

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 1 - Production System Peak Demand  
For the Year Ended December 31, 2016

Month	(EDT)		Demand (MW)	<u>Source</u> <sup>1</sup>
	Day	Hour		
August	11	1600	5,724.8	CBR
July	25	1600	5,884.6	
August	12	1600	5,699.5	
July	27	1700	5,323.6	
August	10	1700	5,549.0	
Average Peak			5,636.3	
Average Production System Peak Demand			5,636.3	

Company's average five CP demands at time of PJM system peak.

Notes:

<sup>1</sup> CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records

Appalachian Power Company  
 Capacity Cost of Service Formula Rate  
 Workpaper 2 - Production Revenue Credits  
 For the Year Ending December 31, 2016

	Total	Production		
		Demand	Energy	Source <sup>1</sup>
Total	0	0	0	CBR
	0	0	0	

Notes:

<sup>1</sup> CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 3

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Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 4

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Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 5a - Materials and Supplies  
Balances as of December 31, 2016

Period	Function <sup>2</sup>	1540001	1540004	1540006	1540012	1540013	1540022	1540023	M&S Total	Source <sup>1</sup>
		M&S Regular	M&S Exempt Material	Lime and Limestone	Urea Charge	Transportation Inventory	M&S Lime & Limestone Intransit	M&S Urea		
Dec-16	Production	64,618,519	659,706	2,802,974	347,377	0	393,289	2,211,140	71,033,005	
	Transmission	13,020,757	0	0	0	0	0	0	13,020,757	
	Distribution	13,514,168	0	0	0	802,478	0	0	14,316,646	
	Total	91,153,444	659,706	2,802,974	347,377	802,478	393,289	2,211,140	98,370,408	110.48.c

Period	Function <sup>2</sup>	158	Source <sup>1</sup>
		Allowances	
Dec-16	Production	23,209,770	
	Transmission	0	
	Distribution	0	
	Total	23,209,770	110.52.c

M&S December 2016

Dec-16	Production	72.21%
	Transmission	13.24%
	Distribution	14.55%
	Total	100.00%

Notes:

<sup>1</sup> References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

<sup>2</sup> CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.

Appalachian Power Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 5b - Fuel Inventory  
For the Year Ended December 31, 2016

	1510001 Fuel Stock	1510002 Fuel Stock	1510003 Fuel Stock	1510004 Fuel Stock	1510019 Fuel Stock	1510020 Fuel Stock	Fuel Stock	
<u>Period</u>	<u>Coal</u>	<u>Oil</u>	<u>Gas</u>	<u>Coal Trans</u>	<u>Prepays</u>	<u>In Transit</u>	<u>Total</u>	<u>Source<sup>1</sup></u>
Dec-16	97,101,169	4,120,083	240,373	-	-	5,799,263	107,260,888	110.45.c
							Total	107,260,888
	1520000 Fuel Stock							
<u>Period</u>	<u>Undistributed</u>	<u>Source<sup>1</sup></u>						
Dec-16	4,735,695	110.46.c						

Notes:

<sup>1</sup> References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Worksheet 5c - Prepayments  
For the Year Ended December 31, 2016

Period	1650001 Prepayments Insurance	1650004 Prepayments Interest	1650005 Prepayments Employee Benefits	1650006 Prepayments Other	1650009 Prepayments Carving Cost	1650021/1650023 Prepayments Ins. & Lease	1650031/1650033 Prepayments Work Comp	16500216/165000217 Prepayments Taxes	Prepayments Total	Source <sup>1</sup>
Dec-16	2,182,620	25,374	239,500	116,848	103,436	1,520,866	661,266	2,833,958	7,927,599	111.57.c
Period	165001216 Use Tax	16500035 Work Comp	16500033 Work Com-Aff	1650032 Prepaid OCIP WC	1650034 PPD OCIP WC					
Dec-16	14,613	-	-	109,502	119,616					
Period	Excluded Rate Base <sup>2</sup>	Non Labor Related <sup>3</sup>		Labor Related <sup>4</sup>						
Dec-16	890,384	6,797,715		239,500						

Notes:

<sup>1</sup>References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

<sup>2</sup>Data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.

<sup>3</sup>1650001 - This account shall include amounts representing prepayments of insurance.

1650004 - This account shall include amounts representing prepayments of interest.

1650005 - This account shall include amounts representing prepayments of employee benefits.

1650006 - This account shall include amounts representing prepayments of other items not listed.

1650009 - This account is used for factoring the AEP-East electric accounts receivable.

1650021 - This account shall include amounts representing prepayments of insurance with EIS (Energy Insurance Services).

1650023 - Track balance of prepaid lease expense for agreements that qualify as a lease under company policy and are not tracked in PowerPlant Lease Accounting system will use this account.

16500216 - This account shall include amounts representing prepayments of taxes.

165001216 - Prepaid Use Taxes

1650031 - Prepaid Workers Comp

1650032 - Record workers compensation for contractors

1650033 - Record workers compensation current charges

1650034 - Prepaid OCIP Work Comp LT

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 6a - Plant in Service  
For the Year Ended December 31, 2016

Line	Month	Production				
		Total		ARO		Excluding ARO
		Amount	Source <sup>1</sup>	Amount	Source <sup>1</sup>	
1	Dec-16	6,287,399,099	205.46.g	90,225,576	205.15,24,34,44.g	6,197,173,523
2	Total					6,197,173,523
Line	Month	Transmission				
		Total		ARO		Excluding ARO
		Amount	Source <sup>1</sup>	Amount	Source <sup>1</sup>	
3	Dec-16	2,795,292,451	207.58.g	-	207.57.g	2,795,292,451
4	Total					2,795,292,451
Line	Month	Distribution				
		Total		ARO		Excluding ARO
		Amount	Source <sup>1</sup>	Amount	Source <sup>1</sup>	
5	Dec-16	3,566,941,043	207.75.g	3,069	207.74.g	3,566,937,974
6	Total					3,566,937,974
Line	Month	General				
		Total		ARO		Excluding ARO
		Amount	Source <sup>1</sup>	Amount	Source <sup>1</sup>	
7	Dec-16	221,448,904	207.99.g	781,258	207.98.g	220,667,646
8	Total					220,667,646
Line	Month	Intangible				
		Total		ARO		Excluding ARO
		Amount	Source <sup>1</sup>	Amount	Source <sup>1</sup>	
9	Dec-16	105,361,383	205.5.g	-	CBR	105,361,383
10	Total					105,361,383
11	12 Months December 31, 2016 Plant In Service (excluding ARO)					12,885,432,977

Notes:

<sup>1</sup> References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

<sup>2</sup> CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.



Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 6b - Accumulated Depreciation  
For the Year Ending December 31, 2016

Line	Reserve Account	Total Reserve	Production	Transmission	Distribution	General	
1	1080005	53,081,177	18,345,718	28,017,608	6,332,872	384,980	
2	1080001 ARO	(30,136,132)	(29,499,535)	0	(1,792)	(634,805)	
3	1080001/1080011	(4,191,279,041)	(2,173,751,930)	(737,999,165)	(1,205,054,466)	(74,473,481)	
4	1110001	(61,802,515)				(61,802,515)	
5	1080013	0	0	0	0	0	
6	FF1 (22+30)	<u>TOTAL</u>	<u>(2,184,905,747)</u>	<u>(709,981,557)</u>	<u>(1,198,723,386)</u>	<u>(136,525,821)</u>	
7	Ln 6 - Ln2	APCo Exc ARO	(4,200,000,379)	(2,155,406,212)	(709,981,557)	(1,198,721,594)	(135,891,016)
8	Ln6 - Ln4	FF1 pg 219.29	(4,168,333,996)	(2,184,905,747)	(709,981,557)	(1,198,723,386)	(74,723,306)
9	Ln4 FF1pg 200.21		(61,802,515)				
10	Ln8 + Ln9 Total check FF1 pg 200.22+30		(4,230,136,511)				

Notes:

<sup>1</sup> CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.

<sup>2</sup> Note: Excludes reserve on Asset Retirement Obligations, to reflect their removal from gross plant.

<sup>3</sup> References to data from FERC Form 1 are indicated as page#, line#, col.# for the total balances.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 6c - General Plant and Intangible Plant  
For the Year Ended December 31, 2016

<u>Description</u>	<u>Account</u>	<u>31-Dec-16</u>
<u>Intangible Plant (FF1, 205.2-5 g)</u>		
Organization	301	133,394
Franchises and Consents	302	15,489,943
Miscellaneous Intangible Plant	303	89,738,046
TOTAL INTANGIBLE PLANT		105,361,383
<u>General Plant (FF1, 207.86-97,g)</u>		
Land	389	15,041,991
Structures	390	117,987,196
Office Equipment	391	7,428,308
Transportation	392	8,674
Stores Equipment	393	1,566,620
Tools, Shop, Garage, Etc.	394	29,521,729
Laboratory Equipment	395	2,828,413
Power Operated Equipment	396	0
Communications Equipment	397	39,467,281
Miscellaneous Equipment	398	6,817,434
Other Tangible Property	399	0
TOTAL GENERAL PLANT		220,667,646
General Plant (FF1 207.86-97 g)		
<b>Total General and Intangible Exc. ARO</b>		<b>326,029,029</b>
Total General and Intangible	205.5.g, 207.99.g	326,810,287

Note: Total includes Intangible Plant.  
References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 6d - Depreciation Expense  
For the Year Ended December 31, 2016

<b><u>Depreciation and Amortization Expense</u></b>	<b><u>Amount</u></b>	<b><u>Source</u></b>
Steam Production	169,806,820	FF1, 336, 2, b & d
Hydraulic Production - Conventional	3,475,632	FF1, 336, 4 b
Hydraulic Production-Pumped Storage	2,644,153	FF1, 336, 5 b
Other Production Plant	14,779,598	FF1, 336, 6 b
Transmission	41,155,895	FF1, 336, 7, b
Distribution	131,046,105	FF1, 336, 8, b
General	4,417,111	FF1, 336, 10, b & d
Intangible Plant	14,054,278	FF1, 336, 1, d
<i>Sub-Total</i>	381,379,592	FF1, 336, 12, b & d
<i>ARO Dep Exp</i>	2,841,231	FF1, 336, 12, c
Total Depreciation Expense	384,220,823	FF1, 336, 12, f

