

**Formula Rate Update for AEP East  
To be Effective July 1, 2009 through June 30, 2010  
Docket No ER08-1329**

Pursuant to Attachment H- 14A (Formula Rate Implementation Protocols) in PJM Tariff, AEP has recalculated its Annual Transmission Revenue Requirements (ATRR) and is producing “Annual Update” for the upcoming Rate Year beginning July 1, 2009 through June 30, 2010. All the files pertaining to Annual Update are being submitted for posting on the PJM website in Excel format along with supporting work papers. The first file provides the ATRR, AEP Network transmission rate, Schedule 1A rate and Annual transmission revenue requirement for RTEP projects.

AEP network service rate will increase effective July 1, 2009 from \$24,239.56 per MW per year to \$25,339.25 per MW per year with the AEP annual revenue requirement increasing from \$586,764,524 to \$613,384,744.

The AEP Schedule 1A rate is also revised from \$0.0550 per MWh to \$.0711 per MWh.

The annual revenue requirement for two RTEP projects, b0504 (Hanging Rock) of \$894,796 and b0318 (Amos 765/138 kV Transformer) of \$2,251,918 is to be collected under PJM Tariff Schedule 12.