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October 15, 2014

BY HAND DELIVERY

Ms. Ingrid Ferrell
Executive Secretary
West Virginia Public Service Commission
201 Brooks Street
Charleston, WV 25301

04:41 PM OCT 15 2014 PSC EXEC SEC DIV

Re: *Case No. 12-1188-E-PC (Closed Entry)*
Application for Securitization Approval pursuant to
W.Va. Code §24-2-4f and Approval of Affiliated
Agreements pursuant to W.Va. Code §24-2-12.

Dear Ms. Ferrell:

I am enclosing herewith on behalf of Appalachian Power Company ("APCo") for filing as a closed entry in the above-referenced proceeding the original and twelve (12) copies of APCo's first annual standard true-up adjustment pursuant to Section Q of the Commission's September 20, 2013 Financing Order in the above-referenced proceeding. APCo, as servicer of the consumer rate relief bonds, is filing this adjustment to correct overcollections during the previous collection period and to ensure the billing of consumer rate relief charges necessary to generate timely collection of amounts sufficient to pay in full the Periodic Payment Requirements for the upcoming collection periods.

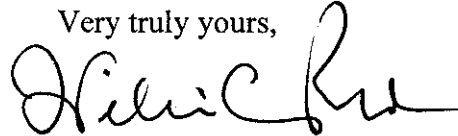
This filing consists of the following elements:

- (1) Calculation of APCRR Rates
- (2) Reconciliation of Excess Funds Subaccount Balance
- (3) Summary of Rate Design Calculation
- (4) First Revision of Original Sheet No. 35 and Fifth Revision of Original Sheet No. 1-2
of APCo's P.S.C.W.Va. Tariff No. 13.
- (5) Consumer Rate Relief Charges for Special Contract Customers
- (6) Semi-Annual Servicer's Certificate

Ms. Ingrid Ferrell
October 15, 2014
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If the Commission has any questions about this filing or concludes that there are any mathematical error(s) in the application of the adjustment mechanism, please do not hesitate to contact the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "William C. Porth". The signature is fluid and cursive, with a large initial "W" and a long, sweeping tail.

William C. Porth
(W.Va. State Bar #2943)

Counsel for Appalachian Power Company

WCP:sr
Enclosures

**AEP/Appalachian Consumer Rate Relief
CALCULATION OF APCRR RATES
Utilizing a Standard True-Up Adjustment
for the Billing Period of November 2014 through October 2015**

Periodic Billing Requirement ("PBR") November 2014 through October 2015	33,617,756.00
Overrecovery Balance* (November 2013 through October 2015)	(560,538.78)
Adjusted PBR November 2014 through October 2015	33,057,217.22

Revenue Class	Rate Class Allocation	Section 101 (d) Adjusted PBR Nov 2014 - Oct 2015 *
Residential	38.68%	12,786,531.62
Commercial		
Secondary (SWS,SGS, SS-Secondary, GS-Secondary)	20.62%	6,816,398.19
Primary	2.00%	661,144.34
Subtransmission	0.14%	46,280.10
Special Contract C	0.00%	-
Athletic Fields	0.03%	9,917.17
OL& SL	0.44%	145,451.76
Industrial		
Secondary (LCP & IP Secondary)	1.56%	515,692.59
Primary (LCP & IP Primary)	10.27%	3,394,976.21
Subtransmission (LCP & IP Subtransmission)	11.89%	3,930,503.13
Transmission (LCP & IP- Tran, Spec Contract K)	8.16%	2,697,468.92
Special Contract A (Spec Contract A)	2.47%	816,513.27
Industrial - Special Contract B (Spec Contract B)	2.13%	704,118.73
Industrial - Special Contract D (Spec Contract D)	0.57%	188,426.14
Industrial - Special Contract I (Spec Contract I)	1.04%	343,795.06
Total	Totals	33,057,217.22

* - Since the October 2014 actual collections are not known, yet, the Model Collections were used.

**AEP/Appalachian Consumer Rate Relief
Utilizing a Standard True-Up Adjustment
for the Billing Period of November 2014 through October 2015**

Reconciliation of Excess Funds Subaccount Balance from July Monthly Servicer Certificate to Annual True Up Over Collection

Sub Account Balance as of Semi-Annual Servicer Certificate \$ 772,923.62

	<u>Model Projected Collections</u>	<u>Actual Collections</u>	<u>Over-/(Under-) Collections</u>
July	\$ 2,614,819.18	\$ 2,595,622.09	\$ 188,230.21
August	\$ 2,765,473.98	\$ 2,545,682.53	\$ (219,791.45)
September	\$ 2,716,531.85	\$ 2,535,708.25	\$ (180,823.60)
October	\$ 2,396,342.70	\$ 2,396,342.70	\$ -
Total Section 101 (a) Over Collections (November 2013 - October 2014)			<u>\$ 560,538.78</u>

