APPALACHIAN POWER COMPANY AND

WHEELING POWER COMPANY

DEPRECIATION STUDY REPORT OF

ELECTRIC PLANT IN SERVICE

AT DECEMBER 31, 2013

DEPRECIATION STUDY REPORT

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I. INTRODUCTION

This report presents the results of a depreciation study of Appalachian Power Company's (APCo) and Wheeling Power Company's (WPCo) depreciable electric utility plant in service at December 31, 2013. The study was prepared by David G. Hummel, Senior Staff Accountant – Accounting Policy and Research at American Electric Power Service Corporation (AEPSC). The purpose of the depreciation study was to develop appropriate annual depreciation accrual rates for each of the primary plant accounts that comprise the functional groups for which APCo and WPCo compute their annual depreciation expense.

The recommended depreciation rates are based on the Average Remaining Life Method of computing depreciation. Further explanation of this method is contained in Section II of this report.

The definition of depreciation used in my study is the same as that used by the Federal Energy Regulatory Commission (FERC) and the National Association of Regulatory Utility Commissioners:

> "Depreciation, as applied to depreciable electric plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of electric plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities."
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> "Service value means the difference between original cost and the

net salvage value (net salvage value means the salvage value of the property retired less the cost of removal) of the electric plant." (FERC Accounting and Reporting Requirements for Public Utilities and Licensees, ¶15.001.)

APCO Depreciation Rates

Schedule I of this report provides the recommended depreciation accrual rates by primary plant accounts and functional plant classifications including steam production plant rates through May 2015 (before the retirement of Glen Lyn, Kanawha River and Sporn generating stations). Schedule II shows the recommended steam production plant depreciation rates for June 2015 and forward after the retirement of Glen Lyn, Kanawha River and Sporn generating stations. Schedule III compares depreciation expense to rates approved by the Commission and rates recommended by the depreciation study using the steam plant depreciation rates through May 2015. Schedule IV compares steam production depreciation expense for June 2015 and forward using rates approved by the Commission and rates recommended by my depreciation study after the retirement of Glen Lyn, Kanawha River and Sporn generating stations. Schedule V compares the Transmission, Distribution and General mortality characteristics that were used to compute the existing and recommended depreciation rates and accruals. Schedule VI provides the estimated generation plant retirement dates used to calculate depreciation rates.

A comparison of APCo's current functional group composite depreciation rates and accruals to the recommended functional group rates and accruals are provided below by Table 1 (see Schedule III for detail by plant account):

Table 1 – APCO Depreciation Rates and Accruals
Total Company Amounts Through May 2015
Based on Plant In Service at December 31, 2013

	Existing		Study		
Functional Plant Group	Rates	Accruals	Rates	Accruals	Difference
Steam Production (1)	2.61%	150,657,299	3.20%	184,509,803	33,852,504
Hydraulic Production	1.54%	3,408,371	2.91%	6,434,141	3,025,770
Other Production	2.48%	13,973,115	2.35%	13,252,009	-721,106
Transmission	1.65%	33,815,872	1.66%	33,959,455	143,583
Distribution	3.18%	97,834,189	3.92%	120,529,656	22,695,467
General	1.88%	3,365,029	2.22%	3,970,947	605,918
Total Depreciable Plant	2.56%	303,053,875	3.06%	362,656,011	59,602,136

Note: (1) Steam Production, before the May 31, 2015 retirement of Glen Lyn, Kanawha River and Sporn generating stations.

Based on total Company Depreciable Plant In-Service as of December 31, 2013, I am recommending an increase in depreciation rates that result in an increase in annual depreciation expense of $59,602,136. The depreciation rate changes are necessary because of changes in average service lives and net salvage estimates used to calculate APCo's current depreciation rates. Average service lives of the Company's steam generating stations were influenced by U.S. Environmental Protection Agency (USEPA) national standards for hazardous air pollutants. The depreciation study rates shown on Table 1 (and on Schedule I) for steam production are the rates that are intended to be used through May 2015 which is before the retirement of Glen Lyn, Kanawha River and Sporn generating stations.

A comparison of APCo's current steam plant functional group composite depreciation rates and accruals to the recommended steam plant functional group rates

and accruals after the retirement of Glen Lyn, Kanawha River and Sporn generating stations is provided below by Table 2 (See Schedule IV for a detail by plant account):

Table 2 – APCO Depreciation Rates and Accruals
Steam Production Plant
Based on Plant In Service at December 31, 2013
After Retirement of Glen Lyn, Kanawha River and Sporn Plants on May 31, 2015

	Existing		Study		
Functional Plant Group	Rates	Accruals	Rates	Accruals	Difference
Steam Production (1)	2.64%	139,582,739	3.50%	184,509,802	44,927,063

WPCo Depreciation Rates

Schedule VI of this report provides the recommended depreciation accrual rates by primary plant accounts and functional plant classifications including steam production plant rates for Mitchell plant. In Case No. 14-0546-E-PC, the transfer of an undivided one-half interest in the two units of the Mitchell plant and associated facilities was requested by WPCo. If the transfer is approved by the Commission, the depreciation study recommends the rates shown in Schedule VII for steam production to be used to depreciate WPCo's investment in Mitchell plant. Schedule VIII compares depreciation expense to rates approved by the Commission and rates recommend by the depreciation study for production plant, transmission plant, distribution plant, and general plant. Since Mitchell plant is not currently included in WPCO's plant in service, the depreciation study rates were included in both the "Current Approved Rate" and "Study Rate" columns. Schedule IX compares the Transmission, Distribution and General mortality characteristics that were used to compute the recommended depreciation rates and accruals. The mortality characteristics used to compute the existing depreciation rates and accruals are not available.

A comparison of WPCo's current functional group composite depreciation rates and accruals to the recommended functional group rates and accruals are provided

below by Table 3 (see Schedule VIII for detail by plant account):

Table 3 – WPCo Depreciation Rates and Accruals
Total Company Amounts
Based on Plant In Service at December 31, 2013

	Existing		Study		
Functional Plant Group	Rates	Accruals	Rates	Accruals	Difference
Steam Production (1)	2.88%	25,773,581	2.88%	25,773,581	0
Transmission	2.70%	2,916,396	1.84%	1,990,828	-925,568
Distribution	3.40%	4,872,437	3.83%	5,483,877	611,440
General	3.50%	166,748	1.45%	69,074	-97,674
Total Depreciable Plant	2.93%	33,729,162	2.90%	33,317,360	-411,802

Note: (1) WPCo's proposed 50% interest in the Mitchell plant. Since Mitchell plant is not currently included in WPCo plant in service, Table 3 uses a 50% share of plant in service at December 31, 2013, and applies the study depreciation rate to both the "Existing" and "Study" amounts.

