effective 3/1/09 subject to further determination.

**AEP Transmission Agreement
Summary of Revenue, Demand, Energy and Other Allocation Factors**

A. GFA and Other Operating Revenue

	<u>Transmission and Related Services</u>	<u>AEP-East Total</u>	<u>APCo</u>	<u>CSP</u>	<u>I&M</u>	<u>KgPCo</u>	<u>KPCo</u>	<u>OPCo</u>	<u>WPCo</u>
	AEP Zonal ATRR For PJM OATT	\$606,660,130	\$169,811,081	\$132,533,491	\$87,006,625	\$2,729,719	\$51,721,957	\$159,991,331	\$2,865,926
	Other Operating Revenues (other than T Svc)	(\$8,920,339)	(\$3,559,278)	(\$823,637)	(\$1,236,094)	(\$58,297)	(\$267,727)	(\$1,807,809)	(\$1,167,497)
	Net Annual Transmission Rev. Req.	\$597,739,791	\$166,251,803	\$131,709,854	\$85,770,531	\$2,671,422	\$51,454,230	\$158,183,522	\$1,698,429
1	Account 450, Forfeited Discounts	-	-	-	-	-	-	-	-
2	Account 451, Miscellaneous Service Revenues	616,998	418,201	123,327	56,787	-	13,556	5,127	-
3	Account 454, Rent from Electric Property	4,429,200	1,561,493	574,955	418,178	36,417	11,638	1,778,742	47,777
4	Account 4560015, Associated Business Developm	2,683,705	1,579,584	125,355	761,129	21,880	171,817	23,940	-
5	Account 456 - Other Electric Revenues	1,190,436	-	-	-	-	70,716	-	1,119,720
7	Total Other Operating Revenues To Reduce Rever	8,920,339	3,559,278	823,637	1,236,094	58,297	267,727	1,807,809	1,167,497
6	Accounts 4470004 & 5, Revenues from Grandfath	10,751,403	3,536,055	2,017,366	2,056,747	-	758,527	2,382,708	-

B. Direct Assignment: Formula Rate Power Sales and Schedule 1A Allocations

	MW TOTAL	Allocation for NTS	ATRR
NTS AEP LSE (b2, h1)	20,994.20	86.73%	\$24,239.56
NTS Formula (b3)	944.00	3.90%	\$508,890,100
3rd Party NTS (b1)	2,268.70	9.37%	\$22,882,141
TOTAL	24,206.90		\$586,764,524

Using the 2008 NSPL information to be billed in 2009, the LSE, Formula, and 3rd Party allocation percentages based on respective load are multiplied by the EXISTING ZONAL ATRR FOR PJM OATT in Docket No. ER08-1329.

DA Formula Allocations for:
Sched 1A Formula (a3)
NTS AEP Formula (b3)

Formula Total	I&M	APCo	KPCo	CSP
944.00	600.70	236.80	23.80	82.70
ALLOCATIONS	63.63%	25.08%	2.52%	8.76%

**AEP Transmission Agreement
Summary of Revenue, Demand, Energy and Other Allocation Factors
Power Purchase Agreement (PPA) Settlements
Actual 2008 and Projected 2009**

A. Intra-Company Payments Made by Wheeling Power Co. to Ohio Power Co.

2008			2009	
Month	Year	Trans Revenue from Monthly Invoice	Projected WPCo Load (MW)	Projected Revenue to OPCo
NOV	2007	\$637,711	326	\$751,429
DEC	2007	\$675,427	328	\$755,291
JAN	2008	\$695,866	289	\$665,154
FEB	2008	\$696,920	296	\$682,046
MAR	2008	\$673,185	335	\$771,370
APR	2008	\$625,377	368	\$846,100
MAY	2008	\$595,584	310	\$712,497
JUN	2008	\$732,694	332	\$763,458
JUL	2008	\$724,797	347	\$799,796
AUG	2008	\$708,376	269	\$618,311
SEP	2008	\$703,151	317	\$730,099
OCT	2008	\$622,367	294	\$677,578
2008 TOTAL		\$8,091,454		\$8,773,129
		\$ / MW		
		3515		
		\$2,301.87		

2008 TOTAL	\$8,091,454	3515
	\$ / MW	\$2,301.87

B. Intra-Company Payments Made by Kingsport Power Co. to Appalachian

Month	Year	Kingsport On Peak Demand (kW)	Trans Revenue at Rate of \$2.272 / kW
NOV	2007	337,551	\$766,916
DEC	2007	404,085	\$918,081
JAN	2008	460,885	\$1,047,131
FEB	2008	402,357	\$914,155
MAR	2008	360,129	\$818,213
APR	2008	318,217	\$722,989
MAY	2008	281,020	\$638,477
JUN	2008	353,263	\$802,614
JUL	2008	338,259	\$768,524
AUG	2008	343,173	\$779,689
SEP	2008	338,481	\$769,029
OCT	2008	330,360	\$750,578
2008 TOTAL		\$9,696,396	

2009 Intra-Company Payments by KgPCo for Trans. Service Pursuant to Purchase Power Agreement	
KgPCo 2009 1CP Share (%)	2.19%
KgPCo MWH Share (Projected)	2.14%
KgPCo 2009 1CP Load (MW)	460
Total Third Party PTP Firm Credit	(\$12,164,722)
Total Third Party PTP Non-Firm Credit	(\$5,414,573)
ECRC Charge	\$1,315,000
SCRC Charge	\$2,111,000
NTS AEP LSE	\$508,890,100
Total	\$494,736,805
x KgPCo 1CP Share	\$10,839,955
Schedule 1A AEP LSE Charge	\$6,922,666
x KgPCo MWH Share	\$148,283
2009 TOTAL (\$000)	\$10,988

**AEP Transmission Agreement
Settlements Under the Present AEP Transmission Agreement
Summary of 2008 and Projected 2009 Statements of AEP System Transmission Account**

2008	Surplus Members				Deficit Members		
	Credit				Debit		
	APCo	KPCo	I&M	TOTAL	OPCo	CSP	TOTAL
JAN	\$1,811,347	\$761,589	\$3,069,473	\$5,642,409	\$964,554	\$4,677,855	\$5,642,409
FEB	\$1,819,698	\$737,490	\$3,074,407	\$5,631,595	\$958,647	\$4,672,948	\$5,631,595
MAR	\$2,204,357	\$698,144	\$2,967,818	\$5,870,319	\$1,087,481	\$4,782,838	\$5,870,319
APR	\$2,204,357	\$698,144	\$2,967,818	\$5,870,319	\$1,087,481	\$4,782,838	\$5,870,319
MAY	\$2,204,357	\$698,144	\$2,967,818	\$5,870,319	\$1,087,481	\$4,782,838	\$5,870,319
JUN	\$2,466,789	\$671,278	\$2,895,077	\$6,033,144	\$1,175,349	\$4,857,795	\$6,033,144
JUL	\$2,674,589	\$649,993	\$2,837,486	\$6,162,068	\$1,244,919	\$4,917,149	\$6,162,068
AUG	\$2,615,930	\$818,960	\$2,803,489	\$6,238,379	\$1,286,026	\$4,952,353	\$6,238,379
SEP	\$2,202,907	\$730,354	\$3,124,440	\$6,057,701	\$1,505,940	\$4,551,761	\$6,057,701
OCT	\$2,202,907	\$730,354	\$3,124,440	\$6,057,701	\$1,505,940	\$4,551,761	\$6,057,701
NOV	\$2,202,907	\$730,354	\$3,124,440	\$6,057,701	\$1,505,940	\$4,551,761	\$6,057,701
DEC	\$2,202,907	\$730,354	\$3,124,440	\$6,057,701	\$1,505,940	\$4,551,761	\$6,057,701
TOTAL	\$26,813,052	\$8,655,158	\$36,081,146	\$71,549,356	\$14,915,698	\$56,633,658	\$71,549,356

2009	Surplus Members				Deficit Members		
	Credit				Debit		
	APCo	KPCo	I&M	TOTAL	OPCo	CSP	TOTAL
JAN	\$1,929,991	\$722,443	\$3,167,385	\$5,819,819	\$1,288,970	\$4,530,849	\$5,819,819
FEB	\$2,169,077	\$673,598	\$3,109,693	\$5,952,368	\$1,362,525	\$4,589,843	\$5,952,368
MAR	\$2,169,077	\$673,598	\$3,109,693	\$5,952,368	\$1,362,525	\$4,589,843	\$5,952,368
APR	\$2,169,077	\$673,598	\$3,109,693	\$5,952,368	\$1,362,525	\$4,589,843	\$5,952,368
MAY	\$2,169,077	\$673,598	\$3,109,693	\$5,952,368	\$1,362,525	\$4,589,843	\$5,952,368
JUN	\$2,169,077	\$673,598	\$3,109,693	\$5,952,368	\$1,362,525	\$4,589,843	\$5,952,368
JUL	\$2,096,666	\$657,667	\$3,012,123	\$5,766,456	\$1,062,515	\$4,703,941	\$5,766,456
AUG	\$2,513,783	\$749,439	\$2,655,434	\$5,918,656	\$951,978	\$4,966,678	\$5,918,656
SEP	\$2,579,265	\$763,846	\$2,694,481	\$6,037,592	\$1,110,862	\$4,926,730	\$6,037,592
OCT	\$2,579,265	\$763,846	\$2,694,481	\$6,037,592	\$1,110,862	\$4,926,730	\$6,037,592
NOV	\$2,579,265	\$763,846	\$2,694,481	\$6,037,592	\$1,110,862	\$4,926,730	\$6,037,592
DEC	\$2,579,265	\$763,846	\$2,694,481	\$6,037,592	\$1,110,862	\$4,926,730	\$6,037,592
TOTAL	\$27,702,885	\$8,552,923	\$35,161,331	\$71,417,139	\$14,559,536	\$56,857,603	\$71,417,139