CRR Rate Classes	Revenue Allocation Percentage	Forecasted Demand (kW)	Relative percentage of total revenue requirement	Forecasted Energy		Periodic Billing Requirement for each CRR Rate Class		Customer Rate Relief Charge (\$/kWh)	Customer Rate Relief Charge (\$/kW)	Revenue Verification	Consumer Rate Relief Revenue Group
				Nov 2014	Oct 2015 (kWh)	Demand	Energy				
Residential (RS, RS- TOD)	36.68%			5,518,610,196			\$ 12,786,531.62			\$12,786,532.08	Residential
Commercial - Secondary (SWS, SGS, SS-Secondary, GS-Secondary)	20.63%			3,176,975,649			\$ 6,816,398.19			\$ 6,816,398.23	Commercial
Commercial - Primary (SS & GS Primary)	2.00%			331,547,291			\$ 661,144.34			\$ 661,144.35	
Commercial - Subtransmission (GS- Subtransmission)	0.14%			29,377,555			\$ 46,280.10			\$ 46,280.10	
Commercial - Special Contract C (Spec Contract C)	0.00%			2,210,715			\$ -			\$ -	
Commercial - Athletic Fields (GS- AF & SS -AF)	0.03%			7,678,064			\$ 9,917.17			\$ 9,917.17	
Commercial - OL & SL (OL & SL)	0.44%			100,621,954			\$ 145,451.76			\$ 145,451.76	
Industrial - Secondary (LCP & IP Secondary)	1.56%	33,404	46.14%	134,338,103	515,692.59	\$ 237,952.85	\$ 277,739.74	0.207	0.594	\$ 515,692.44	Industrial
Industrial - Primary (LCP & IP Primary)	10.27%	276,685	34.29%	1,230,302,334	3,394,976.21	\$ 1,164,134.89	\$ 2,230,841.32	0.181	0.351	\$ 3,394,975.65	
Industrial - Subtransmission (LCP & IP Subtransmission)	11.88%	397,626	34.60%	1,314,033,893	3,930,503.13	\$ 1,360,118.57	\$ 2,570,384.56	0.196	0.285	\$ 3,930,502.57	
Industrial - Transmission (LCP & IP- Tran, Spec Contract K)	8.15%	330,158	30.27%	1,169,175,476	2,697,468.92	\$ 816,594.00	\$ 1,880,874.92	0.161	0.206	\$ 2,697,469.51	
Industrial - Special Contract A (Spec Contract A)	2.47%	50,000	38.43%	324,000,000	816,513.27	\$ 313,763.06	\$ 502,750.20	0.155	0.523	\$ 816,513.02	
Industrial - Special Contract B (Spec Contract B)	2.13%	110,000	19.41%	457,281,487	704,118.73	\$ 136,698.75	\$ 567,419.98	0.124	0.104	\$ 704,119.22	
Industrial - Special Contract D (Spec Contract D)	0.57%	37,656	0.00%	211,061,900	188,426.14	\$ -	\$ 188,426.14	0.089	0.000	\$ 188,426.14	
Industrial - Special Contract I (Spec Contract I)	1.04%	38,833	28.79%	192,093,442	343,795.06	\$ 98,966.77	\$ 244,828.29	0.127	0.212	\$ 343,795.05	
	100.00%			14,199,308,059		\$ 4,128,228.90	\$ 28,928,988.32			\$ 33,057,217.29	
							\$ 33,057,217.22				

P.S.C. W.VA. TARIFF NO. 13 (APPALACHIAN POWER COMPANY)
P.S.C. W.VA. TARIFF NO. 18 (WHEELING POWER COMPANY)

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(continued)

COGEN/SPP	Cogeneration and/or Small Power Production Service	21-1 thru 21-3
E.C.S.	Emergency Curtailable Service Rider	24-1 thru 24-3
P.C.S.	Price Curtailable Service Rider	25-1 thru 25-3
N.M.S.	Net Metering Service.....	26-1 thru 26-4
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E.E./D.R.	Energy Efficiency/Demand Response Cost Recovery Rider.....	33
ENEC	Expanded Net Energy Charge.....	34
(C) CRRC	Consumer Rate Relief Charges.....	35

(C) Indicates Change, (D) Indicates Decrease, (I) Indicates Increase, (N) Indicates New, (O) Indicates Omission, (T) Indicates Temporary

Issued Pursuant to
P.S.C. West Virginia
Case No. 12-1188-E-PC
Order Dated September 20, 2013

Issued By
Charles R. Patton, President & COO
Charleston, West Virginia

Effective: Service rendered on or after
November 1, 2014

(See Sheet Nos. 2-1 through 2-7 for Applicability)

P.S.C. W.VA. TARIFF NO. 13 (APPALACHIAN POWER COMPANY)

Consumer Rate Relief Charges
 (CRRC)

A Consumer Rate Relief Charge (CRRC) will be applied to customers' bills rendered on or after November 1, 2014 under the applicable Schedules as set forth in the table below.