II. DISCUSSION OF METHODS AND PROCEDURES USED IN THE STUDY

1. Group Method

All of the depreciable property included in this report was considered on a group plan. Under the group plan, depreciation expense is accrued upon the basis of the original cost of all property included in each depreciable plant account. Upon retirement of any depreciable property, its full cost, less any net salvage realized, is charged to the accrued depreciation reserve regardless of the age of the particular item retired. Also, under this plan, the dollars in each primary plant account are considered as a separate group for depreciation accounting purposes and an annual depreciation rate for each account is

determined. The annual accruals by primary account were then summed, to arrive at the total accrual for each functional group. The total accrual divided by the original cost yields the functional group accrual rate.

2. Determination of Annual Depreciation Rates by the Average Remaining Life Method

APCo's and WPCo's current depreciation rates are based on the Average Remaining Life Method. The Average Remaining Life Method recovers the original cost of the plant, adjusted for net salvage, less accumulated depreciation, over the average remaining life of the plant. By this method, the annual depreciation rate for each account is determined on the following basis:

$$\text{Annual Depreciation Expense} = \frac{(\text{Orig. Cost})\ (\text{Net Salvage Ratio}) - \text{Accumulated Depreciation}}{\text{Average Remaining Life}}$$

$$\text{Annual Depreciation Rate} = \frac{\text{Annual Depreciation Expense}}{\text{Original Cost}}$$

3. Methods of Life Analysis

Depending upon the type of property and the nature of the data available from the property accounting records, one of three life analyses was used to arrive at the historically realized mortality characteristics and service lives of the depreciable plant investments. These methods are identified and described as follows:

Life Span Analysis

The life span analysis was employed for Production Plant. This includes APCo's investment in steam, hydraulic and other generating plants and WPCo's proposed 50% interest in Mitchell plant. The life-span method of analysis is particularly suited to specific location property, such as a generating plant, where all of the surviving investments are likely to be retired in total at a future date.

The key elements in the life span analysis are the age of the surviving investments, the projected retirement date of the facility and the expected interim retirements. Interim retirements are those that are expected to occur between the date of the depreciation study and the expected final retirement date of the generating plant. Examples of interim retirements include fans, pumps, motors, a set of boiler tubes, a turbine rotor, etc. The interim retirement history for each primary production plant account was analyzed and the results of those analyses were used to project future interim retirements.

The age of the surviving investments was obtained from the applicable property accounting records. American Electric Power Service Corporation (AEPSC) provided the retirement dates used in the life-span analysis for Steam Production Plant, Hydraulic Production Plant and Other Production Plant. A discussion of the life analyses for Steam Production, Hydraulic Production and Other Production Plants follows.

Steam Production Plant

APCo's depreciable investments in Steam Production Plant are the Amos, Clinch River, Glen Lyn, Kanawha River, Mountaineer and Sporn plants. The Amos plant is located in St. Albans, West Virginia and includes three generating units. The Clinch River plant is located in Carbo, Virginia and consists of three generating units. The Glen Lyn plant is located in Glen Lyn, Virginia and has two units that are currently operating (units 5 and 6). The Kanawha River plant is

located in Glasgow, West Virginia and has two units. The Mountaineer plant is located in New Haven, West Virginia and has one unit. The Sporn plant is located in New Haven West Virginia and has two units that are owned by APCo (units 1 and 3). All of APCo's steam production plant is coal fired. The generating units, capacities, fuel type and estimated retirement dates are shown on Schedule VI – Estimated Generation Plant Retirement Dates.

Since APCo's last depreciation study AEP has reevaluated the expected retirement dates for its steam generation plant. The reevaluated retirement dates are shown below on Table 4 including the difference in years of the estimated retirement dates from the prior depreciation study that used plant in service balances at December 31, 2005:

Table 4 - Estimated Steam Plant Retirement Dates

Steam Production Plants	Estimated Year Retired 2005 Study	Estimated Year Retired 2013 Study	Difference in Years from 2005
Amos			
Unit 1	2032	2040	8
Unit 2	2032	2040	8
Unit 3	2033	2040	7
Clinch River			
Unit 1	2021	2025	4
Unit 2	2021	2025	4
Unit 3	2021	2015	-6
Glen Lyn			
Unit 5	2012	2015	3
Unit 6	2015	2015	0
Kanawha River			
Unit 1	2018	2015	-3
Unit 2	2018	2015	-3
Mountaineer			
Unit 1	2040	2040	0

Sporn			
Unit 1	2018	2015	-3
Unit 3	2018	2015	-3

The reevaluation for the three Amos units indicated that their useful life should be extended by 7-8 years versus the previous estimate. Company witness LaFleur discussed the revised retirement date for Amos Plant in his testimony in the Virginia asset transfer case number PUE-2012-00141.

Clinch River Unit 3 is planned for retirement in 2015 along with Glen Lyn, Kanawha River and Sporn plants. According to company witness LaFleur, the 2015 retirement date for these plants/units is influenced by USEPA rulemaking which would require an array of cost-prohibitive environmental retrofits.

APCo plans to convert Clinch River Units 1 and 2 to burn natural gas and estimates that the converted units will be retired in 2025. Consequently, Clinch River Plant's depreciation rate calculation provides for the retirement of Unit 3 and the coal related portions of Units 1 and 2 plus net salvage and recovers these remaining costs through 2025. APCo received a certificate of public convenience and necessity from the Virginia State Corporation Commission in Case No. PUE-2013-00057 and from the Public Service Commission of West Virginia in Case Number 13-0764-E-CN to convert Units 1 and 2 to gas.

Depreciation rates for Amos, Glen Lyn, Kanawha River, Mountaineer and Sporn plants are calculated by plant account by combining the original cost and accumulated depreciation for these facilities. The depreciation rates produced by the calculation are intended to recover the remaining cost for all of these plants including net salvage over the remaining life of Amos and Mountaineer which are both expected to retire in 2040. Two sets of depreciation rates by plant account are developed for these plants in the depreciation study. The first set of rates would be used through May 2015 before the retirement of Glen Lyn, Kanawha River and Sporn plants. The second set of rates would be used from June 2015 forward for Amos and Mountaineer plants after the retirements and would not

change until the Company files for a change in rates in a future rate proceeding. The depreciation rates before and after the retirements were intended to produce a level amount of depreciation expense by plant account.