Appalachian Power Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 7

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APPALACHIAN POWER COMPANY  
 SPECIFIED DEFERRED CREDITS  
 PERIOD ENDED DECEMBER 31, 2016  
 Workpaper 8a

	COLUMN A	COLUMN C	COLUMN E	FUNCTIONALIZATION 12/31/16		
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-16	BALANCE AS OF 12-31-16	GENERATION	TRANSMISSION	DISTRIBUTION
1 ACCOUNT 281:						
2						
3 TX AMORT POLLUTION CONT EQPT	302,975,148			302,975,148	0	0
4						
5 NON-UTILITY DEFERRED FIT	0	0				
6 SFAS 109 FLOW-THRU 281.3	0	0				
7 SFAS 109 EXCESS DFIT 281.4	0	0				
8						
9 TOTAL ACCOUNT 281	302,975,148	0		302,975,148	0	0
10						
11 ACCOUNT 282:						
12						
13						
14 BOOK VS. TAX DEPRECIATION	1,342,563,527			379,042,931	454,151,036	509,369,560
15 FERC ORDER 144 CATCH UP	0			0	0	0
16 CAPD INTEREST - SECTION 481(a) - CHANGE IN METHD	848,737			265,619	358,238	224,881
17 RELOCATION COST - SECTION 481(a) - CHANGE IN METH	164,717			0	0	164,717
18 PJM INTEGRATION - SEC 481(a) - INTANG - DFD LABOR	58,725			0	58,725	0
19 R & D DEDUCTION - SECTION 174	3,653,921			3,179,523	137,675	336,724
20 BK PLANT IN SERVICE-SFAS 143-ARO	22,689,282			22,453,435	(509)	236,356
21 MNTR CARBON CAPTURE - SFAS 143 - ARO	(2,239,125)			(2,239,125)	0	0
22 NORMALIZED BASIS DIFFS - TRANSFERRED PLANTS	26,796,223			26,796,223	0	0
23 DFIT GENERATION PLANT	78,167,323			78,167,323	0	0
24 GAIN/LOSS ON ACRS/MACRS PROPERTY	117,827,786			51,043,561	9,038,733	57,745,491
25 GAIN/LOSS ON ACRS/MACRS-BK/TX UNIT PROP	(17,029,292)			(17,029,292)	0	0
26 ABFUDC	1,223,085			1,222,786	111	188
27 ABFUDC - TRANSMISSION	1,611,784			0	1,611,784	0
28 ABFUDC - GENERAL	15,315			0	5,513	9,802
29 ABFUDC - DISTRIBUTION	3,973			0	0	3,973
30 TAXES CAPITALIZED	0			0	0	0
31 PENSIONS CAPITALIZED	0			0	0	0
32 SEC 481 PENS/OPEB ADJUSTMENT	(70,199)			(65,939)	(2,022)	(2,238)
33 SAVINGS PLAN CAPITALIZED	0			0	0	0
34 PERCENT REPAIR ALLOWANCE	17,825,025			12,109,138	1,910,740	3,805,147
35 BOOK/TAX UNIT OF PROPERTY ADJ	87,683,077			87,683,077	0	0
36 BK/TAX UNIT OF PROPERTY ADJ-SEC 481 ADJ	91,447,540			91,447,540	0	0
37 BOOK/TAX UNIT OF PROPERTY ADJ: AGR TRANSFER	28,450,926			28,450,926	0	0
38 BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ: AGR TRANSFER	5,909,608			5,909,608	0	0
39 CAPITALIZED RELOCATION COSTS	4,531,113			0	410,424	4,120,689
40 EXTRAORDINARY LOSS ON DISP OF PROP	36,213			0	0	36,213
41 DEFD TAX GAIN - FIBER OPTIC LINE	0			0	0	0
42 DISALLOWED COSTS-RESERVE DEFICIENCY-APCO VA	(13,749,133)			(13,749,133)	0	0
43 AMORT PERPETUAL TERM ELECT PLT	0			0	0	0
44 CAPITALIZED LEASES - A/C 1011 ASSETS	0			0	0	0
45 GAIN ON REACQUIRED DEBT	0			0	0	0
46 REMOVAL COSTS	1,760,966			1,760,966	0	0
47 REMOVAL COSTS - ARO-MTNR CARBON CAPTURE	(64,317)			(64,317)	0	0
48 REMOVAL COSTS REV - SFAS 143 - ARO	(798,376)			(798,376)	0	0
49 TAX WRITE OFF MINE DEVEL COSTS	(316,319)			(316,319)	0	0
50 BK DEPLETION -- NUJEST	312,822			312,822	0	0
51 2007 IRS AUDIT ADJUSTMENTS - A/C 282	0			0	0	0
52 NON-UTILITY DEFERRED FIT	0	(0)				
53 SFAS 109 FLOW-THRU 282.3	137,648,772	(137,648,772)				
54 SFAS 109 EXCESS DFIT 282.4	(1,769,094)	1,769,094				
55						
56 TOTAL ACCOUNT 282	1,935,194,606	(135,879,678)		755,582,978	467,680,446	576,051,503
57						
Labor Related				(65,939)	(2,022)	162,479
Energy Related				(3,497)	0	0
ARO				19,351,617	(509)	236,356
Demand Related				736,300,797	467,682,977	575,652,669
Excluded				1,063,083,567		

APPALACHIAN POWER COMPANY  
 SPECIFIED DEFERRED CREDITS  
 PERIOD ENDED DECEMBER 31, 2016  
 Workpaper 8a

	COLUMN A	COLUMN C	COLUMN E	COLUMN M	COLUMN N	COLUMN O
58						
59	ACCOUNT 283:					
60						
61	NOL - STATE C/F - DEF STATE TAX ASSET - L/T	0		0	0	0
62	SW - UNDER RECOVERY FUEL COST	21,274,136		21,274,136	0	0
63	SV - UNDER RECOVERY FUEL COST	2,156,900		2,156,900	0	0
64	WV - ENEC UNDER RECOVERY BANK	0		0	0	0
65	DEFD EQUITY CARRY CHGS - WV-ENEC	(245,478)		(245,478)	0	0
66	WV UNRECOV FUEL POOL CAPACITY IMPACT	0		0	0	0
67	WV CENTURY ENEC UNDER RECOVERY	0		0	0	0
68	WV UNREC FUEL DISPUTED COAL INV	0		0	0	0
69	PROPERTY TAX - NEW METHOD - BOOK	4,660,591		1,421,254	1,185,613	2,053,723
70	PROP TX-STATE 2 OLD METHOD-TX	0		0	0	0
71	DEFD TAX GAIN - APCO WV SEC REG ASSET	108,157,386		108,157,386	0	0
72	MTM BK GAIN - A/L - TAX DEFL	603,988		603,988	0	0
73	MARK & SPREAD - DEFL - 283 A/L	(679,996)		(679,996)	0	0
74	ACCRUED BK PENSION EXPENSE	49,898,814		21,191,849	1,974,313	26,732,653
75	ACCRUED BK PENSION COSTS - SFAS 158	(74,699,569)		(26,882,774)	(6,521,360)	(41,295,435)
76	REG ASSET - DEFERRED RTO COSTS	444,473		0	444,473	0
77	DEFD ENVIRON COMP COSTS & CARRYING CHARGES	33,568		33,568	0	0
78	DEFD SYS RELIABILITY COSTS & CARRYING CHARGES	45,312		0	18,842	26,470
79	DEFD EQUITY CARRY CHRGS-RELIABILITY CAPITAL	(15,742)		0	(11,175)	(4,567)
80	DEFD EXPS (A/C 186)	284,823		284,823	0	0
81	DEFD STORM DAMAGE	18,331,896		0	0	18,331,896
82	RATE CASE DEFERRED CHARGES	0		0	0	0
83	BK DEFL-DEMAND SIDE MNGMT EXP	1,576,688		0	0	1,576,688
84	DEFD BK LOSS-NON AFF SALE-EMA	154,926		154,926	0	0
85	BOOK - TAX - EMA - A/C 283	8,894,214		8,894,214	0	0
86	DEFD TX GAIN - INTERCO SALE - EMA	(375,758)		(375,758)	0	0
87	DEFD TAX GAIN - EPA AUCTION	(11,908)		(11,908)	0	0
88	DEFD BOOK GAIN - EPA AUCTION	0		0	0	0
89	BK DEFL - MACSS COSTS	247,765		0	0	247,765
90	TRANSITION REGULATORY ASSETS	(1)		0	0	(1)
91	REG ASSET-SFAS 143 - ARO	209,656		209,656	0	0
92	REG ASSET-SFAS 158 - PENSIONS	74,699,569		26,882,774	6,521,360	41,295,435
93	REG ASSET-SFAS 158 - SERP	112,074		(17)	0	112,091
94	REG ASSET-SFAS 158 - OPEB	2,683,389		1,009,786	319,311	1,354,292
95	REG ASSET-UNDERRECOVERY-VIRGINIA T-RAC	13,530,393		0	13,530,393	0
96	REG ASSET-MOUNTAINEER CARBON CAPTURE	(5,905,779)		(5,905,779)	0	0
97	REG ASSET-DEFERRED RPS COSTS	0		0	0	0
98	REG ASSET-CARRYING CHARGES-WV ENEC	0		0	0	0
99	TAX DEFL - NON-DEPRECIABLES	0		0	0	0
100	REG ASSET-DEFD SEVERANCE COSTS	(3,985,324)		(4,376,601)	61,447	329,830
101	REG ASSET-TRANS AGREEMENT PHASE-IN-WV	0		0	0	0
102	REG ASSET-DEFD VA WIND REPLACEMENT CSTS	0		0	0	0
103	REG ASSET-NET CCS FEED STUDY COSTS	348,637		348,637	0	0
104	REG ASSET-DEFD VA DEMAND RESPONSE PROGRAM	5,171,616		0	0	5,171,616
105	REG ASSET DRESDEN UNRECOG EQUITY CC WV	0		0	0	0
106	REG ASSET DRESDEN OPERATION COST VA	2,452,947		2,452,947	0	0
107	REG ASSET DRESDEN CARRYING COSTS VA	(71,905)		(71,905)	0	0
108	REG ASSET DRESDEN UNRECOG EQUITY CC VA	(110,593)		(110,593)	0	0
109	REG ASSET DRESDEN CARRYING COST WV	0		0	0	0
110	REG ASSET DRESDEN OPERATING COSTS WV	0		0	0	0
111	REG ASSET-DEFERRED VA RPS INCREM COSTS-CURRENT	0		0	0	0
112	REG ASSET-DEFERRED VA WIND NON-INCREM COSTS	0		0	0	0
113	REG ASSET-DEFD VA SOFTWARE LICENSING EXPENSE	0		0	0	0
114	REG ASSET-WV VMP (VEGETATION MGMT) COSTS	10,353,056		0	0	10,353,056
115	REG ASSET-CARRYING CHARGES-WV VMP	889,349		0	0	889,349
116	REG ASSET-WV CC-CONSTR SURCHARG UNRECOG EQ	0		0	0	0
117	REG ASSET-WV CONSTR SURCHRG OPER COSTS	0		0	0	0
118	REG ASSET-WV CC CONSTR SURCHRG	0		0	0	0
119	REG ASSET-UNREC EQUITY CC WV-AMOS 3	0		0	0	0
120	REG ASSET-CARRYING CHARGES WV-AMOS 3	0		0	0	0
121	REG ASSET-IGCC PRE-CONSTRUCTION COSTS	2,592,035		2,592,035	0	0
122	REG ASSET-FELMAN PREM/DISC-ENEC-WV	795,337		795,337	0	0
123	REG ASSET-WV AIR QUALITY PERMIT FEES	215,985		215,985	0	0
124	REG ASSET-NBV-ARO-RETIRED PLANTS	10,361,394		10,361,394	0	0
125	REG ASSET-EXTRA LOSS-CLINCH RIVER PLANT	16,684,791		16,684,791	0	0
126	REG ASSET-EXTRA LOSS-GLEN LYN U5 NET PLANT	(0)		(0)	0	0
127	REG ASSET-EXTRA LOSS-SPORN PLANT	3,049,443		3,049,443	0	0
128	REG ASSET-EXTRA LOSS-KANAWHA RIVER PLANT	8,623,831		8,623,831	0	0
129	REG ASSET-EXTRA LOSS-GLEN LYN U6 NET PLANT	1,533,356		1,533,356	0	0
130	REG ASSET-M&S RETIRING PLANTS	459,836		459,836	0	0
131	REG ASSET-COAL CO UNCOLL ACCTS	944,708		0	0	944,708
132	REG ASSET-DEFD DEPREC-WV VEG MGT PROG	102,065		0	0	102,065
133	REG ASSET-CAR CHGS-WV VMP-UNREC EQ	298,272		0	0	298,272
134	REG ASSET-WV BASE REVENUES	6,181,241		0	0	6,181,241
135	REG ASSET-WV BASE REVENUES-CAR CHGS	322,802		0	0	322,802
136	REG ASSET-CAR CHGS-WV VMP RESERVE	(658,506)		0	0	(658,506)

