

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 1 - Production System Peak Demand  
For the Year Ended December 31, 2018

Month	(EPT)		Demand (MW)	<u>Source</u> <sup>1</sup>
	Day	Hour		
June	18	1700	5,617.9	CBR
August	27	1700	5,428.3	
August	28	1700	5,453.4	
September	4	1700	5,568.8	
September	5	1700	5,392.6	
Average Peak			5,492.2	

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.  
MLR values at PJM 5 CP hours

Appalachian Power Company  
 Capacity Cost of Service Formula Rate  
 Workpaper 2 - Production Revenue Credits  
 For the Year Ending December 31, 2018

	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, 2018

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-18	Production	65,596,857	608,026	1,666,086	799,038	0	660,127	3,117,925	72,448,059	
	Transmission	12,132,495	0	0	0	0	0	0	12,132,495	
	Distribution	14,282,433	0	0	0	854,987	0	0	15,137,420	
	Total	92,011,785	608,026	1,666,086	799,038	854,987	660,127	3,117,925	99,717,974	110.48.c

Period	Function <sup>2</sup>	158	Source <sup>1</sup>
		Allowances	
Dec-18	Production	22,718,139	
	Transmission	0	
	Distribution	0	
	Total	22,718,139	110.52.c

M&S December 2018		
Dec-18	Production	72.65%
	Transmission	12.17%
	Distribution	15.18%
	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, 2018

<u>Period</u>	1510001 Fuel Stock	1510002 Fuel Stock	1510003 Fuel Stock	1510004 Fuel Stock	1510019 Fuel Stock	1510020 Fuel Stock	Fuel Stock	<u>Source</u> <sup>1</sup>
	<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</u> <sup>1</sup>
Dec-18	52,044,365	2,985,165	216,136	-	-	2,631,727	57,877,393	110.45.c
							Total	57,877,393
<u>Period</u>	1520000 Fuel Stock	<u>Source</u> <sup>1</sup>						
Dec-18	<u>Undistributed</u>	110.46.c						
	3,391,777							

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  
Workpaper 5c - Prepayments  
For the Year Ended December 31, 2018

Period	1650001 Prepayments Insurance	1650004 Prepayments Interest	1650005 Prepayments Employee Benefits	1650006 Prepayments Other	1650009 Prepayments Carrying Cost	1650021/1650023 Prepayments Ins. & Lease	1650031/1650033 Prepayments Work Comp	165000218/165000219 Prepayments Taxes	Prepayments Total	Source <sup>1</sup>
Dec-18	2,196,648	24,133	-	323,572	147,568	2,091,693	-	2,481,904	14,776,511	111.57.c
Period	165001218 Use Tax	16500035 Work Comp	16500033 Work Com-Aff	1650032 Prepaid OCIP WC	1650034 PPD OCIP WC	1650017 Prepayments Coal				
Dec-18	10,993	-	-	-	-	7,500,000				
Period	Excluded Rate Base <sup>2</sup>		Non Labor Related <sup>2</sup>		Labor Related <sup>2</sup>					
Dec-18	-		14,776,511		-					

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.

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.

165000216 - 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, 2018

Line	Month	Production				
		Total		ARO		Excluding ARO
		Amount	Source <sup>1</sup>	Amount	Source <sup>1</sup>	
1	Dec-18	6,470,486,701	205.46.g	98,479,986	205.15,24,34,44.g	6,372,006,715
2	Total					6,372,006,715
Line	Month	Transmission				
		Total		ARO		Excluding ARO
		Amount	Source <sup>1</sup>	Amount	Source <sup>1</sup>	
3	Dec-18	3,316,166,220	207.58.g	-	207.57.g	3,316,166,220
4	Total					3,316,166,220
Line	Month	Distribution				
		Total		ARO		Excluding ARO
		Amount	Source <sup>1</sup>	Amount	Source <sup>1</sup>	
5	Dec-18	3,986,944,489	207.75.g	1,929	207.74.g	3,986,942,560
6	Total					3,986,942,560
Line	Month	General				
		Total		ARO		Excluding ARO
		Amount	Source <sup>1</sup>	Amount	Source <sup>1</sup>	
7	Dec-18	257,411,441	207.99.g	671,704	207.98.g	256,739,737
8	Total					256,739,737
Line	Month	Intangible				
		Total		ARO		Excluding ARO
		Amount	Source <sup>1</sup>	Amount	Source <sup>1</sup>	
9	Dec-18	182,526,693	205.5.g	-	CBR	182,526,693
10	Total					182,526,693
11	12 Months December 31, 2018 Plant In Service (excluding ARO)					14,114,381,925

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, 2018

Sum of end_bal	Function					
Account	Distribution Plant - Electric	General Plant	Production Plant	Transmission Plant - Electric	Grand Total	
1080001 ARO	(1,929.20)	(671,703.98)	(35,924,494.52)	-	(36,598,127.70)	
1080001/1080011	(1,369,306,173.79)	(82,282,061.53)	(2,446,967,183.06)	(773,717,248.75)	(4,672,272,667.13)	(4,708,870,794.83)
1080005	13,364,241.37	708,466.80	20,430,351.49	50,719,626.19	85,222,685.85	85,222,685.85
1110001	-	(97,238,164.43)	-	-	(97,238,164.43)	(97,238,164.43)
1080013	-	-	-	-	-	-
Grand Total	(1,355,943,861.62)	(179,483,463.14)	(2,462,461,326.09)	(722,997,622.56)	(4,720,886,273.41)	(4,720,886,273.42)
Exc. ARO	(1,355,941,932.42)	(178,811,759.16)	(2,426,536,831.57)	(722,997,622.56)	(4,684,288,145.71)	

Balance Sheet

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\*1110001 General plant includes intangible plant  
 \*1080001/1080011 Excludes ARO portion, identified separately

(4,623,648,108.98) FF1 219.29  
 (97,238,164.43) Balance Sheet 1110001  
 (4,720,886,273.41)

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 6c - General Plant and Intangible Plant  
For the Year Ended December 31, 2018

<u>Description</u>	<u>Account</u>	<u>31-Dec-18</u>
<u>Intangible Plant (FF1, 205.2-5 g)</u>		
Organization	301	133,394
Franchises and Consents	302	15,258,202
Miscellaneous Intangible Plant	303	167,135,098
TOTAL INTANGIBLE PLANT		182,526,693
<u>General Plant (FF1, 207.86-97,g)</u>		
Land	389	15,224,417
Structures	390	126,098,356
Office Equipment	391	8,965,595
Transportation	392	8,674
Stores Equipment	393	1,859,247
Tools, Shop, Garage, Etc.	394	35,090,949
Laboratory Equipment	395	3,014,131
Power Operated Equipment	396	0
Communications Equipment	397	58,810,303
Miscellaneous Equipment	398	7,135,642
Other Tangible Property	399	0
TOTAL GENERAL PLANT		256,207,312
General Plant (FF1 207.86-97 g)		
<b>Total General and Intangible Exc. ARO</b>		<b>438,734,005</b>
Total General and Intangible	205.5.g, 207.99.g	439,938,134

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, 2018

<b><u>Depreciation and Amortization Expense</u></b>	<b><u>Amount</u></b>	<b><u>Source</u></b>
Steam Production	177,802,566	FF1, 336, 2, b & d
Hydraulic Production - Conventional	3,444,451	FF1, 336, 4 b
Hydraulic Production-Pumped Storage	2,780,989	FF1, 336, 5 b
Other Production Plant	13,428,455	FF1, 336, 6 b
Transmission	52,714,082	FF1, 336, 7, b
Distribution	143,254,449	FF1, 336, 8, b
General	5,651,443	FF1, 336, 10, b & d
Intangible Plant	25,543,163	FF1, 336, 1, d
<i>Sub-Total</i>	424,619,598	FF1, 336, 12, b & d
<i>ARO Dep Exp</i>	3,378,456	FF1, 336, 12, c
Total Depreciation Expense	427,998,054	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, 2018  
 Workpaper 8a