AEP Transmission Agreement
Cost Impact Comparison of Present and Revised Allocations - 1CP
Performed 2008 Cost Sharing vs. Proposed 2009 Cost Sharing
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<u>Present Allocation:</u>	2008 Revenues and Costs with Calendar 2008 Allocations			2009 Projected Revenues, Costs and Allocations			<u>Change 2008 vs. 2009</u> Performed 2008 vs. Projected 2009		
	(a) Total T-Related	(b) Total LSE-Related	(c) Total T & LSE Related	(d) Total T-Related	(e) Total LSE-Related	(f) Total T & LSE Related	(g) T-Related	(h) (e)-(b) LSE-Related	(i) (g)+(h) AEP Net
Appalachian Power	(\$205,218)	\$136,454	(\$68,764)	(\$224,474)	\$156,245	(\$68,229)	(\$19,256)	\$19,792	\$536
Columbus Southern Power	(\$45,932)	\$85,142	\$39,209	(\$56,948)	\$97,933	\$40,985	(\$11,016)	\$12,792	\$1,776
Indiana & Michigan Power	(\$147,990)	\$82,393	(\$65,596)	(\$159,085)	\$95,518	(\$63,567)	(\$11,096)	\$13,125	\$2,029
Kingsport Power	\$0	\$9,696	\$9,696	\$0	\$10,988	\$10,988	\$0	\$1,292	\$1,292
Kentucky Power	(\$45,953)	\$31,073	(\$14,880)	(\$51,035)	\$36,688	(\$14,347)	(\$5,082)	\$5,615	\$533
Ohio Power	(\$105,586)	\$93,786	(\$11,800)	(\$120,998)	\$109,833	(\$11,165)	(\$15,412)	\$16,047	\$635
Wheeling Power	\$0	\$8,091	\$8,091	\$0	\$8,773	\$8,773	\$0	\$682	\$682
Total	(\$550,679)	\$446,635	(\$104,043)	(\$612,541)	\$515,979	(\$96,562)	(\$61,862)	\$69,344	\$7,482

1CP Allocation:

Company	Total T-Related	Total LSE-Related	Total T & LSE Related	Total T-Related	Total LSE-Related	Total T & LSE Related	Total T-Related	Total LSE-Related	Total T & LSE Related
Appalachian Power	(\$194,505)	\$127,172	(\$67,333)	(\$196,316)	\$176,075	(\$20,241)	(\$1,810)	\$48,902	\$47,092
Columbus Southern Power	(\$62,162)	\$96,353	\$34,191	(\$81,185)	\$89,174	\$7,989	(\$19,023)	(\$7,179)	(\$26,202)
Indiana & Michigan Power	(\$111,162)	\$77,811	(\$33,351)	(\$122,427)	\$80,569	(\$41,858)	(\$11,265)	\$2,758	(\$8,507)
Kingsport Power	(\$2,344)	\$7,342	\$4,998	(\$2,725)	\$11,278	\$8,554	(\$380)	\$3,936	\$3,556
Kentucky Power	(\$44,525)	\$27,026	(\$17,499)	(\$53,381)	\$39,831	(\$13,551)	(\$8,856)	\$12,805	\$3,949
Ohio Power	(\$132,893)	\$104,373	(\$28,520)	(\$154,755)	\$111,561	(\$43,193)	(\$21,861)	\$7,189	(\$14,673)
Wheeling Power	(\$3,086)	\$6,558	\$3,471	(\$1,753)	\$7,492	\$5,739	\$1,333	\$934	\$2,267
Total	(\$550,679)	\$446,635	(\$104,043)	(\$612,541)	\$515,979	(\$96,562)	(\$61,862)	\$69,344	\$7,482

Net Change From Trans. Agreement Modification:

Company	Net T-Related	Net LSE-Related	Net T & LSE Related	Net T-Related	Net LSE-Related	Net T & LSE Related	Net T-Related	Net LSE-Related	Net T & LSE Related
Appalachian Power	\$10,713	(\$9,281)	\$1,432	\$28,159	\$19,829	\$47,988	\$17,446	\$29,111	\$46,556
Columbus Southern Power	(\$16,230)	\$11,212	(\$5,019)	(\$24,237)	(\$8,759)	(\$32,996)	(\$8,007)	(\$19,971)	(\$27,977)
Indiana & Michigan Power	\$36,828	(\$4,582)	\$32,245	\$36,658	(\$14,949)	\$21,709	(\$169)	(\$10,367)	(\$10,536)
Kingsport Power	(\$2,344)	(\$2,354)	(\$4,698)	(\$2,725)	\$290	(\$2,435)	(\$380)	\$2,644	\$2,264
Kentucky Power	\$1,428	(\$4,047)	(\$2,619)	(\$2,346)	\$3,142	\$796	(\$3,774)	\$7,189	\$3,415
Ohio Power	(\$27,307)	\$10,587	(\$16,719)	(\$33,757)	\$1,728	(\$32,028)	(\$6,449)	(\$8,859)	(\$15,308)
Wheeling Power	(\$3,086)	(\$1,534)	(\$4,620)	(\$1,753)	(\$1,281)	(\$3,034)	\$1,333	\$252	\$1,586
Total	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0

AEP Transmission Agreement
Cost Impact Comparison of Present and Revised Allocations - 1CP
Revenues and Costs October 2007 - September 2008
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AEP as a Load Serving Entity - Cost Allocations

Company	G		H		I		J		K		L	
	Sched. 1A AEP LSE Charge (MLR)	Total NTS & Trans. Enh. Charge (MLR)	h1 NTS AEP LSE Charge (MLR)	h2 Sch. 12 Trans. Enh. Charge (MLR)	Total PTP (Credit) (MLR)	i1 Third Party PTP Firm (Credit) (MLR)	i2 Third Party PTP Non-Firm (Credit) (MLR)	J PPA Charge (Credit)	K ECRC Charge (TPM)	L SCRC Charge (TPM)	Total LSE-Related	
Appalachian Power	\$2,822	\$148,111	\$146,981	\$1,131	(\$5,759)	(\$3,985)	(\$1,774)	(\$9,696)	\$373	\$603	\$136,454	
Columbus Southern Power	\$1,647	\$86,466	\$85,806	\$660	(\$3,362)	(\$2,326)	(\$1,036)	\$0	\$149	\$241	\$85,142	
Indiana & Michigan Power	\$1,586	\$83,269	\$82,634	\$636	(\$3,238)	(\$2,240)	(\$997)	\$0	\$296	\$479	\$82,393	
Kingsport Power	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,696	\$0	\$0	\$9,696	
Kentucky Power	\$599	\$31,462	\$31,221	\$240	(\$1,223)	(\$847)	(\$377)	\$0	\$90	\$145	\$31,073	
Ohio Power	\$1,959	\$102,808	\$102,024	\$785	(\$3,997)	(\$2,766)	(\$1,231)	(\$8,091)	\$423	\$685	\$93,786	
Wheeling Power	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,091	\$0	\$0	\$8,091	
Total	\$8,614	\$452,117	\$448,666	\$3,451	(\$17,579)	(\$12,165)	(\$5,415)	\$0	\$1,331	\$2,153	\$446,635	

Company	G		H		I		J		K		L	
	Sched. 1A AEP LSE Charge (MWH)	Total NTS & Trans. Enh. Charge (1CP)	h1 NTS AEP LSE Charge (1CP)	h2 Sch. 12 Trans. Enh. Charge (1CP)	Total PTP (Credit) (1CP)	i1 Third Party PTP Firm (Credit) (1CP)	i2 Third Party PTP Non-Firm (Credit) (1CP)	J Eliminate PPA Charge (Credit)	K ECRC Charge (1CP)	L SCRC Charge (1CP)	Total LSE-Related	
Appalachian Power	\$2,548	\$128,635	\$127,653	\$982	(\$5,002)	(\$3,461)	(\$1,541)	\$0	\$379	\$613	\$127,172	
Columbus Southern Power	\$1,609	\$77,793	\$77,046	\$746	(\$3,802)	(\$2,631)	(\$1,171)	\$0	\$288	\$466	\$96,353	
Indiana & Michigan Power	\$1,470	\$78,797	\$78,196	\$601	(\$3,064)	(\$2,120)	(\$944)	\$0	\$232	\$375	\$77,811	
Kingsport Power	\$157	\$7,417	\$7,360	\$57	(\$288)	(\$200)	(\$89)	\$0	\$22	\$35	\$7,342	
Kentucky Power	\$536	\$27,342	\$27,133	\$209	(\$1,063)	(\$736)	(\$327)	\$0	\$80	\$130	\$27,026	
Ohio Power	\$2,140	\$105,523	\$104,717	\$805	(\$4,103)	(\$2,839)	(\$1,264)	\$0	\$311	\$502	\$104,373	
Wheeling Power	\$152	\$6,611	\$6,561	\$50	(\$257)	(\$178)	(\$79)	\$0	\$19	\$31	\$6,558	
Total	\$8,614	\$452,117	\$448,666	\$3,451	(\$17,579)	(\$12,165)	(\$5,415)	\$0	\$1,331	\$2,153	\$446,635	