APPALACHIAN POWER COMPANY  
 SPECIFIED DEFERRED CREDITS  
 PERIOD ENDED DECEMBER 31, 2016  
 Workpaper 8a

	COLUMN A	COLUMN C	COLUMN E	COLUMN M	COLUMN N	COLUMN O
137	REG ASSET-VA EE-RAC EFFICIENT PRODUCTS	0		0	0	0
138	REG ASSET-VA EE-RAC HOME ENERGY PROG	0		0	0	0
139	REG ASSET-VA EE-RAC APPLIANCE RECYCLING	0		0	0	0
140	REG ASSET-VA EE-RAC C&I PRESCRIPTIVE	109,807		0	0	109,807
141	REG ASSET-VA EE-RAC MOBILE HOME ES	0		0	0	0
142	REG ASSET-VA EE-RAC EQUITY MARGIN	(18,872)		0	0	(18,872)
143	REG ASSET-WV EE/DR-COMPANY FUNDED	124,679		0	0	124,679
144	REG ASSET-WV PROV SURCREDIT-SPEC CTRCT	(517,675)		0	0	(517,675)
145	REG ASSET-WV PROV SURCREDIT-CONTRA	517,675		0	0	517,675
146	REG ASSET-BASE REV EQUITY CAR CHG-WV	(158,274)		0	0	(158,274)
147	BOOK LEASES CAPITALIZED FOR TAX	10,321,150		8,348,674	342,817	1,629,658
148	CAPITALIZED SOFTWARE COST - BOOK	15,865,116		5,543,342	3,187,115	7,134,659
149	LOSS ON REACQUIRED DEBT	34,028,982		16,761,011	6,916,470	10,351,501
150	DEFD SFAS 106 BOOK COSTS	0		0	0	0
151	SFAS 106-MEDICARE SUBSIDY-(PPACA)-REG ASSET	1,648,691		681,921	106,472	860,298
152	REG ASSET - ACCRUED SFAS 112	6,103,037		2,357,685	323,537	3,421,815
153	STATE NOL CURRENT BENEFIT	1,779,559		1,779,559	0	0
154	NON-UTILITY DEFERRED FIT	186,296	(186,296)			
155	SFAS 109 FLOW-THRU 283.3	166,901,973	(166,901,973)			
156	SFAS 109 EXCESS DFT 283.4	0	0			
157	ADIT FED - HEDGE-INTEREST RATE 2830015	2,983,554	(2,983,554)			
158	ADIT FED - HEDGE-FOREIGN EXC 2830016	35,678	(35,678)			
159	SFAS 133 ADIT FED - SFAS 133 NONAFFIL 2830006	0	0			
160						
161		<u>532,532,077</u>	<u>(170,107,501)</u>	<u>236,204,234</u>	<u>28,399,628</u>	<u>97,820,714</u>
162						
163						
164	DEFD STATE INCOME TAXES	65,347,744		45,386,224	8,433,163	11,528,357
165	SFAS 109 - DEFD STATE INCOME TAXES	254,694,538	(254,694,538)			
166						
167	TOTAL ACCOUNT 283	<u>852,574,359</u>	<u>(424,802,039)</u>	<u>281,590,458</u>	<u>36,832,791</u>	<u>109,349,071</u>
168						
	Labor Related			30,784,566	5,910,747	39,615,807
	Energy Related			31,858,941	0	944,708
	ARO			10,571,050	0	0
	Demand Related			208,375,901	30,922,044	68,788,555
	Excluded			156,752,912		
169						
170	JURISDICTIONAL AMOUNTS FUNCTIONALIZED					
171						
172	TOTAL COMPANY AMOUNTS FUNCTIONALIZED					
173						
174	REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT					
175						
176	NOTE: POST 1970 ACCUMULATED DEFERRED					
177	INV TAX CRED. (JDITC) IN A/C 255					
178	SEC ALLOC - ITC - 46F1 - 10%	84,209		15,720	58,596	9,893
179	HYDRO CREDIT - ITC - 46F1	830,914		830,914	0	0
180						
181	TOTAL ACCOUNT 255	<u>915,123</u>	<u>0</u>	<u>846,634</u>	<u>58,596</u>	<u>9,893</u>

Checks to FERC Form 1

Checks to FERC Form 1

APPALACHIAN POWER COMPANY  
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190  
PERIOD ENDED DECEMBER 31, 2016  
Workpaper 8ai

