

Appalachian Power Company Input Statement
12 Months Ending 12/31/2016 (actuals) for 2017

Appalachian Power Company

REFERENCING File Name:

AEP APCo Va FRR 2017 Formula Update Workpapers (2016 data used 2017 filing)

Schedule	Description	Amount	Sheet / Tab	Cell
B-1	Production Billing kW			
B-2	Production System Peak Demand	5,636.3	WP-1	D18
B-4	Off System Sales for Resale (Demand Portion)	239,233	WP-15D	B10
	Ancillary Service Revenue	0	WP-2	F13
B-4	Energy Credit Revenue	16,425,016	WP-15D	D13
B-5	Plant Held for Future Use - TOTAL	428,415	WP-19	C14
	Plant Held for Future Use - DEMAND	428,415	WP-19	D14
	Plant Held for Future Use - ENERGY	0	WP-19	E14
	Pollution Control CWIP	0	WP-3	sum(D27+D30)
	Non-Pollution Control CWIP (50%)	0	WP-3	(D28+D29)x50%
	Prepayments Nonlabor	6,797,715	WP-5c	D24
	Prepayments Labor	239,500	WP-5c	F24
B-6	Plant in Service - TOTAL COMPANY	12,885,432,977	WP-6a	G38
	Production Plant - TOTAL COMPANY	6,197,173,523	WP-6a	G11
	Production Plant - DEMAND	6,197,173,523		
	Production Plant - ENERGY	0		
	Accum. Depreciation - TOTAL CO.	4,200,000,379	WP-6b	D16
	Accum. Depreciation - PRODUCTION ONLY	2,155,406,212	WP-6b	E16
	Accum. Depreciation - GENERAL & INTANGIBLE	135,891,016	WP-6b	H16
	Accum. Deferred Income Taxes - TOTAL CO.	2,235,083,008		
B-6a	Acct 190			
	Excluded Items	197,612,788	WP-8ai	Q126
	100% Production (Energy)	(154,591)	WP-8ai	Q112
	100% Production (Demand)	91,025,487	WP-8ai	Q114
	Labor Related	7,410,827	WP-8ai	Q111
	Acct 281			
	Excluded Items	0	WP-8a	
	100% Production (Energy)	0	WP-8a	
	100% Production (Demand)	302,975,148	WP-8a	Q21
	Labor Related	0	WP-8a	
	Acct 282			
	Excluded Items	1,063,083,567	WP-8a	Q74
	100% Production (Energy)	(3,497)	WP-8a	Q71
	100% Production (Demand)	736,300,797	WP-8a	Q73
	Labor Related	(65,939)	WP-8a	Q70
	Acct 283			
	Excluded Items	156,752,912	WP-8a	Q191
	100% Production (Energy)	31,858,941	WP-8a	Q188
	100% Production (Demand)	208,375,901	WP-8a	Q190
	Labor Related	30,784,566	WP-8a	Q187
	Acct 255			
	Excluded Items	68,489	WP-8a	R204+S204
	100% Production (Energy)	0	WP-8a	
	100% Production (Demand)	846,634	WP-8a	Q204
	Labor Related	0	WP-8a	
B-7	General Plant			
	Land	15,041,991	WP-6c	C18
	Structures	117,987,196	WP-6c	C20
	Office Equipment	7,428,308	WP-6c	C22
	Transportation	8,674	WP-6c	C24
	Stores Equipment	1,566,620	WP-6c	C26
	Tools, Shop & Garage Equipment	29,521,729	WP-6c	C29+C33
	Lab Equipment	2,828,413	WP-6c	C31
	Communication Equipment	39,467,281	WP-6c	C35
	Miscellaneous Equipment & Other	6,817,434	WP-6c	C37
	Other Tangible Property	0	WP-6c	C39
	Asset Retirement Costs	781,258	WP-6c	C46-C44
	TOTAL GENERAL PLANT	221,448,904		
	Intangible Plant	105,361,383	WP-6a	G35
	Total Wages & Salaries (Excluding A & G and SF&H)	156,304,395	WP-9a	E30
	Production Wages & Salaries	84,058,602	WP-9b	F50
	Allocation Factors for Production-Related General Plant based on Production Wages & Salaries			
	Demand	0.6822922418	WP-9b	D52
	Energy	0.3177077582		
B-9	Account 151 Fuel Inventory	107,260,888	WP-5b	M13
	Materials & Supplies - Total	98,370,408		
	Production	71,033,005	WP-5a	K10
	Transmission	13,020,757	WP-5a	K11
	Distribution	14,316,646	WP-5a	K12
	Account 158 - Allowances	23,209,770	WP-5a	C21

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Schedule	Description	Amount	Sheet / Tab	Cell
	Account 120 Nuclear Fuel	0	WP-5b	E17
	Account 152 Undistributed	4,735,695	WP-5b	B17
B-10	ADMINISTRATIVE & GENERAL EXPENSES			
	A & G Salaries # 920	39,352,838	WP-10a	D163
	Outside Services # 923	9,583,953	WP-10a	D166
	Employee Pensions & Benefits # 926	16,475,862	WP-10a	D172
	Office Supplies # 921	5,221,885	WP-10a	D164
	Injuries & Damages # 925	7,776,985	WP-10a	D168
	Franchise Requirements # 927	0	WP-10a	D173
	Duplicate Charges # 929	(162,751)	WP-10a	D175
	Miscellaneous General Expense # 930	9,232,120	WP-10a	sum(D176:D178)
	Advertising Expense	340,610	WP-10a	D176
	Dues & Memberships	0	WP-10a	D178
	Adm. Expense Transfer - Cr. # 922	(5,882,761)	WP-10a	D165
	Property Insurance # 924	3,238,061	WP-10a	D167
	Regulatory Comm. Expense # 928	4,280,043	WP-10a	D174
	Reg. Comm. Expense Production Related	1,494,528	WP-11	E43
	Rents # 931	1,618,168	WP-10a	D179
	Maintenance of General Plant # 935	12,016,949	WP-10a	D183
B-11	Common Stock	3,590,140,794	WP-12a	M11
	Bonds (Acc 221)	322,118,952	WP-13	E12
	Less: Reacquired Bonds (Acc 222)	0	WP-13	G12
	Advances from Assoc Companies (Acc 223)	0	WP-13	C12
	Other Long Term Debt (Acc 224)	3,745,741,307	WP-13	K12
B-12	Long Term Debt	4,067,860,259	WP-13	O12
	Interest on Long Term Debt	183,241,458	WP-13	F39
	Amort Debt Disc/ Exp	2,982,641	WP-13	F27
	Amort Loss Reacq	4,269,063	WP-13	F28
	Amort. Premium on Debt	0	WP-13	F32
	Amort. Gain on Debt	0	WP-13	F34
B-13	Preferred Stock	0	WP-12b	B13
	Preferred Stock Dividends	0	WP-12b	K13
	Premium on Preferred Stock	0	WP-12b	D13
B-13b	Total Proprietary Capital			
	Preferred Stock (Acc 204, pfd portion of Acc 207-213)	0	WP-12a	E11+F11+G11
	Unappropriated Undistributed Subsidiary Earnings (Acc 216.1)	1,758,641	WP-12a	I11
	Accumulated Comprehensive Other Income (Acc 219)	(9,136,157)	WP-12a	K11
	Total Proprietary Capital	3,582,763,278	WP-12a	C11
B-14	Coal Handling	21,320,605	WP-18	C20
	Lignite Handling	0		
	Fly Ash Rev/Exp	(147,959)	WP-18	C21
	Other Production Expenses #557	8,409,525	WP-10a	D56
	System Control/Load Dispatching #556	14,728,855	WP-10a	D55+D73+D77+D100
	Other Steam Gen & Other Power Gen Exp			
	Total	219,754,102	WP-14	G62
	Demand	136,438,145	WP-14	G60
	Energy	83,315,957	WP-14	G61
	Purchased Power (Total) # 555	358,217,720	WP-15c	E10
	Purchased Power (Demand) # 555	46,028,823	WP-15c	B10 + D10
	Purchased Power (Energy) # 555	312,188,897	WP-15c	C10
B-16	Steam Production Plant Depreciation Expense	169,806,820	WP-6d	B9
	Hydro Production Plant Conventional Depreciation Expense	3,475,632	WP-6d	B10
	Hydro Production Plant Pumped Storage Depreciation Expense	2,644,153	WP-6d	B11
	Other Production Plant Depreciation Expense	14,779,598	WP-6d	B12
	General & Intangible Plant Depreciation Expense	18,471,389	WP-6d	B15+B16
	Production Plant Accretion Expense	0		
B-17	Payroll Related Other Taxes	8,400,592	WP-8c	C9
	Property Related Other Taxes	63,547,826	WP-8c	C11
	Production Related Taxes	22,061,084	WP-8c	C12
	Other	15,832,348	WP-8c	C14
	Not Allocated (Gross Receipts and Dist. Related)	13,395,252	WP-8c	C15
B-19	Federal Income Tax Rate	35.0000%	WP-8b	C20
	State Income Tax Rate (Composite)	3.7200%	WP-8b	C21
	Percent of FIT deductible for state purposes	0.0000%	WP-8b	C22
	Amortized Investment Tax Credit (enter negative)	0	WP-8b	D18