WPCo's proposed depreciable investment in Steam Production Plant is a 50% interest in Mitchell plant. Mitchell plant is located near Moundsville, WV and has two units. Kentucky Power Company (KPCo) has a 50% interest in the plant and is the plant's operator. AEP Generation Resources (AGR) owns the other 50% interest in the plant. If approved by the Commission, AGR's 50% interest would be transferred to WPCo. Mitchell plant is coal fired with an estimated retirement year of 2040.

Hydraulic Production Plant

APCo's investment in Hydraulic Production plant consists of the Buck, Byllesby, Claytor, Leesville, London, Marmet, Niagara, Reusens, Smith Mountain and Winfield plants. The plants consist of a number of generating units that have been placed into commercial operation over the period from 1903 through 1965. There was no change in the estimated retirement year for the hydraulic plants in the current depreciation study versus the prior depreciation study which used plant in service balances at December 31, 2005. The hydraulic plants, capacities, estimated year to be retired and life span are shown on Table 5 below (and also on Schedule VI):

Table 5 - Estimated Hydraulic Plant Retirement Dates

Plant	Capacity (MW)	Year Installed	Year Retired	Life Span (Years)

Hydraulic Production Plant				
Buck	8.5	1912	2024	112
Byllesby	21.6	1912	2024	112
Claytor	75.0	1939	2041	102
Niagara	2.4	1906	2024	118
Reusens	12.5	1903	2024	121
Leesville	50.0	1964	2040	76
London	14.4	1935	2044	109
Marmet	14.4	1935	2044	109
Winfield	14.8	1938	2044	106
Smith Mountain	586.0	1965	2040	75

Other Production Plant

APCo's depreciable investment in Other Production plant consists of the Ceredo and Dresden plants. The other production plants, capacities, estimated year to be retired and life span are shown on Table 6 below (and also on Schedule VI):

Table 6 - Estimated Other Production Plant Retirement Dates

Plant	Capacity (MW)	Year Installed	Year Retired	Life Span (Years)
Other Production Plant				
Ceredo	505.0	2001	2041	40
Dresden	580.0	2012	2047	35

APCo acquired the Ceredo Plant from a subsidiary of Reliant Energy. This generating plant is a natural gas, simple cycle power plant with a nominal generating capacity of 505 megawatts. AEP's Pro Serve Subsidiary built the plant

for Columbia Energy. It was completed and began commercial operation in 2001. There was no change in the estimated retirement year for Ceredo plant in the current depreciation study versus the prior depreciation study which used plant in service balances at December 31, 2005.

AEP acquired the Dresden Plant in 2007 from Dresden Energy LLC (a subsidiary of Dominion). The Dresden Plant is a natural gas combined cycle plant with a nominal generating capacity of 580 megawatts. When acquired, the Dresden Plant was under construction and was subsequently completed in 2012 when the plant was placed in service. Since the Dresden Plant was not completed until 2012, it was not included in the Company's prior depreciation study dated December 31, 2005.

AEPSC estimates that the Dresden Plant will have a 35 year life. The depreciation study recommended depreciation rates for Dresden are based on the 35 year life including net salvage.

Actuarial Analysis – Transmission, Distribution and General Plant

The actuarial method of analyzing past experience represents the application to industrial property of statistical procedures developed in the life insurance field for investigating human mortality. It is distinguished from other methods of life estimation by the requirement that it is necessary to know the age of the property at the time of its retirement and the age of survivors, or plant remaining in service; that is, the installation date must be known for each particular retirement and for each particular survivor.

The application of this method involves the statistical procedure known as the "annual rate method" of analysis. This procedure relates retirements during each age interval to exposures at the beginning of that interval, the ratio of these being the annual retirement ratio. Subtracting each retirement ratio from unity

yields a sequence of annual survival ratios from which a survivor curve can be determined. This is accomplished by the consecutive multiplication of the survivor ratios. The length of this curve depends primarily upon the age of the oldest property. Normally, if the period of years from the inception of the account to the time of the study is short in relation to the expected maximum life of the property, an incomplete or stub survivor curve results.

While there are a number of acceptable methods of smoothing and extending the stub survivor curve in order to compute the area under it from which the average life is determined, the well-known Iowa Type Curve Method was used in this study.

By this procedure, instead of mathematically smoothing and projecting the stub survivor curve to determine the average life of the group, it was assumed that the stub curve would have the same mortality characteristics as the type curve selected. The selection of the appropriate type curve and average life is accomplished by plotting the stub curve, superimposing on it Iowa curves of the various types and average lives drawn to the same scale, and then determining which Iowa type curve and average life best matches the stub.

The Actuarial Method of Life Analysis was used for the following accounts:

352.0 Transmission Structures & Improvements
353.0 Transmission Station Equipment
361.0 Distribution Structures & Improvements
362.0 Distribution Station Equipment
390.0 General Structures & Improvements

The result of the actuarial analysis for the above accounts is detailed in the depreciation study work papers.

Simulated Plant Record Analysis – Transmission and Distribution Plant

The "Simulated Plant Record" (SPR) method designates a class of statistical techniques that provide an estimate of the age distribution, mortality dispersion and average service life of property accounts whose recorded history provides no indication of the age of the property units when retired from service. For each such account, the available property records usually reveal only the annual gross additions, annual retirements and balances with no indication of the age of either plant retirements or annual plant balances. For this study, the "Balances method" of analysis was used.

The SPR Balances Method is a trial and error procedure that attempts to duplicate the annual balance of a plant account by distributing the actual annual gross additions over time according to an assumed mortality distribution. Specifically, the dollars remaining in service at any date are estimated by multiplying each year's additions by the successive proportion surviving at each age as given by the assumed survivor characteristics. For a given year, the balance indicated is the accumulation of survivors from all vintages and this is compared with the actual book balance. This process is repeated for different survivor curves and average life combinations until a pattern is discovered which produces a series of "simulated balances" most nearly equaling the actual balances shown in a company's books.

This determination is based on the distribution producing the minimum sum of squared differences between the simulated balance and the actual balances over a test period of years.

The iterative nature of the simulated methods makes them ideally suited for computerized analysis. For each analysis of a given property account, the computer program provides a single page summary containing the results of each analysis indicating the "best fit" based on criteria selected by the user.