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F
		PER BOOKS	NON-APPLICABLE/NON-UTILITY		FUNCTIONALIZATION 12/31/18	
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-18	BALANCE AS OF 12-31-18	GENERATION	TRANSMISSION	DISTRIBUTION
1	ACCOUNT 281:					
2						
3	TX AMORT POLLUTION CONT EQPT	267,868,298		267,868,298	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	(106,710,020)	106,710,020			
8						
9	TOTAL ACCOUNT 281	161,158,278	106,710,020	267,868,298	0	0
10						
11	ACCOUNT 282:					
12						
13						
14	BOOK VS. TAX DEPRECIATION	818,108,550		240,521,889	296,244,219	281,342,442
15	FERC ORDER 144 CATCH UP	0		0	0	0
16	CAPD INTEREST - SECTION 481(a) - CHANGE IN METHD	243,741		76,281	102,879	64,582
17	RELOCATION COST - SECTION 481(a) - CHANGE IN METH	46,776		0	0	46,776
18	PJM INTEGRATION - SEC 481(a) - INTANG - DFD LABOR	(0)		0	(0)	0
19	R & D DEDUCTION - SECTION 174	2,219,072		1,923,289	82,605	213,178
20	BK PLANT IN SERVICE-SFAS 143-ARO	13,433,039		13,299,356	(380)	134,063
21	MNTR CARBON CAPTURE - SFAS 143 - ARO	(1,343,475)		(1,343,475)	0	0
22	NORMALIZED BASIS DIFFS - TRANSFERRED PLANTS	14,737,922		14,737,922	0	0
23	DFIT GENERATION PLANT	44,893,794		44,893,794	0	0
24	GAIN/LOSS ON ACRS/MACRS PROPERTY	83,275,348		38,257,577	6,912,808	38,104,963
25	GAIN/LOSS ON ACRS/MACRS-BK/TX UNIT PROP	(7,935,566)		(7,935,566)	0	0
26	ABFUDC	690,499		690,489	3	8
27	ABFUDC - TRANSMISSION	1,428,150		0	1,428,150	0
28	ABFUDC - GENERAL	10,925		0	3,907	7,018
29	ABFUDC - DISTRIBUTION	3,996		0	0	3,996
30	TAXES CAPITALIZED	0		0	0	0
31	PENSIONS CAPITALIZED	0		0	0	0
32	SEC 481 PENS/OPEB ADJUSTMENT	(42,120)		(39,564)	(1,213)	(1,343)
33	SAVINGS PLAN CAPITALIZED	0		0	0	0
34	PERCENT REPAIR ALLOWANCE	9,910,971		6,474,239	1,133,437	2,303,294
35	BOOK/TAX UNIT OF PROPERTY ADJ	87,405,332		65,649,573	7,575,830	14,179,928
36	BK/TAX UNIT OF PROPERTY ADJ-SEC 481 ADJ	154,336,212		52,013,729	33,463,023	68,859,461
37	BOOK/TAX MIXED SERVICE COST ADJ	5,493,385		0	0	5,493,385
38	BK/TX MIXED SERVICE COST ADJ-SEC 481 ADJ	27,928,001		0	0	27,928,001
39	BOOK/TAX UNIT OF PROPERTY ADJ: AGR TRANSFER	15,530,411		15,530,411	0	0
40	BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ: AGR TRANSFER	3,049,028		3,049,028	0	0
41	TX ACCEL AMORT - CAPITALIZED SOFTWARE	2,135,699		733,318	346,230	1,056,152
42	CAPITALIZED RELOCATION COSTS	3,012,598		0	340,368	2,672,230
43	EXTRAORDINARY LOSS ON DISP OF PROP	11,503		0	0	11,503
44	DEFD TAX GAIN - FIBER OPTIC LINE	0		0	0	0
45	DISALLOWED COSTS-RESERVE DEFICIENCY-APCO VA	(8,249,480)		(8,249,480)	0	0
46	AMORT PERPETUAL TERM ELECT PLT	0		0	0	0
47	CAPITALIZED LEASES - A/C 1011 ASSETS	0		0	0	0
48	GAIN ON REACQUIRED DEBT	0		0	0	0
49	REMOVAL COSTS	928,510		928,510	0	0
50	REMOVAL COSTS - ARO-MTNR CARBON CAPTURE	(38,590)		(38,590)	0	0
51	REMOVAL COSTS REV - SFAS 143 - ARO	(479,025)		(479,025)	0	0
52	TAX WRITE OFF MINE DEVEL COSTS	(189,791)		(189,791)	0	0
53	BK DEPLETION -- NUEAST	187,693		187,693	0	0
54	2007 IRS AUDIT ADJUSTMENTS - A/C 282	0		0	0	0
55	TAX CUTS AND JOBS ACT (TCJA)	0		0	0	0
56	EXCESS ADFIT	742,696,917		261,197,278	217,258,814	264,240,825
57	NON-UTILITY DEFERRED FIT	0	(0)			
58	SFAS 109 FLOW-THRU 282.3	82,899,344	(82,899,344)			
59	SFAS 109 EXCESS DFIT 282.4	(742,696,917)	742,696,917			
60						
61	TOTAL ACCOUNT 282	1,353,642,451	659,797,573	741,888,884	564,890,677	706,660,462
62						
	Labor Related			(39,564)	(1,213)	45,433
	Energy Related			(2,098)	0	0
	ARO			11,438,265	(380)	134,063

FERC Form 1, pg. 273, Ln. 8

APPALACHIAN POWER COMPANY  
 SPECIFIED DEFERRED CREDITS  
 PERIOD ENDED DECEMBER 31, 2018

Workpaper 8a  
 Demand Related

730,492,281      564,892,270      706,480,966  
 1,282,989,404

Excluded

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ACCOUNT 283:

NOL - STATE C/F - DEF STATE TAX ASSET - L/T	0	0	0	0
SW - UNDER RECOVERY FUEL COST	4,282,874	4,282,874	0	0
SV - UNDER RECOVERY FUEL COST	17,291,198	17,291,198	0	0
WV -ENEC UNDER RECOVERY BANK	0	0	0	0
DEFD EQUITY CARRY CHGS - WV-ENEC	0	0	0	0
WV UNRECOV FUEL POOL CAPACITY IMPACT	0	0	0	0
WV CENTURY ENEC UNDER RECOVERY	0	0	0	0
WV UNREC FUEL DISPUTED COAL INV	(0)	(0)	0	0
CV-UNDER RECOVERY FUEL COST	136,711	136,711	0	0
PROPERTY TAX - NEW METHOD - BOOK	3,032,830	1,064,927	720,922	1,246,981
PROP TX-STATE 2 OLD METHOD-TX	0	0	0	0
DEFD TAX GAIN - APCO WV SEC REG ASSET	54,981,752	54,981,752	0	0
MTM BK GAIN - A/L - TAX DEFL	10,360,319	10,360,319	0	0
MARK & SPREAD - DEFL - 283 A/L	717,649	717,649	0	0
ACCRUED BK PENSION EXPENSE	28,468,415	12,429,598	1,027,692	15,011,124
ACCRUED BK PENSION COSTS - SFAS 158	(35,590,024)	(11,407,150)	(3,370,832)	(20,812,043)
REG ASSET - DEFERRED RTO COSTS	95,802	0	95,802	0
DEFD ENVIRON COMP COSTS & CARRYING CHARGES	20,141	20,141	0	0
DEFD SYS RELIABILITY COSTS & CARRYING CHARGES	27,187	0	11,305	15,882
DEFD EQUITY CARRY CHRGS-RELIABILITY CAPITAL	(9,445)	0	(6,705)	(2,740)
DEFD EXPS (A/C 186)	225,322	225,322	0	0
DEFD STORM DAMAGE	0	0	0	0
RATE CASE DEFERRED CHARGES	(0)	0	0	(0)
BK DEFL-DEMAND SIDE MNGMT EXP	1,049,967	0	0	1,049,967
DEFD BK LOSS-NON AFF SALE-EMA	92,956	92,956	0	0
BOOK > TAX - EMA - A/C 283	5,233,116	5,233,116	0	0
DEFD TX GAIN - INTERCO SALE - EMA	(225,455)	(225,455)	0	0
DEFD TAX GAIN - EPA AUCTION	(7,145)	(7,145)	0	0
DEFD BOOK GAIN - EPA AUCTION	0	0	0	0
BK DEFL - MACSS COSTS	3,065	0	0	3,065
TRANSITION REGULATORY ASSETS	(1)	0	0	(1)
REG ASSET-SFAS 143 - ARO	0	0	0	0
REG ASSET-SFAS 158 - PENSIONS	35,590,024	11,407,150	3,370,832	20,812,043
REG ASSET-SFAS 158 - SERP	27,992	1,058	0	26,934
REG ASSET-SFAS 158 - OPEB	539,781	88,391	216,105	235,286
REG ASSET-UNDERRECOVERY-VIRGINIA T-RAC	0	0	0	0
REG ASSET-MOUNTAINEER CARBON CAPTURE	(5,295,972)	(5,295,972)	0	0
REG ASSET-DEFERRED RPS COSTS	(0)	(0)	0	0
REG ASSET-CARRYING CHARGES-WV ENEC	(0)	(0)	0	0
TAX DEFL - NON-DEPRECIABLES	0	0	0	0
REG ASSET-DEFD SEVERANCE COSTS	(0)	(0)	(0)	0
REG ASSET-TRANS AGREEMENT PHASE-IN-WV	0	0	0	0
REG ASSET-DEFD VA WIND REPLACEMENT CSTS	0	0	0	0
REG ASSET-NET CCS FEED STUDY COSTS	131,946	131,946	0	0
REG ASSET-DEFD VA DEMAND RESPONSE PROGRAM	1,927,937	0	0	1,927,937
REG ASSET DRESDEN UNRECOG EQUITY CC WV	0	0	0	0
REG ASSET DRESDEN OPERATION COST VA	2,165,854	2,165,854	0	0
REG ASSET DRESDEN CARRYING COSTS VA	0	0	0	0
REG ASSET DRESDEN UNRECOG EQUITY CC VA	0	0	0	0
REG ASSET DRESDEN CARRYING COST WV	0	0	0	0
REG ASSET DRESDEN OPERATING COSTS WV	0	0	0	0
REG ASSET-DEFERRED VA RPS INCREM COSTS-CURRENT	0	0	0	0
REG ASSET-DEFERRED VA WIND NON-INCREM COSTS	0	0	0	0
REG ASSET-DEFD VA SOFTWARE LICENSING EXPENSE	0	0	0	0
REG ASSET-WV VMP (VEGETATION MGMT) COSTS	5,589,381	0	0	5,589,381
REG ASSET-CARRYING CHARGES-WV VMP	0	0	0	0
REG ASSET-WV CC-CONSTR SURCHARG UNRECOG EQ	0	0	0	0
REG ASSET-WV CONSTR SURCHRG OPER COSTS	0	0	0	0
REG ASSET-WV CC CONSTR SURCHRG	0	0	0	0
REG ASSET-UNREC EQUITY CC WV-AMOS 3	0	0	0	0
REG ASSET-CARRYING CHARGES WV-AMOS 3	0	0	0	0
REG ASSET-IGCC PRE-CONSTRUCTION COSTS	110,051	110,051	0	0
REG ASSET-FELMAN PREM/DISC-ENEC-WV	0	0	0	0
REG ASSET-WV AIR QUALITY PERMIT FEES	129,591	129,591	0	0
REG ASSET-CAR CHGS-CAPITAL-WV VMP	0	0	0	0
REG ASSET-NBV-ARO-RETIRED PLANTS	7,415,018	7,415,018	0	0
REG ASSET-EXTRA LOSS-CLINCH RIVER PLANT	10,571,002	10,571,002	0	0
REG ASSET-EXTRA LOSS-GLEN LYN U5 NET PLANT	(0)	(0)	0	0
REG ASSET-EXTRA LOSS-SPORN PLANT	1,699,951	1,699,951	0	0
REG ASSET-EXTRA LOSS-KANAWHA RIVER PLANT	4,786,305	4,786,305	0	0
REG ASSET-EXTRA LOSS-GLEN LYN U6 NET PLANT	853,780	853,780	0	0

APPALACHIAN POWER COMPANY  
 SPECIFIED DEFERRED CREDITS  
 PERIOD ENDED DECEMBER 31, 2018

Workpaper 8a

137	REG ASSET-M&S RETIRING PLANTS	1,881,896		1,881,896	0	0
138	REG ASSET-COAL CO UNCOLL ACCTS	235,025		0	0	235,025
139	REG ASSET-DEFD DEPREC-WV VEG MGT PROG	0		0	0	0
140	REG ASSET-CAR CHGS-WV VMP-UNREC EQ	0		0	0	0
141	REG ASSET-WV BASE REVENUES	119,882		0	0	119,882
142	REG ASSET-WV BASE REVENUES-CAR CHGS	0		0	0	0
143	REG ASSET-CAR CHGS-WV VMP RESERVE	0		0	0	0
144	REG ASSET-VA EE-RAC EFFICIENT PRODUCTS	72,814		0	0	72,814
145	REG ASSET-VA EE-RAC HOME ENERGY PROG	0		0	0	0
146	REG ASSET-VA EE-RAC APPLIANCE RECYCLING	0		0	0	0
147	REG ASSET-VA EE-RAC C&I PRESCRIPTIVE	290,142		0	0	290,142
148	REG ASSET-VA EE-RAC MOBILE HOME ES	0		0	0	0
149	REG ASSET-VA EE-RAC EQUITY MARGIN	0		0	0	0
150	REG ASSET-WV EE/DR-COMPANY FUNDED	792,566		0	0	792,566
151	REG ASSET-WV PROV SURCREDIT-SPEC CTRCT	0		0	0	0
152	REG ASSET-WV PROV SURCREDIT-CONTRA	0		0	0	0
153	REG ASSET-BASE REV EQUITY CAR CHG-WV	0		0	0	0
154	BOOK LEASES CAPITALIZED FOR TAX	5,530,871		4,568,215	182,250	780,407
155	CAPITALIZED SOFTWARE COST - BOOK	18,760,731		6,688,978	3,868,973	8,202,780
156	LOSS ON REACQUIRED DEBT	18,751,405		9,194,460	3,832,401	5,724,544
157	DEFD SFAS 106 BOOK COSTS	0		0	0	0
158	SFAS 106-MEDICARE SUBSIDY-(PPACA)-REG ASSET	741,911		306,865	47,912	387,134
159	REG ASSET - ACCRUED SFAS 112	4,057,463		1,612,032	147,918	2,297,513
160	STATE NOL CURRENT BENEFIT	1,067,735		1,067,735	0	0
161	EXCESS ADFIT	(5,870,540)		18,703,629	(18,373,794)	(6,200,375)
162	NON-UTILITY DEFERRED FIT	8,508	(8,508)			
163	SFAS 109 FLOW-THRU 283.3	79,772,899	(79,772,899)			
164	SFAS 109 EXCESS DFIT 283.4	(37,916,500)		37,916,500		
165	ADIT FED - HEDGE-INTEREST RATE 2830015	1,232,476	(1,232,476)			
166	ADIT FED - HEDGE-FOREIGN EXC 2830016	16,262	(16,262)			
167	SFAS 133 ADIT FED - SFAS 133 NONAFFIL 2830006	0	0			
168						
169		245,975,422	(43,113,645)	173,284,747	(8,229,219)	37,806,249
170						
171						
172	DEFD STATE INCOME TAXES	77,853,802		42,901,019	13,189,001	21,763,782
173	SFAS 109 - DEFD STATE INCOME TAXES	261,649,408	(261,649,408)			
174						
175	TOTAL ACCOUNT 283	585,478,632	(304,763,053)	216,185,766	4,959,782	59,570,031
176						
	Labor Related			21,126,922	5,308,601	26,160,771
	Energy Related			26,811,399	0	235,025
	ARO			7,415,018	0	0
	Demand Related			160,832,427	(348,819)	33,174,235
	Excluded			38,884,390		
177						
178	JURISDICTIONAL AMOUNTS FUNCTIONALIZED					
179						
180	TOTAL COMPANY AMOUNTS FUNCTIONALIZED					
181						
182	REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT					
183						
184	NOTE: POST 1970 ACCUMULATED DEFERRED					
185	INV TAX CRED. (JDITC) IN A/C 255					
186	SEC ALLOC - ITC - 46F1 - 10%	20,287		3,313	15,253	1,721
187	HYDRO CREDIT - ITC - 46F1	959,344		959,344	0	0
188						
189	TOTAL ACCOUNT 255	979,631	0	962,657	15,253	1,721