5/24/2017

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INPUT

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<u>Schedule</u>	<u>Description</u>	<u>Amount</u>		<u>Sheet / Tab</u>	<u>Cell</u>
B-11	Return on Common	10.40%		na	
	Year Ending -- Month	12			
	Year Ending -- Day	31			
	Year Ending -- Year	2016		na	
B-22	Losses and Imbalance Ancillary Svc. Rev.	0			
	GSU Data Input				
B-3	GSU & Other Production Related Investment	66,708,910	December, 2016	WP-16	H32
B-3	Plant in Service - TRANSMISSION	2,795,292,451	December, 2016	WP-6a	G17
B-3	Transmission Depreciation Expense	41,155,895	December, 2016	WP-6d	B13
B-3	Transmission Substation Acct. 353 Investment	1,230,490,509	December, 2016	WP-17	J11
B-3	Transmission O&M (Accts 562 & 570)	5,435,463	December, 2016	WP-10a	sum(D78+D91)
B-6	GSU Accumulated Depreciation	21,229,114	December, 2016	WP-16	I32

Appalachian Power Company
Formula Rate Template - Capacity Rate
12 Months Ending 12/31/2016 (actuals)

	RATE \$/MW/Day (1)	CAPACITY MW (2)	Amount \$ (1) x (2) (3)
Capacity Daily Charge:			
1. Reference	P.2		Col (1) x (2)
2. Amount	\$393.24825	5,636	\$2,216,465.12

Note A: Rate will be applied to peak obligation demands at or adjusted to generation level (including losses).

DETERMINATION OF RATES APPLICABLE TO
APCO CAPACITY REQUIREMENTS
12 Months Ending 12/31/2016 (actuals) for 2017

Appendix 2
Page 2

1. Capacity Daily Rates

$$\begin{aligned} \$/\text{MW} &= \frac{\text{Annual Production Fixed Cost}}{(\text{APCo 5 CP Demand}/365) \text{ (Note A)}} \\ &= \frac{809,009,770}{5,636.3 / 365} = \$393.24825 \end{aligned}$$

Where: Annual Production Fixed Cost, P.4, L. 8

Note A: Average of demand at time of PJM five highest daily peaks.
Workpapers -- WP1

	Reference (1)	PRODUCTION Amount (2)
1. GSU & Associated Investment	Note A	66,708,910
2. Total Transmission Investment	FF1, P.207, L.58, Col.g	2,795,292,451
3. Percent (GSU to Total Trans. Investment)	L.1 / L.2	2.39%
4. Transmission Depreciation Expense	FF1, P.336, L.7, Col.b	41,155,895
5. GSU Related Depreciation Expense	L.3 x L.4	982,174
6. Station Equipment Acct. 353 Investment	Note B	1,230,490,509
7. Percent (GSU to Acct. 353)	L.1 / L.6	5.42%
8. Transmission O&M (Accts 562 & 570)	FF1,P.321, L. 93, Col.b, and L.107, Col.b	5,435,463
9. GSU & Associated Investment O&M	L.7 x L.8	294,674

Note A: Workpapers -- WP-16

Note B: Workpapers -- WP-17

ANNUAL PRODUCTION FIXED COST
 12 Months Ending 12/31/2016 (actuals) for 2017

	Reference (1)	PRODUCTION Amount (2)
1. Return on Rate Base	P.5, L.18, Col.(2)	\$227,022,815
2. Operation & Maintenance Expense	P.14, L.15, Col.(2)	\$243,817,513
3. Depreciation Expense	P.16, L.9, Col.(2) Note A	\$198,466,056
4. Taxes Other Than Income Taxes	P.17, L.6, Col.(3)	\$66,247,348
5. Income Tax	P.18, L.5, Col.(2)	\$89,881,055
6. Sales for Resale	Note B	\$16,425,016
7. Sales for Resale (Energy Credit)	Note C	\$0
8. Annual Production Fixed Cost	Sum (L.1 : L.5) - (L.6 +L.7)	\$809,009,770

Note A: See page 20 for depreciation rates by plant account.

Note B: Capacity related revenues associated with sales as reported in Account 447 (includes pool capacity demand). See Workpaper 15d.

Note C: Workpaper 15d

RETURN ON PRODUCTION-RELATED INVESTMENT
12 Months Ending 12/31/2016 (actuals) for 2017

Appendix 2
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	Reference	Amount (1)	Demand (2)	Energy (3)
1.	ELECTRIC PLANT			
2.	Gross Plant in Service	P.6, L.4, Col.(2)-(4) 6,439,216,878	6,383,511,764	55,705,114
3.	Less: Accumulated Depreciation	P.6, L.11, Col.(2)-(4) 2,249,715,861	2,226,497,608	23,218,253
4.	Net Plant in Service	L.2 - L.3 4,189,501,017	4,157,014,156	32,486,861
5.	Less: Accumulated Deferred Taxes	P.6, L.12, Col.(2)-(4) 1,212,790,828	1,173,375,724	39,415,104
6.	Plant Held for Future Use (Note A)	FF1, P.214 428,415	428,415	0
7.	Subtotal - Electric Plant	L.4 - L.5 + L.6 2,977,138,603	2,984,066,847	(6,928,243)
WORKING CAPITAL				
8.	Materials & Supplies			
9.	Fuel	P.9, L.2, Col.(2)-(4) 111,996,583	0	111,996,583
10.	Nonfuel	P.9, L.8, Col.(2)-(4) 71,033,005	71,033,005	0
11.	Total M & S	L.9 + L.10 183,029,588	71,033,005	111,996,583
12.	Prepayments Nonlabor (Note B)	3,397,011	3,367,624	29,387
13.	Prepayments Labor (Note B)	128,800	87,879	40,921
14.	Prepayments Total (Note B)	L.12 + L. 13 3,525,811	3,455,503	70,308
15.	Cash Working Capital	P.8, L.7, Col.(1)-(3) 37,129,658	24,686,752	12,442,906
16.	Total Rate Base	L.7 + L.11 + L.14 + L.15 3,200,823,661	3,083,242,107	117,581,554
17.	Weighted Cost of Capital	P.11, L.4, Col.(4) 7.36%	7.36%	7.36%
18.	Return on Rate Base	L.16 x L.17 235,680,486	227,022,815	8,657,671