The results of the analysis using the Balance Method is shown in the

depreciation study work papers. The analysis also shows the value of the Index of Variation of the difference that is calculated according to the Balances Method where a lower value for the Index of Variation indicates better agreement with the actual data.

The SPR Method of Life Analysis was utilized for the following accounts:

354.0 Transmission Towers & Fixtures
355.0 Transmission Poles & Fixtures
356.0 OH Conductor & Devices
357.0 Underground Conduit
358.0 Underground Conductor
364.0 Distribution Poles, Towers & Fixtures
365.0 Distribution OH Conductor & Devices
366.0 Underground Conduit
367.0 Underground Conductor & Devices
368.0 Distribution Line Transformers
369.0 Distribution Services
370.0 Distribution Meters
371.0 Installation on Customers Premises
372.0 Leased Property on Customers Premises
373.0 Street Lighting & Signal Systems

Vintage Year Accounting – General Equipment

In 1998, the Company began using a vintage year accounting method for general plant accounts 391 to 398 in accordance with Federal Energy Regulatory

Commission Accounting Release Number 15 (AR-15). This accounting method requires the amortization of vintage groups of property over their useful lives. AR-15 also requires that property be retired when it meets its average service life.

As a result, my recommendation for these accounts is that the current useful life approved by the Commission be retained and used to continue amortization of the account balances.

4. Final Selection of Average Life and Curve Type

The final selection of average life and curve type for each depreciable plant account analyzed by the Actuarial and SPR Methods was primarily based on the results of the mortality analyses of past retirement history.

III. NET SALVAGE

1. Net Salvage - Steam Production Plant

The net salvage analysis for steam production plant included a review of the Company's experienced functional interim retirement, salvage and removal history for the period 1996-2013. This interim salvage analysis calculates annual life to date salvage, removal and net salvage percentages as compared to original cost retirements.

While this type of analysis was used to determine the net salvage applicable to interim retirements for steam production plant, the most significant net salvage amounts for generating plants occurs at the end of their life. Therefore, to assist in establishing total net salvage applicable to steam generating plant, APCo contracted with Brandenburg Industrial Service Company (Brandenburg) to prepare conceptual demolition cost estimates in 2011 for its

steam production plants. The 2011 Brandenburg cost estimates were inflated to 2013 to bring the estimated cost to the date of the depreciation study. The estimates of demolition costs were incorporated into the net salvage ratios for Steam Production Plant. Brandenburg's demolition cost estimates do not include Asset Retirement Obligation (ARO) amounts associated with the removal of asbestos or any cost associated with the final disposition of landfills and ash ponds since accretion and depreciation associated with these AROs are included separately in APCo's cost of service.

A conceptual demolition cost estimate for Mitchell plant was prepared by Sargent & Lundy, LLC (S&L) in 2012. S&L's cost estimate was inflated to 2013 to bring the estimated cost to the date of the depreciation study. The estimate of demolition costs was incorporated into the net salvage ratios for Mitchell Plant. S&L's demolition cost estimate does not include Asset Retirement Obligation (ARO) amounts associated with the removal of asbestos or any cost associated with the final disposition of landfills and ash ponds since accretion and depreciation associated with these AROs are included separately in APCo's cost of service.

2. Net Salvage - Hydraulic Plant

The Hydraulic Plant negative net salvage percentage of -15% is based on an analysis of interim net salvage rates for the period from 1996 to 2013. The negative net salvage rate changed from -13% in the prior depreciation study to -15% in this study.

3. Net Salvage – Other Production Plant

The interim net salvage analysis for other production plant included a

review of the Company's experienced functional interim retirement, salvage and removal history for the period 2006 - 2013.

The results of the interim net salvage analysis for Other Production Plant, was combined with a terminal net salvage estimate to produce a net salvage ratio used in the depreciation rate calculation. Similar to Steam Production Plant, APCo contracted with Brandenburg Industrial Service Company (Brandenburg) to prepare conceptual demolition cost estimates in 2011 for its Ceredo Plant and in 2013 for its Dresden Plant. The 2011 Brandenburg cost estimate was inflated to 2013 to bring the estimated cost to the date of the depreciation study. The estimates of demolition costs were incorporated into the net salvage ratios for Other Production Plant.

4. Net Salvage – Transmission, Distribution and General Plant

The net salvage percentages used in this report for Transmission, Distribution and General Plant are expressed as percent of original cost and are based on the Company's experience combined with the judgment of the analyst. The net salvage analysis included a review of the Company's experienced interim retirement, salvage and removal history by account for the period 2001-2013 (for several accounts history was not available for this entire period). The salvage and removal percentages for each account were then netted to determine a net salvage percentage for each account.

The net salvage percents were converted to net salvage ratios (1 minus the net salvage percentage) and appear in Column IV on Schedule I (APCo) or Schedule VII (WPCo) and were used to determine the total amount to be recovered through depreciation. The same net salvage ratio was also reflected in the determination of the calculated depreciation requirement (theoretical reserve).

5. Net Salvage – Ratios

The net salvage ratios shown in Column IV on Schedule I (APCO) or Schedule VII (WPCo) of this report may be explained as follows:

a. Where the ratio is shown as unity (1.00), it was assumed that the net salvage in that particular account would be zero.

b. Where the ratio is less than unity, it was assumed that the salvage exceeded the removal costs. For example, if the net salvage were 20%, the net salvage ratio would be expressed as .80.

c. Where the ratio is greater than unity, it was assumed that the salvage was less than the cost of removal. For example, if the net salvage were minus 5%, the net salvage ratio would be expressed as 1.05.

IV. CALCULATION OF DEPRECIATION REQUIREMENT AT DECEMBER 31, 2013

A calculation of a depreciation requirement (theoretical reserve) for each plant account using the average service life, curve type and net salvage amount recommended in this study is provided in Column VI of Schedule I (APCo) or Schedule VII (WPCo).

V. STUDY RESULTS - APCo

Production, Transmission, Distribution and General plant results are discussed below. In addition, Transmission, Distribution and General Plant

average service life, retirement dispersion pattern and net salvage percentages used to calculate each primary plant account depreciation rate are shown on Schedule V. The mortality characteristics and net salvage values for the current rates are also shown. The changes to the mortality characteristics follow the trends shown by historical retirement experience. Gross salvage and gross cost of removal percentages for Transmission, Distribution and General plant were largely based on the history of the account for the period 2001-2013.