	<u>COLUMN A</u>	<u>COLUMN C</u>	<u>COLUMN E</u>	<u>COLUMN M</u>	<u>COLUMN N</u>	<u>COLUMN O</u>
				<u>FUNCTIONALIZATION 12/31/16</u>		
<u>ACCUMULATED DEFERRED FIT ITEMS</u>	<u>BALANCE AS OF 12-31-16</u>	<u>BALANCE AS OF 12-31-16</u>	<u>GENERATION</u>	<u>TRANSMISSION</u>	<u>DISTRIBUTION</u>	
1 ACCOUNT 190:						
2						
3 NOL & TAX CREDIT C/F - DEF TAX ASSET	4,080,667		3,717,155	0		363,512
4 BOOK VS. TAX DEPRECIATION	0		0	0		0
5 INT EXP CAPITALIZED FOR TAX	77,963,248		51,819,546	21,232,701		4,911,002
6 CIAC-BOOK RECEIPTS	0		0	0		0
7 CIAC - BOOK RECEIPTS-DISTR -SV	5,329,828		0	168,138		5,161,690
8 CIAC - BOOK RECEIPTS-TRANS	407,381		0	407,381		0
9 CIAC - BOOK RECEIPTS-DISTR -SW	2,718,799		0	101,346		2,617,453
10 CIAC - MUSSER ACQUISITION	0		0	0		0
11 SW - OVER RECOVERY FUEL COSTS	0		0	0		0
12 SV - OVER RECOVERY FUEL COSTS	0		0	0		0
13 PROVS POSS REV REFDS	3,254,820		698,366	2,475,428		81,026
14 SALE/LEASEBK-GRUNDY	641		0	0		641
15 MTM BK LOSS - A/L - TAX DEFL	0		0	0		0
16 MARK & SPREAD-DEFL-190-A/L	(727,919)		(727,919)	0		0
17 PROV WORKER'S COMP	131,891		90,043	9,725		32,123
18 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	(71,651)		289	0		(71,940)
19 ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158	112,074		(17)	0		112,091
20 ACCRD BK SUP. SAVINGS PLAN EXP	236,110		61,810	0		174,300
21 EMPLOYER SAVINGS PLAN MATCH	0		0	0		0
22 ACCRUED PSI PLAN EXP	2,054,266		101,535	0		1,952,731
23 BK PROV UNCOLL ACCTS	897,554		(340,920)	777		1,237,697
24 PROV-TRADING CREDIT RISK - A/L	1,976		1,976	0		0
25 PROV-FAS 157 - A/L	(5)		(5)	0		0
26 ACCRD COMPANY INCENT PLAN-ENGAGE TO GAIN	0		0	0		0
27 ACCRD COMPANYWIDE INCENTV PLAN	5,679,373		2,527,672	64,268		3,087,433
28 ACCRD ENVIRONMENTAL LIAB-CURRENT	4,200		0	0		4,200
29 ACCRUED BOOK VACATION PAY	3,209,995		1,147,135	(88,002)		2,150,863
30 (ICDP)-INCENTIVE COMP DEFERRAL PLAN	475,420		14,738	0		460,682
31 ACCRUED BK SEVERANCE BENEFITS	342,396		305,296	0		37,100
32 ACCRUED INTEREST EXPENSE - STATE	0		0	0		0
33 ACCRUED INTEREST-LONG-TERM - FIN 48	(3,835)		(11,633)	2,166		5,632
34 ACCRUED INTEREST-SHORT-TERM - FIN 48	361		125	28		208
35 ACCRUED STATE INCOME TAX EXP	49,457		0	(240,349)		289,806
36 BK DFL RAIL TRANS REV/EXP	0		0	0		0
37 ACCRUED RTO CARRYING CHARGES	0		0	0		0
38 PROV LOSS-CAR CHG-PURCHASD EMA	182,467		182,467	0		0
39 DEFD EQUITY CARRYING CHRGS-ENVIRON COMP COE	0		0	0		0
40 FEDERAL MITIGATION PROGRAMS	2,141,898		2,141,898	0		0
41 STATE MITIGATION PROGRAMS	(0)		(0)	0		0
42 DEFD REV-EPRI/MNTR CARBON CAPTURE-CUR	0		0	0		0
43 DEFD REV-EPRI/MNTR CARBON CAPTURE-L/T	0		0	0		0
44 DEFD BK CONTRACT REVENUE	330,347		0	330,347		0
45 DEFD STORM DAMAGES	0		0	0		0
46 FK BK WRITE-OFF BLUE RDGE EASE	13,326		13,326	0		0



47	FR BK WRITE-OFF BLUE RDGE EASE	15,548		15,548	0	0
48	SV BK WRITE-OFF BLUE RDGE EASE	98,612		98,612	0	0
49	CV BK WRITE-OFF BLUE RDGE EASE	6,173		6,173	0	0
50	TAX > BOOK BASIS - EMA-A/C 190	160,441		160,441	0	0
51	DEFD TX LOSS-INTERCO SALE-EMA	380,023		380,023	0	0
52	DEFD BOOK GAIN-EPA AUCTION	(125,145)		(125,145)	0	0
53	ADVANCE RENTAL INC (CUR MO)	663,751		0	0	663,751
54	DEFERRED BOOK RENTS	386,715		0	386,715	0
55	REG LIAB-UNREAL MTM GAIN-DEFL	316,478		316,478	0	0
56	SECURITIZATION DEFD EQUITY INCOME - LONG-TERM	1,289,671		1,289,671	0	0
57	CAPITALIZED SOFTWARE COSTS-TAX	22,684		(661)	74	23,270
58	CAPITALIZED ADVERTISING EXP-TX	1,367,035		0	1,367,035	0
59	ACCRD SFAS 106 PST RETIRE EXP	(11,597,878)		(5,996,222)	(880,466)	(4,721,190)
60	SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT	11,520,154		5,763,865	523,255	5,233,035
61	ACCRD OPEB COSTS - SFAS 158	2,683,389		1,009,786	319,310	1,354,293
62	ACCRD SFAS 112 PST EMPLOY BEN	6,130,910		2,385,557	323,537	3,421,815
63	ACCRD BOOK ARO EXPENSE - SFAS 143	40,383,655		40,077,863	8,160	297,632
64	ACCRD BK ARO EXP - MTNR CARBON CAPTURE	4,142,846		4,142,846	0	0
65	SFAS 106 - MEDICARE SUBSIDY - NORM - (PPACA)	0		0	0	0
66	GROSS RECEIPTS- TAX EXPENSE	121,213		121,213	0	0
67	ACCURED BK REMOVAL COST - ACRS	95,664,271		12,313,355	28,102,746	55,248,170
68	FIN 48 - DEFD STATE INCOME TAXES	(223,542)		(164,829)	(17,469)	(41,244)
69	DEFD STATE INCOME TAXES	22,861,950		15,885,178	2,951,607	4,025,165
70	ACCRD SIT/FRANCHISE TAX RESERVE	(1,376,557)		(1,186,471)	0	(190,085)
71	ACCURED SALES & USE TAX RESERVE	190,085		0	0	190,085
72	ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	125,681		14,567	1,963	109,151
73	ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	261,558		226,003	12,330	23,225
74	SFAS 109 - DEFD SIT LIABILITY	0		0	0	0
75	1985-1987 IRS AUDIT SETTLEMENT	0		0	0	0
76	1991-1996 IRS AUDIT SETTLEMENT	89,808		0	0	89,808
77	1997-2003 IRS AUDIT SETTLEMENT	1,262,422		0	0	1,262,422
78	2007 IRS AUDIT ADJUSTMENTS - A/C 190	0		0	0	0
79	IRS CAPITALIZATION ADJUSTMENT	2,632,369		1,168,748	1,088,942	374,679
80	AMT CREDIT - DEFERRED	3,174,757		2,856,949	87,795	230,013
81	REHAB CREDIT - DEFD TAX ASSET RECLASS	4,450,348		0	0	4,450,348
82	NON-UTILITY DEFERRED FIT	5,719,543	(5,719,543)			
83	SFAS 109 FLOW-THRU 190.3	92,974,620	(92,974,620)			
84	SFAS 109 EXCESS DFIT 190.4	952,589	(952,589)			
85	SFAS 133 ADIT FED - SFAS NONAFFIL 1900006	0	0			
86	ADIT FED - PENSION OCI NAF 1900009	0	0			
87	ADIT FED - PENSION OCI 1900010	0	0			
88	ADIT FED - NON-UMWA PRW OCI 1900011	2,907,005	(2,907,005)			
89	ADIT FED - UMWA PRW OCI 1900012	0	0			
90	ADIT FED - HEDGE-INTEREST RATE 1900015	1,400,317	(1,400,317)			
91	ADIT FED - HEDGE-FOREIGN EXC 1900016	64,067	(64,067)			
92	NON-UTILITY DEFERRED SIT 1902002	0	0			
93	DEFERRED SIT 1901002	0		0	0	0
94						
95	TOTAL ACCOUNT 190	399,912,652	(104,018,141)	142,502,432	58,739,489	94,652,590
						Checks to FERC Forr
	Labor Related			7,410,827	271,701	13,246,604
	Energy Related			-154,591	330,347	0
	ARO			44,220,709	8,160	297,632
	Demand Related			91,025,487	58,129,281	81,108,353
	Excluded			197,612,788		

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 8b - Effective Income Tax Rate  
For the Year Ended December 31, 2016

Effective Income Tax Rate

$T=1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * \text{P})\} =$	37.42%
EIT= $(T/(1-T)) * (1-(\text{WCLTD}/\text{WACC})) =$ where WCLTD and WACC from Appendix 2, pg. 11, Col.(4) and FIT, SIT & P are as shown below.	39.59%
GRCF= $1 / (1 - T)$	1.5979
Amortized Investment Tax Credit (enter negative)	0
FF1 P.114, Ln.19, Col.c	
FIT	35.0000%
SIT	3.7200% State Income Tax Rate (Composite).
P	0.0000% Percent of FIT deductible for state purposes (Note 3).
WCLTD	2.49%
WACC	7.36%

Development of Composite State Income Tax Rates for 2016 (Note 1)

Tennessee Income Tax	6.5000%	
Apportionment Factor - Note 2	2.3400%	
Effective State Income Tax Rate		0.15000%
Michigan Business Income Tax	6.0000%	
Apportionment Factor - Note 2	0.0200%	
Effective State Income Tax Rate		0.00000%
Virginia Net Income Tax	6.0000%	
Apportionment Factor - Note 2	0.0000%	
Effective State Income Tax Rate		0.00000%
West Virginia Net Income	6.5000%	
Apportionment Factor - Note 2	54.2700%	
Effective State Income Tax Rate		3.53000%
Illinois Corporation Income Tax	7.7500%	
Apportionment Factor - Note 2	0.4700%	
Effective State Income Tax Rate		0.0400%
Total Effective State Income Tax Rate		3.7200%

Note 1: Apportionment Factors are determined as part of the Company's annual tax return for that jurisdiction.

Note 2: From Company Books and Records.