FERC Form 1, pg. 277, Ln. 9

APPALACHIAN POWER COMPANY  
 ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190  
 PERIOD ENDED DECEMBER 31, 2018

	<u>COLUMN A</u>	<u>COLUMN B</u>	<u>COLUMN C</u>	<u>COLUMN D</u>	<u>COLUMN E</u>	<u>COLUMN F</u>
		<u>PER BOOKS</u>	<u>NON-APPLICABLE/NON-UTILITY</u>	<u>FUNCTIONALIZATION 12/31/18</u>		
<u>ACCUMULATED DEFERRED FIT ITEMS</u>		<u>BALANCE AS OF 12-31-18</u>	<u>BALANCE AS OF 12-31-18</u>	<u>GENERATION</u>	<u>TRANSMISSION</u>	<u>DISTRIBUTION</u>
1 ACCOUNT 190:						
2						
3 NOL & TAX CREDIT C/F - DEF TAX ASSET		176,448		170,592	0	5,856
4 BOOK VS. TAX DEPRECIATION		0		0	0	0
5 INT EXP CAPITALIZED FOR TAX		49,069,000		29,305,886	16,326,026	3,437,088
6 CIAC-BOOK RECEIPTS		0		0	0	0
7 CIAC - BOOK RECEIPTS-DISTR -SV		3,418,546		0	73,739	3,344,807
8 CIAC - BOOK RECEIPTS-TRANS		178,224		0	178,224	0
9 CIAC - BOOK RECEIPTS-DISTR -SW		2,249,002		0	128,679	2,120,323
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		888,963		142,722	697,626	48,616
PROV FOR RATE REFUND-TAX REFORM		8,889,142		8,889,142	0	0
PROV FOR RATE REFUND-EXCESS PROTECTED		(2,435,092)		(2,435,092)	0	0
14 SALE/LEASEBK-GRUNDY		577		0	0	577
15 MTM BK LOSS - A/L - TAX DEFL		0		0	0	0
16 MARK & SPREAD-DEFL-190-A/L		19,920		19,920	0	0
17 PROV WORKER'S COMP		112,024		98,342	2,850	10,832
18 SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN		(25,985)		389	0	(26,374)
19 ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158		27,992		1,058	0	26,934
20 ACCRD BK SUP. SAVINGS PLAN EXP		18,029		6,841	0	11,188
21 EMPLOYER SAVINGS PLAN MATCH		(0)		0	0	(0)
22 ACCRUED PSI PLAN EXP		200,362		31,268	0	169,094
STOCK BASED COMP-CAREER SHARES		72,171		0	0	72,171
23 BK PROV UNCOLL ACCTS		179,699		(205,603)	(4,063)	389,365
24 PROV-TRADING CREDIT RISK - A/L		877		877	0	0
25 PROV-FAS 157 - A/L		0		0	0	0
26 ACCRD COMPANY INCENT PLAN-ENGAGE TO GAIN		0		0	0	0
27 ACCRD COMPANYWIDE INCENTV PLAN		3,642,367		1,560,940	193,567	1,887,860
28 ACCRD ENVIRONMENTAL LIAB-CURRENT		2,520		0	0	2,520
29 ACCRUED BOOK VACATION PAY		1,922,264		667,366	(54,722)	1,309,620
30 (ICDP)-INCENTIVE COMP DEFERRAL PLAN		65,489		0	0	65,489
31 ACCRUED BK SEVERANCE BENEFITS		59,809		59,809	0	0
32 ACCRUED INTEREST EXPENSE - STATE		0		0	0	0
33 ACCRUED INTEREST-LONG-TERM - FIN 48		46,900		45,346	(8,558)	10,111
34 ACCRUED INTEREST-SHORT-TERM - FIN 48		10,421		4,417	712	5,292
35 ACCRUED STATE INCOME TAX EXP		29,674		0	(144,209)	173,883
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		109,480		109,480	0	0
39 DEFED EQUITY CARRYING CHRGS-ENVIRON COMP COST		0		0	0	0
40 FEDERAL MITIGATION PROGRAMS		912,607		912,607	0	0
41 STATE MITIGATION PROGRAMS		(0)		(0)	0	0
42 DEFED REV-EPRIMNTR CARBON CAPTURE-CUR		0		0	0	0
43 DEFED REV-EPRIMNTR CARBON CAPTURE-L/T		0		0	0	0
44 DEFED BK CONTRACT REVENUE		125,600		0	125,600	0
45 DEFED STORM DAMAGES		0		0	0	0
46 FK BK WRITE-OFF BLUE RDGE EASE		7,995		7,995	0	0
47 FR BK WRITE-OFF BLUE RDGE EASE		9,329		9,329	0	0
48 SV BK WRITE-OFF BLUE RDGE EASE		59,167		59,167	0	0
49 CV BK WRITE-OFF BLUE RDGE EASE		3,704		3,704	0	0
50 TAX > BOOK BASIS - EMA-A/C 190		96,265		96,265	0	0
51 DEFED TX LOSS-INTERCO SALE-EMA		228,014		228,014	0	0
52 DEFED BOOK GAIN-EPA AUCTION		(75,087)		(75,087)	0	0
53 ADVANCE RENTAL INC (CUR MO)		449,132		0	0	449,132
54 DEFERRED BOOK RENTS		154,686		0	154,686	0
55 REG LIAB-UNREAL MTM GAIN-DEFL		7,294,038		7,294,038	0	0
56 SECURITIZATION DEFED EQUITY INCOME - LONG-TERM		655,605		655,605	0	0
57 CAPITALIZED SOFTWARE COSTS-TAX		24,198		(374)	(2)	24,574
58 CAPITALIZED ADVERTISING EXP-TX		797,911		0	797,911	0
59 ACCRD SFAS 106 PST RETIRE EXP		(10,141,964)		(5,308,787)	(866,855)	(3,966,322)
60 SFAS 106 PST RETIRE EXP - NON-DEDUCT CONT		6,912,092		3,458,319	313,953	3,139,821
61 ACCRD OPEB COSTS - SFAS 158		539,781		88,391	216,104	235,286
62 ACCRD SFAS 112 PST EMPLOY BEN		3,797,531		1,352,099	147,918	2,297,513
63 ACCRD BOOK ARO EXPENSE - SFAS 143		21,837,590		21,645,895	5,532	186,164
64 ACCRD BK ARO EXP - MTNR CARBON CAPTURE		2,521,009		2,521,009	0	0
65 SFAS 106 - MEDICARE SUBSIDY - NORM - (PPACA)		0		0	0	0



66	GROSS RECEIPTS- TAX EXPENSE	72,728		72,728	0	0
67	ACCURED BK REMOVAL COST - ACRS	59,644,366		5,785,362	17,462,103	36,396,901
68	FIN 48 - DEFD STATE INCOME TAXES	(44,690)		(19,023)	(2,819)	(22,848)
69	DEFD STATE INCOME TAXES	16,343,443		9,009,214	2,769,690	4,564,538
70	ACCRD SIT/FRANCHISE TAX RESERVE	0		0	0	0
71	ACCURED SALES & USE TAX RESERVE	0		0	0	0
72	ACCRD SIT TX RESERVE-LNG-TERM-FIN 48	20,523		8,740	1,178	10,605
73	ACCRD SIT TX RESERVE-SHRT-TERM-FIN 48	24,835		10,498	1,700	12,637
74	SFAS 109 - DEFD SIT LIABILITY	0		0	0	0
	IRS AUDIT SETTLEMENT	0		0	(0)	0
75	1985-1987 IRS AUDIT SETTLEMENT	0		0	0	0
76	1991-1996 IRS AUDIT SETTLEMENT	0		0	0	0
77	1997-2003 IRS AUDIT SETTLEMENT	640,061		0	0	640,061
78	2007 IRS AUDIT ADJUSTMENTS - A/C 190	0		0	0	0
79	IRS CAPITALIZATION ADJUSTMENT	1,714,754		389,421	980,338	344,995
80	AMT CREDIT - DEFERRED	0		0	0	0
81	REHAB CREDIT - DEFD TAX ASSET RECLASS	0		0	0	0
	RESTRICTED STOCK PLAN	70,327		4,815	0	65,513
	PSI - STOCK BASED COMP	142,760		16,156	0	126,604
82	NON-UTILITY DEFERRED FIT	333,437	(333,437)			
83	SFAS 109 FLOW-THRU 190.3	58,375,464	(58,375,464)			
84	SFAS 109 EXCESS DFIT 190.4	224,231,194	(224,231,194)			
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	588,609	(588,609)			
89	ADIT FED - UMWA PRW OCI 1900012	0	0			
90	ADIT FED - HEDGE-INTEREST RATE 1900015	756,647	(756,647)			
91	ADIT FED - HEDGE-FOREIGN EXC 1900016	33,314	(33,314)			
92	NON-UTILITY DEFERRED SIT 1902002	0	0			
93	DEFERRED SIT 1901002	0	0	0	0	0
94						
95	TOTAL ACCOUNT 190	468,085,801	(284,318,665)	86,699,801	39,496,908	57,570,426
						FERC Form 1, pg. 234, Ln. 8
	Labor Related			2,015,662	(47,187)	5,257,687
	Energy Related			7,564,026	125,600	0
	ARO			24,166,904	5,532	186,164
	Demand Related			52,953,209	39,412,963	52,126,576
	Excluded			121,234,239		