Note A: Workpapers -- WP-19

Note B: Workpapers -- WP-5c Prepayments include amounts booked to Account 165. Nonlabor related prepayments allocated to the production function based on gross plant on P.6, L.7. Labor related prepayments allocated to production function based on wages and salaries on P.7, Note B.

	System		Reference	PRODUCTION		
	Reference	Amount (1)		Amount (2)	Demand (3)	Energy (4)
1. GROSS PLANT IN SERVICE (Note A)						
2. Plant in Service (Note C)	L. 14	12,885,432,977	L.16	6,263,882,433	6,263,882,433	0
3. Allocated General & Intangible Plant			P.7, Col(3), L.25	175,334,445	119,629,332	55,705,114
4. Total	L.2 + L.3 Note A	12,885,432,977		6,439,216,878	6,383,511,764	55,705,114
5.			Col.(2), L.4	6,439,216,878	6,383,511,764	55,705,114
6.			Col.(1), L.4	12,885,432,977	12,885,432,977	12,885,432,977
7.		100.00%	L.5/L.6	49.97%	49.54%	0.43%
8. ACCUMULATED PROVISION FOR DEPRECIATION (Note A)						
9. Plant in Service (Note D)	L.18	4,200,000,379	L.20	2,176,635,326	2,176,635,326	0
10. Allocated General Plant		135,891,016	Note B	73,080,535	49,862,282	23,218,253
11. Total	L.9 + L.10			2,249,715,861	2,226,497,608	23,218,253
12. ACCUMULATED DEFERRED TAXES (Note A)	Note E	2,235,083,008	P.6a, L. 52	1,212,790,828	1,173,375,724	39,415,104

Note A: Excludes ARO amounts.

Note B: (% From P.7, Col.(3), L.28)

Note C: Includes Generator Step-Up Transformers and Other Generation related investments previously included in the transmission accounts

Note D: Includes Accumulated Depreciation associated with the Generator Step-Up Transformers and Other Generation investments.

Note E: WP--8a, WP--8ai

GSU DETAILS [Lns. 2 and 9 above]

	System		Reference	PRODUCTION		
	Reference	Amount (1)		Amount (2)	Demand (3)	Energy (4)
13 GROSS PLANT IN SERVICE						
14 Plant in Service (Note C)	WP6a, Ln. 11	12,885,432,977	WP6a, Ln. 2	6,197,173,523	6,197,173,523	0
15 Plant in Service (Note C) (GSU)	P.3, L.1, Col.(2)			66,708,910	66,708,910	0
16 Plant in Service (Note C)	Ln. 14 + L.15			6,263,882,433	6,263,882,433	0
17 Accumulated Provision for Depreciation						
18 Accumulated Prov. Depreciation (Note D)	WP6b, Ln. 7	4,200,000,379	WP6b, Ln. 7	(2,155,406,212)	(2,155,406,212)	0
19 Accumulated Prov. Dep. (GSU)	WP16			21,229,114	21,229,114	0
20 Total Accumulated Depreciation (Note D)	Ln. 18+ L.19			(2,134,177,097)	(2,134,177,097)	0

Account	Description	Year End Balance	Exclusions	100% Production (Energy Related)	100% Production (Demand Related)	Labor
1	190 Excluded Items	197,612,788	197,612,788			
2	190 100% Production (Energy)	(154,591)		(154,591)		
3	190 100% Production (Demand)	91,025,487			91,025,487	
4	190 Labor Related	7,410,827				7,410,827
5	190 Total	295,894,511	197,612,788	(154,591)	91,025,487	7,410,827
6	Production Allocation		0.00%	100.00%	100.00%	100.00%
7	(Gross Plant or Wages/Salaries)		-	(154,591)	91,025,487	7,410,827
8	Demand Related			-	91,025,487	5,056,350
9	Energy Related			(154,591)	-	2,354,477
10	Allocation Basis			Direct	Direct	B-7, Note B
11	281 Excluded Items		-			
12	281 100% Production (Energy)			-		
13	281 100% Production (Demand)	(302,975,148)			(302,975,148)	
14	281 Labor Related	-				-
15	281 Total	(302,975,148)	-	-	(302,975,148)	-
16	Production Allocation		0.00%	100.00%	100.00%	100.00%
17	(Gross Plant or Wages/Salaries)		-	-	(302,975,148)	-
18	Demand Related			-	(302,975,148)	-
19	Energy Related			-	-	-
20	Allocation Basis			Direct	Direct	B-7, Note B
21	282 Excluded Items	(1,063,083,567)	(1,063,083,567)			
22	282 100% Production (Energy)	3,497		3,497		
23	282 100% Production (Demand)	(736,300,797)			(736,300,797)	
24	282 Labor Related	65,939				65,939
25	282 Total	(1,799,314,928)	(1,063,083,567)	3,497	(736,300,797)	65,939
26	Production Allocation		0.00%	100.00%	100.00%	100.00%
27	(Gross Plant or Wages/Salaries)		-	3,497	(736,300,797)	65,939
28	Demand Related			-	(736,300,797)	44,990
29	Energy Related			3,497	-	20,949
30	Allocation Basis			Direct	Direct	B-7, Note B
31	283 Excluded Items	(156,752,912)	(156,752,912)			
32	283 100% Production (Energy)	(31,858,941)		(31,858,941)		
33	283 100% Production (Demand)	(208,375,901)			(208,375,901)	
34	283 Labor Related	(30,784,566)				(30,784,566)
35	283 Total	(427,772,320)	(156,752,912)	(31,858,941)	(208,375,901)	(30,784,566)
36	Production Allocation		0.00%	100.00%	100.00%	100.00%
37	(Gross Plant or Wages/Salaries)		-	(31,858,941)	(208,375,901)	(30,784,566)
38	Demand Related			-	(208,375,901)	(21,004,071)
39	Energy Related			(31,858,941)	0	(9,780,496)
40	Allocation Basis			Direct	B-6, L. 7	B-7, Note B
41	255 Excluded Items	(68,489)	(68,489)			
42	255 100% Production (Energy)	-		-		
43	255 100% Production (Demand)	(846,634)			(846,634)	
44	255 Labor Related	-				-
45	255 Total	(915,123)	(68,489)	-	(846,634)	-
46	Production Allocation		0.00%	100.00%	100.00%	100.00%
47	(Gross Plant or Wages/Salaries)		-	-	(846,634)	-
					Direct	
48	Summary Production Related ADIT	Total	Demand	Energy		
49	P Plant (Energy Related)	(32,010,035)	-	(32,010,035)		
50	P Plant (Demand Related)	(1,157,472,993)	(1,157,472,993)	0		
51	Labor Related	(23,307,800)	(15,902,731)	(7,405,069)		
52	Total	(1,212,790,828)	(1,173,375,724)	(39,415,104)		

Source: Functionalized balances for Accounts 190, 281, 282, 283 and 255 from WP-8a and 8ai.