	<u>Schedule</u>	<u>Energy</u> (¢/kWh)	<u>Demand</u> (\$/kW)
(D)	RS	0.232	
	RS-TOD		
(D)	On-peak	0.232	
(D)	Off-peak	0.232	
(D)	SWS	0.215	
(D)	SGS	0.215	
	SGS-LM-TOD		
(D)	On-peak	0.215	
(D)	Off-peak	0.215	
	SS		
(D)	Secondary	0.215	
(D)	Primary	0.199	
(D)	AF	0.129	
	GS		
(D)	Secondary	0.215	
(D)	Primary	0.199	
(D)	Subtransmission	0.158	
	Transmission	0.000	
(D)	AF	0.129	
	GS-TOD		
(D)	On-peak Secondary	0.215	
(D)	Off-peak Secondary	0.215	
(D)	On-peak Primary	0.199	
(D)	Off-peak Primary	0.199	
	LCP		
(C)	Secondary	0.207	0.594
(C)	Primary	0.181	0.351
(C)	Subtransmission	0.196	0.285
(C)	Transmission	0.161	0.206
	IP		
(C)	Secondary	0.207	0.594
(C)	Primary	0.181	0.351
(C)	Subtransmission	0.196	0.285
(C)	Transmission	0.161	0.206
(D)	OL	0.145	
(D)	SL	0.145	

(C) Indicates Change, (D) Indicates Decrease, (I) Indicates Increase, (N) Indicates, New (O) Indicates Omission, (T) Indicates Temporary

Issued Pursuant to
 P.S.C. West Virginia
 Case No. 12-1188-E-PC
 Order Dated September 20, 2013

Issued By
 Charles R. Patton, President & COO
 Charleston, West Virginia

Effective: Service rendered on or after
 November 1, 2014

CONSUMER RATE RELIEF CHARGES FOR SPECIAL CONTRACT CUSTOMERS

<u>Special Contract Customer</u>	<u>Energy</u> (¢/kWh)	<u>Demand</u> (\$/kW)
Special Contract A	0.155	0.523
Special Contract B	0.124	0.104
Special Contract D	0.089	0.000
Special Contract I	0.127	0.212
Special Contract K	0.161	0.206

Semi-Annual Servicer's Certificate
Appalachian Power Company, as Servicer
Appalachian Consumer Rate Relief Funding LLC

Pursuant to Section 4.01(c)(ii) of the CRR Property Servicing Agreement dated as of November 15, 2013 (the "Servicing Agreement"), between, APPALACHIAN POWER COMPANY, as Servicer and APPALACHIAN CONSUMER RATE RELIEF FUNDING LLC, the Servicer does hereby certify, for the August 1, 2014 Payment Date (the "Current Payment Date"), as follows:

Capitalized terms used herein have their respective meanings as set forth in the Indenture (as defined in the Servicing Agreement). References herein to certain sections and subsections are references to the respective sections of the Servicing Agreement or the Indenture, as the context indicates.

Collection Periods: Nov-2013 to Jul-2014

Payment Date: 8/1/2014

1. Collections Allocable and Aggregate Amounts Available for the Current Payment Date:

i. Remittances for the 11/13 Collection Period	36,039.78
ii. Remittances for the 12/13 Collection Period	1,874,201.58
iii. Remittances for the 01/14 Collection Period	2,993,756.25
iv. Remittances for the 02/14 Collection Period	3,024,509.08
v. Remittances for the 03/14 Collection Period	3,109,577.06
vi. Remittances for the 04/14 Collection Period	2,851,342.27
vii. Remittances for the 05/14 Collection Period	2,588,580.69
viii. Remittances for the 06/14 Collection Period	2,451,195.62
ix. Remittances for the 07/14 Collection Period ¹	2,328,816.70
x. Investment Earnings on Collection Account	
xi. Investment Earnings on Capital Subaccount	190.33
xii. Investment Earnings on Excess Funds Subaccount	0.00
xiii. Investment Earnings on General Subaccount	850.31
xiv. General Subaccount Balance (sum of i through xv above)	21,259,059.67
xv. Excess Funds Subaccount Balance as of Prior Payment Date	0.00
xvi. Capital Subaccount Balance as of Prior Payment Date	1,901,500.00
xvii. Collection Account Balance (sum of xvi through xviii above)	23,160,559.67

2. Outstanding Amounts as of Prior Payment Date:

i. Tranche A-1 Outstanding Amount	215,800,000.00
ii. Tranche A-2 Outstanding Amount	164,500,000.00
iii. Aggregate Outstanding Amount of all Tranches:	380,300,000.00

Notes:

¹ July remittances do not include the previous month's true-up, which will settle on August 25, 2014.