Company	G		H		I		J		K		L	
	1A AEP LSE Charge (Net)	Total NTS & Trans. Enh. Charge (Net)	h1 NTS AEP LSE Charge (Net)	h2 Sch. 12 Trans. Enh. Charge (Net)	Total PTP (Credit) (Net)	i1 Third Party PTP Firm (Credit) (Net)	i2 Third Party MLR Non-Firm (Net)	J Eliminate PPA (Net)	K ECRC (Credit) (Net)	L SCRC (Credit) (Net)	Net LSE-Related	
Appalachian Power	(\$274)	(\$19,477)	(\$19,328)	(\$149)	\$757	\$524	\$233	\$9,696	\$6	\$10	(\$9,281)	
Columbus Southern Power	(\$38)	\$11,326	\$11,240	\$86	(\$440)	(\$305)	(\$136)	\$0	\$139	\$225	\$11,212	
Indiana & Michigan Power	(\$116)	(\$4,472)	(\$4,438)	(\$34)	\$174	\$120	\$54	\$0	(\$64)	(\$104)	(\$4,582)	
Kingsport Power	\$157	\$7,417	\$7,360	\$57	(\$288)	(\$200)	(\$89)	(\$9,696)	\$22	\$35	(\$2,354)	
Kentucky Power	(\$63)	(\$4,119)	(\$4,088)	(\$31)	\$160	\$111	\$49	\$0	(\$9)	(\$15)	(\$4,047)	
Ohio Power	\$181	\$2,714	\$2,693	\$21	(\$106)	(\$73)	(\$33)	\$8,091	(\$113)	(\$182)	\$10,587	
Wheeling Power	\$152	\$6,611	\$6,561	\$50	(\$257)	(\$178)	(\$79)	(\$8,091)	\$19	\$31	(\$1,534)	
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	

AEP Transmission Agreement
Cost Impact Comparison of Present and Revised Allocations - 7 Member MLR
Performed 2008 Cost Sharing vs. Proposed 2009 Cost Sharing
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<u>Present Allocation:</u>	2008 Revenues and Costs with Calendar 2008 Allocations			2009 Projected Revenues, Costs and Allocations			Change 2008 vs. 2009 Performed 2008 vs. Projected 2009		
	(a) Total T-Related	(b) Total LSE-Related	(c) Total T & LSE Related	(d) Total T-Related	(e) Total LSE-Related	(f) Total T & LSE Related	(g) Total T-Related	(h) Total LSE-Related	(i) Total (g)+(h) AEP Net
Appalachian Power	(\$205,218)	\$136,454	(\$68,764)	(\$224,474)	\$156,245	(\$68,229)	(\$19,256)	\$19,792	\$535
Columbus Southern Power	(\$45,932)	\$85,142	\$39,209	(\$56,948)	\$97,933	\$40,985	(\$11,016)	\$12,792	\$1,776
Indiana & Michigan Power	(\$147,990)	\$82,393	(\$65,596)	(\$159,085)	\$95,518	(\$63,567)	(\$11,096)	\$13,125	\$2,029
Kingsport Power	\$0	\$9,696	\$9,696	\$0	\$10,988	\$10,988	\$0	\$1,292	\$1,292
Kentucky Power	(\$45,953)	\$31,073	(\$14,880)	(\$51,035)	\$36,688	(\$14,347)	(\$5,082)	\$5,615	\$533
Ohio Power	(\$105,586)	\$93,786	(\$11,800)	(\$120,998)	\$109,833	(\$11,165)	(\$15,412)	\$16,047	\$635
Wheeling Power	\$0	\$8,091	\$8,091	\$0	\$8,773	\$8,773	\$0	\$682	\$682
Total	(\$550,679)	\$446,635	(\$104,043)	(\$612,541)	\$515,979	(\$96,562)	(\$61,862)	\$69,344	\$7,482

7 Member MLR Allocation:

Company	Total T-Related	Total LSE-Related	Total T & LSE Related	Total T-Related	Total LSE-Related	Total T & LSE Related	Total T-Related	Total LSE-Related	Total T & LSE Related
Appalachian Power	(\$194,505)	\$137,699	(\$56,807)	(\$196,316)	\$158,117	(\$38,199)	(\$1,811)	\$20,418	\$18,608
Columbus Southern Power	(\$62,162)	\$85,327	\$23,164	(\$81,185)	\$98,039	\$16,855	(\$19,023)	\$12,713	(\$6,310)
Indiana & Michigan Power	(\$111,162)	\$82,092	(\$29,070)	(\$122,427)	\$95,159	(\$27,268)	(\$11,265)	\$13,067	\$1,801
Kingsport Power	(\$2,344)	\$8,469	\$6,125	(\$2,725)	\$9,259	\$6,534	(\$380)	\$790	\$410
Kentucky Power	(\$44,525)	\$30,998	(\$13,528)	(\$53,381)	\$36,601	(\$16,781)	(\$8,856)	\$5,603	(\$3,253)
Ohio Power	(\$132,893)	\$95,716	(\$37,177)	(\$154,755)	\$111,156	(\$43,599)	(\$21,861)	\$15,440	(\$6,421)
Wheeling Power	(\$3,086)	\$6,335	\$3,249	(\$1,753)	\$7,649	\$5,896	\$1,333	\$1,314	\$2,647
Total	(\$550,679)	\$446,635	(\$104,043)	(\$612,541)	\$515,979	(\$96,562)	(\$61,862)	\$69,344	\$7,482

Net Change From Trans. Agreement Modification:

Company	Net T-Related	Net LSE-Related	Net T & LSE Related	Net T-Related	Net LSE-Related	Net T & LSE Related	Net T-Related	Net LSE-Related	Net T & LSE Related
Appalachian Power	\$10,713	\$1,245	\$11,958	\$28,159	\$1,871	\$30,030	\$17,446	\$626	\$18,072
Columbus Southern Power	(\$16,230)	\$185	(\$16,045)	(\$24,237)	\$106	(\$24,131)	(\$8,007)	(\$79)	(\$8,085)
Indiana & Michigan Power	\$36,828	(\$301)	\$36,527	\$36,658	(\$359)	\$36,299	(\$169)	(\$58)	(\$228)
Kingsport Power	(\$2,344)	(\$1,227)	(\$3,572)	(\$2,725)	(\$1,729)	(\$4,454)	(\$380)	(\$502)	(\$882)
Kentucky Power	\$1,428	(\$75)	\$1,353	(\$2,346)	(\$88)	(\$2,434)	(\$3,774)	(\$13)	(\$3,787)
Ohio Power	(\$27,307)	\$1,930	(\$25,378)	(\$33,757)	\$1,323	(\$32,434)	(\$6,449)	(\$607)	(\$7,056)
Wheeling Power	(\$3,086)	(\$1,756)	(\$4,843)	(\$1,753)	(\$1,124)	(\$2,877)	\$1,333	\$632	\$1,966
Total	(\$0)	\$0	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0

AEP Transmission Agreement
Cost Impact Comparison of Present and Revised Allocations - 7 Member MLR
Revenues and Costs October 2007 - September 2008
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AEP as a Load Serving Entity - Cost Allocations

Present Allocation:	G		H		I		J		K		L		Total LSE-Related
	Sched. 1A AEP LSE Charge (MLR)	NTS & Trans. Enh. Charge (MLR)	Total Charge (MLR)	h1 NTS AEP LSE Charge (MLR)	Sch. 12 Trans. Enh. Charge (MLR)	Total PTP (MLR)	i1 PTP Firm (MLR)	i2 PTP Non-Firm (MLR)	J PPA Charge (Credit)	K ECRC Charge (TPM)	L SCRC Charge (TPM)		
Appalachian Power	\$2,822	\$148,111	\$148,981	\$146,981	\$1,131	(\$5,759)	(\$3,985)	(\$1,774)	(\$9,696)	\$373	\$603	\$136,454	
Columbus Southern Power	\$1,647	\$86,466	\$85,806	\$85,806	\$660	(\$3,362)	(\$2,326)	(\$1,036)	\$0	\$149	\$241	\$85,142	
Indiana & Michigan Power	\$1,586	\$83,269	\$82,634	\$82,634	\$636	(\$3,238)	(\$2,240)	(\$997)	\$0	\$296	\$479	\$82,393	
Kingsport Power	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,696	\$0	\$0	\$9,696	
Kentucky Power	\$599	\$31,462	\$31,221	\$31,221	\$240	(\$1,223)	(\$847)	(\$377)	\$0	\$90	\$145	\$31,073	
Ohio Power	\$1,959	\$102,808	\$102,024	\$102,024	\$785	(\$3,997)	(\$2,766)	(\$1,231)	(\$8,091)	\$423	\$685	\$93,786	
Wheeling Power	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,091	\$0	\$0	\$8,091	
Total	\$8,614	\$452,117	\$448,666	\$448,666	\$3,451	(\$17,579)	(\$12,165)	(\$5,415)	\$0	\$1,331	\$2,153	\$446,635	