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 8b - Effective Income Tax Rate  
For the Year Ended December 31, 2018

Effective Income Tax Rate

$T=1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * \text{P})\} =$	23.96%
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.	21.55%
GRCF= $1 / (1 - T)$	1.3151
Amortized Investment Tax Credit (enter negative)	FF1 P.114, Ln.19, Col.c 0
FIT	21.0000%
SIT	3.75% State Income Tax Rate (Composite).
P	0.0000% Percent of FIT deductible for state purposes (Note 3).
WCLTD	2.38%
WACC	7.53%

Development of Composite State Income Tax Rates for 2018 (Note 1)

Tennessee Income Tax	6.5000%	
Apportionment Factor - Note 2	2.6500%	
Effective State Income Tax Rate		0.17%
Michigan Business Income Tax	6.0000%	
Apportionment Factor - Note 2	0.0200%	
Effective State Income Tax Rate		0.00%
Virginia Net Income Tax	6.0000%	
Apportionment Factor - Note 2	0.0000%	
Effective State Income Tax Rate		0.00%
West Virginia Net Income	6.5000%	
Apportionment Factor - Note 2	54.0800%	
Effective State Income Tax Rate		3.52%
Illinois Corporation Income Tax	9.5000%	
Apportionment Factor - Note 2	0.6500%	
Effective State Income Tax Rate		0.06%
Total Effective State Income Tax Rate		3.75%

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, 2018

Payroll Related Other Taxes	9,042,366	Payroll
Property Related Other Taxes	74,324,513	Property
Direct Production Related	21,043,738	Production
Direct Distribution Related	-	Distribution
Other	16,445,895	Other
Not Allocated ((Gross Receipts, Commission Assessments)	13,797,134	NA
	134,653,646	

Line No.	(A) Annual Tax Expenses by Type	(B) FERC FORM 1 Tie-Back	(C) FERC FORM 1 Reference	(D) Basis
1	<b><u>Revenue Taxes</u></b>			
2	Gross Receipts Tax	13,757,799	pg. 263.1, ln. 3	N/A
		(39,151)	pg. 263.1, ln. 30	N/A
		78,486	pg. 263.1, ln. 31	N/A
		-		N/A
3	<b><u>Real Estate and Personal Property Taxes</u></b>			
4	Real and Personal Property - West Virginia	24,076,492	pg. 263, ln. 33	Property
		24,541,416	pg. 263, ln. 34	Property
		5,356	pg. 263, ln. 37	Property
		89,189	pg. 263, ln. 38	Property
		86,125	pg. 263, ln. 39	Property
5	Real and Personal Property - Virginia	(29,517)	pg. 263.2, ln. 22	Property
		21,597,393	pg. 263.2, ln. 23	Property
		2,174	pg. 263.2, ln. 26	Property
		469,033	pg. 263.2, ln. 27	Property
		-		
6	Real and Personal Property - Tennessee	(67,259)	pg. 263.3, ln. 10	Property
		1,360,995	pg. 263.3, ln. 11	Property
7	Real and Personal Property - Other Jurisdictions	153,159	pg. 263.1, Ln. 34	Property
		2,039,957	pg. 263.1, Ln. 35	Property
		-		Property
8	<b><u>Payroll Taxes</u></b>			
9	Federal Insurance Contribution (FICA)	8,810,745	pg. 263, ln. 6	Payroll

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 8c - Taxes Other Than Income Taxes  
For the Year Ended December 31, 2018

Line No.	(A) Annual Tax Expenses by Type	(B)		(C)	(D)
		FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Basis	
10	Federal Unemployment Tax	56,329	pg. 263, ln. 9	Payroll	
11	State Unemployment Insurance	143,261	pg. 263.1, ln. 18	Payroll	
		2,954	pg. 263.2, ln. 1	Payroll	
		28,898	pg. 263.2, ln. 34	Payroll	
		1	pg. 263.3, ln. 22	Payroll	
12	<b>Production Taxes</b>	178	pg. 263.4, ln. 29	Payroll	
13	State Severance Taxes	-			
14	<b>Miscellaneous Taxes</b>				
15	State Business & Occupation Tax	(150,000)	pg. 263, ln. 20	Production	
		21,193,738	pg. 263, ln. 21	Production	
16	State Public Service Commission Fees	1,990,995	pg. 263, ln. 25	Other	
		3,287,882	pg. 263, ln. 26	Other	
17	State Franchise Taxes	370,825	pg. 263.2, ln. 11	Other	
		10,380,000	pg. 263.2, ln. 12	Other	
		204,690	pg. 263.3, ln. 7	Other	
		208,000	pg. 263.3, ln. 8	Other	
		(25)	pg. 263.3, ln. 33	Other	
		225	pg. 263.3, ln. 34	Other	
		-			
		-			
18	State Lic/Registration Fee	1,700	pg. 263.2, ln. 36	Other	
		300	pg. 263.2, ln. 40	Other	
		20	pg. 263.3, ln. 15	Other	
		-			
		-			
		-			
		-			
		-			
		-			
		-			
19	Misc. State and Local Tax	200	pg. 263.1, ln. 5	Other	
		1,110	pg. 263.1, ln. 6	Other	
		-			
20	Sales & Use	(149)	pg. 263.1, ln. 27	Other	
		22	pg. 263.1, ln. 28	Other	
		100	pg. 263.3, ln. 24	Other	
		1	pg. 263.3, ln. 25	Other	
21	Federal Excise Tax	-			
22	Michigan Single Business Tax				

23

	-
Total Taxes by Allocable Basis	<u>134,653,647</u>
(Total Company Amount Ties to FFI p.114, Ln 14,(c))	

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 9a - Wages and Salaries  
For the Year Ended December 31, 2018

	APCo <sup>1</sup>	AEPSC <sup>2</sup>	Total
Production:			
Operation	26,322,683	21,581,906	47,904,589
Maintenance	31,776,168	5,788,460	37,564,628
Total	58,098,851	27,370,366	85,469,217
Transmission:			
Operation	132,022	11,635,467	11,767,489
Maintenance	307,309	3,651,947	3,959,256
Total	439,331	15,287,414	15,726,745
Distribution:			
Operation	10,669,533	3,770,230	14,439,763
Maintenance	29,101,372	973,159	30,074,531
Total	39,770,905	4,743,389	44,514,294
Customer Accounts	8,599,596	8,505,232	17,104,828
Customer Service and Informational	2,527,822	257,269	2,785,091
Sales	0	1,085	1,085
<b>Total Wages and Salaries Excluding A &amp; G</b>	<b>109,436,505</b>	<b>56,164,755</b>	<b>165,601,260</b>
Administrative and General			
Operation	3,097,065	28,063,786	31,160,851
Maintenance	2,981,740	318,428	3,300,168
Total	6,078,805	28,382,214	34,461,019
Total O & M Payroll	115,515,310	84,546,969	200,062,279

<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  
Worksheet 9b - Production Payroll Demand/Energy Allocation  
For the Year Ended December 31, 2018