3. **Required Funding/Payments as of Current Payment Date:**

Principal				Principal Due
i. Tranche A-1				12,677,632.00
ii. Tranche A-2				0.00
iii. For all Tranches:				12,677,632.00
Interest	Interest	Days in Interest	Principal	Interest Due
Tranche	Rate	Period (1)	Balance	
iv. Tranche A-1	2.0076%	256	215,800,000.00	3,080,818.35
v. Tranche A-2	3.7722%	256	164,500,000.00	4,412,635.73
vi. For all Tranches:				7,493,454.08
			Required Level	Funding Required
vii. Capital Subaccount			1,901,500.00	0.00
			1,901,500.00	0.00

4. **Allocation of Remittances as of Current Payment Date Pursuant to 8.02(e) of Indenture:**

i. Trustee Fees and Expenses, Indemnity Amounts ²		0.00
ii. Servicing Fee		135,217.78
iii. Administration Fee		71,111.11
iv. Operating Expenses		29,618.68
v. Semi-Annual Interest (including any past-due for prior periods)		7,493,454.08
	Per \$1000 of Original	
Tranche	Aggregate	Principal Amount
1. Tranche A-1 Interest Payment	3,080,818.35	\$18.6829
2. Tranche A-2 Interest Payment	4,412,635.73	\$43.0467
	7,493,454.08	
vi. Principal Due and Payable as a Result of Event of Default or on Final Maturity Date		0.00
1. Tranche A-1 Principal Payment	0.00	\$0.0000
2. Tranche A-2 Principal Payment	0.00	\$0.0000
	0.00	

Notes:

¹ On 30/360 day basis for initial payment date; otherwise use one-half of annual rate.

² Subject to \$ cap

vii. Semi-Annual Principal 12,677,632.00

<u>Tranche</u>	<u>Aggregate</u>	<u>Per \$1000 of Original Principal Amount</u>	
1. Tranche A-1 Principal Payment	12,677,632.00	\$76.8807	
2. Tranche A-2 Principal Payment	0.00	\$0.0000	
viii. Other Unpaid Operating Expenses			0.00
ix. Funding of Capital Subaccount (to required level)			1,901,500.00
x. Permitted Return to APCo			79,102.40
xi. Deposit to Excess Funds Subaccount			772,923.62
xii. Released to Issuer upon Retirement of all Consumer Rate Relief Bonds			0.00
xiii. Aggregate Remittances as of Current Payment Date			<u>23,160,559.67</u>

**5. Outstanding Amount and Collection Account Balance as of Current Payment Date
(after giving effect to payments to be made on such Payment Date):**

<u>Tranche</u>	
i. Tranche A-1	203,122,368.00
ii. Tranche A-2	164,500,000.00
iii. Aggregate Outstanding Amount of all Tranches	<u>367,622,368.00</u>
iv. Excess Funds Subaccount Balance	772,923.62
v. Capital Subaccount Balance	1,901,500.00
vi. Aggregate Collection Account Balance	<u>2,674,423.62</u>

6. Subaccount Withdrawals as of Current Payment Date (if applicable, pursuant to Section 8.02(e) of Indenture):

i. Excess Funds Subaccount	0.00
ii. Capital Subaccount	1,901,690.33
iii. Total Withdrawals	<u>1,901,690.33</u>

7. Shortfalls In Interest and Principal Payments as of Current Payment Date:

i. Semi-annual Interest	
1. Tranche A-1 Principal Payment	0.00
2. Tranche A-2 Principal Payment	0.00
	0.00
ii. Semi-annual Principal	
1. Tranche A-1 Principal Payment	0.00
2. Tranche A-2 Principal Payment	0.00
	0.00

8. Shortfalls in Payment of Permitted Return as of Current Payment Date:


i. Permitted Return 0.00

9. Shortfalls in Required Subaccount Levels as of Current Payment Date:

i. Capital Subaccount 0.00

IN WITNESS WHEREOF, the undersigned has duly executed and delivered this Servicer's Certificate this 17th day of July, 2014.

APPALACHIAN POWER COMPANY
as Servicer

By: 
Name: Renee V. Hawkins
Title: Assistant Treasurer

**PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON**

CASE NO. 12-1188-E-PC

APPALACHIAN POWER COMPANY and
WHEELING POWER COMPANY,
public utilities.

Petition for consent and approval of application
to securitize uncollected expanded net energy costs
pursuant to W.Va. Code §24-2-4f and affiliated
agreements pursuant to W.Va. Code §24-2-12.

CERTIFICATE OF SERVICE

I, William C. Porth, counsel for Appalachian Power Company and Wheeling Power Company, do hereby certify that true copies of the foregoing filing letter were served by hand delivery or first-class U.S. Mail this 15th day of October 2014, addressed to the following:

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