7 Member MLR Allocatio	G		H		I		J		K		L		Total LSE-Related
	Sched. 1A AEP LSE Charge (MWH)	NTS & Trans. Enh. Charge (MLR)	Total Charge (MLR)	h1 NTS AEP LSE Charge (MLR)	Sch. 12 Trans. Enh. Charge (MLR)	Total PTP (MLR)	i1 PTP Firm (MLR)	i2 PTP Non-Firm (MLR)	J Eliminate PPA Charge (Credit)	K ECRC Charge (MLR)	L SCRC Charge (MLR)		
Appalachian Power	\$2,548	\$139,500	\$138,435	\$138,435	\$1,065	(\$5,424)	(\$3,753)	(\$1,671)	\$0	\$411	\$664	\$137,699	
Columbus Southern Power	\$1,609	\$86,411	\$85,752	\$85,752	\$660	(\$3,360)	(\$2,325)	(\$1,035)	\$0	\$254	\$411	\$85,327	
Indiana & Michigan Power	\$1,470	\$83,216	\$82,581	\$82,581	\$635	(\$3,236)	(\$2,239)	(\$997)	\$0	\$245	\$396	\$82,092	
Kingsport Power	\$157	\$8,580	\$8,514	\$8,514	\$65	(\$334)	(\$231)	(\$103)	\$0	\$25	\$41	\$8,469	
Kentucky Power	\$536	\$31,442	\$31,202	\$31,202	\$240	(\$1,223)	(\$846)	(\$377)	\$0	\$93	\$150	\$30,998	
Ohio Power	\$2,140	\$96,587	\$95,850	\$95,850	\$737	(\$3,756)	(\$2,599)	(\$1,157)	\$0	\$284	\$460	\$95,716	
Wheeling Power	\$152	\$6,381	\$6,333	\$6,333	\$49	(\$248)	(\$172)	(\$76)	\$0	\$19	\$30	\$6,335	
Total	\$8,614	\$452,117	\$448,666	\$448,666	\$3,451	(\$17,579)	(\$12,165)	(\$5,415)	\$0	\$1,331	\$2,153	\$446,635	

Net Change:	G		H		I		J		K		L		Net LSE-Related
	1A AEP LSE Charge (Net)	NTS & Trans. Enh. Charge (Net)	Total Charge (Net)	h1 NTS AEP LSE Charge (Net)	Sch. 12 Trans. Enh. Charge (Net)	Total PTP (Net)	i1 PTP Firm (Net)	i2 PTP Non-Firm (Net)	J Eliminate PPA (Net)	K ECRC (Net)	L SCRC (Net)		
Appalachian Power	(\$274)	(\$8,612)	(\$8,546)	(\$8,546)	(\$66)	\$335	\$232	\$103	\$9,696	\$38	\$61	\$1,245	
Columbus Southern Power	(\$38)	(\$55)	(\$55)	(\$55)	(\$0)	\$2	\$1	\$1	\$0	\$105	\$171	\$185	
Indiana & Michigan Power	(\$116)	(\$53)	(\$53)	(\$53)	(\$0)	\$2	\$1	\$1	\$0	\$25	(\$83)	(\$301)	
Kingsport Power	\$157	\$8,580	\$8,514	\$8,514	\$65	(\$334)	(\$231)	(\$103)	(\$9,696)	\$25	\$41	(\$1,227)	
Kentucky Power	(\$63)	(\$20)	(\$20)	(\$20)	(\$0)	\$1	\$1	\$0	\$0	\$3	\$4	(\$75)	
Ohio Power	\$181	(\$6,222)	(\$6,174)	(\$6,174)	(\$47)	\$242	\$167	\$75	\$8,091	(\$139)	(\$225)	\$1,930	
Wheeling Power	\$152	\$6,381	\$6,333	\$6,333	\$49	(\$248)	(\$172)	(\$76)	(\$8,091)	\$19	\$30	(\$1,756)	
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	(\$0)	

AEP Transmission Agreement
Cost Impact Comparison of Present and Revised Allocations - 7 Member MLR
Performed for Rates Effective March 1, 2009 and 2009 Load Shares
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AEP as a Transmission Owner - Revenue Allocations

Company	A		a1		a2		a3		B		b1		b2		b3		C		D		E		F			
	Total Sched. 1A (Credit)	(MLR)	Third Party Sched. 1A (Credit)	(MLR)	Sched. 1A AEP LSE (Credit)	(MLR)	Sched. 1A Formula (Credit)	(DA)	Total T-Svc. (Credit)	(MLR)	Third Party Sched. 1A (Credit)	(MLR)	NTS (Credit)	NTS AEP LSE (Credit)	(MLR)	NTS Formula (Credit)	(DA)	Sch. 12 Trans. Enh. Charge (MLR)	TEA Charge (Credit)	GFA PTP (Credit)	(MLR)	ECRS (Credit)	(TPM)	SCR (Credit)	(TPM)	Total I-Related
Appalachian Power	(\$3,158)		(\$840)		(\$2,246)		(\$73)		(\$188,738)		(\$17,840)		(\$165,086)		(\$5,740)		(\$73)		(\$27,703)	(\$3,488)		(\$726)		(\$662)		(\$224,474)
Columbus Southern Power	(\$1,839)		(\$493)		(\$1,318)		(\$29)		(\$109,366)		(\$10,466)		(\$96,853)		(\$2,005)		(\$43)		\$56,858	(\$2,046)		(\$290)		(\$264)		(\$56,948)
Indiana & Michigan Power	(\$1,987)		(\$479)		(\$1,280)		(\$229)		(\$118,847)		(\$10,166)		(\$94,079)		(\$14,561)		(\$41)		(\$35,161)	(\$1,988)		(\$577)		(\$526)		(\$159,085)
Kingsport Power	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	\$0		\$0		\$0		\$0
Kentucky Power	(\$682)		(\$184)		(\$492)		(\$6)		(\$40,701)		(\$3,912)		(\$36,196)		(\$577)		(\$16)		(\$8,553)	(\$765)		(\$175)		(\$159)		(\$51,035)
Ohio Power	(\$2,181)		(\$594)		(\$1,587)		\$0		(\$129,337)		(\$12,608)		(\$116,677)		\$0		(\$51)		\$14,560	(\$2,465)		(\$824)		(\$751)		(\$120,998)
Wheeling Power	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	\$0		\$0		\$0		\$0
Total	(\$9,848)		(\$2,589)		(\$6,923)		(\$336)		(\$586,988)		(\$54,992)		(\$508,890)		(\$22,882)		(\$224)		\$0	(\$10,751)		(\$2,591)		(\$2,362)		(\$612,541)

7 Member MLR Allocation:

Company	A		a1		a2		a3		B		b1		b2		b3		C		D		E		F			
	Total Sched. 1A (Credit)	(ARR S1)	Third Party Sched. 1A (Credit)	(ARR S1)	Sched. 1A AEP LSE (Credit)	(ARR S1)	Sched. 1A Formula (Credit)	(ARR S1)	Total T-Svc. (Credit)	(ARR)	Third Party Sched. 1A (Credit)	(ARR)	NTS (Credit)	NTS AEP LSE (Credit)	(ARR)	NTS Formula (Credit)	(ARR)	Sch. 12 Trans. Enh. Charge (ARR)	Eliminate TEA Charge (Credit)	GFA PTP (Credit)	(ARR)	ECRS (Credit)	(ARR)	SCR (Credit)	(ARR)	Total I-Related
Appalachian Power	(\$3,518)		(\$925)		(\$2,473)		(\$120)		(\$187,762)		(\$17,591)		(\$162,780)		(\$7,319)		(\$72)		\$0	(\$3,439)		(\$926)		(\$671)		(\$196,316)
Columbus Southern Power	(\$860)		(\$226)		(\$604)		(\$29)		(\$78,375)		(\$7,343)		(\$67,947)		(\$3,055)		(\$30)		\$0	(\$1,436)		(\$226)		(\$288)		(\$81,185)
Indiana & Michigan Power	(\$1,235)		(\$325)		(\$868)		(\$42)		(\$118,204)		(\$11,074)		(\$102,477)		(\$4,608)		(\$45)		\$0	(\$2,165)		(\$325)		(\$498)		(\$122,427)
Kingsport Power	(\$42)		(\$11)		(\$30)		(\$1)		(\$2,623)		(\$246)		(\$2,274)		(\$102)		(\$1)		\$0	(\$48)		(\$11)		\$0		(\$2,725)
Kentucky Power	(\$764)		(\$201)		(\$537)		(\$26)		(\$51,330)		(\$4,809)		(\$44,500)		(\$2,001)		(\$20)		\$0	(\$940)		(\$201)		(\$146)		(\$53,381)
Ohio Power	(\$3,386)		(\$890)		(\$2,380)		(\$116)		(\$147,027)		(\$13,774)		(\$127,465)		(\$5,731)		(\$56)		\$0	(\$2,693)		(\$891)		(\$758)		(\$154,755)
Wheeling Power	(\$43)		(\$11)		(\$30)		(\$1)		(\$1,668)		(\$156)		(\$1,446)		(\$65)		(\$1)		\$0	(\$31)		(\$11)		\$0		(\$1,753)
Total	(\$9,848)		(\$2,589)		(\$6,923)		(\$336)		(\$586,988)		(\$54,992)		(\$508,890)		(\$22,882)		(\$224)		\$0	(\$10,751)		(\$2,591)		(\$2,362)		(\$612,541)

Net Change:

Company	A		a1		a2		a3		B		b1		b2		b3		C		D		E		F			
	Total Sched. 1A (Net)	(Net)	Third Party Sched. 1A (Credit)	(Net)	Sched. 1A AEP LSE (Credit)	(Net)	Sched. 1A Formula (Credit)	(Net)	Total T-Svc. (Net)	(Net)	Third Party Sched. 1A (Credit)	(Net)	NTS (Credit)	NTS AEP LSE (Credit)	(Net)	NTS Formula (Credit)	(Net)	Sch. 12 Trans. Enh. Charge (Net)	Eliminate TEA (Net)	GFA PTP (Credit)	(Net)	ECRS (Credit)	(Net)	SCR (Credit)	(Net)	Net I-Related
Appalachian Power	(\$359)		(\$85)		(\$227)		(\$47)		\$976		\$249		\$2,305		(\$1,579)		\$1		\$27,703	\$49		(\$200)		(\$10)		\$28,159
Columbus Southern Power	\$979		\$267		\$713		\$187		\$30,991		\$3,124		\$28,905		(\$1,051)		\$13		(\$56,858)	\$611		\$64		(\$24)		(\$24,237)
Indiana & Michigan Power	\$752		\$154		\$412		\$187		\$644		(\$908)		(\$8,398)		\$9,953		(\$4)		\$35,161	(\$177)		\$252		\$27		\$36,658
Kingsport Power	(\$42)		(\$11)		(\$30)		(\$1)		(\$2,623)		(\$246)		(\$2,274)		(\$102)		(\$1)		\$0	(\$48)		(\$11)		\$0		(\$2,725)
Kentucky Power	(\$82)		(\$17)		(\$45)		(\$20)		(\$10,629)		(\$897)		(\$8,304)		(\$1,424)		(\$4)		\$8,553	(\$175)		(\$26)		\$13		(\$2,346)
Ohio Power	(\$1,205)		(\$297)		(\$793)		(\$116)		(\$17,690)		(\$1,166)		(\$10,788)		(\$5,731)		(\$5)		(\$14,560)	(\$228)		(\$67)		(\$6)		(\$33,757)
Wheeling Power	(\$43)		(\$11)		(\$30)		(\$1)		(\$1,668)		(\$156)		(\$1,446)		(\$65)		(\$1)		\$0	(\$31)		(\$11)		\$0		(\$1,753)
Total	\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0		\$0	\$0		\$0		\$0		\$0

AEP Transmission Agreement
Cost Impact Comparison of Present and Revised Allocations - 7 Member MLR
Performed for Rates Effective March 1, 2009 and 2009 Load Shares
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AEP as a Load Serving Entity - Cost Allocations

Present Allocation:	G		H		I		J		K		L	
	Sched. 1A AEP LSE Charge (MLR)	NTS & Trans. Enh. Charge (MLR)	Sch. 12 Trans. Enh. Charge (MLR)	Total PTP (Credit) (MLR)	Third Party PTP Firm (Credit) (MLR)	Third Party PTP Non-Firm (Credit) (MLR)	PPA Charge (Credit) (MLR)	ECRC Charge (TPM)	SCRC Charge (TPM)	Total LSE-Related		
Appalachian Power	\$2,246	\$169,731	\$165,086	(\$5,703)	(\$3,946)	(\$1,757)	(\$10,988)	\$368	\$591	\$156,245		
Columbus Southern Power	\$1,318	\$99,578	\$96,853	(\$3,346)	(\$2,315)	(\$1,031)	\$0	\$147	\$236	\$97,933		
Indiana & Michigan Power	\$1,280	\$96,726	\$94,079	(\$3,250)	(\$2,249)	(\$1,001)	\$0	\$293	\$470	\$95,518		
Kingsport Power	\$0	\$0	\$0	\$0	\$0	\$0	\$10,988	\$0	\$0	\$10,988		
Kentucky Power	\$492	\$37,215	\$36,196	(\$1,250)	(\$865)	(\$385)	\$0	\$89	\$142	\$36,688		
Ohio Power	\$1,587	\$119,960	\$116,677	(\$4,031)	(\$2,789)	(\$1,241)	(\$8,773)	\$418	\$671	\$109,833		
Wheeling Power	\$0	\$0	\$0	\$0	\$0	\$0	\$8,773	\$0	\$0	\$109,833		
Total	\$6,923	\$523,210	\$508,890	(\$17,579)	(\$12,165)	(\$5,415)	\$0	\$1,315	\$2,111	\$515,979		

7 Member MLR Allocatio	G		H		I		J		K		L	
	Sched. 1A AEP LSE Charge (MWH)	NTS & Trans. Enh. Charge (MLR)	Sch. 12 Trans. Enh. Charge (MLR)	Total PTP (Credit) (MLR)	Third Party PTP Firm (Credit) (MLR)	Third Party PTP Non-Firm (Credit) (MLR)	Eliminate PPA Charge (Credit) (MLR)	ECRC Charge (MLR)	SCRC Charge (MLR)	Total LSE-Related		
Appalachian Power	\$2,062	\$160,394	\$156,004	(\$5,389)	(\$3,729)	(\$1,660)	\$0	\$403	\$647	\$158,117		
Columbus Southern Power	\$1,306	\$99,423	\$96,702	(\$3,340)	(\$2,312)	(\$1,029)	\$0	\$250	\$401	\$98,039		
Indiana & Michigan Power	\$1,197	\$96,575	\$93,932	(\$3,245)	(\$2,245)	(\$999)	\$0	\$243	\$390	\$95,159		
Kingsport Power	\$125	\$9,389	\$9,132	(\$315)	(\$218)	(\$97)	\$0	\$24	\$38	\$9,259		
Kentucky Power	\$448	\$37,158	\$36,141	(\$1,248)	(\$864)	(\$385)	\$0	\$93	\$150	\$36,601		
Ohio Power	\$1,665	\$112,535	\$109,455	(\$3,781)	(\$2,616)	(\$1,165)	\$0	\$283	\$454	\$111,156		
Wheeling Power	\$121	\$7,737	\$7,526	(\$260)	(\$180)	(\$80)	\$0	\$19	\$31	\$7,649		
Total	\$6,923	\$523,210	\$508,890	(\$17,579)	(\$12,165)	(\$5,415)	\$0	\$1,315	\$2,111	\$515,979		

Net Change: (Proposed - Present)	G		H		I		J		K		L	
	Total 1A AEP LSE Charge (Net)	NTS & Trans. Enh. Charge (Net)	Sch. 12 Trans. Enh. Charge (Net)	Total PTP (Credit) (Net)	Third Party PTP Firm (Credit) (Net)	Third Party PTP Non-Firm (Net)	Eliminate PPA (Net)	ECRC (Credit) (Net)	SCRC (Credit) (Net)	Net LSE-Related		
Appalachian Power	(\$184)	(\$9,338)	(\$9,082)	\$314	\$217	\$97	\$10,988	\$35	\$56	\$1,871		
Columbus Southern Power	(\$11)	(\$155)	(\$4)	\$5	\$4	\$2	\$0	\$103	\$165	\$106		
Indiana & Michigan Power	(\$83)	(\$151)	(\$4)	\$5	\$4	\$2	\$0	(\$50)	(\$80)	(\$359)		
Kingsport Power	\$125	\$9,389	\$9,132	(\$315)	(\$218)	(\$97)	(\$10,988)	\$24	\$38	(\$1,729)		
Kentucky Power	(\$44)	(\$57)	(\$56)	\$2	\$1	\$1	\$0	\$5	\$7	(\$88)		
Ohio Power	\$78	(\$7,425)	(\$7,222)	\$249	\$173	\$77	\$8,773	(\$135)	(\$217)	\$1,323		
Wheeling Power	\$121	\$7,737	\$7,526	(\$260)	(\$180)	(\$80)	(\$8,773)	\$19	\$31	(\$1,124)		
Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$0)	\$0	\$0		

**AEP Transmission Agreement
Cost Impact Comparison of Present and Revised Allocations - 12CP
Performed for Rates Effective March 1, 2009 and 2009 Load Shares
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AEP as a Transmission Owner - Revenue Allocations

Company	A		a1		a2		a3		B		b1		b2		b3		C		D		E		F	
	Total Sched. 1A (Credit)	Third Party Sched. 1A (MLR)	Sched. 1A AEP LSE (MLR)	Sched. 1A Formula (DA)	Total T-Svc. (Credit)	Third Party Sched. 1A (MLR)	Sched. 1A AEP LSE (MLR)	Sched. 1A Formula (DA)	NTS (Credit)	NTS AEP LSE (MLR)	Total T-Svc. (Credit)	Third Party Sched. 1A (MLR)	Sched. 1A AEP LSE (MLR)	Sched. 1A Formula (DA)	NTS (Credit)	Sch. 12 Trans. Enh. Charge (MLR)	TEA Charge (Credit)	GFA PTP (MLR)	ECRS (Credit) (TPM)	SCRC (Credit) (TPM)	Total I-Related			
Appalachian Power	(\$3,158)	(\$840)	(\$2,246)	(\$73)	(\$188,738)	(\$17,840)	(\$5,740)	(\$73)	(\$165,086)	(\$3,488)	(\$17,840)	(\$5,740)	(\$73)	(\$165,086)	(\$73)	(\$27,703)	(\$3,488)	(\$726)	(\$662)	(\$224,474)				
Columbus Southern Power	(\$1,839)	(\$493)	(\$1,318)	(\$29)	(\$109,366)	(\$10,466)	(\$2,005)	(\$43)	(\$96,853)	(\$2,046)	(\$10,466)	(\$2,005)	(\$43)	(\$96,853)	(\$43)	\$56,858	(\$2,046)	(\$290)	(\$264)	(\$56,948)				
Indiana & Michigan Power	(\$1,987)	(\$479)	(\$1,280)	(\$229)	(\$118,847)	(\$10,166)	(\$14,561)	(\$41)	(\$94,079)	(\$1,988)	(\$10,166)	(\$14,561)	(\$41)	(\$94,079)	(\$41)	(\$35,161)	(\$1,988)	(\$577)	(\$526)	(\$159,085)				
Kingsport Power	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Kentucky Power	(\$682)	(\$184)	(\$492)	(\$6)	(\$40,701)	(\$3,912)	(\$577)	(\$16)	(\$36,196)	(\$765)	(\$3,912)	(\$577)	(\$16)	(\$36,196)	(\$16)	(\$8,553)	(\$765)	(\$175)	(\$159)	(\$51,035)				
Ohio Power	(\$2,181)	(\$594)	(\$1,587)	\$0	(\$129,337)	(\$12,608)	\$0	\$0	(\$116,677)	(\$2,465)	(\$12,608)	\$0	\$0	(\$116,677)	(\$51)	\$14,560	(\$2,465)	(\$824)	(\$751)	(\$120,998)				
Wheeling Power	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				
Total	(\$9,848)	(\$2,589)	(\$6,923)	(\$336)	(\$586,988)	(\$54,992)	(\$22,882)	(\$224)	(\$508,890)	(\$10,751)	(\$54,992)	(\$22,882)	(\$224)	(\$508,890)	(\$224)	\$0	(\$10,751)	(\$2,591)	(\$2,362)	(\$612,541)				