<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	13,966,856		13,966,856	CBR
501 Fuel		3,216,579	3,216,579	
502 Steam Expense	10,059,133		10,059,133	
505 Electric Expense	64,387		64,387	
506 Misc. Steam Power Expense	10,749,202		10,749,202	
510 Maintenance Supv & Engineering		4,283,044	4,283,044	
511 Maintenance of Structures	1,207,411		1,207,411	
512 Maintenance of Boiler Plant		11,678,550	11,678,550	
513 Maintenance of Electric Plant		4,925,118	4,925,118	
514 Maintenance of Misc Plant	11,933,109		11,933,109	
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		19,259	19,259	
532 Maintenance of Misc Nuclear Plant		-	0	
535 Operation Supv & Engineering	1,174,258		1,174,258	
536 Water for Power	42,162		42,162	
537 Hydraulic Expenses	289,610		289,610	
538 Electric Expenses	15,901		15,901	
539 Miscellaneous Hydraulic Power	1,980,370		1,980,370	
540 Rents	2,696		2,696	
541 Maintenance Supv & Engineering	286,062		286,062	
542 Maintenance of Structures	1,118,930		1,118,930	
543 Maint of Reservoirs, Dams and Waterways	828,199		828,199	
544 Maintenance of Electric Plant		952,410	952,410	
545 Maintenance of Misc Hydraulic Plant	83,615		83,615	
546 Operation Supv & Engineering	230,279		230,279	
547 Fuel		65,714	65,714	
548 Generation Expenses	292,500		292,500	
549 Misc Power Generation Exp	10,337		10,337	
553 Maintenance of Generating & Electric Plant	248,921		248,921	
554 Maintenance of Misc Other Power Gen Plant	0		0	
555 Purchased Power	0	0	0	
556 System Control	1,525,315		1,525,315	
557 Other Expense	4,219,290		4,219,290	
<b>Total Allocated Labor Expense</b>	<b>60,328,543</b>	<b>25,140,674</b>	<b>85,469,217</b>	
Allocation Factors	0.7058511253	0.2941488747	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, 2018

**Production**

	<u>Account</u>	<u>Amount</u>	<u>Source</u>
500	Operation Supv & Engineering	21,444,084	320.4.(b)
501	Fuel	548,076,552	320.5.(b)
502	Steam Expenses	46,100,951	320.6.(b)
505	Electric Expenses	297,911	320.9.(b)
506	Misc. Steam Power Expense	34,597,262	320.10.(b)
507	Rents	16,527	320.11.(b)
509	Allowances	214,882	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	1,691,184	320.44.(b)
536	Water for Power	13,179	320.45.(b)
537	Hydraulic Expenses	1,038,832	320.46.(b)
538	Electric Expenses	38,773	320.47.(b)
539	Miscellaneous Hydraulic Power	3,568,381	320.48.(b)
540	Rents	269,758	320.49.(b)
546	Operation Supv & Engineering	284,992	321.62.(b)
547	Fuel	6,112,976	321.63.(b)
548	Generation Expenses	339,394	321.64.(b)
549	Misc. Power Generation Expense	32,911	321.65.(b)
	Total Operation	664,138,549	
510	Maintenance Supv & Engineering	5,443,299	320.15.(b)
511	Maintenance of Structures	6,205,923	320.16.(b)
512	Maintenance of Boiler Plant	57,158,604	320.17.(b)
513	Maintenance of Electric Plant	13,785,349	320.18.(b)
514	Maintenance of Misc Plant	18,399,628	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	325,645	320.53.(b)
542	Maintenance of Structures	4,250,568	320.54.(b)
543	Maintenance of Reservious, Dams and Waterways	3,798,214	320.55.(b)
544	Maintenance of Electric Plant	3,726,533	320.56.(b)
545	Maintenance of Miscellaneous Hydraulic Plant	395,149	320.57.(b)
551	Maintenance Supv & Engineering	0	321.69.(b)
553	Maintenance of Generating & Electric Plant	904,868	321.71.(b)
554	Maintenance of Misc. Other Power Gen. Plant	0	321.72.(b)
	Total Maintenance	114,393,781	
555	Purchased Power	546,598,415	321.76.(b)
556	System Control	2,115,640	321.77.(b)
557	Other Expense	7,230,293	321.78.(b)
	Total Other	555,944,347	321.79.(b)
	Total Production	1,334,476,676	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, 2018

**Transmission**

560	Operation Supv & Engineering	12,905,648	321.83.(b)
561.1	Load Dispatch-Reliability	120	321.85.(b)
561.2	Load Dispatch-Monitor and Operate	2,163,692	321.86.(b)
561.3	Load Dispatch-Transmission Service	0	321.87.(b)
561.4	Scheduling, System Control	7,509,381	321.88.(b)
561.5	Reliability, Planning and Standards Dev.	457,271	321.89.(b)
561.6	Transmission Service Studies	61	321.90.(b)
561.7	Generation Interconnection Studies	0	321.91.(b)
561.8	Reliability, Planning and Standards Dev.	1,855,896	321.92.(b)
562	Station Expense	1,348,193	321.93.(b)
563	Overhead Line Expense	138,924	321.94.(b)
564	Underground Line Expense	(47,239)	321.95.(b)
565	Trans of Electricity by Others	119,301,838	321.96.(b)
566	Misc Transmission Expense	50,263,110	321.97.(b)
567	Rents	119,251	321.98.(b)
	Total Operation	196,016,145	321.99.(b)
568	Maintenance Supv & Engineering	188,327	321.101.(b)
569	Maintenance of Structures	80,150	321.102.(b)
569.1	Mainteneance of Computer Hardware	40,227	321.103.(b)
569.2	Maintenance of Computer Software	708,269	321.104.(b)
569.3	Maintenance of Communication Equip	77,425	321.105.(b)
570	Maintenance of Station Equip	3,111,284	321.107.(b)
571	Maintenance of OH Lines	16,616,238	321.108.(b)
572	Maintenance of UG Lines	(3,488)	321.109.(b)
573	Maintenance of Misc Trans	146,936	321.110.(b)
	Total Maintenance	20,965,368	321.111.(b)
	Total Transmission	216,981,513	321.112.(b)

**Regional Market Expense**

575.7	Market Facilitation, Monitoring and Compliance	6,204,406	322.121.(b)
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**Distribution**

580	Operation Supv & Engineering	5,438,735	322.134.(b)
581	Load Dispatching	48,147	322.135.(b)
582	Station Expense	1,500,854	322.136.(b)
583	Overhead Line Expense	1,154,134	322.137.(b)
584	Underground Line Expense	1,518,110	322.138.(b)
585	Street Lighting	55,770	322.139.(b)
586	Meter Expenses	2,184,317	322.140.(b)
587	Customer Installations	912,862	322.141.(b)
588	Misc Distribution Expense	18,279,009	322.142.(b)
589	Rents	1,964,844	322.143.(b)
	Total Operation	33,056,783	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, 2018

590	Maintenance Supv & Engineering	173,879	322.146.(b)
591	Maintenance of Structures	95,784	322.147.(b)
592	Maintenance of Station Equip	1,663,294	322.148.(b)
593	Maintenance of OH Lines	159,719,678	322.149.(b)
594	Maintenance of UG Lines	965,145	322.150.(b)
595	Maintenance of Line Trsfrs	2,181,330	322.151.(b)
596	Maintenance of Street Lights	281,962	322.152.(b)
597	Maintenance of Meters	403,492	322.153.(b)
598	Maintenance of Misc Dist Plant	4,138,983	322.154.(b)
	Total Maintenance	<u>169,623,548</u>	322.155.(b)
	Total Distribution	202,680,332	322.156.(b)
<b>Customer Accounts</b>			
901	Supervision	503,555	322.159.(b)
902	Meter Reading Expenses	4,650,117	322.160.(b)
903	Customer Records/Collection	26,600,975	322.161.(b)
904	Uncollectible Accounts	8,375,464	322.162.(b)
905	Misc Customer Accts Exp	80,517	322.163.(b)
	Total Customer Accounts	<u>40,210,627</u>	322.164.(b)
<b>Customer Service and Informational</b>			
907	Supervision	594,119	323.167.(b)
908	Customer Assistance	18,946,689	323.168.(b)
909	Info & Instructional Adv	219	323.169.(b)
910	Misc Cust Service & Info Expense	13,347	323.170.(b)
	Total Customer Service	<u>19,554,373</u>	323.171.(b)
<b>Sales Expense</b>			
911	Supervision	19	323.174.(b)
912	Selling Expenses	337,942	323.175.(b)
913	Advertising Expenses	0	323.176.(b)
916	Misc Sales Expense	0	323.177.(b)
	Total Sales Expense	<u>337,960</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, 2018