Steam Production Plant

The depreciation rates for Steam Production Plant increased from 2.61% to 3.20% primarily due to a $3.3 billion increase in plant investment (primarily in pollution control equipment) as compared to the currently approved depreciation rates which were based on depreciable plant in service at December 31, 2005. The increase is partially offset by the depreciation study's proposed extension of the recovery of the remaining value of Glen Lyn, Kanawha River, and Sporn plants which are scheduled to be retired in 2015 through the remaining life of Amos and Mountaineer plants which are scheduled to be retired in 2040.

According to AEPSC, the earlier retirement date for Glen Lyn, Kanawha River and Sporn plants was influenced by USEPA rulemaking which would require an array of cost-prohibitive environmental retrofits.

Similar to Glen Lyn, Kanawha River and Sporn Plants, APCo plans to retire Clinch River's Unit 3 and the coal related portions of Clinch River Units 1 and 2 in 2015 and to convert the remaining portions of Clinch River Units 1 and 2 to burn natural gas. APCo expects the converted Units 1 and 2 to operate until 2025. The depreciation rate decrease for Clinch River Plant is due to the longer recovery period through 2025 versus the 2021 retirement date used in the 2005 depreciation study.

As in the prior study, demolition costs are included in the depreciation rates. The estimates of demolition costs were developed by Brandenburg Industrial Services Company.

Hydraulic Production Plant

The depreciation rates for Hydraulic plant increased from 1.54% to 2.91% primarily due to an increase in the net salvage ratio (1 minus the net salvage rate) from 1.07 to 1.15. Also contributing to the increase was an increase in plant investment along with a decrease in the average remaining life since the Company's last depreciation study using plant in service amounts at December 31, 2005.

Other Production Plant

Depreciation rates for Other Production plant decreased from 2.48% to 2.35% due to a decrease in Ceredo Plant's net salvage ratio (1 minus the net salvage rate) from 1.08 to 1.00. The Dresden plant is included in this analysis at an average depreciation rate of 3.01. The Dresden plant was placed in service in 2012 and was not included in the Company's last depreciation rate change which was based on plant in service as of December 31, 2005.

Transmission Plant

The depreciation rates for Transmission plant increased from 1.65% to 1.66% due to an increase in the net salvage ratio for account 352 and decreases in the average service life for four accounts (accounts 354, 356, 357 and 358). The increase was partially offset by a decrease in the net salvage ratio for

account 356 and increases in the average service life for three accounts (accounts 352, 353 and 355).

Distribution Plant

The depreciation rates for Distribution plant increased from 3.18% to 3.92% due to increases in the net salvage ratio for eight accounts (accounts 361, 362, 364, 365, 368, 369, 371 and 373) and a decrease in the average service life for six accounts (accounts 364, 365, 368, 369, 371 and 373). The rate increase was partially offset by an increase in average service life for four accounts (account 361, 362, 366 and 367).

General Plant

The depreciation rate for General plant increased from 1.88% to 2.22% due to increases in the net salvage ratio for five accounts (accounts 390, 391, 392, 394 and 397). The increase was partially offset by an increase in the average service life for account 390.

VI. STUDY RESULTS - WPCo

Production, Transmission, Distribution and General plant results are discussed below. In addition, Transmission, Distribution and General Plant average service life, retirement dispersion pattern and net salvage percentages used to calculate each primary plant account depreciation rate are shown on Schedule IX. The mortality characteristics and net salvage values for the current rates are also shown. The changes to the mortality characteristics follow the trends shown by historical retirement experience. Gross salvage and gross cost

of removal percentages for Transmission, Distribution and General plant were largely based on the history of the account for the period 2001-2013.

Steam Production Plant

Mitchell plant is included in this analysis at an average depreciation rate of 2.88%. Since Mitchell plant was not previously included in WPCo's plant in service balance, the depreciation study calculated depreciation rates were used for both the current annual accrual and the study accrual on WPCo comparison Schedule II. Use of the same depreciation rates for the current and study accruals, causes no difference in the calculated depreciation expense which is appropriate since this is the first opportunity for the Commission to approve depreciation rates for the plant.

Demolition costs are included in the depreciation rates. The estimates of demolition costs were developed by Sargent & Lundy, LLC.

Transmission Plant

The depreciation rates for Transmission plant decreased from 2.70% to 1.84%. Since the average service lives and net salvage values which are the bases for the current depreciation rates are not available, an analysis of the causes of the change in the depreciation rate was not made.

Distribution Plant

The depreciation rates for Distribution plant increased from 3.40% to 3.83%. Since the average service lives and net salvage values which are the

bases for the current depreciation rates are not available, an analysis of the causes of the change in the depreciation rate was not made.

General Plant

The depreciation rate for General plant decreased from 3.50% to 1.45%. Since the average service lives and net salvage values which are the bases for the current depreciation rates are not available, an analysis of the causes of the change in the depreciation rate was not made.

VII. EXPLANATION OF COLUMN HEADINGS SCHEDULE I AND SCHEDULE VII

Schedule I (APCo) and Schedule VII (WPCo) show the determination of the recommended annual depreciation accrual rate by primary plant accounts by the straight line remaining life method. An explanation of the schedule follows:

Column I	-	Account number
Column II	-	Account title
Column III	-	Original Cost at December 31, 2013
Column IV	-	Net Salvage Ratio
Column V	-	Total to be Recovered (Column III) * (Column IV).
Column VI	-	Calculated Depreciation Requirement
Column VII	-	Allocated Accumulated Depreciation
Column VIII	-	Remaining Amount (Column V - Column VII)
Column IX	-	Average Remaining Life
Column X	-	Recommended Annual Accrual Amount
Column XI	-	Recommended Annual Accrual Percent or Depreciation Rate (Column X/Column III)

APPALACHIAN POWER COMPANY
SCHEDULE I - CALCULATION OF DEPRECIATION RATES BY THE REMAINNG LIFE METHOD
(STEAM PRODUCTION DEPRECIATION RATES THROUGH MAY 2015)
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