General Plant Accounts 101 and 106

	Total System (Note A) (1)	Allocation Factor (2)	Related to Production (1) x (2) (3)	Demand (4)	Energy (5)	FERC Form 1 Reference
1. GENERAL PLANT						
2.						
3. Land	15,041,991	Note B	8,089,400	5,519,335	2,570,065	P.207, L.86, Col.(g)
4. General Offices	0		0	0	0	
5. Total Land	15,041,991		8,089,400	5,519,335	2,570,065	P.207, L.86, Col.(g)
6.						
7. Structures	117,987,196	Note B	63,452,079	43,292,861	20,159,218	P.207, L.87, Col.(g)
8. General Offices	0		0	0	0	
9. Total Structures	117,987,196		63,452,079	43,292,861	20,159,218	P.207, L.87, Col.(g)
10.						
11. Office Equipment	7,428,308	Note B	3,994,854	2,725,658	1,269,196	P.207, L.88, Col.(g)
12. General Offices	0		0	0	0	
13. Total Office Equipment	7,428,308		3,994,854	2,725,658	1,269,196	P.207, L.88, Col.(g)
14. Transportation Equipment	8,674	Note B	4,665	3,183	1,482	P.207, L.89, Col.(g)
15. Stores Equipment	1,566,620	Note B	842,509	574,837	267,672	P.207, L.90, Col.(g)
16. Tools, Shop & Garage Equipment	29,521,729	Note B	15,876,427	10,832,363	5,044,064	P.207, L.91, L. 93, Col.(g)
17. Lab Equipment	2,828,413	Note B	1,521,086	1,037,825	483,261	P.207, L.92, Col.(g)
18. Communication Equipment	39,467,281	Note B	21,225,024	14,481,669	6,743,355	P.207, L.94, Col.(g)
19. Miscellaneous Equip & Other	6,817,434	Note B	3,666,333	2,501,511	1,164,822	P.207, L.95, Col.(g)
20. Subtotal General Plant	220,667,646		118,672,375	80,969,241	37,703,134	P.207, L.96, Col.(g)
21. PERCENT		Note C	53.78%	36.69%	17.09%	
22. Other Tangible Property	0	Note D	0	0	0	P.207, L. 97, Col.(g)
23. TOTAL GENERAL PLANT	220,667,646		118,672,375	80,969,241	37,703,134	
24. INTANGIBLE PLANT	105,361,383	Note B	56,662,070	38,660,091	18,001,979	P.205, L.5, Col.(g)
25. TOTAL GENERAL AND INTANGIBLE	326,029,029		175,334,445	119,629,332	55,705,114	L.23 + L.24
26. PERCENT		Note E	53.78%	36.69%	17.09%	

NOTE A: See Workpaper 6c.

NOTE B: Allocation factors based on wages and salaries in electric operations and maintenance expenses excluding administrative and general expenses:

a. Total wages and salaries in electric operation and maintenance expenses excluding administrative and general expense, FF1, P.354, Col.(b), Ln.28 - L.27 (see workpaper 9a).	156,304,395
b. Production wages and salaries in electric operation and maintenance expense, FF1, P.354, Col.(b), L.20. (see WP-9a)	84,058,602
c. Ratio (b / a)	53.779%

NOTE C: L.20, Col.(3) / L.20, Col.(1)

NOTE D: Directly assigned to Production

NOTE E: L.25, Col.(3) / L.25, Col.(1)

PRODUCTION-RELATED CASH REQUIREMENT
12 Months Ending 12/31/2016 (actuals) for 2017

	Reference	Amount (1)	PRODUCTION Demand (2)	Energy (3)
1. Total Production Expense Excluding Fuel Used In Electric Generation	P.14, L.12 Col.(1)-(3)	622,282,848	205,605,348	416,677,500
2. Less Fuel Handling / Sale of Fly Ash	P.14, L.1 thru L. 3 Col.(1)-(3)	(21,172,646)	0	(21,172,646)
3. Less Purchased Power	P.14, L.11 Col.(1)-(3)	(358,217,720)	(46,028,823)	(312,188,897)
4. Other Production O&M	Sum (L.1 thru L.3)	242,892,482	159,576,525	83,315,957
5. Allocated A&G	P.10, L.17 Col.(3)-(5)	54,144,785	37,917,491	16,227,295
6. Total O&M for Cash Working Capital Calculation	L.4 + L.5	297,037,267	197,494,016	99,543,252
7. O&M Cash Requirements	=45 / 360 x L.6	37,129,658	24,686,752	12,442,906

	SYSTEM		PRODUCTION			
	Reference	Amount (1)	Reference	Amount (2)	Demand (3)	Energy (4)
1. Material & Supplies (Note A)						
2. Fuel (Note C)	FF1, P.110, L. 45,46 Workpapers WP-5b	111,996,583		111,996,583	0	111,996,583
3. Non-Fuel						
4. Production	Note D	71,033,005	100% Col. 1	71,033,005	71,033,005	0
5. Transmission		13,020,757	0	0	0	0
6. Distribution		14,316,646	0	0	0	0
7. General		0	Note B	0	0	0
8. Total	L.4 + L.5 + L.6 + L.7	98,370,408		71,033,005	71,033,005	0
9. Account 158 Allowances	Note D	23,209,770		23,209,770	0	23,209,770

Note A: Year end balance.

Note B: Column (1) times % from P.7, Col.(3), L.26.

Note C: Workpapers WP-5b

Note D: Workpapers WP-5a

PRODUCTION-RELATED
ADMINISTRATIVE & GENERAL EXPENSE ALLOCATION
12 Months Ending 12/31/2016 (actuals) for 2017