Company	A		a1		a2		a3		B		b1		b2		b3		C		D		E		F	
	Total Sched. 1A (ARR S1)	Third Party Sched. 1A (ARR S1)	Sched. 1A AEP LSE (ARR S1)	Sched. 1A Formula (ARR S1)	Total T-Svc. (Credit)	Third Party Sched. 1A (ARR)	Sched. 1A AEP LSE (ARR)	Sched. 1A Formula (ARR)	NTS (Credit)	NTS AEP LSE (ARR)	Total T-Svc. (Credit)	Third Party Sched. 1A (ARR)	Sched. 1A AEP LSE (ARR)	Sched. 1A Formula (ARR)	NTS (Credit)	Sch. 12 Trans. Enh. Charge (ARR)	Eliminate TEA Charge (Credit)	GFA PTP (ARR)	ECRS (Credit) (ARR ECRS)	SCRC (Credit) (ARR SCRC)	Total I-Related			
Appalachian Power	(\$3,518)	(\$925)	(\$2,473)	(\$120)	(\$187,762)	(\$17,591)	(\$7,319)	(\$72)	(\$162,780)	(\$3,439)	(\$17,591)	(\$7,319)	(\$72)	(\$162,780)	(\$72)	\$0	(\$3,439)	(\$926)	(\$671)	(\$196,316)				
Columbus Southern Power	(\$860)	(\$226)	(\$604)	(\$29)	(\$78,375)	(\$7,343)	(\$3,055)	(\$30)	(\$67,947)	(\$1,436)	(\$7,343)	(\$3,055)	(\$30)	(\$67,947)	(\$30)	\$0	(\$1,436)	(\$226)	(\$288)	(\$81,185)				
Indiana & Michigan Power	(\$1,235)	(\$325)	(\$868)	(\$42)	(\$118,204)	(\$11,074)	(\$4,608)	(\$45)	(\$102,477)	(\$2,165)	(\$11,074)	(\$4,608)	(\$45)	(\$102,477)	(\$45)	\$0	(\$2,165)	(\$325)	(\$498)	(\$122,427)				
Kingsport Power	(\$42)	(\$11)	(\$30)	(\$1)	(\$2,623)	(\$246)	(\$102)	(\$1)	(\$2,274)	(\$48)	(\$246)	(\$102)	(\$1)	(\$2,274)	(\$1)	\$0	(\$48)	(\$11)	\$0	(\$2,725)				
Kentucky Power	(\$764)	(\$201)	(\$537)	(\$26)	(\$51,330)	(\$4,809)	(\$2,001)	(\$20)	(\$44,500)	(\$940)	(\$4,809)	(\$2,001)	(\$20)	(\$44,500)	(\$20)	\$0	(\$940)	(\$201)	(\$146)	(\$53,381)				
Ohio Power	(\$3,386)	(\$890)	(\$2,380)	(\$116)	(\$147,027)	(\$13,774)	(\$5,731)	(\$56)	(\$127,465)	(\$2,693)	(\$13,774)	(\$5,731)	(\$56)	(\$127,465)	(\$56)	\$0	(\$2,693)	(\$891)	(\$758)	(\$154,755)				
Wheeling Power	(\$43)	(\$11)	(\$30)	(\$1)	(\$1,668)	(\$156)	(\$65)	(\$1)	(\$1,446)	(\$31)	(\$156)	(\$65)	(\$1)	(\$1,446)	(\$1)	\$0	(\$31)	(\$11)	\$0	(\$1,753)				
Total	(\$9,848)	(\$2,589)	(\$6,923)	(\$336)	(\$586,988)	(\$54,992)	(\$22,882)	(\$224)	(\$508,890)	(\$10,751)	(\$54,992)	(\$22,882)	(\$224)	(\$508,890)	(\$224)	\$0	(\$10,751)	(\$2,591)	(\$2,362)	(\$612,541)				

Company	A		a1		a2		a3		B		b1		b2		b3		C		D		E		F	
	Total Sched. 1A (Net)	Third Party Sched. 1A (Net)	Sched. 1A AEP LSE (Net)	Sched. 1A Formula (Net)	Total T-Svc. (Credit)	Third Party Sched. 1A (Net)	Sched. 1A AEP LSE (Net)	Sched. 1A Formula (Net)	NTS (Credit)	NTS AEP LSE (Net)	Total T-Svc. (Credit)	Third Party Sched. 1A (Net)	Sched. 1A AEP LSE (Net)	Sched. 1A Formula (Net)	NTS (Credit)	Sch. 12 Trans. Enh. Charge (Net)	Eliminate TEA (Net)	GFA PTP (Net)	ECRS (Credit) (Net)	SCRC (Credit) (Net)	Total I-Related			
Appalachian Power	(\$359)	(\$85)	(\$227)	(\$47)	\$976	\$249	(\$1,579)	\$1	\$2,305	\$49	\$249	(\$1,579)	\$1	\$2,305	\$1	\$27,703	\$49	\$200	(\$10)	(\$28,159)				
Columbus Southern Power	\$979	\$267	\$713	\$187	\$30,991	\$3,124	(\$1,051)	\$13	\$28,905	\$611	\$3,124	(\$1,051)	\$13	\$28,905	\$13	(\$56,858)	\$611	\$64	(\$24)	(\$24,237)				
Indiana & Michigan Power	\$752	\$154	\$412	\$30	\$644	(\$908)	\$9,953	(\$4)	(\$8,398)	(\$177)	(\$908)	\$9,953	(\$4)	(\$8,398)	(\$4)	\$35,161	(\$177)	\$252	\$27	\$36,658				
Kingsport Power	(\$42)	(\$11)	(\$30)	(\$1)	(\$2,623)	(\$246)	(\$102)	(\$1)	(\$2,274)	(\$48)	(\$246)	(\$102)	(\$1)	(\$2,274)	(\$1)	\$0	(\$48)	(\$11)	\$0	(\$2,725)				
Kentucky Power	(\$82)	(\$17)	(\$45)	(\$20)	(\$10,629)	(\$897)	(\$1,424)	(\$4)	(\$8,304)	(\$175)	(\$897)	(\$1,424)	(\$4)	(\$8,304)	(\$4)	\$8,553	(\$175)	(\$26)	\$13	(\$2,346)				
Ohio Power	(\$1,205)	(\$297)	(\$793)	(\$116)	(\$17,690)	(\$1,166)	(\$5,731)	(\$5)	(\$10,788)	(\$228)	(\$1,166)	(\$5,731)	(\$5)	(\$10,788)	(\$5)	(\$14,560)	(\$228)	(\$67)	(\$6)	(\$33,757)				
Wheeling Power	(\$43)	(\$11)	(\$30)	(\$1)	(\$1,668)	(\$156)	(\$65)	(\$1)	(\$1,446)	(\$31)	(\$156)	(\$65)	(\$1)	(\$1,446)	(\$1)	\$0	(\$31)	(\$11)	\$0	(\$1,753)				
Total	\$0	\$0	(\$0)	\$0	\$0	(\$0)	(\$0)	\$0	(\$0)	(\$0)	(\$0)	(\$0)	\$0	(\$0)	\$0	\$0	(\$0)	(\$0)	(\$0)	\$0	\$0			

**AEP Transmission Agreement
Summary (page 1) and Monthly Calculations of
Projected 2009 Transmission Agreement Settlements**

Actual Year End Balances and Derivation of Projected 2009 EHV Investments

Investment in EHV and 138kV Transmission Facilities In-Service as of 12/31/07					
Description	Combined AEP	APCo	CSP	I&M	OPCo
EHV Transmission Facilities In-Svc.	\$3,368,737,800	\$1,235,650,700	\$326,269,100	\$837,540,000	\$688,903,500
Investment in EHV and 138kV Transmission Facilities In-Service as of 12/31/08					
Description	Combined AEP	APCo	CSP	I&M	OPCo
EHV Transmission Facilities In-Svc.	\$3,514,128,600	\$1,292,745,300	\$343,850,600	\$856,020,600	\$723,364,500
EHV Transmission Investment - 2008					
Description	Combined AEP	APCo	CSP	I&M	OPCo
Net Increase EHV Trans. In-Svc.	\$145,390,800	\$57,094,600	\$17,581,500	\$18,480,600	\$34,461,000

MEMBER GROSS AND NET TRANSMISSION INVESTMENT
Per TRANSMISSION AGREEMENT, Dated April 1, 1984
as AMENDED and SUPPLEMENTED
Final BALANCES as of 12/31/2007