WV

ACCT NO (I)	ACCOUNT TITLE (II)	ORIGINAL COST (III)	NET SALVG. RATIO (IV)	TOTAL TO BE RECOVERED (V)	THEORETICAL RESERVE (VI)	ACCUMULATED DEPRECIATION (VII)	REMAINING AMOUNT (VIII)	AVG. REMAIN LIFE (IX)	ANNUAL ACCRUAL (X)	DEPR. RATE (XI)
	STEAM PRODUCTION PLANT									
	AMOS UNITS 1&2 (1)									
311	Structures & Improvements	43,227,781	1.01	43,660,059	22,106,882	26,991,305	16,668,754	26.08	918,643	2.13%
312	Boiler Plant Equipment	1,310,182,600	1.05	1,375,691,730	371,503,117	362,515,303	1,013,176,427	24.67	37,462,965	2.86%
312	Boiler Plant Equip. SCR Catalyst	20,422,274	1.00	20,422,274	7,695,694	7,695,694	12,726,580	11.00	1,856,385	9.09%
314	Turbogenerator Units	120,924,588	1.06	128,180,063	56,816,558	8,651,994	119,528,069	23.94	2,947,059	2.44%
315	Accessory Electrical Equip.	40,140,776	1.02	40,943,592	21,085,371	8,603,491	32,340,101	25.73	719,314	1.79%
316	Misc. Power Plant Equip.	10,235,121	1.03	10,542,175	4,169,836	2,409,136	8,133,039	25.20	216,167	2.11%
	Total	1,545,133,140	1.05	1,619,439,892	483,377,458	416,866,923	1,202,572,969		44,120,533	2.86%
	AMOS UNIT 3 (1) (2)									
311	Structures & Improvements	100,183,997	1.01	101,185,837	42,373,120	42,353,296	58,832,541	26.08	2,129,031	2.13%
312	Boiler Plant Equipment	1,465,418,812	1.05	1,538,689,753	376,611,944	284,033,668	1,254,656,085	24.67	41,901,742	2.86%
312	Boiler Plant Equip. SCR Catalyst	17,384,535	1.00	17,384,535	8,229,144	8,229,144	9,155,391	8.00	2,173,067	12.50%
314	Turbogenerator Units	102,998,245	1.06	109,178,140	46,423,646	29,131,284	80,046,856	23.94	2,510,175	2.44%
315	Accessory Electrical Equip.	27,371,090	1.02	27,918,512	15,280,523	14,812,556	13,105,956	25.73	490,484	1.79%
316	Misc. Power Plant Equip.	23,580,469	1.03	24,287,883	11,099,892	9,112,919	15,174,964	25.20	498,023	2.11%
	Total	1,736,937,148	1.05	1,818,644,659	500,018,269	387,672,867	1,430,971,792		49,702,522	2.86%
	CLINCH RIVER (3)									
311	Structures & Improvements	40,937,155	1.01	41,346,527	33,830,084	28,716,589	12,629,938	6.17	2,046,991	5.00%
312	Boiler Plant Equipment	289,789,652	1.01	292,687,549	208,433,184	118,753,004	173,934,545	6.12	28,420,677	9.81%
314	Turbogenerator Units	60,077,414	1.02	61,278,962	48,768,834	44,595,857	16,683,105	7.87	2,119,835	3.53%
315	Accessory Electrical Equip.	13,896,178	1.01	14,035,140	11,148,809	9,924,567	4,110,573	8.08	508,734	3.66%
316	Misc. Power Plant Equip.	7,276,925	1.01	7,349,694	5,416,423	3,998,672	3,351,022	7.11	471,311	6.48%
	Total	411,977,324	1.01	416,697,871	307,597,334	205,988,689	210,709,182		33,567,550	8.15%
	GLEN LYN UNIT 5 - (1) (4)									
311	Structures & Improvements	3,203,526	1.02	3,267,597	3,102,232	3,184,755	82,842	1.50	68,079	2.13%
312	Boiler Plant Equipment	25,429,843	1.02	25,938,440	24,207,662	23,608,615	2,329,825	1.49	727,133	2.86%
314	Turbogenerator Units	6,576,230	1.02	6,707,755	6,240,501	6,349,351	358,404	1.49	160,270	2.44%
315	Accessory Electrical Equip.	2,369,413	1.02	2,416,801	2,245,397	2,173,744	243,057	1.50	42,459	1.79%
316	Misc. Power Plant Equip.	220,080	1.02	224,482	192,715	187,076	37,406	1.50	4,648	2.11%
	Total	37,799,092	1.02	38,555,074	35,988,507	35,503,541	3,051,533		1,002,589	2.65%
	GLEN LYN UNIT 6 - (1) (4)									
311	Structures & Improvements	12,873,332	1.02	13,130,799	12,573,622	11,552,131	1,578,668	1.50	273,574	2.13%
312	Boiler Plant Equipment	72,071,697	1.02	73,513,131	68,939,663	60,781,111	12,732,020	1.49	2,060,796	2.86%
314	Turbogenerator Units	21,820,646	1.02	22,257,059	21,186,248	20,495,821	1,761,238	1.49	531,792	2.44%
315	Accessory Electrical Equip.	6,291,287	1.02	6,417,113	6,110,758	5,432,393	984,720	1.50	112,739	1.79%
316	Misc. Power Plant Equip.	4,381,958	1.02	4,469,597	4,116,176	3,197,366	1,272,231	1.50	92,548	2.11%
	Total	117,438,920	1.02	119,787,698	112,926,467	101,458,822	18,328,876		3,071,449	2.62%
	KANAWHA RIVER - (1) (4)									
311	Structures & Improvements	18,673,613	0.99	18,486,877	17,825,213	16,182,088	2,304,789	1.50	396,837	2.13%
312	Boiler Plant Equipment	124,776,523	0.99	123,528,758	115,843,670	74,423,813	49,104,945	1.49	3,567,822	2.86%
314	Turbogenerator Units	33,878,466	0.99	33,539,681	31,988,172	29,818,432	3,721,249	1.49	825,654	2.44%
315	Accessory Electrical Equip.	9,108,432	0.99	9,017,348	8,633,086	7,998,530	1,018,818	1.50	163,221	1.79%
316	Misc. Power Plant Equip.	6,714,237	0.99	6,647,095	6,154,960	4,165,634	2,481,461	1.50	141,806	2.11%
	Total	193,151,271	0.99	191,219,758	180,445,101	132,588,497	58,631,261		5,095,340	2.64%
	MOUNTAINEER (1)									
311	Structures & Improvements	194,148,184	1.01	196,089,666	76,937,325	59,471,012	136,618,654	26.08	4,125,884	2.13%
312	Boiler Plant Equipment	1,119,863,999	1.05	1,175,857,199	444,265,463	333,872,269	841,984,930	24.67	32,021,052	2.86%
312	Boiler Plant Equip. SCR Catalyst	16,652,662	1.00	16,652,662	6,586,254	6,586,254	10,066,408	8.00	2,081,583	12.50%
314	Turbogenerator Units	110,201,667	1.07	117,915,784	55,128,776	56,079,522	61,836,262	23.94	2,685,730	2.44%
315	Accessory Electrical Equip.	68,312,795	1.02	69,679,051	37,902,341	41,722,910	27,956,141	25.73	1,224,151	1.79%
316	Misc. Power Plant Equip.	20,297,934	1.04	21,109,851	10,061,705	10,018,897	11,090,954	25.20	428,695	2.11%
	Total	1,529,477,241	1.04	1,597,304,213	630,881,864	507,750,864	1,089,553,349		42,567,095	2.78%