	Account	System		Allocation Factor % (2)	Production			FERC Form 1 Reference
		Reference	Amount (1)		Amount (3)	Demand (4)	Energy (5)	
1.	ADMINISTRATIVE & GENERAL EXPENSE							
2.	RELATED TO WAGES AND SALARIES							
3.	A&G Salaries	920	Workpapers 10-a	39,352,838				P.323, L.181, Col.(b)
4.	Outside Services	923	Workpapers 10-a	9,583,953				P.323, L.184, Col.(b)
5.	Employee Pensions & Benefits	926	Workpapers 10-a	16,475,862	Note F			P.323, L.187, Col.(b)
6.	Office Supplies	921	Workpapers 10-a	5,221,885				P.323, L.182, Col.(b)
7.	Injuries & Damages	925	Workpapers 10-a	7,776,985				P.323, L.186, Col.(b)
8.	Franchise Requirements	927	Workpapers 10-a	0				P.323, L.188, Col.(b)
9.	Duplicate Charges - Cr.	929	Workpapers 10-a	(162,751)				P.323, L.190, Col.(b)
10.	Total		Ls. 3 thru 9	78,248,772	Note A	42,081,238	28,711,702	13,369,536
11.	MISCELLANEOUS GENERAL EXPENSES	930	Workpapers 10-a	8,891,510	Note A & D	4,781,746	3,262,548	1,519,198 P.323, L.192, Col.(b) [Note A]
12.	ADM. EXPENSE TRANSFER - CR.	922	Workpapers 10-a	(5,882,761)	Note B	(3,163,677)	(2,158,552)	(1,005,125) P.323, L.183, Col.(b)
13.	PROPERTY INSURANCE	924	Workpapers 10-a	3,238,061	Note E	1,618,151	1,604,153	13,998 P.323, L.185, Col.(b)
14.	REGULATORY COMM. EXPENSES	928	Workpapers 10-a	4,280,043	Note C	1,494,528	1,494,528	0 P.323, L.189, Col.(b)
15.	RENTS	931	Workpapers 10-a	1,618,168	Note B	870,231	593,752	276,479 P.323, L.193, Col.(b)
16.	MAINTENANCE OF GENERAL PLANT	935	Workpapers 10-a	12,016,949	Note B	6,462,569	4,409,361	2,053,208 P.323, L.196, Col.(b)
17.	TOTAL A & G EXPENSE		L.10 thru 16	102,410,742		54,144,785	37,917,491	16,227,295

Note A: % from Note B, P.7

Note B: General Plant % from P.7, Col.(3), L.26

Note C: Workpapers WP -- 11 Excluding all items not related to wholesale service and also excludes FERC assessment of annual charges.

Note D: Excludes general advertising and company dues and memberships.

Note E: % Plant from P.6, L.7.

Note F: PBOP expense is fixed at \$6,222,780. This amount cannot be changed absent a Section 205/206 filing with the Commission.

COMPOSITE COST OF CAPITAL
 12 Months Ending 12/31/2016 (actuals) for 2017

		Reference	Total Company Capitalization \$ (1)	Weighted Cost Ratios % (2)	Reference	Cost of Capital % (3)	Weighted Cost of Capital (2 x 3) (4)
1.	Long Term Debt	Note A	4,067,860,259	53.12%	Note D	4.68%	2.49%
2.	Preferred Stock	Note B	0	0.00%	Note E	0.00%	0.00%
3.	Common Stock	Note C	3,590,140,794	46.88%	Note F	10.40%	4.88%
4.	Total	Ln. 1+L.2+L.3	7,658,001,053	100.00%			7.36%

Note A: P.12, L.5, Col.(1)

Note B: P.13a, L.4, Col.(2)

Note C: P.13b, L.5, Col.(2)

Note D: P.12, L.16 Col. (2)

Note E: P.13a, L.5, Col.(2)

Note F: Return on equity cannot be changed absent a Section 205/206 filing with the Commission.

LONG TERM DEBT
12 Months Ending 12/31/2016 (actuals) for 2017

	Reference	Debt Balance (1)	Interest & Cost Booked (2)
<u>12 Months Ending 12/31/2011 (Actual)</u>			
1. Bonds (Acc 221)	FF1, 112.18.c.	322,118,952	
2. Less: Reacquired Bonds (Acc 222)	FF1, 112.19.c.	0	
3. Advances from Assoc Companies (Acc 223)	FF1, 112.20.c.	0	
4. Other Long Term Debt (Acc 224)	FF1, 112.21.c.	<u>3,745,741,307</u>	
5. Total Long Term Debt Balance		4,067,860,259	
<u>Costs and Expenses (actual)</u>			
6. Interest Expense (Acc 427)	FF1, 117.62.c.	Note A	183,241,458
7. Amortization Debt Discount and Expense (Acc 428)	FF1, 117.63.c.		2,982,641
8. Amortization Loss on Reacquired Debt (Acc 428.1)	FF1, 117.64.c.		4,269,063
9. Less: Amortiz Premium on Reacquired Debt (Acc 429)	FF1, 117.65.c.		0
10. Less: Amortiz Gain on Reacquired Debt (Acc 429.1)	FF1, 117.66.c.		0
11. Interest on LTD Assoc Companies (portion Acc 430)	Workpapers --13, L.7	Note A	<u>0</u>
12. Sub-total Costs and Expense			190,493,162
13. Less: Total Hedge (Gain) / Loss	P. 12a, L. 11, Col. (6)		(1,128,890)
14. Plus: Allowed Hedge Recovery	P. 12a, L. 15, Col. (6)		(1,128,890)
15. Total LTD Cost Amount	L. 12 - L. 13 + L. 14		190,493,162
16. Embedded Cost of Long Term Debt = L.15, Col.(2) / L.5, Col.(1)			4.68%

Note A: Reconciliation of Interest Expense to FF1, pg. 257, Ln. 33 Col(i)

Ln. 6	Interest Expense (Acc 427)	183,241,458
Ln. 11	Interest on LTD Assoc Companies (portion Acc 430)	<u>0</u>
	FF1, pg. 257, Ln. 33 Col(i)	183,241,458

LONG TERM DEBT

Limit on Hedging (Gain)/Loss on Interest Rate Derivatives of LTD
12 Months Ending 12/31/2016 (actuals) for 2017

Appendix 2
Page 12a

	(1)	(2)	(3)	(4)	(5)	(6)
HEDGE AMT BY ISSUANCE FERC Form 1, p. 256-257 (i)	Total Hedge (Gain) / Loss	Excludable Amounts (Note A)	Net Includable Hedge Amount Subject to Limit	Unamortized Balance	Amortization Period Beginning Ending	
1. Senior Unsecured Notes - Series H	37,068		37,068	605,544	May-03	May-33
2. Senior Unsecured Notes - Series N	(194,198)		(194,198)	(3,738,320)	Apr-06	Apr-36
3. Senior Unsecured Notes - Series Q	159,672	-	159,672	3,386,355	Mar-08	Apr-38
4. Senior Unsecured Notes - Series S	-	-	-	(0)	May-10	May-15
5. Senior Unsecured Notes - Series T	(1,131,432)		(1,131,432)	(4,777,160)	Mar-11	Mar-21
6.		-				
7.		-				
8.						
9.			-			
10. Total Hedge Amortization	(1,128,890)	-	(1,128,890)			

<u>Limit on Hedging (G)/L on Interest Rate Derivatives of LTD</u>						
11. Hedge (Gain) / Loss prior to Application of Recovery Limit						(1,128,890)
Enter a hedge Gain as a negative value and a hedge Loss as a positive value						
12. Total Capitalization			Page 11, L.4, col.(1)		7,658,001,053	
13. 5 basis point Limit on (G)/L Recovery						0.0005
14. Amount of (G)/L Recovery Limit			L. 12 * L. 13			(3,829,001)
15. Hedge (Gain) / Loss Recovery (Lesser of Line 11 or Line 14)						(1,128,890)
To be subtracted or added to actual Interest Expenses on Page 12, Line 14						

Note A: Annual amortization of net gains or net loss on interest rate derivative hedges on long term debt shall not cause the composite after-tax weighted average cost of capital to increase/decrease by more than 5 basis points. Hedge gains/losses shall be amortized over the life of the related debt issuance. The unamortized balance of the g/l shall remain in Acc 219 Other Comprehensive Income and shall not flow through the rate calculation. Hedge-related ADIT shall not flow through rate base. 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 calculation and are to be recorded above.