Note 3: Percent deductible for state purposes provided from Company's books and records.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 8c - Taxes Other Than Income Taxes  
For the Year Ended December 31, 2016

Payroll Related Other Taxes	8,400,592	Payroll
Property Related Other Taxes	63,547,826	Property
Direct Production Related	22,061,084	Production
Direct Distribution Related	-	Distribution
Other	15,832,348	Other
Not Allocated ((Gross Receipts, Comm	13,395,252	NA
	123,237,102	

Line No.	Annual Tax Expenses by Type	(A)	(B)	(C)	(D)
Line No.	Annual Tax Expenses by Type	FERC FORM 1 Tie-Back		FERC FORM 1 Reference	Basis
1	<b><u>Revenue Taxes</u></b>				
2	Gross Receipts Tax		13,633,007	P.263.1 ln 3 (i)	N/A
			(24,958)	P.263.1 ln 27 (i)	N/A
			178,569	P.263.1 ln 28 (i)	N/A
			(391,366)	P.263.1 ln 29 (i)	N/A
3	<b><u>Real Estate and Personal Property Taxes</u></b>				
4	Real and Personal Property - West Virginia		21,226,314	P.263 ln 33 (i)	Property
			22,313,184	P.263 ln 34 (i)	Property
			52,968	P.263 ln 37 (i)	Property
			76,350	P.263 ln 38 (i)	Property
5	Real and Personal Property - Virginia		2,535	P.263.2 ln 20 (i)	Property
			16,972,269	P.263.2 ln 21 (i)	Property
			(19,373)	P.263.2 ln 24 (i)	Property
			226,643	P.263.2 ln 25 (i)	Property
6	Real and Personal Property - Tennessee		16,310	P.263.3 ln 8 (i)	Property
			1,160,576	P.263.3 ln 9 (i)	Property
7	Real and Personal Property - Other Jurisdictions		105,195	P.263.1 ln 31 (i)	Property
			1,414,855	P.263.1 ln 32 (i)	Property
			-		
8	<b><u>Payroll Taxes</u></b>				
9	Federal Insurance Contribution (FICA)		8,183,031	P.263 ln 6 (i)	Payroll

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 8c - Taxes Other Than Income Taxes  
For the Year Ended December 31, 2016

Line No.	(A) Annual Tax Expenses by Type	(B) FERC FORM 1 Tie-Back	(C) FERC FORM 1 Reference	(D) Basis
10	Federal Unemployment Tax	57,237	P.263 In 9 (i)	Payroll
11	State Unemployment Insurance	138,054	P.263.1 In 15 (i)	Payroll
		4,269	P.263.1 In 37 (i)	Payroll
		17,912	P.263.2 In 31 (i)	Payroll
		1	P.263.3 In 20 (i)	Payroll
12	<b><u>Production Taxes</u></b>	88	P.263.4 In 21 (i)	Payroll
13	State Severance Taxes	-		
14	<b><u>Miscellaneous Taxes</u></b>			
15	State Business & Occupation Tax	70,958	P.263 In 20 (i)	Production
		21,977,084	P.263 In 21 (i)	Production
16	State Public Service Commission Fees	2,059,360	P.263 In 25 (i)	Other
		3,593,010	P.263 In 26 (i)	Other
17	State Franchise Taxes	20,345	P.263.1 In 18 (i)	Other
		(577,925)	P.263.2 In 10 (i)	Other
		10,704,000	P.263.2 In 11 (i)	Other
		43,951	P.263.3 In 4 (i)	Other
		205,000	P.263.3 In 5 (i)	Other
		-		
		-		
		-		
18	State Lic/Registration Fee	571	P.263.1 In 5 (i)	Other
		65	P.263.1 In 8 (i)	Other
		1,700	P.263.2 In 33 (i)	Other
		600	P.263.3 In 36 (i)	Other
		(25)	P.263.3 In 37 (i)	Other
		21	P.263.3 In 12 (i)	Other
		20	P.263.3 In 27 (i)	Other
		15	P.263.4 In 15 (i)	Other
19	Misc. State and Local Tax	100	P.263.3 In 22 (i)	Other
		-		
		-		
20	Sales & Use	5	P.263 In 30 (i)	Other
		(218,465)	P.263.1 In 26 (i)	Other

21	Federal Excise Tax			
		240	P.263 Ln 13 (i)	Production
		12,802	P.263 Ln 14 (i)	Production
22	Michigan Single Business Tax			
		-		
23	Total Taxes by Allocable Basis			
	(Total Company Amount Ties to FFI p.114, Ln 14,(c))			
		<u>123,237,102</u>		

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 9a - Wages and Salaries  
For the Year Ended December 31, 2016

	APCo <sup>1</sup>	AEPSC <sup>2</sup>	Total
Production:			
Operation	27,956,981	19,573,476	47,530,457
Maintenance	30,287,345	6,240,800	36,528,145
Total	58,244,326	25,814,276	84,058,602
Transmission:			
Operation	78,374	9,082,941	9,161,315
Maintenance	344,149	4,174,178	4,518,327
Total	422,523	13,257,119	13,679,642
Distribution:			
Operation	10,477,299	3,914,259	14,391,558
Maintenance	23,476,728	1,023,234	24,499,962
Total	33,954,027	4,937,493	38,891,520
Customer Accounts	8,040,220	9,157,323	17,197,543
Customer Service and Informational	2,262,171	214,822	2,476,993
Sales	0	95	95
<b>Total Wages and Salaries Excluding A &amp; G</b>	<b>102,923,267</b>	<b>53,381,128</b>	<b>156,304,395</b>
Administrative and General			
Operation	3,118,761	27,664,580	30,783,341
Maintenance	2,596,157	490,513	3,086,670
Total	5,714,918	28,155,093	33,870,011
Total O & M Payroll	108,638,185	81,536,221	190,174,406

<sup>1</sup> Wages and Salaries from FERC Form Pg. 354.

<sup>2</sup> From Company Books and Records.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 9b - Production Payroll Demand/Energy Allocation  
For the Year Ended December 31, 2016

<u>Account</u>	<u>Demand</u> <sup>1</sup>	<u>Energy</u> <sup>1</sup>	<u>Total</u>	<u>Source</u> <sup>1</sup>
500 Operation Supervision and Engineering	11,783,253		11,783,253	CBR
501 Fuel		2,737,507	2,737,507	
502 Steam Expense	11,088,034		11,088,034	
505 Electric Expense	0		0	
506 Misc. Steam Power Expense	12,018,935		12,018,935	
510 Maintenance Supv & Engineering		3,859,504	3,859,504	
511 Maintenance of Structures	1,377,630		1,377,630	
512 Maintenance of Boiler Plant		14,133,544	14,133,544	
513 Maintenance of Electric Plant		4,703,307	4,703,307	
514 Maintenance of Misc Plant	8,910,866		8,910,866	
517 Operation Supv & Engineering	0		0	
519 Coolants and Water	0		0	
520 Steam Expenses	0		0	
523 Electric Expenses	0		0	
524 Misc Nuclear Power Expense	0		0	
528 Maintenance Supv & Engineering		-	0	
529 Maintenance of Structures	0		0	
530 Maintenance of Reactor Plant		-	0	
531 Maintenance of Electric Plant		-	0	
532 Maintenance of Misc Nuclear Plant		-	0	
535 Operation Supv & Engineering	1,000,138		1,000,138	
536 Water for Power	528		528	
537 Hydraulic Expenses	225,547		225,547	
538 Electric Expenses	2,702		2,702	
539 Miscellaneous Hydraulic Power	1,831,639		1,831,639	
540 Rents	4,471		4,471	
541 Maintenance Supv & Engineering	366,100		366,100	
542 Maintenance of Structures	829,792		829,792	
543 Maint of Reservoirs, Dams and Waterways	679,696		679,696	
544 Maintenance of Electric Plant		1,217,429	1,217,429	
545 Maintenance of Misc Hydraulic Plant	90,893		90,893	
546 Operation Supv & Engineering	235,100		235,100	
547 Fuel		54,779	54,779	
548 Generation Expenses	398,902		398,902	
549 Misc Power Generation Exp	5,740		5,740	
553 Maintenance of Generating & Electric Plant	359,384		359,384	
554 Maintenance of Misc Other Power Gen Plant	0		0	
555 Purchased Power	0	0	0	
556 System Control	1,459,884		1,459,884	
557 Other Expense	4,683,298		4,683,298	
<b>Total Allocated Labor Expense</b>	<b>57,352,532</b>	<b>26,706,070</b>	<b>84,058,602</b>	
Allocation Factors	0.6822922418	0.3177077582	1.0000000000	

<sup>1</sup> CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 10a - O & M Expense Summary by Account  
For the Year Ended December 31, 2016

**Production**

	<u>Account</u>	<u>Amount</u>	<u>Source</u>
500	Operation Supv & Engineering	18,458,492	320.4.(b)
501	Fuel	615,901,604	320.5.(b)
502	Steam Expenses	47,429,653	320.6.(b)
505	Electric Expenses	260,073	320.9.(b)
506	Misc. Steam Power Expense	32,263,881	320.10.(b)
507	Rents	8,903	320.11.(b)
509	Allowances	307,782	320.12.(b)
517	Operation Supv & Engineering	0	320.24.(b)
518	Fuel	0	320.25.(b)
519	Coolants and Water	0	320.26.(b)
520	Steam Expenses	0	320.27.(b)
523	Electric Expenses	0	320.30.(b)
524	Misc. Nuclear Power Expense	0	320.31.(b)
535	Operation Supv & Engineering	1,413,390	320.44.(b)
536	Water for Power	28,265	320.45.(b)
537	Hydraulic Expenses	538,791	320.46.(b)
538	Electric Expenses	4,469	320.47.(b)
539	Miscellaneous Hydraulic Power	3,584,691	320.48.(b)
540	Rents	428,927	320.49.(b)
546	Operation Supv & Engineering	105,112	321.62.(b)
547	Fuel	3,541,049	321.63.(b)
548	Generation Expenses	456,884	321.64.(b)
549	Misc. Power Generation Expense	15,523	321.65.(b)
	Total Operation	<u>724,747,489</u>	
510	Maintenance Supv & Engineering	4,600,764	320.15.(b)
511	Maintenance of Structures	8,136,638	320.16.(b)
512	Maintenance of Boiler Plant	59,832,246	320.17.(b)
513	Maintenance of Electric Plant	15,711,503	320.18.(b)
514	Maintenance of Misc Plant	15,353,783	320.19.(b)
528	Maintenance Supv & Engineering	0	320.35.(b)
529	Maintenance of Structures	0	320.36.(b)
530	Maintenance of Reactor Plant	0	320.37.(b)
531	Maintenance of Electric Plant	0	320.38.(b)
532	Maintenance of Misc. Nuclear Plant	0	320.39.(b)
541	Maintenance Supv & Engineering	442,632	320.53.(b)
542	Maintenance of Structures	3,093,657	320.54.(b)
543	Maintenance of Reservious, Dams and Waterways	2,354,291	320.55.(b)
544	Maintenance of Electric Plant	2,863,662	320.56.(b)
545	Maintenance of Miscellaneous Hydraulic Plant	429,065	320.57.(b)
551	Maintenance Supv & Engineering	0	321.69.(b)
553	Maintenance of Generating & Electric Plant	1,631,025	321.71.(b)
554	Maintenance of Misc. Other Power Gen. Plant	0	321.72.(b)
	Total Maintenance	<u>114,449,266</u>	
555	Purchased Power	358,217,720	321.76.(b)
556	System Control	2,016,345	321.77.(b)
557	Other Expense	8,409,525	321.78.(b)
	Total Other	<u>368,643,590</u>	321.79.(b)
	Total Production	1,207,840,345	321.80.(b)



Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 10a - O & M Expense Summary by Account  
For the Year Ended December 31, 2016

**Transmission**

560	Operation Supv & Engineering	8,778,526	321.83.(b)
561.1	Load Dispatch-Reliability	34,707	321.85.(b)
561.2	Load Dispatch-Monitor and Operate	3,238,880	321.86.(b)
561.3	Load Dispatch-Transmission Service	0	321.87.(b)
561.4	Scheduling, System Control	6,007,177	321.88.(b)
561.5	Reliability, Planning and Standards Dev.	486,908	321.89.(b)
561.6	Transmission Service Studies	0	321.90.(b)
561.7	Generation Interconnection Studies	0	321.91.(b)
561.8	Reliability, Planning and Standards Dev.	1,550,870	321.92.(b)
562	Station Expense	1,447,295	321.93.(b)
563	Overhead Line Expense	105,864	321.94.(b)
564	Underground Line Expense	0	321.95.(b)
565	Trans of Electricity by Others	131,660,618	321.96.(b)
566	Misc Transmission Expense	42,434,077	321.97.(b)
567	Rents	48,163	321.98.(b)
	Total Operation	195,793,085	321.99.(b)
568	Maintenance Supv & Engineering	263,020	321.101.(b)
569	Maintenance of Structures	92,921	321.102.(b)
569.1	Maintenance of Computer Hardware	5,642	321.103.(b)
569.2	Maintenance of Computer Software	449,581	321.104.(b)
569.3	Maintenance of Communication Equip	36,671	321.105.(b)
570	Maintenance of Station Equip	3,988,168	321.107.(b)
571	Maintenance of OH Lines	14,396,222	321.108.(b)
572	Maintenance of UG Lines	166	321.109.(b)
573	Maintenance of Misc Trans	1,814,500	321.110.(b)
	Total Maintenance	21,046,891	321.111.(b)
	Total Transmission	216,839,976	321.112.(b)

**Regional Market Expense**

575.7	Market Facilitation, Monitoring and Compliance	5,154,463	322.121.(b)
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**Distribution**

580	Operation Supv & Engineering	4,327,180	322.134.(b)
581	Load Dispatching	44,915	322.135.(b)
582	Station Expense	1,212,483	322.136.(b)
583	Overhead Line Expense	3,269,277	322.137.(b)
584	Underground Line Expense	1,048,405	322.138.(b)
585	Street Lighting	138,280	322.139.(b)
586	Meter Expenses	1,116,148	322.140.(b)
587	Customer Installations	962,979	322.141.(b)
588	Misc Distribution Expense	17,578,689	322.142.(b)
589	Rents	1,476,632	322.143.(b)
	Total Operation	31,174,988	322.144.(b)

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 10a - O & M Expense Summary by Account  
For the Year Ended December 31, 2016

590	Maintenance Supv & Engineering	177,837	322.146.(b)
591	Maintenance of Structures	228,174	322.147.(b)
592	Maintenance of Station Equip	1,846,478	322.148.(b)
593	Maintenance of OH Lines	116,697,455	322.149.(b)
594	Maintenance of UG Lines	1,507,805	322.150.(b)
595	Maintenance of Line Trsfrs	2,065,919	322.151.(b)
596	Maintenance of Street Lights	323,620	322.152.(b)
597	Maintenance of Meters	499,124	322.153.(b)
598	Maintenance of Misc Dist Plant	4,188,077	322.154.(b)
	Total Maintenance	<u>127,534,489</u>	322.155.(b)
	Total Distribution	158,709,477	322.156.(b)
<b>Customer Accounts</b>			
901	Supervision	918,630	322.159.(b)
902	Meter Reading Expenses	4,253,954	322.160.(b)
903	Customer Records/Collection	25,940,629	322.161.(b)
904	Uncollectible Accounts	6,604,784	322.162.(b)
905	Misc Customer Accts Exp	82,663	322.163.(b)
	Total Customer Accounts	<u>37,800,660</u>	322.164.(b)
<b>Customer Service and Informational</b>			
907	Supervision	575,618	323.167.(b)
908	Customer Assistance	15,870,515	323.168.(b)
909	Info & Instructional Adv	10,761	323.169.(b)
910	Misc Cust Service & Info Expense	9,367	323.170.(b)
	Total Customer Service	<u>16,466,261</u>	323.171.(b)
<b>Sales Expense</b>			
911	Supervision	625	323.174.(b)
912	Selling Expenses	210,786	323.175.(b)
913	Advertising Expenses	1,292	323.176.(b)
916	Misc Sales Expense	0	323.177.(b)
	Total Sales Expense	<u>212,703</u>	323.178.(b)

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 10a - O & M Expense Summary by Account  
For the Year Ended December 31, 2016

**Administrative and General**

920	A & G Salaries	39,352,838	323.181.(b)
921	Office Supplies & Exp	5,221,885	323.182.(b)
922	Adm Exp Trsfr - <b>Credit</b>	(5,882,761)	323.183.(b)
923	Outside Services	9,583,953	323.184.(b)
924	Property Insurance	3,238,061	323.185.(b)
925	Injuries and Damages	7,776,985	323.186.(b)
926	Employee Benefits	18,006,387	323.187.(b)
926a	Less: Actual Employee Benefits (Note A)	(7,753,305)	
926b	Allowed Employee Benefits (Note B)	6,222,780	
926	Employee Benefits	<u>16,475,862</u>	
927	Franchise Requirements	0	323.188.(b)
928	Regulatory Commission Exp	4,280,043	323.189.(b)
929	Duplicate Charges - <b>Credit</b>	(162,751)	323.190.(b)
930.1	General Advertising Expense	340,610	323.191.(b)
930.2	Misc General Expense	8,891,510	323.192.(b)
930.2	Company Dues and Memberships	0	323.192.(b)
931	Rents	<u>1,618,168</u>	323.193.(b)
	Total Operation	90,734,403	320.194.(b)
935	Maintenance of Gen Plant	<u>12,016,949</u>	323.196.(b)
	Total Maintenance	12,016,949	
	Total Administrative & General	<u>102,751,352</u>	323.197.(b)
	Total O & M Expenses	<u><u>1,745,775,237</u></u>	323.198.(b)
	Total Elec O & M Exp. - FERC Form1 pg. 323, L. 198(b)	1,747,305,762	
	Difference	1,530,525	

Actual Expense - Removed from Cost of Service		
Note A:	Acct 926 (0039) PBOP Gross Cost	(7,753,305)
	Acct 926 (0057) PBOP Medicare Part Subsidy	0
	PBOP Amounts in Annual Informational Filing	(7,753,305)
Allowable Expense		
Note A:	Acct 926 (0039) PBOP Gross Cost	10,806,289
	Acct 926 (0057) PBOP Medicare Part Subsidy	(4,583,509)
	PBOP Amounts Recovery Allowance	6,222,780

Note A: Changing PBOP included in the formula rate will require, as applicable, a FPA Section 205 or Section 206 filing.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 11 - Regulatory Commission Expense  
For the Year Ended December 31, 2016

	<u>FF1, pg., Ln. Col.</u>	<u>Amount</u>
<i>Retail</i>		
Misc. Exp.	351, Ln. 33, Col(h)	119,631
Virginia RPS-RAC	351, Ln. 35, Col(h)	171,002
Virginia IRP	351, Ln. 37, Col(h)	637,971
West Virginia ENEC	351, Ln. 39, Col(h)	436,118
West Virginia Terms & Conditions Filing	351, Ln. 43, Col(h)	177,481
West Virginia IRP Filing	351, Ln. 45, Col(h)	65,889
Virginia Fuel Filing	351.1, Ln. 2, Col(h)	61,921
Virginia Demand Response RAC	351.1, Ln. 4, Col(h)	138,206
Virginia T-RAC	351.1, Ln. 6, Col(h)	17,450
Virginia Solar	351.1, Ln. 8, Col(h)	43,191
Wind & Solar RFP	351.1, Ln. 10, Col(h)	19,712
VA Gen Rate Adj	351.1, Ln. 16, Col(h)	120,429
VA Rate Freeze Law Challenge	351.1, Ln. 18, Col(h)	158,606
VA Renewable Tariff	351.1, Ln. 20, Col(h)	53,474
VA Return on Equity Filing	351.1, Ln. 22, Col(h)	121,651
VA Rule Show Cause	351.1, Ln. 24, Col(h)	79,311
VA Wind related Gen RAC	351.1, Ln. 26, Col(h)	281,695
WV Veg Mgt. Surcharge	351.1, Ln. 28, Col(h)	27,659
<i>Total Retail</i>		<u>2,731,397</u>
 <i>Wholesale - FERC<sup>1</sup></i>		
Smith Mountain - Adm. Federal Power Act	351, Ln. 3, Col(h)	1,015,710
Leesville Hydro Project - Adm. Federal Power Act	351, Ln. 7, Col(h)	76,539
Claytor Hydro Project - Adm. Federal Power Act	351, Ln. 11, Col(h)	154,936
Byllesby Buck Hydro Project - Adm. Federal Power Act	351, Ln. 15, Col(h)	69,019
Marmet and London Hydro - Adm. Federal Power Act	351, Ln. 19, Col(h)	70,374
Winfield Hydro - Adm. Federal Power Act	351, Ln. 23, Col(h)	47,281
Reusens Hydro Project - Adm. Federal Power Act	351, Ln. 27, Col(h)	21,108
Niagara Hydro Project - Adm. Federal Power Act	351, Ln. 31, Col(h)	2,762
PJM FERC Filing	351, Ln. 41, Col(h)	36,799
<i>Total Wholesale</i>		<u>1,494,528</u>
FERC 205 Filing	351.1, Ln. 12, Col(h)	24,121
FERC 206 Filing	351.1, Ln. 14, Col(h)	29,997
		<u>54,118</u>
 Total FF1, pg. 351, Ln. 46, Col(h)		 4,280,043