APPALACHIAN POWER COMPANY
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WV

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	SPORN (1) (4)									
311	Structures & Improvements	12,885,998	1.01	13,014,858	12,516,332	11,837,988	1,176,870	1.50	273,843	2.13%
312	Boiler Plant Equipment	90,451,731	1.01	91,356,248	85,504,107	73,834,772	17,521,476	1.49	2,586,349	2.86%
314	Turbogenerator Units	21,013,630	1.01	21,223,766	20,183,522	18,157,047	3,066,719	1.49	512,124	2.44%
315	Accessory Electrical Equip.	7,598,808	1.01	7,674,796	7,336,699	6,620,054	1,054,742	1.50	136,169	1.79%
316	Misc. Power Plant Equip.	4,134,456	1.01	4,175,801	3,927,831	3,309,340	866,461	1.50	87,320	2.11%
	Total	136,084,623	1.01	137,445,469	129,468,491	113,759,201	23,686,268		3,595,805	2.64%
	OTHER									
311	Centralized Maintenence	85,770	1.00	85,770	40,119	26,434	59,336	26.08	2,275	2.65%
316	Central Machine Shop	15,478,432	1.00	15,478,432	6,070,413	3,999,763	11,478,669	25.20	455,503	2.94%
311	Little Broad Run Ash Disposal	267,028	1.00	267,028	31,596	20,818	246,210	26.08	9,441	3.54%
312	Little Broad Run Ash Disposal	37,855,651	1.00	37,855,651	8,132,579	5,358,513	32,497,138	24.67	1,317,274	3.48%
315	Little Broad Run Ash Disposal	64,843	1.00	64,843	3,572	2,354	62,489	25.73	2,429	3.75%
	Total	53,751,724	1.00	53,751,724	14,278,279	9,407,882	44,343,842		1,786,921	3.32%
	Total Steam Production Plant	**5,761,750,483**	**1.04**	**5,992,846,359**	**2,394,981,770**	**1,910,997,286**	**4,081,849,073**	**22.12**	**184,509,803**	3.20%
	HYDRAULIC PRODUCTION PLANT									
	BUCK									
331	Structures & Improvements	326,505	1.15	375,481	320,936	240,028	135,453	10.42	12,999	3.98%
332	Reservoirs, Dams & Waterways	5,823,685	1.15	6,697,238	4,670,595	3,096,973	3,600,265	10.44	344,853	5.92%
333	Waterwheels, Turbines & Gen.	1,831,391	1.15	2,106,100	1,478,907	1,270,487	835,613	10.28	81,285	4.44%
334	Accessory Electrical Equip.	2,499,664	1.15	2,874,614	1,812,668	1,276,807	1,597,807	10.10	158,199	6.33%
335	Misc. Power Plant Equip.	250,453	1.15	288,021	184,374	84,512	203,509	10.31	19,739	7.88%
336	Roads, Railroads & Bridges	3,437	1.15	3,953	3,528	2,849	1,104	10.50	105	3.06%
	Total	10,735,135	1.15	12,345,405	8,471,008	5,971,656	6,373,749		617,180	5.75%
	BYLLESBY									
331	Structures & Improvements	862,690	1.15	992,094	781,851	412,221	579,873	10.42	55,650	6.45%
332	Reservoirs, Dams & Waterways	5,839,487	1.15	6,715,410	4,352,455	1,359,475	5,355,935	10.44	513,021	8.79%
333	Waterwheels, Turbines & Gen.	2,377,068	1.15	2,733,628	1,952,592	1,053,271	1,680,357	10.28	163,459	6.88%
334	Accessory Electrical Equip.	847,610	1.15	974,752	781,409	710,098	264,654	10.10	26,203	3.09%
335	Misc. Power Plant Equip.	786,032	1.15	903,937	504,982	248,377	655,560	10.31	63,585	8.09%
	Total	10,712,887	1.15	12,319,820	8,373,289	3,783,442	8,536,378		821,918	7.67%
	CLAYTOR									
331	Structures & Improvements	2,056,809	1.15	2,365,330	1,315,240	1,307,147	1,058,183	26.97	39,236	1.91%
332	Reservoirs, Dams & Waterways	10,006,198	1.15	11,507,128	7,526,887	8,327,358	3,179,770	27.08	117,421	1.17%
333	Waterwheels, Turbines & Gen.	2,248,329	1.15	2,585,578	1,751,945	1,843,962	741,616	25.99	28,535	1.27%
334	Accessory Electrical Equip.	2,945,552	1.15	3,387,385	1,698,471	1,679,473	1,707,912	24.74	69,034	2.34%
335	Misc. Power Plant Equip.	2,466,734	1.15	2,836,744	1,058,011	980,426	1,856,318	26.21	70,825	2.87%
336	Roads, Railroads & Bridges	31,799	1.15	36,569	26,479	30,506	6,063	27.50	220	0.69%
	Total	19,755,421	1.15	22,718,734	13,377,033	14,168,872	8,549,862		325,271	1.65%
	LEESVILLE									
331	Structures & Improvements	2,198,172	1.15	2,527,898	1,630,891	2,063,536	464,362	26.01	17,853	0.81%
332	Reservoirs, Dams & Waterways	10,572,221	1.15	12,158,054	6,808,428	7,269,426	4,888,628	26.11	187,232	1.77%
333	Waterwheels, Turbines & Gen.	3,380,758	1.15	3,887,872	2,430,718	2,787,618	1,100,254	25.10	43,835	1.30%
334	Accessory Electrical Equip.	810,415	1.15	931,977	501,668	433,458	498,519	23.94	20,824	2.57%
335	Misc. Power Plant Equip.	1,519,564	1.15	1,747,499	858,291	774,921	972,578	25.31	38,427	2.53%
336	Roads, Railroads & Bridges	80,790	1.15	92,909	60,440	80,060	12,849	26.50	485	0.60%
	Total	18,561,920	1.15	21,346,208	12,290,436	13,409,019	7,937,189		308,655	1.66%