PREFERRED STOCK
12 Months Ending 12/31/2016 (actuals) for 2017

Appendix 2
Page 13a

		(1) Source	(2) Balances
1.	Preferred Stock Dividends	FF1, P.118, L.29	0
2.	Preferred Stock Outstanding	Note A & B FF1, P.251, L. 9 (f)	0
3.	Plus: Premium on Preferred Stock	Note A FF1, P. 112, L.6	0
4.	Total Preferred Stock	L.2 + L.3	0
5.	Average Cost Rate	L.1 / L.4	0.00%

Note A: Workpaper -- WP-12b.

Note B: Preferred stock outstanding excludes pledged and Reacquired (Treasury) preferred stock.

B-13b
COMMON EQUITY
12 Months Ending 12/31/2016 (actuals) for 2017

Appendix 2
Page 13b
(1)
(2)
Balances

	(1) Source	(2) Balances
1. Total Proprietary Capital	WP-12a, L.1, Col. a	3,582,763,278
<u>Less:</u>		
2. Preferred Stock (Acc 204, pfd portion of Acc 207-213)	WP-12a, L.1, Col.b+c+d	0
3. Unappropriated Undistributed Subsidiary Earnings (Acc 216.1)	WP-12a, L.1, Col.e	1,758,641
4. Accumulated Comprehensive Other Income (Acc 219)	WP-12a, L.1, Col. F	(9,136,157)
5. Total Balance of Common Equity	L.1-L.2-L.3-L.4	3,590,140,794

ANNUAL FIXED COSTS
 PRODUCTION O & M EXPENSE
 EXCLUDING FUEL USED IN ELECTRIC GENERATION
 12 Months Ending 12/31/2016 (actuals) for 2017

	Account No.	Total Company (1)	(Demand) Fixed (2)	(Energy) Variable (3)	FERC Form 1 Reference
1. Coal Handling	501.xx	21,320,605		21,320,605	P.320, L.5, Col.(b) [Note D]
2. Lignite Handling	501.xx	0		0	P.320, L.5, Col.(b) [Note D]
3. Sale of Fly Ash (Revenue & Expense)	501.xx	(147,959)		(147,959)	P.320, L.5, Col.(b) [Note D]
4. Rents	507	0			Note E
5. Hydro O & M Expenses	535-545	0			Note E
6. Other Production Expenses	557	8,409,525	8,409,525		P.321, L.78, Col.(b)
7. System Control of Load Dispatching	Note C	14,728,855	14,728,855		P.321, L.77, L. 88, L. 92, P. 322, L. 121, Col.(b)
8. Other Steam Expenses	Note A	219,754,102	136,438,145	83,315,957	
9. Combustion Turbine	Note A	0		0	
10. Nuclear Power Expense-Other	Note A	0			
11. Purchased Power	555	358,217,720	46,028,823	312,188,897	P.321, L.76, Col.(b)
12. Total Production Expense Excluding Fuel Used In Electric Generation	Sum L.1-L. 11	622,282,848	205,605,348	416,677,500	
13. A & G Expense P.10, L.17		54,144,785	37,917,491	16,227,295	
14. Generator Step Up related O&M	Note B	294,674	294,674	0	
15. Total O & M		676,722,308	243,817,513	432,904,795	

NOTE A: Amounts recorded in O&M Expense Accounts classified into Fixed and Variable Components in accordance with P.15 and WP-14

NOTE B: FF1, P.321, L.93 & L.107 (ACCTS. 562 & 570) times GSU Investment to Account 353 ratio (See P.3, L.9)

NOTE C: Pursuant to FERC Order 668, expenses were booked in Account 556 are now being recorded in the following accounts: 561.4, 561.8 and 575.7

NOTE D: Subaccount details of FF1 Accounts from Company's books and records.

<i>Reconciliation of System Control of Load Dispatching</i>	
System Control and Load Dispatching	2,016,345
Scheduling, System Control	6,007,177
Reliability, Planning and Standards Dev.	1,550,870
Market Facilitation, Monitoring and Compliance	5,154,463
Ln. 7, Pg. 14	14,728,855

NOTE E: Amounts included in Line 8.

CLASSIFICATION OF FIXED AND VARIABLE
PRODUCTION EXPENSES

Appendix 2
Page 15
1 of 2

Line No.	Description	FERC Account No.	Energy Related	Demand Related
1	POWER PRODUCTION EXPENSES			
2	Steam Power Generation			
3	Operation supervision and engineering	500	-	xx
4	Fuel	501	xx	-
5	Steam expenses	502	-	xx
6	Steam from other sources	503	xx	-
7	Steam transferred-Cr.	504	xx	-
8	Electric expenses	505	-	xx
9	Miscellaneous steam power expenses	506	-	xx
10	Rents	507	-	xx
11	Allowances	509	xx	-
12	Maintenance supervision and engineering	510	xx	-
13	Maintenance of structures	511	-	xx
14	Maintenance of boiler plant	512	xx	-
15	Maintenance of electric plant	513	xx	-
16	Maintenance of miscellaneous steam plant	514	-	xx
17	Total steam power generation expenses			
18	Nuclear Power			
19	Operation supervision and engineering	517		xx
20	Coolants and Water	519		xx
21	Steam Expenses	520		xx
22	Steam from other sources	521		xx
23	Less: ; Steam Transferred	522		xx
24	Electric Expenses	523		xx
25	Miscellaneous Nuclear Power Expense	524		xx
26	Rents	525		xx
27	Maintenance supervision and engineering	528	xx	
28	Maintenance of structures	529		xx
29	Maintenance of Reactor Plant Equip	530	xx	
30	Maintenance of electric plant	531	xx	
31	Maintenance of Misc Nuclear Plant	532	xx	
32	Total power production expenses Nuclear			
33	Hydraulic Power Generation			
34	Operation supervision and engineering	535	-	xx
35	Water for power	536	-	xx
36	Hydraulic expenses	537	-	xx
37	Electric expenses	538	-	xx
38	Misc. hydraulic power generation expenses	539	-	xx
39	Rents	540	-	xx
40	Maintenance supervision and engineering	541	-	xx
41	Maintenance of structures	542	-	xx
42	Maintenance of reservoirs, dams and waterways	543	-	xx
43	Maintenance of electric plant	544	xx	-
44	Maintenance of miscellaneous hydraulic plant	545	-	xx
45	Total hydraulic power generation expenses			
46	Other Power Generation			
47	Operation supervision and engineering	546	-	xx
48	Fuel	547	xx	-
49	Generation expenses	548	-	xx
50	Miscellaneous other power generation expenses	549	-	xx
51	Rents	550	-	xx
52	Maintenance supervision and engineering	551	-	xx
53	Maintenance of structures	552	-	xx
54	Maintenance of generation and electric plant	553	-	xx
55	Maintenance of misc. other power generation plant	554	-	xx

CLASSIFICATION OF FIXED AND VARIABLE
 PRODUCTION EXPENSES

Line No.	Description POWER PRODUCTION EXPENSES	FERC Account No.	Energy Related	Demand Related
56	Total other power generation expenses			
57	Other Power Supply Expenses			
58	Purchased power	555	xx	xx
59	System control and load dispatching	556	-	xx
60	Other expenses	557	-	xx
61	Station equipment operation expense (Note A)	562	-	xx
62	Station equipment maintenance expense (Note A)	570	-	xx