<sup>1</sup> Assessment for cost of administration of Federal Water Power Act.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 12a - Common Stock  
For the Year Ending December 31, 2016

Line No.	Month	Total Capital	Source(s)	Preferred Stock				Unapprop Sub Earnings	Source	Acc Oth Comp Income	Source	Common Equity Balance
				Issued	Premium (Discount)	G(L) on Reacq'd	Source(s)*					
		a		b	c	d		e		f		g=a-b-c-d-e-f
1	Dec-16	3,582,763,278	112.16.c	0	0	0	112.3.c,6.c.,7.c.	1,758,641	112.12.c.	(9,136,157)	112.15.c.	3,590,140,794

NOTE: \* Includes preferred portions of capital stock (common and preferred) accounts according to Company Books and Records below.

Account No.	Description		Dec-16
2	2010001	Common Stock Issued	260,457,768
		Source <sup>1</sup>	112.2.c
3	2040002	PS Not Subj to Mandatory Redem	-
		Source <sup>1</sup>	112.3.c
4	2070000	Prem on Capital Stk	-
		Source <sup>1</sup>	112.6.c
5	2080000	Donations Recvd from Stckhldrs	1,825,984,503
6	2100000	Gain Rslc/Cancl Req Cap Stock	433
7	2110000	Miscellaneous Paid-In Capital	2,642,015
8			1,828,626,951
		Source <sup>1</sup>	112.7.c
9	2151000	Appropriations of Retained Earnings	15,716,644
10	2160001	Unapprop Retnd Erngs-Unrestricted	1,371,282,742
11	4330000	Transferred from Income	369,056,689
12	4370000	Div Decl-PS Not Sub to Man Red	-
13	4380001	Dividends Declared	(255,000,000)
14	4390000	Adj to Retained Earnings	-
15		Retained Earnings	1,501,056,075
		Source <sup>1</sup>	112.11.c
16	2161001	Unap Undist Consol Sub Erng	1,758,641
17	2161002	Unap Undist Nonconsol Sub Erng	-
18	4181001 & 002	Equity in Earnings	-
19		Unapprop Sub Earnings	1,758,641
		Source <sup>1</sup>	112.12.c
20	2190002	OCI-Min Pen Liab FAS 158-Affil	(6,625,054)
21	2190004	OCI-Min Pen Liab FAS 158-SERP	-
22	2190006	OCI-Min Pen Liab FAS 158-Qual	-
23	2190007	OCI-Min Pen Liab FAS 158-OPEB	(5,398,723)
24	2190010	OCI-for Commodity Hedges	-
25	2190015	Accum OCI-Hdg-CF-Int Rate	2,940,343
26	2190016	Accum OCI-Hdg-CF-For Exchg	(52,723)
27		Acc Oth Comp Inc	(9,136,157)
		Source <sup>1</sup>	112.15.c
28		Total Capital	3,582,763,278
29		Common Equity Balance	3,590,140,794

**Notes:**

<sup>1</sup> References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

<sup>2</sup> CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 12b - Preferred Stock  
For the Year Ending December 31, 2016

Month	Preferred Stock		Premium on Preferred		Discount) on Preferred		Other Paid in Capital - Pfd		Total Outstanding a+b-c+d	Preferred Dividends
	a		b		c		d			
	Acct 204	Source 1	Acct 207	Source 1	Acc 213	Source 1	Acc 208-211	Source 1		
Dec-15	0	112.3.c	0	112.6.c	0	112.9.c	0	112.7.c	0	0
Total	0		0		0		0		0	0

Cost of Preferred Stock = Pfd Dividends/Average Pfd Outstanding Balance = 0.00%

NOTES:

- (1) All data is from the monthly Balance Sheet of the Company's Books and Records (CBR).
- (2) Accounts 207-213 are capital stock accounts containing both common and preferred capital. Preferred portions of these accounts are from the CBR.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Worksheet 13 - Outstanding Long-Term Debt  
For the Year Ending December 31, 2016

Line	Period	Advances from Associated Co	FF1 Reference	Bonds	FF1 Reference	(Reacquired Bonds)	FF1 Reference	Installment Purchase	FF1 Reference	Senior Unsecured Notes	FF1 Reference	Debtr Trust Pref Secry Insts	FF1 Reference	Total Debt Outstanding	Reference
		2230000		2210000		2220001		2240002		2240006		2240046			
		a		b		c		d		e		f		g=a+b+c+d+e+f	
1	Dec-16	0	112.20.c.	322,118,952	112.18.c.	0	112.19.c.	0	257.col.(h)	3,745,741,307	257.col.(h)	0	257.col.(h)	4,067,860,259	FF1, 112.20.c & 112.21.c
2	Dec-16	0		322,118,952		0		0		3,745,741,307		0		4,067,860,259	

Appalachian Power Company  
Interest & Amortization on Long-Term Debt  
For the Year Ending December 31, 2016

Line	Description	Acct	Amount
1	Interest	IPC 4270002	11,701,360
2	Interest	Debentures 4270004	9,525,978
3	Interest	Other LTD 4270005	1,487,066
4	Interest	Unsecured 4270006	160,533,611
5	Interest	PurC 4270202	(6,557)
6		(FF1, P.117,L.62)	183,241,458
7	Amort Debt Disc/ Exp	Acct 428 (FF1, P.117, L.63)	2,982,641
8	Amort Loss Reacq	Acct 428.1 (FF1, P.117, L.64)	4,269,063
9	Interest*	Assoc LT 4300001 (FF1, P.117, L.67)	-
10	Amort Debt Premium	Acct 429 (FF1, P.117, L.65)	-
11	Amort Gain Reacq	Acct 429.1 (FF1, P.117, L.66)	-
12	Cost of Long Term Debt		190,493,162
13	Reconciliation to FF1, 257, 33, i		
14	Interest on LT Debt	Line 4	183,241,458
15	Interest on Assoc LT Debt	Line 7	-
16	Total (FF1, 257, 33, i)		183,241,458

17 Amortization of Hedge Gain / Loss included in Acct 4270006 (subject to limit on B-13) (1,128,890)

\*Per Company Books and Records interest associated with LTD.

Reconciliation Account 430		
4300001	Interest Expense Long Term Debt	-
4300003	Interest Expense Short Term Debt	1,198,387
	FF1, pg. 117, Ln. 67	1,198,387

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 13a - Recoverable Hedge Gains/Losses  
For the Year Ended December 31, 2016

HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge Gain or Loss for 2013	Less Excludable Amounts (See NOTE on Line For the Year Ended December 31, 2016)	Net Includable Hedge Amount	Remaining Unamortized Balance	Amortization Period	
					Beginning	Ending
Senior Unsecured Notes - Series H	37,068		37,068	605,544	May-03	May-33
Senior Unsecured Notes - Series N	(194,198)		(194,198)	(3,738,320)	Apr-06	Apr-36
Senior Unsecured Notes - Series Q	159,672	-	159,672	3,386,355	Mar-08	Apr-38
Senior Unsecured Notes - Series T	(1,131,432)		(1,131,432)	(4,777,160)	Mar-11	Mar-21
Total Hedge Amortization	(1,128,890)	-	(1,128,890)			



Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 14 - Non-Fuel Power Production O&M Expenses  
For the Year Ending December 31, 2016

<u>Account</u>		Less Carbon		<u>Total</u>	<u>Source</u> <sup>1</sup>
		<u>December</u>	<u>Capture Expense</u> <sup>2</sup>		
500	Demand	18,458,492		18,458,492	320.4.(b)
502	Demand	47,429,653		47,429,653	320.6.(b)
503	Energy	0		0	320.7.(b)
504 - Cr.	Energy	0		0	320.8.(b)
505	Demand	260,073		260,073	320.9.(b)
506	Demand	32,263,881	0	32,263,881	320.10.(b)
507	Demand	8,903		8,903	320.11.(b)
509	Energy	307,782		307,782	320.12.(b)
510	Energy	4,600,764		4,600,764	320.15.(b)
511	Demand	8,136,638		8,136,638	320.16.(b)
512	Energy	59,832,246		59,832,246	320.17.(b)
513	Energy	15,711,503		15,711,503	320.18.(b)
514	Demand	15,353,783		15,353,783	320.19.(b)
517	Demand	0		0	320.24.(b)
519	Demand	0		0	320.26.(b)
520	Demand	0		0	320.27.(b)
521	Demand	0		0	320.28.(b)
522 - Cr.	Demand	0		0	320.29.(b)
523	Demand	0		0	320.30.(b)
524	Demand	0		0	320.31.(b)
525	Demand	0		0	320.32.(b)
528	Energy	0		0	320.35.(b)
529	Demand	0		0	320.36.(b)
530	Energy	0		0	320.37.(b)
531	Energy	0		0	320.38.(b)
532	Energy	0		0	320.39.(b)
535	Demand	1,413,390		1,413,390	320.44.(b)
536	Demand	28,265		28,265	320.45.(b)
537	Demand	538,791		538,791	320.46.(b)
538	Demand	4,469		4,469	320.47.(b)
539	Demand	3,584,691		3,584,691	320.48.(b)
540	Demand	428,927		428,927	320.49.(b)
541	Demand	442,632		442,632	320.53.(b)
542	Demand	3,093,657		3,093,657	320.54.(b)
543	Demand	2,354,291		2,354,291	320.55.(b)
544	Energy	2,863,662		2,863,662	320.56.(b)
545	Demand	429,065		429,065	320.57.(b)
546	Demand	105,112		105,112	321.62.(b)
548	Demand	456,884		456,884	321.64.(b)
549	Demand	15,523		15,523	321.65.(b)
550	Demand	0		0	321.66.(b)
551	Demand	0		0	321.69.(b)
552	Demand	0		0	321.70.(b)
553	Demand	1,631,025		1,631,025	321.71.(b)
554	Demand	0		0	321.72.(b)
Total		219,754,102	0	219,754,102	
Demand		136,438,145	0	136,438,145	
Energy		83,315,957	0	83,315,957	
Total		219,754,102	0	219,754,102	
Demand	%			62.087%	
Energy	%			37.913%	
Total	%			100.000%	