AEP POOL MEMBER (1)	MEMBER EHV TRANSMISSION INVESTMENT \$ (2)	MEMBER GENERATED INVESTMENT TAX CREDIT \$ (3)	MEMBER ITC ADJUSTMENT FACTOR (4)	MEMBER ADJUSTED INVESTMENT TAX CREDIT \$ (5)=(3)*(4)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) \$ (6)=(2)-(5)	ADDITIONAL TRANSMISSION INVESTMENT IN 2008 \$ (7)	2008 YEAR END MEMBER BULK TRANSMISSION INVESTMENT \$ (8)=(6)+(7)	TOTAL		
								TRANSMISSION EQUALIZATION RECEIPTS \$	TRANSMISSION EQUALIZATION PAYMENTS \$	
APCO	1,235,650,700	29,959,448	0.79127	23,706,012	1,211,944,688	57,094,600	1,269,039,288	APCO	27,702,885	0
KPCo	280,374,500	7,727,622	0.79211	6,121,127	274,253,373	17,773,100	292,026,473	KPCo	8,552,923	0
I&M	837,540,000	32,295,029	0.79220	25,984,122	811,955,878	18,480,600	830,436,478	I&M	35,161,331	0
OPCo	688,903,500	21,362,144	0.78515	16,772,487	672,131,013	34,461,000	706,592,013	OPCo	0	14,559,536
CSP	326,269,100	8,201,491	0.80245	6,581,286	319,687,814	17,581,500	337,269,314	CSP	0	56,857,603
TOTAL	3,368,737,800	99,545,734		78,765,034	3,289,972,766	145,390,800	3,435,363,566	TOTAL	71,417,139	71,417,139

**AEP Transmission Agreement
Summary (page 1) and Monthly Calculations of
Projected 2009 Transmission Agreement Settlements**

FACTORS ASSOCIATED WITH SETTLEMENT										SETTLEMENT		
AEP POOL MEMBER	JAN MLR (1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6 \$ (2)	MEMBER BULK TRANSMISSION OBLIGATION COL. 2 ALLOC. USING MLR \$ (3)	MEMBER BULK TRANSMISSION SURPLUS \$ (4)=(2)-(3)	MEMBER BULK TRANSMISSION DEFICIT \$ (5)=(3)-(2)	MONTHLY CARRYING CHARGE (6)	BULK TRANSMISSION EQUALIZATION RECEIPTS \$ (7)=(4)*(6)	BULK TRANSMISSION EQUALIZATION PAYMENTS \$ (8)=(5)/SUM COL. 5 *SUM COL. 7				
									APCO	0.33178	1,269,039,288	1,139,795,944
KPCO	0.07094	292,026,473	243,702,548	48,323,925	0	1.4950%	722,443	0				
I&M	0.18027	830,436,478	619,277,511	211,158,967	0	1.5000%	3,167,385	0				
OPCO	0.23074	706,592,013	792,686,833	0	86,094,820	1.4508%	0	1,288,970				
CSP	0.18627	337,269,314	639,900,730	0	302,631,416	1.5733%	0	4,530,849				
TOTAL	1.00000	3,435,363,566	3,435,363,566	388,726,236	388,726,236	---	5,819,819	5,819,819				

FACTORS ASSOCIATED WITH SETTLEMENT										SETTLEMENT		
AEP POOL MEMBER	FEB MLR (1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6 \$ (2)	MEMBER BULK TRANSMISSION OBLIGATION COL. 2 ALLOC. USING MLR \$ (3)	MEMBER BULK TRANSMISSION SURPLUS \$ (4)=(2)-(3)	MEMBER BULK TRANSMISSION DEFICIT \$ (5)=(3)-(2)	MONTHLY CARRYING CHARGE (6)	BULK TRANSMISSION EQUALIZATION RECEIPTS \$ (7)=(4)*(6)	BULK TRANSMISSION EQUALIZATION PAYMENTS \$ (8)=(5)/SUM COL. 5 *SUM COL. 7				
									APCO	0.32712	1,269,039,288	1,123,785,342
KPCO	0.07189	292,026,473	246,969,731	45,056,742	0	1.4950%	673,598	0				
I&M	0.18139	830,436,478	623,123,628	207,312,850	0	1.5000%	3,109,693	0				
OPCO	0.23218	706,592,013	797,609,935	0	91,017,922	1.4508%	0	1,362,525				
CSP	0.18743	337,269,314	643,874,931	0	306,605,617	1.5733%	0	4,589,843				
TOTAL	1.00000	3,435,363,566	3,435,363,567	397,623,538	397,623,539	---	5,952,368	5,952,368				

FACTORS ASSOCIATED WITH SETTLEMENT										SETTLEMENT		
AEP POOL MEMBER	MAR MLR (1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6 \$ (2)	MEMBER BULK TRANSMISSION OBLIGATION COL. 2 ALLOC. USING MLR \$ (3)	MEMBER BULK TRANSMISSION SURPLUS \$ (4)=(2)-(3)	MEMBER BULK TRANSMISSION DEFICIT \$ (5)=(3)-(2)	MONTHLY CARRYING CHARGE (6)	BULK TRANSMISSION EQUALIZATION RECEIPTS \$ (7)=(4)*(6)	BULK TRANSMISSION EQUALIZATION PAYMENTS \$ (8)=(5)/SUM COL. 5 *SUM COL. 7				
									APCO	0.32712	1,269,039,288	1,123,785,342
KPCO	0.07189	292,026,473	246,969,731	45,056,742	0	1.4950%	673,598	0				
I&M	0.18139	830,436,478	623,123,628	207,312,850	0	1.5000%	3,109,693	0				
OPCO	0.23218	706,592,013	797,609,935	0	91,017,922	1.4508%	0	1,362,525				
CSP	0.18743	337,269,314	643,874,931	0	306,605,617	1.5733%	0	4,589,843				
TOTAL	1.00000	3,435,363,566	3,435,363,567	397,623,538	397,623,539	---	5,952,368	5,952,368				

**AEP Transmission Agreement
Summary (page 1) and Monthly Calculations of
Projected 2009 Transmission Agreement Settlements**

APRIL

FACTORS ASSOCIATED WITH SETTLEMENT										SETTLEMENT	
AEP POOL MEMBER	APR MLR (1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6 \$ (2)	MEMBER BULK TRANSMISSION OBLIGATION COL. 2 ALLOC. USING MLR \$ (3)	MEMBER BULK TRANSMISSION SURPLUS \$ (4)=(2)-(3)	MEMBER BULK TRANSMISSION DEFICIT \$ (5)=(3)-(2)	MONTHLY CARRYING CHARGE (6)	BULK TRANSMISSION EQUALIZATION RECEIPTS \$ (7)=(4)*(6)	BULK TRANSMISSION EQUALIZATION PAYMENTS \$ (8)=(5)/(SUM COL. 5 *SUM COL. 7			
									APCO	0.32712	1,269,039,288
KPCO	0.07189	292,026,473	246,969,731	45,056,742	0	1.4950%	673,598	0			
I&M	0.18139	830,436,478	623,123,628	207,312,850	0	1.5000%	3,109,693	0			
OPCO	0.23218	706,592,013	797,609,935	0	91,017,922	1.4508%	0	1,362,525			
CSP	0.18743	337,269,314	643,874,931	0	306,605,617	1.5733%	0	4,589,843			
TOTAL	1.00000	3,435,363,566	3,435,363,567	397,623,538	397,623,539	---	5,952,368	5,952,368			

MAY

FACTORS ASSOCIATED WITH SETTLEMENT										SETTLEMENT	
AEP POOL MEMBER	MAY MLR (1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6 \$ (2)	MEMBER BULK TRANSMISSION OBLIGATION COL. 2 ALLOC. USING MLR \$ (3)	MEMBER BULK TRANSMISSION SURPLUS \$ (4)=(2)-(3)	MEMBER BULK TRANSMISSION DEFICIT \$ (5)=(3)-(2)	MONTHLY CARRYING CHARGE (6)	BULK TRANSMISSION EQUALIZATION RECEIPTS \$ (7)=(4)*(6)	BULK TRANSMISSION EQUALIZATION PAYMENTS \$ (8)=(5)/(SUM COL. 5 *SUM COL. 7			
									APCO	0.32712	1,269,039,288
KPCO	0.07189	292,026,473	246,969,731	45,056,742	0	1.4950%	673,598	0			
I&M	0.18139	830,436,478	623,123,628	207,312,850	0	1.5000%	3,109,693	0			
OPCO	0.23218	706,592,013	797,609,935	0	91,017,922	1.4508%	0	1,362,525			
CSP	0.18743	337,269,314	643,874,931	0	306,605,617	1.5733%	0	4,589,843			
TOTAL	1.00000	3,435,363,566	3,435,363,567	397,623,538	397,623,539	---	5,952,368	5,952,368			

JUNE

FACTORS ASSOCIATED WITH SETTLEMENT										SETTLEMENT	
AEP POOL MEMBER	JUN MLR (1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6 \$ (2)	MEMBER BULK TRANSMISSION OBLIGATION COL. 2 ALLOC. USING MLR \$ (3)	MEMBER BULK TRANSMISSION SURPLUS \$ (4)=(2)-(3)	MEMBER BULK TRANSMISSION DEFICIT \$ (5)=(3)-(2)	MONTHLY CARRYING CHARGE (6)	BULK TRANSMISSION EQUALIZATION RECEIPTS \$ (7)=(4)*(6)	BULK TRANSMISSION EQUALIZATION PAYMENTS \$ (8)=(5)/(SUM COL. 5 *SUM COL. 7			
									APCO	0.32712	1,269,039,288
KPCO	0.07189	292,026,473	246,969,731	45,056,742	0	1.4950%	673,598	0			
I&M	0.18139	830,436,478	623,123,628	207,312,850	0	1.5000%	3,109,693	0			
OPCO	0.23218	706,592,013	797,609,935	0	91,017,922	1.4508%	0	1,362,525			
CSP	0.18743	337,269,314	643,874,931	0	306,605,617	1.5733%	0	4,589,843			
TOTAL	1.00000	3,435,363,566	3,435,363,567	397,623,538	397,623,539	---	5,952,368	5,952,368			