Note A: Restricted to expenses related to Generator Step-up Transformers and Other Generator related expenses.
 See Note D, Page 6

PRODUCTION-RELATED DEPRECIATION EXPENSE
12 Months Ending 12/31/2016 (actuals) for 2017

	Depreciation Expense (1)	Demand (2)	Energy (3)
PRODUCTION PLANT			
<i>Depreciation and Amortization Expense</i>			
1. Steam	169,806,820	169,806,820	0
2. Nuclear	0	0	0
3. Hydro Conventional	3,475,632	3,475,632	0
4. Hydro Pump Storage	2,644,153	2,644,153	0
5. Int. Comb.	0	0	0
6. Other Production	14,779,598	14,779,598	0
7. Generator Step Up Related Depreciation (Note A)	982,174	982,174	0
8. Production Related General & Intangible Plant (Note B)	9,933,688	6,777,678	3,156,010
9. Total Production	201,622,066	198,466,056	3,156,010

Note: Lines 1 through 6 will be Depreciation Expense reported on P.336 of the FF1 excluding the amortization of acquisition adjustments - Workpapers WP -- 6d.

Line 8 will be total General & Intangible Plant (from P.336 of the FF1, adjusted for amortization adjustments) times ratio of Production Related General Plant to total General Plant computed on P.7, L.26, Col.(3)
Depreciation expense excludes amounts associated with ARO.

Note A: Line 7, see P.3, L.5

Note B:

a	Production Related General & Intangible Plant		
b	General Plant	WP 6d	4,417,111
c	Intangible Plant	WP 6d	14,054,278
d	Total General & Intangible Plant	Ln. b+ Ln. c	<u>18,471,389</u>
e	Production Demand Labor Allocator	Pg. 7, Ln. 26	36.69%
f	Production Demand Related General & Intangible	Ln. d x Ln. e	<u>6,777,678</u>
g	Production Energy Labor Allocator Pg. 7, Ln. 28	Pg. 7, Ln. 26	17.09%
h	Production Energy Related General & Intangible	Ln. d x Ln. g	<u>3,156,010</u>
i	Total Production Related General & Intangible Plant	Ln. f + Ln. h	9,933,688

PRODUCTION RELATED
TAXES OTHER THAN INCOME TAXES
12 Months Ending 12/31/2016 (actuals) for 2017

		SYSTEM			PRODUCTION
		REFERENCE	AMOUNT	%	Amount
			(1)	(2)	(3)
PRODUCTION RELATED TAXES OTHER THAN INCOME					
1	Labor Related	Note A	8,400,592	Note B	4,517,736
2	Property Related	Note A	63,547,826	Note C	31,756,654
3	Other	Note A	15,832,348	Note C	7,911,874
4	Production	Note A	22,061,084		22,061,084
5	Gross Receipts / Distribution Related	Note A	13,395,252	Note D	0
6	TOTAL TAXES OTHER THAN INCOME TAXES	Sum L.1 : L.5	123,237,102		66,247,348

Note A: Workpapers -- WP8c.

Note B: Total (Col. (1), L.1) allocated on the basis of wages & salaries in Electric O & M Expenses (excl. A & G), P.354, Col.(b) and Services shown on Worksheets WP-9a and WP-9b.

	Amount	%
(1) Total W & S (excl. A & G)	156,304,395	100.00%
(2) Production W & S	84,058,602	53.78%

Note C: Allocated on the basis of Gross Plant Investment from Page 6, Ln.7

Note D: Not allocated to wholesale

PRODUCTION-RELATED INCOME TAX
 12 Months Ending 12/31/2016 (actuals) for 2017

	Reference	Amount (1)	Demand (2)	Energy (3)
1. Return on Rate Base	P.5, L.18	235,680,486	227,022,815	8,657,671
2. Effective Income Tax Rate	P.19, L.2	39.59%	39.59%	39.59%
3. Income Tax Calculated	L.1 x L.2	93,308,730	89,881,055	3,427,676
4. ITC Adjustment	P.19, L.13	0	0	0
5. Income Tax	L.3 + L.4	93,308,730	89,881,055	3,427,676

Note A: Classification based on Production Plant classification of P.19, L.20 and L.21.

COMPUTATION OF EFFECTIVE INCOME TAX RATE
12 Months Ending 12/31/2016 (actuals) for 2017

Appendix 2
Page 19

Line No.	Source (1)	Rates & Amounts (2)
1.	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * P)\} =$	37.42%
2.	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$	39.59%
3.	where WCLTD from pg. 11, L.1, Col.(4) and WACC from p. 11, L.4, Col.(4) and FIT, SIT & P as shown below.	
4.	$GRCF=1 / (1 - T)$	1.5979
5.	Federal Income Tax Rate	FIT 35.00%
6.	State Income Tax Rate (Composite)	SIT 3.72%
7.	Percent of FIT deductible for state purposes	P Note A 0.00%
8.	Weighted Cost of Long Term Debt	WCLTD 2.49%
9.	Weighted Average Cost of Capital	WACC 7.36%
10.	Amortized Investment Tax Credit (enter negative)	FF1, P.114, L.19, Col.c 0.00%
11.	Gross Plant Allocation Factor	L.19 49.97%
12.	Production Plant Related ITC Amortization	L. 10 X L. 11 0.00%
13.	ITC Adjustment	L.12 x L.4 0.00%
14.	<u>Gross Plant Allocator</u>	Total
15.	Gross Plant	P.6, L.4, Col.1 12,885,432,977
16.	Production Plant Gross	P.6, L.5, Col.2 6,439,216,878
17.	Demand Related Production Plant	P.6, L.5, Col.3 6,383,511,764
18.	Energy Related Production Plant	P.6, L.5, Col.4 55,705,114
19.	Production Plant Gross Plant Allocator	L.16 / L.15 49.97%
20.	Production Plant - Demand Related	L.17 / L.16 99.13%
21.	Production Plant - Energy Related	L.18 / L.16 0.87%

Note A: Percent deductible for state purposes provided from Company's books and records.

Appalachian Power Company
 Formula Rate Template - Capacity Rate
 DEPRECIATION RATES
 12 Months Ending 12/31/2015 (actuals)

Note: APCo will not change the depreciation or amortization rates shown on this page of the template absent a Section 205 or Section 206 filing.

