

## Formula Rate Update for AEP East subsidiaries in PJM

To be Effective July 1, 2016 through June 30, 2017

Docket No ER08-1329

Pursuant to PJM OATT Attachment H-14A (Formula Rate Implementation Protocols), AEP has calculated its Annual Transmission Revenue Requirements (ATRR) to produce the “Annual Update” for the Rate Year beginning July 1, 2016 through June 30, 2017. All the files pertaining to the Annual Update are to be posted on the PJM website in PDF format. The first file provides the ATRR and rates for Network transmission service and Scheduling System Control and Dispatch Service (Schedule 1A), and the annual transmission revenue requirement for RTEP projects (Schedule 12). An informational filing will also be submitted to the FERC.

AEP network service rate will decrease effective July 1, 2016 from \$32,113.77 per MW per year to \$30,979.72 per MW per year with the AEP annual revenue requirement decreasing from \$783,836,137 to \$765,976,584.

The AEP Schedule 1A rate decreased from \$.0949 per MWh to \$.0923 per MWh.

An annual revenue requirement of \$54,479,931 for RTEP projects (including true-up and interest) is to be collected under PJM Tariff Schedule 12. The RTEP Project revenue requirement includes:

1. b0839 (Twin Branch) \$1,293,863
2. b0318 (Amos 765/138 kV Transformer) \$1,770,598
3. b0504 (Hanging Rock) \$1,028,931
4. b0570 (East Side Lima) \$(54,349)
5. b1034.1 (Torrey-West Canton) \$909,480
6. b1034.6 (138kV circuit South Canton Station) \$375,302
7. b1231 (West Moulton Station) \$1,283,020
8. b1465.2 (Rockport Jefferson 300 MVAR bank) \$87,567
9. b1465.3 (Rockport Jefferson 765 kV line) \$3,726,102
10. b1712.2 (Altavista-Leesville 138kV line) \$36,319
11. b1864.1 (OPCo Kammer 345/138 kV transformers) \$1,651
12. b1864.2 (West Bellaire-Brues 138 kV circuit) of \$107,901
13. b2020 (Rebuild Amos-Kanawha River) \$2,357,048
14. b2021 (APCo Kanawha River Gen Retirement Upgrades) \$359,260
15. b2017 (APCo Rebuild Sporn-Waterford Muskingum River 345kV line) \$2,931,873
16. b1659.14 (Ft. Wayne Relocate) \$99,463
17. b2048 (Tanners Creek-Transformer Replacement) \$132,463
18. b1818 (Expand the Allen Station) \$832,793
19. b1819 (Rebuild Robinson Park 138kV line corridor) \$467,602
20. b1465.4 (Switching imp at Sullivan Jefferson 765kV station) \$61,377
21. b2021 (OPCo 345/138kV Transformer) \$(2,842,310)
22. b2032 (Rebuild 138kV Elliott Tap-Poston) \$25,011
23. b1034.2 (Loop South Canton-Wayview) \$706,379

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24. b1034.7 (Replace circuit breakers Torrey/Wagenhals) \$1,330,591
25. b1970 (Reconductor Kammer-West Bellaire) \$222,510
26. b2018 (Loop Conesville-Bixby 345kV) \$(21,044)
27. b1032.4 (Loop the existing South Canton-Wayview 138kV circuit) \$315,981
28. b1666 (Build an 8 breaker 138kV station Fosteria-East Lima) \$943,729
29. b1957 (Terminate transformer #2 SW Lima) \$668,607
30. b1962 (Add four 765kV breakers Kammer) \$(33,035)
31. b2019 (Burger 345/138kV Station) \$2,222,192
32. b2017 (OPCo Reconductor Sporn-Waterford-Muskingum River) \$1,971,983
33. b1032.3 (Convert Ross-Circleville 138kV) \$1,897,672
34. b1660 (Install 765/500 kV transformer Cloverdale) \$8,871,247
35. b1660.1 (Cloverdale Establish 500 kV station) \$13,022,465
36. b1663.2 (Jacksons-Ferry 765kV breakers) \$1,504,516
37. b1875 (138 kV Bradley to McClung upgrades) \$2,366
38. b1797.1 (Reconductor Cloverdale-Lexington 500 kV line) \$5,862,811