**AEP Transmission Agreement
Summary (page 1) and Monthly Calculations of
Projected 2009 Transmission Agreement Settlements**

JULY

FACTORS ASSOCIATED WITH SETTLEMENT															
AEP POOL MEMBER	JUL MLR (1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6		MEMBER BULK TRANSMISSION OBLIGATION COL. 2 ALLOC. USING MLR		MEMBER BULK TRANSMISSION SURPLUS (4)=(2)-(3)		MEMBER BULK TRANSMISSION DEFICIT (5)=(3)-(2)		MONTHLY CARRYING CHARGE (6)		BULK TRANSMISSION EQUALIZATION RECEIPTS (7)=(4)*(6)		BULK TRANSMISSION EQUALIZATION PAYMENTS (8)=(5)/(SUM COL. 5 *SUM COL. 7)	
		\$	(2)	\$	(3)	\$	(4)	\$	(5)	\$	(6)	\$	(7)	\$	(8)
APCO	0.32853	1,269,039,288		1,128,634,418		140,404,870		0		1.4933%		2,096,666		0	
KPCO	0.07220	292,026,473		248,035,392		43,991,081		0		1.4950%		657,667		0	
I&M	0.18328	830,436,478		629,628,303		200,808,175		0		1.5000%		3,012,123		0	
OPCO	0.22634	706,592,013		777,568,940		0		70,976,927		1.4508%		0		1,062,515	
CSP	0.18964	337,269,314		651,496,513		0		314,227,199		1.5733%		0		4,703,941	
TOTAL	1.00000	3,435,363,566		3,435,363,566		385,204,126		385,204,126		---		5,766,456		5,766,456	

AUGUST

FACTORS ASSOCIATED WITH SETTLEMENT															
AEP POOL MEMBER	AUG MLR (1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6		MEMBER BULK TRANSMISSION OBLIGATION COL. 2 ALLOC. USING MLR		MEMBER BULK TRANSMISSION SURPLUS (4)=(2)-(3)		MEMBER BULK TRANSMISSION DEFICIT (5)=(3)-(2)		MONTHLY CARRYING CHARGE (6)		BULK TRANSMISSION EQUALIZATION RECEIPTS (7)=(4)*(6)		BULK TRANSMISSION EQUALIZATION PAYMENTS (8)=(5)/(SUM COL. 5 *SUM COL. 7)	
		\$	(2)	\$	(3)	\$	(4)	\$	(5)	\$	(6)	\$	(7)	\$	(8)
APCO	0.32040	1,269,039,288		1,100,701,880		168,337,408		0		1.4933%		2,513,783		0	
KPCO	0.07041	292,026,473		241,896,772		50,129,701		0		1.4950%		749,439		0	
I&M	0.19020	830,436,478		653,407,553		177,028,925		0		1.5000%		2,655,434		0	
OPCO	0.22420	706,592,013		770,205,048		0		63,613,035		1.4508%		0		951,978	
CSP	0.19478	337,269,314		669,152,313		0		331,882,999		1.5733%		0		4,966,678	
TOTAL	1.00000	3,435,363,566		3,435,363,566		395,496,034		395,496,034		---		5,918,656		5,918,656	

SEPTEMBER

FACTORS ASSOCIATED WITH SETTLEMENT															
AEP POOL MEMBER	SEP MLR (1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6		MEMBER BULK TRANSMISSION OBLIGATION COL. 2 ALLOC. USING MLR		MEMBER BULK TRANSMISSION SURPLUS (4)=(2)-(3)		MEMBER BULK TRANSMISSION DEFICIT (5)=(3)-(2)		MONTHLY CARRYING CHARGE (6)		BULK TRANSMISSION EQUALIZATION RECEIPTS (7)=(4)*(6)		BULK TRANSMISSION EQUALIZATION PAYMENTS (8)=(5)/(SUM COL. 5 *SUM COL. 7)	
		\$	(2)	\$	(3)	\$	(4)	\$	(5)	\$	(6)	\$	(7)	\$	(8)
APCO	0.31913	1,269,039,288		1,096,316,796		172,722,492		0		1.4933%		2,579,265		0	
KPCO	0.07013	292,026,473		240,933,080		51,093,393		0		1.4950%		763,846		0	
I&M	0.18944	830,436,478		650,804,444		179,632,034		0		1.5000%		2,694,481		0	
OPCO	0.22729	706,592,013		780,822,768		0		74,230,755		1.4508%		0		1,110,862	
CSP	0.19401	337,269,314		666,486,478		0		329,217,164		1.5733%		0		4,926,730	
TOTAL	1.00000	3,435,363,566		3,435,363,566		403,447,919		403,447,919		---		6,037,592		6,037,592	

**AEP Transmission Agreement
Summary (page 1) and Monthly Calculations of
Projected 2009 Transmission Agreement Settlements
OCTOBER**

FACTORS ASSOCIATED WITH SETTLEMENT												
AEP POOL MEMBER	OCT MLR	(1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6			MEMBER BULK TRANSMISSION SURPLUS			MEMBER BULK TRANSMISSION DEFICIT	MONTHLY CARRYING CHARGE (6)	SETTLEMENT	
			(2)	(3)	(4)=(2)-(3)	(5)=(3)-(2)	(7)=(4)*(6)	(8)=(5)/SUM COL. 5 *SUM COL. 7				
APCO	0.31913	1,269,039,288	1,096,316,796	172,722,492	0	1.4933%	2,579,265	0	1.4933%	2,579,265	0	
KPCO	0.07013	292,026,473	240,933,080	51,093,393	0	1.4950%	763,846	0	1.4950%	763,846	0	
I&M	0.18944	830,436,478	650,804,444	179,632,034	0	1.5000%	2,694,481	0	1.5000%	2,694,481	0	
OPCO	0.22729	706,592,013	780,822,768	0	74,230,755	1.4508%	0	1,110,862	1.4508%	0	1,110,862	
CSP	0.19401	337,269,314	666,486,478	0	329,217,164	1.5733%	0	4,926,730	1.5733%	0	4,926,730	
TOTAL	1.00000	3,435,363,566	3,435,363,566	403,447,919	403,447,919	---	6,037,592	6,037,592	---	6,037,592	6,037,592	

FACTORS ASSOCIATED WITH SETTLEMENT												
AEP POOL MEMBER	NOV MLR	(1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6			MEMBER BULK TRANSMISSION SURPLUS			MEMBER BULK TRANSMISSION DEFICIT	MONTHLY CARRYING CHARGE (6)	SETTLEMENT	
			(2)	(3)	(4)=(2)-(3)	(5)=(3)-(2)	(7)=(4)*(6)	(8)=(5)/SUM COL. 5 *SUM COL. 7				
APCO	0.31913	1,269,039,288	1,096,316,796	172,722,492	0	1.4933%	2,579,265	0	1.4933%	2,579,265	0	
KPCO	0.07013	292,026,473	240,933,080	51,093,393	0	1.4950%	763,846	0	1.4950%	763,846	0	
I&M	0.18944	830,436,478	650,804,444	179,632,034	0	1.5000%	2,694,481	0	1.5000%	2,694,481	0	
OPCO	0.22729	706,592,013	780,822,768	0	74,230,755	1.4508%	0	1,110,862	1.4508%	0	1,110,862	
CSP	0.19401	337,269,314	666,486,478	0	329,217,164	1.5733%	0	4,926,730	1.5733%	0	4,926,730	
TOTAL	1.00000	3,435,363,566	3,435,363,566	403,447,919	403,447,919	---	6,037,592	6,037,592	---	6,037,592	6,037,592	

FACTORS ASSOCIATED WITH SETTLEMENT												
AEP POOL MEMBER	DEC MLR	(1)	MEMBER BULK TRANSMISSION INVESTMENT (net of ITC) PAGE 1, COL. 6			MEMBER BULK TRANSMISSION SURPLUS			MEMBER BULK TRANSMISSION DEFICIT	MONTHLY CARRYING CHARGE (6)	SETTLEMENT	
			(2)	(3)	(4)=(2)-(3)	(5)=(3)-(2)	(7)=(4)*(6)	(8)=(5)/SUM COL. 5 *SUM COL. 7				
APCO	0.31913	1,269,039,288	1,096,316,796	172,722,492	0	1.4933%	2,579,265	0	1.4933%	2,579,265	0	
KPCO	0.07013	292,026,473	240,933,080	51,093,393	0	1.4950%	763,846	0	1.4950%	763,846	0	
I&M	0.18944	830,436,478	650,804,444	179,632,034	0	1.5000%	2,694,481	0	1.5000%	2,694,481	0	
OPCO	0.22729	706,592,013	780,822,768	0	74,230,755	1.4508%	0	1,110,862	1.4508%	0	1,110,862	
CSP	0.19401	337,269,314	666,486,478	0	329,217,164	1.5733%	0	4,926,730	1.5733%	0	4,926,730	
TOTAL	1.00000	3,435,363,566	3,435,363,566	403,447,919	403,447,919	---	6,037,592	6,037,592	---	6,037,592	6,037,592	