STEAM PRODUCTION PLANT

Mountaineer Plant

311.0	Structures and Improvements	2.44%
312.0	Boiler Plant Equipment	2.75%
312.0	Boiler Plant Equipment - SCR Catalyst	6.99%
314.0	Turbogenerator Units	2.28%
315.0	Accessory Electric Equipment	1.80%
316.0	Misc. Power Plant Equipment	2.21%

Kanawha River Plant

311.0	Structures and Improvements	Retired
312.0	Boiler Plant Equipment	Retired
314.0	Turbogenerator Units	Retired
315.0	Accessory Electric Equipment	Retired
316.0	Misc. Power Plant Equipment	Retired

Amos Plant - Units 1 & 2

311.0	Structures and Improvements	2.03%
312.0	Boiler Plant Equipment	3.29%
312.0	Boiler Plant Equipment - SCR Catalyst	6.01%
314.0	Turbogenerator Units	3.32%
315.0	Accessory Electric Equipment	2.79%
316.0	Misc. Power Plant Equipment	3.10%

Amos Plant - Unit 3

311.0	Structures and Improvements	2.54%
312.0	Boiler Plant Equipment	3.56%
312.0	Boiler Plant Equipment - SCR Catalyst	7.63%
314.0	Turbogenerator Units	3.12%
315.0	Accessory Electric Equipment	2.17%
316.0	Misc. Power Plant Equipment	2.68%

Appalachian Power Company
Formula Rate Template - Capacity Rate
DEPRECIATION RATES
12 Months Ending 12/31/2015 (actuals)

Sporn Plant

311.0	Structures and Improvements	Retired
312.0	Boiler Plant Equipment	Retired
314.0	Turbogenerator Units	Retired
315.0	Accessory Electric Equipment	Retired
316.0	Misc. Power Plant Equipment	Retired

Clinch River Plant

311.0	Structures and Improvements	3.86%
312.0	Boiler Plant Equipment	4.73%
314.0	Turbogenerator Units	3.68%
315.0	Accessory Electric Equipment	4.37%
316.0	Misc. Power Plant Equipment	7.11%

Glen Lyn Plant #5

311.0	Structures and Improvements	Retired
312.0	Boiler Plant Equipment	Retired
314.0	Turbogenerator Units	Retired
315.0	Accessory Electric Equipment	Retired
316.0	Misc. Power Plant Equipment	Retired

Glen Lyn Plant #6
and Common

311.0	Structures and Improvements	Retired
312.0	Boiler Plant Equipment	Retired
314.0	Turbogenerator Units	Retired
315.0	Accessory Electric Equipment	Retired
316.0	Misc. Power Plant Equipment	Retired

Putnam Coal Terminal

311.0	Structures and Improvements	Retired
312.0	Boiler Plant Equipment	Retired
315.0	Accessory Electric Equipment	Retired
316.0	Misc. Power Plant Equipment	Retired

Appalachian Power Company
Formula Rate Template - Capacity Rate
DEPRECIATION RATES
12 Months Ending 12/31/2015 (actuals)

Central Plant Maintenance

316.0 Misc. Power Plant Equipment 2.51%

Central Machine Shop

316.0 Misc. Power Plant Equipment 2.70%

Little Broad Run

311.0 Structures and Improvements 3.34%

312.0 Boiler Plant Equipment 3.24%

315.0 Accessory Electric Equipment 3.41%

HYDRAULIC PRODUCTION PLANT

Claytor

331.0 Structures and Improvements 1.65%

332.0 Reservoirs, Dams, Waterways 1.10%

333.0 Waterwheels, Generators, Turbines 1.08%

334.0 Accessory Plant Equipment 2.16%

335.0 Misc Power Plant Equip 2.61%

336.0 Roads, Railroads, Bridges 0.71%

Byllesby

331.0 Structures and Improvements 5.54%

332.0 Reservoirs, Dams, Waterways 6.82%

333.0 Waterwheels, Generators, Turbines 5.93%

334.0 Accessory Plant Equipment 4.14%

335.0 Misc Power Plant Equip 6.73%

Buck

331.0 Structures and Improvements 4.49%

332.0 Reservoirs, Dams, Waterways 4.94%

333.0 Waterwheels, Generators, Turbines 4.10%

334.0 Accessory Plant Equipment 4.60%

335.0 Misc Power Plant Equip 5.84%

336.0 Roads, Railroads, Bridges 4.72%

Appalachian Power Company
Formula Rate Template - Capacity Rate
DEPRECIATION RATES
12 Months Ending 12/31/2015 (actuals)

Niagara	331.0	Structures and Improvements	2.58%
	332.0	Reservoirs, Dams, Waterways	5.09%
	333.0	Waterwheels, Generators, Turbines	4.00%
	334.0	Accessory Plant Equipment	4.89%
	335.0	Misc Power Plant Equip	4.83%
Reusens	331.0	Structures and Improvements	5.66%
	332.0	Reservoirs, Dams, Waterways	5.77%
	333.0	Waterwheels, Generators, Turbines	6.04%
	334.0	Accessory Plant Equipment	5.04%
	335.0	Misc Power Plant Equip	6.61%
Leesville	331.0	Structures and Improvements	1.04%
	332.0	Reservoirs, Dams, Waterways	1.66%
	333.0	Waterwheels, Generators, Turbines	1.33%
	334.0	Accessory Plant Equipment	2.09%
	335.0	Misc Power Plant Equip	2.12%
	336.0	Roads, Railroads, Bridges	0.93%
London	331.0	Structures and Improvements	2.61%
	332.0	Reservoirs, Dams, Waterways	2.40%
	333.0	Waterwheels, Generators, Turbines	2.72%
	334.0	Accessory Plant Equipment	2.59%
	335.0	Misc Power Plant Equip	2.80%
	336.0	Roads, Railroads, Bridges	1.68%
Marmet	331.0	Structures and Improvements	2.08%
	332.0	Reservoirs, Dams, Waterways	2.73%
	333.0	Waterwheels, Generators, Turbines	2.84%
	334.0	Accessory Plant Equipment	2.62%
	335.0	Misc Power Plant Equip	2.73%
	336.0	Roads, Railroads, Bridges	1.71%

Appalachian Power Company
Formula Rate Template - Capacity Rate
DEPRECIATION RATES
12 Months Ending 12/31/2015 (actuals)

Winfield	331.0	Structures and Improvements	2.32%
	332.0	Reservoirs, Dams, Waterways	2.14%
	333.0	Waterwheels, Generators, Turbines	2.46%
	334.0	Accessory Plant Equipment	2.40%
	335.0	Misc Power Plant Equip	2.26%
	336.0	Roads, Railroads, Bridges	2.44%

Smith Mount:	331.0	Structures and Improvements	1.31%
	332.0	Reservoirs, Dams, Waterways	1.22%
	333.0	Waterwheels, Generators, Turbines	2.24%
	334.0	Accessory Plant Equipment	2.45%
	335.0	Misc Power Plant Equip	2.67%
	336.0	Roads, Railroads, Bridges	1.09%

OTHER PRODUCTION PLANT

Ceredo	341.0	Structures and Improvements	1.33%
	344.0	Generators	1.44%
	345.0	Accessory Electrical Equip.	1.35%
	346.0	Misc Power Plant Equipment	2.84%

Dresden	341.0	Structures and Improvements	2.87%
	342.0	Fuel Holders, Producers, and Accessories	2.88%
	344.0	Generators	2.87%
	345.0	Accessory Electrical Equip.	2.89%
	346.0	Misc Power Plant Equipment	3.49%

Appalachian Power Company
Formula Rate Template - Capacity Rate
DEPRECIATION RATES
12 Months Ending 12/31/2015 (actuals)

GENERAL PLANT

390.0	Structures and Improvements	1.51%
391.0	Office Furniture and Fixtures	2.89%
392.0	Transportation Equipment	1.82%
393.0	Stores Equipment	1.76%
394.0	Tools, Shop & Garage Equip.	2.36%
395.0	Laboratory Equipment	2.65%
396.0	Power Operated Equipment	1.91%
397.0	Communications Equipment	4.06%
398.0	Misc Equipment	2.62%

INTANGIBLE PLANT

301.0	Organization	0.00%
302.0	Franchises & Consents	End of Life
303.0	Misc Intangible Plant	20.00%