**Administrative and General**

920	A & G Salaries	40,186,636	323.181.(b)
921	Office Supplies & Exp	5,765,303	323.182.(b)
922	Adm Exp Trsfr - <b>Credit</b>	(4,852,438)	323.183.(b)
923	Outside Services	13,542,216	323.184.(b)
924	Property Insurance	3,492,688	323.185.(b)
925	Injuries and Damages	11,924,616	323.186.(b)
926	Employee Benefits	5,823,312	323.187.(b)
926a	Less: Actual Employee Benefits (Note A)	(6,642,279)	
926b	Allowed Employee Benefits (Note B)	6,222,780	
926	Employee Benefits	<u>5,403,813</u>	
927	Franchise Requirements	0	323.188.(b)
928	Regulatory Commission Exp	5,156,866	323.189.(b)
929	Duplicate Charges - <b>Credit</b>	(134,581)	323.190.(b)
930.1	General Advertising Expense	815,338	323.191.(b)
930.2	Misc General Expense	5,156,200	323.192.(b)
930.2	Company Dues and Memberships	789,604	323.192.(b)
931	Rents	<u>1,255,664</u>	323.193.(b)
	Total Operation	88,501,925	320.194.(b)
935	Maintenance of Gen Plant	<u>11,917,545</u>	323.196.(b)
	Total Maintenance	11,917,545	
	Total Administrative & General	<u>100,419,470</u>	323.197.(b)
	Total O & M Expenses	<u><u>1,920,865,357</u></u>	323.198.(b)
	Total Elec O & M Exp. - FERC Form1 pg. 323, L. 198(b)	1,921,284,856	
	Difference	419,499	

Actual Expense - Removed from Cost of Service		
Note A:	Acct 926 (0039) PBOP Gross Cost	(6,642,279)
	Acct 926 (0057) PBOP Medicare Part Subsidy	0
	PBOP Amounts in Annual Informational Filing	(6,642,279)
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, 2018

	FF1, pg., Ln. Col.	Amount
<i>Retail</i>		
Misc. Exp.	351, Ln. 29, Col(h)	140,208
Virginia RPS-RAC	351, Ln. 31, Col(h)	47,088
Virginia IRP	351, Ln. 33, Col(h)	441,342
West Virginia ENEC	351, Ln. 35, Col(h)	37,553
West Virginia Base Case	351, Ln. 39, Col(h)	1,673,210
W V IRP Filing	351, Ln. 41, Col(h)	368,341
Virginia Fuel Filing	351, Ln. 43, Col(h)	99,950
Virginia Demand Response	351, Ln. 45, Col(h)	1,395
Virginia T-RAC	351.1, Ln. 1, Col(h)	31,975
VA Exp Solar	351.1, Ln. 3, Col(h)	490
Wind Solar RFP	351.1, Ln. 5, Col(h)	407
VA Gen Rate Adj Clause	351.1, Ln. 11, Col(h)	129,946
Va Rate Freeze Law Challenge	351.1, Ln. 13, Col(h)	1,368
Va Renewable Tariff Filing	351.1, Ln. 15, Col(h)	95,528
Return on Equity Filing	351.1, Ln. 17, Col(h)	98,398
Show Cause	351.1, Ln. 19, Col(h)	17,071
VA Wind Gen RAC Filing	351.1, Ln. 21, Col(h)	147,648
WV Veg Mgt Surcharge	351.1, Ln. 24, Col(h)	117,826
WV EE/DR	351.1, Ln. 25, Col(h)	2,706
VA EE RAC	351.1, Ln. 27, Col(h)	42,665
Hardin Beech Ridge Purchase Filing	351.1, Ln. 29, Col(h)	70,841
WV 2018 Depreciation Study	351.1, Ln. 31, Col(h)	59,926
VA Acq of Breaks State Park Dist. System	351.1, Ln. 33, Col(h)	42,581
<i>Total Retail</i>		3,668,463
 <i>Wholesale - FERC<sup>1</sup></i>		
Smith Mountain - Adm. Federal Power Act	351, Ln. 3, Col(h)	1,022,642
Leesville Hydro Project - Adm. Federal Power Act	351, Ln. 7, Col(h)	79,618
Claytor Hydro Project - Adm. Federal Power Act	351, Ln. 11, Col(h)	131,077
Byllesby Buck Hydro Project - Adm. Federal Power Act	351, Ln. 15, Col(h)	61,284
Marmet and London Hydro - Adm. Federal Power Act	351, Ln. 19, Col(h)	73,392
Winfield Hydro - Adm. Federal Power Act	351, Ln. 23, Col(h)	41,948
Niagara Hydro Project - Adm. Federal Power Act	351, Ln. 27, Col(h)	4,081
<i>Total Wholesale</i>		1,414,042
 <i>PJM FERC</i>	351, Ln. 37, Col(h)	7,908
FERC 205 Filing	351.1, Ln. 7, Col(h)	51,838
FERC 206 Filing	351.1, Ln. 10, Col(h)	14,615
		74,361
 Total FF1, pg. 351, Ln. 46, Col(h)		5,156,866

<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, 2018

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-18	4,006,253,056	112.16.c	0	0	0	112.3.c,6.c.,7.c.	(3,463,213)	112.12.c.	(4,942,665)	112.15.c.	4,014,658,934

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

Account No.	Description		Dec-18
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 Rsls/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	17,554,349
10	2160001	Unapprop Retnd Erngs-Unrestrictd	1,700,012,215
11	4330000	Transferred from Income	368,007,651
12	4370000	Div Decl-PS Not Sub to Man Red	-
13	4380001	Dividends Declared	(160,000,000)
14	4390000	Adj to Retained Earnings	-
15		Retained Earnings	1,925,574,215
		Source <sup>1</sup>	112.11.c
16	2161001	Unap Undist Consol Sub Erng	(3,463,213)
17	2161002	Unap Undist Nonconsol Sub Erng	-
18	4181001 & 002	Equity in Earnings	-
19		Unapprop Sub Earnings	(3,463,213)
		Source <sup>1</sup>	112.12.c
20	2190002	OCI-Min Pen Liab FAS 158-Affil	(4,454,249)
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	(2,214,291)
24	2190010	OCI-for Commodity Hedges	-
25	2190015	Accum OCI-Hdg-CF-Int Rate	1,790,027
26	2190016	Accum OCI-Hdg-CF-For Exchg	(64,151)
27		Acc Oth Comp Inc	(4,942,665)
		Source <sup>1</sup>	112.15.c
28		Total Capital	4,006,253,056
29		Common Equity Balance	4,014,658,934

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, 2018

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-17	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, 2018

Line	Period	Advances from Associated Co	FF1 Reference	Bonds	FF1 Reference	(Reacquired Bonds)	FF1 Reference	Installment Purchase	FF1 Reference	Senior Unsecured Notes	FF1 Reference	Debntr 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-18	0	112.20.c.	274,760,610	112.18.c.	0	112.19.c.	0	257.col.(h)	3,820,635,244	257.col.(h)	0	257.col.(h)	4,095,395,854	FF1, 112.24.c & 112.23.c
2	Dec-18	0		274,760,610		0		0		3,820,635,244		0		4,095,395,854	

Appalachian Power Company  
Interest & Amortization on Long-Term Debt  
For the Year Ending December 31, 2018

Line	Description	Acct	Amount
1	Interest	IPC 4270002	14,603,368
2	Interest	Debentures 4270004	8,581,404
3	Interest	Other LTD 4270005	4,312,905
4	Interest	Unsecured 4270006	158,758,664
5	Interest	PurC 4270202	(498,096)
6		(FF1, P.117,L.62)	185,758,245
7	Amort Debt Disc/ Exp	Acct 428 (FF1, P.117, L.63)	3,440,689
8	Amort Loss Reacq	Acct 428.1 (FF1, P.117, L.64)	3,936,995
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 Deb		193,135,928
13	Reconciliation to FF1, 257, 33, i		
14	Interest on LT Debt	Line 6	185,758,245
15	Interest on Assoc LT Debt	Line 9	-
16	Total (FF1, 257, 33, i)		185,758,245

17 Amortization of Hedge Gain / Loss included in Acct 4270006 (subject to limit on B-13) (1,128,834)

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

Reconciliation Account 430	
4300001 Interest Expense Long Term Debt	-
4300003 Interest Expense Short Term Debt	4,019,311
FF1, pg. 117, Ln. 67	4,019,311

Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 13a - Recoverable Hedge Gains/Losses  
For the Year Ended December 31, 2018

HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (l) 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, 2018)	Net Includable Hedge Amount	Remaining Unamortized Balance	Amortization Period	
					Beginning	Ending
Senior Unsecured Notes - Series I	-		-	0	Jan-05	Jul-14
Senior Unsecured Notes - Series K			-	0	Jun-05	May-15
Senior Unsecured Notes - Series L	-		-	-	Sep-05	Sep-15
Senior Unsecured Notes - Series H	37,120		37,120	531,356	May-03	May-33
Senior Unsecured Notes - Series N	(194,199)		(194,199)	(3,349,923)	Apr-06	Apr-36
Senior Unsecured Notes - Series Q	159,678		159,678	3,067,005	Mar-08	Apr-38
Senior Unsecured Notes - Series S	-		-		May-10	May-15
Senior Unsecured Notes - Series T	(1,131,434)		(1,131,434)	(2,514,294)	Mar-11	Mar-21
			-			
<b>Total Hedge Amortization</b>	<b>(1,128,834)</b>	<b>-</b>	<b>(1,128,834)</b>	<b>(2,265,856)</b>		



Appalachian Power Company  
Capacity Cost of Service Formula Rate  
Workpaper 14 - Non-Fuel Power Production O&M Expenses  
For the Year Ending December 31, 2018

Account		Less Carbon		Total	Source <sup>1</sup>
		December	Capture Expense <sup>2</sup>		
500	Demand	21,444,084		21,444,084	320.4.(b)
502	Demand	46,100,951		46,100,951	320.6.(b)
503	Energy	0		0	320.7.(b)
504 - Cr.	Energy	0		0	320.8.(b)
505	Demand	297,911		297,911	320.9.(b)
506	Demand	34,597,262	0	34,597,262	320.10.(b)
507	Demand	16,527		16,527	320.11.(b)
509	Energy	214,882		214,882	320.12.(b)
510	Energy	5,443,299		5,443,299	320.15.(b)
511	Demand	6,205,923		6,205,923	320.16.(b)
512	Energy	57,158,604		57,158,604	320.17.(b)
513	Energy	13,785,349		13,785,349	320.18.(b)
514	Demand	18,399,628		18,399,628	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	1,691,184		1,691,184	320.44.(b)
536	Demand	13,179		13,179	320.45.(b)
537	Demand	1,038,832		1,038,832	320.46.(b)
538	Demand	38,773		38,773	320.47.(b)
539	Demand	3,568,381		3,568,381	320.48.(b)
540	Demand	269,758		269,758	320.49.(b)
541	Demand	325,645		325,645	320.53.(b)
542	Demand	4,250,568		4,250,568	320.54.(b)
543	Demand	3,798,214		3,798,214	320.55.(b)
544	Energy	3,726,533		3,726,533	320.56.(b)
545	Demand	395,149		395,149	320.57.(b)
546	Demand	284,992		284,992	321.62.(b)
548	Demand	339,394		339,394	321.64.(b)
549	Demand	32,911		32,911	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	904,868		904,868	321.71.(b)
554	Demand	0		0	321.72.(b)
<hr/>					
Total		224,342,801	0	224,342,801	
<hr/>					
Demand		144,014,134	0	144,014,134	
Energy		80,328,667	0	80,328,667	
Total		224,342,801	0	224,342,801	
<hr/>					
Demand	%			64.194%	
Energy	%			35.806%	
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, 2018

<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-17	53,100,621	493,497,793	0	546,598,414
Total	53,100,621	493,497,793	0	546,598,414
	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, 2018

<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-18	6,620,880	0	89,619,864	96,240,744
<u>Month</u>			<u>(\$) Margins</u> <sup>2</sup>	
Dec-18			9,347,010	

<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, 2018

company	asset_location	utility_account	depr_group	state	month	book_cost	allocated_reserve	net_book_value
	Niagara Hydro Plant : APCo : 0650	35200 - Structures and Improvements	APCo 1016 352 GSU	VA	12/2018	1,579.00	785.12	793.88
	John E. Amos Generating Plant Unit 3 : APCo : 0743	35200 - Structures and Improvements	APCo 1016 352 GSU	WV	12/2018	24,415.85	10,021.82	14,394.03
	Cinch River 138KV Substation : APCo : 0771	35200 - Structures and Improvements	APCo 1016 352 GSU	VA	12/2018	46,746.00	26,846.46	19,899.54
	John E. Amos Generating Plant Units 1 & 2 : APCo : 0740	35200 - Structures and Improvements	APCo 1016 352 GSU	WV	12/2018	61,600.00	35,714.70	25,885.30
	Mountaineer Generating Plant : APCo : 0710	35200 - Structures and Improvements	APCo 1016 352 GSU	WV	12/2018	84,966.37	39,542.68	45,423.69
	Dresden Generating Plant : APCo : DRRESGP	35300 - Station Equipment	APCo 1016 353 Dresden P/OH	OH	12/2018	20,535,465.43	1,159,610.32	19,375,855.11
	Dresden Plant : Virginia AFUDC : APCo : DRAFUDCVA	35300 - Station Equipment	APCo 1016 353 Dresden P/OH	OH	12/2018	1,628,160.99	665,613.36	1,062,547.63
	Marmet Hydro 46KV Substation : APCo : 0511	35300 - Station Equipment	APCo 1016 353 GSU	WV	12/2018	25,751.00	20,421.60	5,329.40
	Byllesby Hydro Plant : APCo : 0630	35300 - Station Equipment	APCo 1016 353 GSU	VA	12/2018	132,441.00	99,055.11	33,385.89
	Leesville 138KV Substation : APCo : 0691	35300 - Station Equipment	APCo 1016 353 GSU	VA	12/2018	193,579.48	151,955.01	41,624.47
	London Hydro 46KV Substation : APCo : 0521	35300 - Station Equipment	APCo 1016 353 GSU	WV	12/2018	368,061.00	223,187.52	142,873.48
	Niagara Hydro Plant : APCo : 0650	35300 - Station Equipment	APCo 1016 353 GSU	VA	12/2018	374,454.12	94,283.79	280,170.33
	Cinch River Generating Plant : APCo : 0770	35300 - Station Equipment	APCo 1016 353 GSU	VA	12/2018	539,626.53	385,490.98	154,135.55
	Claytor 138KV Substation : APCo : 0621	35300 - Station Equipment	APCo 1016 353 GSU	VA	12/2018	673,990.00	347,673.27	326,316.73
	John E. Amos Generating Plant Common Facilities for Units 1 :	35300 - Station Equipment	APCo 1016 353 GSU	WV	12/2018	1,168,092.20	704,567.57	463,524.63
	Smith Mountain Pumped Storage Hydro Plant : APCo : 0550	35300 - Station Equipment	APCo 1016 353 GSU	VA	12/2018	1,733,380.40	900,512.73	832,867.67
	Winfield Hydro 69KV Substation : APCo : 0531	35300 - Station Equipment	APCo 1016 353 GSU	WV	12/2018	1,959,826.26	561,630.33	1,398,295.93
	Ceredo Generating Plant : APCo : CERSGP	35300 - Station Equipment	APCo 1016 353 GSU	WV	12/2018	5,398,124.18	1,684,890.95	3,713,233.23
	John E. Amos Generating Plant Unit 3 : APCo : 0743	35300 - Station Equipment	APCo 1016 353 GSU	WV	12/2018	13,812,138.53	7,017,227.76	6,794,910.77
	John E. Amos Generating Plant Units 1 & 2 : APCo : 0740	35300 - Station Equipment	APCo 1016 353 GSU	WV	12/2018	16,175,919.24	5,522,930.34	10,652,988.90
	Mountaineer Generating Plant : APCo : 0710	35300 - Station Equipment	APCo 1016 353 GSU	WV	12/2018	16,972,022.85	1,759,267.18	15,212,755.67
						<b>81,906,440.43</b>	<b>21,341,228.60</b>	<b>60,565,211.83</b>

Appalachian Power Company  
 Workpaper 17-Balance of Transmission Investment  
 Capacity Cost of Service Formula Rate  
 Balance as of December 2018

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	1,366,357,856	194,457,401	11,657,077	(1,559,555)	-	1,547,598,625	1/1/18	12/31/18

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, 2018

		<u>Source</u> <sup>1 2</sup>
<u>Fuel</u>		
Fuel - Account 501	548,076,552	320, 5, b
Fuel - Account 518	0	320, 25, b
Fuel - Account 547	6,112,976	321, 63, b
Total Fuel	554,189,528	
<u>Other</u>		
Fuel Handling	22,584,919	CBR
Sale of Fly Ash (Revenue & Expense)	(1,339,701)	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, 2018

	End of Year		
	Total	Demand <sup>1</sup>	Energy
Production	428,415	428,415	0
Transmission	1,632,033		
Distribution	2,445,120		
General	3,719		
Total	4,509,287	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.