Notes:

<sup>1</sup> References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances pgs. 320-323.,b  
<sup>2</sup> From Company's Books and Records.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 15a

Intentionally left blank - not applicable.

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 15b

Intentionally left blank - not applicable.

Appalachian Power Company  
 Capacity Cost of Service Formula Rate  
 Workpaper 15c - Purchased Power  
 For the Year Ended December 31, 2016

<u>Month</u>	<u>Demand (\$) <sup>1</sup></u>	<u>Energy (\$) <sup>1</sup></u>	<u>Other Charges <sup>2</sup></u>	<u>Total Purchased Power Expense</u>
Dec-16	46,028,823	312,188,897	0	358,217,720
Total	46,028,823	312,188,897	0	358,217,720
	327, j	327, k	327,l	327,m

Notes:

<sup>1</sup> References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

<sup>2</sup> The deferred portion of APCo's capacity equalization payments related to environmental compliance investments FF 1, pg. 327, column (l)

Appalachian Power Company  
 Capacity Cost of Service Formula Rate  
 Workpaper 15d - Off-System Sales  
 For the Year Ended December 31, 2016

<u>Month</u>	<u>Demand (\$)</u> <sup>1</sup>	Other Charges <u>(\$)</u> <sup>1</sup>	<u>Energy (\$)</u> <sup>1</sup>	<u>Total</u>
Dec-16	239,233	0	109,924,668	110,163,901

<u>Month</u>	<u>(\$) Margins</u> <sup>2</sup>
Dec-16	16,425,016

<sup>1</sup> References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.  
 F1, 311, h, i, j (Non-RQ)

<sup>2</sup> margins provided by Accounting (represents 75% of system sales margins)

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Worksheet 16 - GSU Plant and Accumulated Depreciation Balance  
For the Year Ended December 31, 2016

company	major_location	asset_location	utility_account	depr_group	state	month	book_cost	allocated_reserve	net_book_value
Appalachian Power - Gen	Transmission Subs ==69KV-VA, APCo	Byllesby 69KV Substation : APCo : 0631	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2016	132,441.00	101,791.32	30,649.68
Appalachian Power - Gen	Ceredo Generating Plant	Ceredo Generating Plant : APCo : CERGP	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2016	5,398,124.18	1,384,753.54	4,013,370.64
Appalachian Power - Gen	Transmission Subs 138KV-VA, APCo	Claytor 138KV Substation : APCo : 0621	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2016	673,990.00	333,304.27	340,685.73
Appalachian Power - Gen	Transmission Subs 138KV-VA, APCo	Clinch River 138KV Substation : APCo : 0771	35200 - Structures and Impr	APCo 101/6 352 GSU	VA	12/2016	46,746.00	25,226.73	21,519.27
Appalachian Power - Gen	Clinch River Generating Plant	Clinch River Generating Plant : APCo : 0770	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2016	539,626.53	391,242.71	148,383.82
Appalachian Power - Gen	Dresden Generating Plant	Dresden Generating Plant : APCo : DRESGP	35300 - Station Equipment	APCo 101/6 353 Dresden Plant	OH	12/2016	17,759,482.75	1,678,148.73	16,081,334.02
Appalachian Power - Gen	Dresden Generating Plant	Dresden Plant - Virginia AFUDC : APCo : DRESAFUDCVA	35300 - Station Equipment	APCo 101/6 353 Dresden VA AFUE OH	OH	12/2016	1,628,160.99	404,213.65	1,223,947.34
Appalachian Power - Gen	John E Amos Generating Plant	John E. Amos Generating Plant Common Facilities for Units 1, 2 & 3 : APCo	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2016	1,166,092.20	707,143.67	458,948.53
Appalachian Power - Gen	John E Amos Generating Plant	John E. Amos Generating Plant Unit 3 : APCo : 0743	35200 - Structures and Impr	APCo 101/6 352 GSU	WV	12/2016	24,415.85	9,346.70	15,069.15
Appalachian Power - Gen	John E Amos Generating Plant	John E. Amos Generating Plant Unit 3 : APCo : 0743	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2016	13,812,323.29	6,756,659.56	7,055,663.73
Appalachian Power - Gen	John E Amos Generating Plant	John E. Amos Generating Plant Units 1 & 2 : APCo : 0740	35200 - Structures and Impr	APCo 101/6 352 GSU	WV	12/2016	61,600.00	33,570.53	28,029.47
Appalachian Power - Gen	John E Amos Generating Plant	John E. Amos Generating Plant Units 1 & 2 : APCo : 0740	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2016	15,968,171.34	5,175,541.25	10,732,630.09
Appalachian Power - Gen	Transmission Subs 138KV-VA, APCo	Leesville 138KV Substation : APCo : 0691	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2016	193,579.48	155,551.70	38,027.78
Appalachian Power - Gen	Transmission Subs ==69KV-WV, APCo	London Hydro 46KV Substation : APCo : 0521	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2016	366,061.00	224,428.55	141,632.45
Appalachian Power - Gen	Transmission Subs ==69KV-WV, APCo	Marmet Hydro 46KV Substation : APCo : 0511	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2016	25,751.00	20,917.57	4,833.43
Appalachian Power - Gen	Mountaineer Generating Plant	Mountaineer Generating Plant : APCo : 0710	35200 - Structures and Impr	APCo 101/6 352 GSU	WV	12/2016	84,966.37	37,013.05	47,953.32
Appalachian Power - Gen	Mountaineer Generating Plant	Mountaineer Generating Plant : APCo : 0710	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2016	4,760,826.78	2,349,379.00	2,411,447.78
Appalachian Power - Gen	Niagara Hydro Plant	Niagara Hydro Plant : APCo : 0650	35200 - Structures and Impr	APCo 101/6 352 GSU	VA	12/2016	1,579.00	735.94	843.06
Appalachian Power - Gen	Niagara Hydro Plant	Niagara Hydro Plant : APCo : 0650	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2016	374,454.12	75,041.50	299,412.62
Appalachian Power - Gen	Transmission Subs ==69KV-VA, APCo	Reusens 34.5KV Substation : APCo : 0681	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2016	58,521.00	47,536.68	10,984.32
Appalachian Power - Gen	Smith Mt Pumped Storage Hydro Plant	Smith Mountain Pumped Storage Hydro Plant : APCo : 0550	35300 - Station Equipment	APCo 101/6 353 GSU	VA	12/2016	1,732,070.54	865,744.86	866,325.68
Appalachian Power - Gen	Transmission Subs ==69KV-WV, APCo	Winfield Hydro 69KV Substation : APCo : 0531	35300 - Station Equipment	APCo 101/6 353 GSU	WV	12/2016	1,959,926.26	451,922.90	1,508,003.36
<b>Appalachian Power - Gen Total</b>							<b>66,708,909.68</b>	<b>21,229,114.41</b>	<b>45,479,795.27</b>

Appalachian Power Company  
 Workpaper 17-Balance of Transmission Investment  
 Capacity Cost of Service Formula Rate  
 Balance as of December 2016

fr_desc	fpa	fc_sortid	description	beginning_balance	additions	retirements	transfers	adjustments	ending_balance	start_month	end_month
none	353 - Station Equipment	6	Transmission Plant - Electric	1,013,834,214	222,141,568	10,591,385	-	5,106,112	1,230,490,509	1/1/16	12/31/16

Notes:  
 References to data from FERC Form 1 page(s) 206,207, Ln. 50

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 18 - Fuel Expense  
For the Year Ending December 31, 2016

		<u>Source</u> <sup>1 2</sup>
<u>Fuel</u>		
Fuel - Account 501	615,901,604	320, 5, b
Fuel - Account 518	0	320, 25, b
Fuel - Account 547	3,541,049	321, 63, b
Total Fuel	619,442,653	
<u>Other</u>		
Fuel Handling	21,320,605	CBR
Sale of Fly Ash (Revenue & Expense)	(147,959)	CBR

Notes:

<sup>1</sup>References to data from FERC Form 1 are indicated as page#, line#, col.# for the ending total balances.

<sup>2</sup>CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.



Appalachian Power Company  
 Capacity Cost of Service Formula Rate  
 Workpaper 19 - Plant Held for Future Use  
 For the Year Ending December 31, 2016

	End of Year		
	Total	Demand <sup>1</sup>	Energy
Production	428,415	428,415	0
Transmission	1,632,032		
Distribution	2,130,647		
General	35,386		
Total	4,226,480	428,415	0

FF1, 214, d

Notes:

<sup>1</sup> CBR indicates that data comparable to that reported in the FERC Form 1 is from the Company's Books and Records.