APPALACHIAN POWER COMPANY
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WV

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	LONDON									
331	Structures & Improvements	536,856	1.15	617,384	334,167	117,411	499,973	29.85	16,750	3.12%
332	Reservoirs, Dams & Waterways	1,369,743	1.15	1,575,204	722,798	570,313	1,004,891	29.99	33,508	2.45%
333	Waterwheels, Turbines & Gen.	2,632,258	1.15	3,027,097	1,350,515	752,499	2,274,598	28.64	79,420	3.02%
334	Accessory Electrical Equip.	1,868,915	1.15	2,149,252	1,021,592	815,862	1,333,390	27.11	49,184	2.63%
335	Misc. Power Plant Equip.	412,306	1.15	474,152	164,336	114,357	359,795	28.92	12,441	3.02%
336	Roads, Railroads & Bridges	48,853	1.15	56,181	34,375	35,683	20,498	30.50	672	1.38%
	Total	6,868,931	1.15	7,899,271	3,627,783	2,406,125	5,493,146		191,975	2.79%
	MARMET									
331	Structures & Improvements	599,168	1.15	689,043	386,973	336,225	352,818	29.85	11,820	1.97%
332	Reservoirs, Dams & Waterways	1,876,778	1.15	2,158,295	793,029	498,427	1,659,868	29.99	55,347	2.95%
333	Waterwheels, Turbines & Gen.	2,603,361	1.15	2,993,865	1,280,008	591,904	2,401,961	28.64	83,867	3.22%
334	Accessory Electrical Equip.	2,162,426	1.15	2,486,790	1,172,877	902,793	1,583,997	27.11	58,429	2.70%
335	Misc. Power Plant Equip.	567,122	1.15	652,190	247,267	177,057	475,133	28.92	16,429	2.90%
336	Roads, Railroads & Bridges	1,275	1.15	1,466	901	961	505	30.50	17	1.30%
	Total	7,810,130	1.15	8,981,650	3,881,055	2,507,367	6,474,283		225,909	2.89%
	NIAGARA									
331	Structures & Improvements	196,124	1.15	225,543	192,451	180,027	45,516	10.42	4,368	2.23%
332	Reservoirs, Dams & Waterways	4,904,258	1.15	5,639,897	3,859,415	2,343,191	3,296,706	10.44	315,776	6.44%
333	Waterwheels, Turbines & Gen.	628,318	1.15	722,566	522,889	449,310	273,256	10.28	26,581	4.23%
334	Accessory Electrical Equip.	213,394	1.15	245,403	180,349	110,409	134,994	10.10	13,366	6.26%
335	Misc. Power Plant Equip.	236,941	1.15	272,482	180,795	133,668	138,814	10.31	13,464	5.68%
	Total	6,179,035	1.15	7,105,890	4,935,899	3,216,605	3,889,285		373,556	6.05%
	REUSENS									
331	Structures & Improvements	485,336	1.15	558,136	304,061	168,693	389,443	10.42	37,375	7.70%
332	Reservoirs, Dams & Waterways	1,610,589	1.15	1,852,177	1,346,113	675,448	1,176,729	10.44	112,714	7.00%
333	Waterwheels, Turbines & Gen.	2,551,573	1.15	2,934,309	1,886,560	874,949	2,059,360	10.28	200,327	7.85%
334	Accessory Electrical Equip.	898,460	1.15	1,033,229	739,764	486,543	546,686	10.10	54,127	6.02%
335	Misc. Power Plant Equip.	600,505	1.15	690,581	328,614	165,547	525,034	10.31	50,925	8.48%
	Total	6,146,463	1.15	7,068,432	4,605,112	2,371,180	4,697,252		455,467	7.41%
	SMITH MOUNTAIN									
331	Structures & Improvements	12,266,136	1.15	14,106,056	8,517,351	10,555,000	3,551,056	26.01	136,527	1.11%
332	Reservoirs, Dams & Waterways	26,088,428	1.15	30,001,692	18,348,253	23,378,906	6,622,786	26.11	253,649	0.97%
333	Waterwheels, Turbines & Gen.	66,418,567	1.15	76,381,352	36,630,742	31,415,757	44,965,595	25.10	1,791,458	2.70%
334	Accessory Electrical Equip.	8,788,116	1.15	10,106,333	4,683,975	3,488,776	6,617,557	23.94	276,423	3.15%
335	Misc. Power Plant Equip.	9,220,140	1.15	10,603,161	3,654,274	2,326,587	8,276,574	25.31	327,008	3.55%
336	Roads, Railroads & Bridges	1,052,133	1.15	1,209,953	753,204	1,007,026	202,927	26.50	7,658	0.73%
	Total Smith Mountain	123,833,520	1.15	142,408,548	72,587,799	72,172,052	70,236,496		2,792,722	2.26%
	WINFIELD									
331	Structures & Improvements	826,446	1.15	950,413	386,737	205,329	745,084	29.85	24,961	3.02%
332	Reservoirs, Dams & Waterways	1,989,678	1.15	2,288,130	995,345	772,048	1,516,082	29.99	50,553	2.54%
333	Waterwheels, Turbines & Gen.	4,422,709	1.15	5,086,115	1,488,527	417,673	4,668,442	28.64	163,004	3.69%
334	Accessory Electrical Equip.	190,526	1.15	219,105	95,562	55,382	163,723	27.11	6,039	3.17%
335	Misc. Power Plant Equip.	3,131,462	1.15	3,601,181	1,658,156	1,394,280	2,206,901	28.92	76,311	2.44%
336	Roads, Railroads & Bridges	23,567	1.15	27,102	9,952	8,255	18,847	30.50	618	2.62%
	Total	10,584,388	1.15	12,172,046	4,634,279	2,852,967	9,319,079		321,486	3.04%
	Total Hydraulic Production	**221,187,830**	**1.15**	**254,366,005**	**136,783,693**	**122,859,285**	**131,506,720**	**20.44**	**6,434,139**	2.91%

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SCHEDULE I - CALCULATION OF DEPRECIATION RATES BY THE REMAINNG LIFE METHOD
(STEAM PRODUCTION DEPRECIATION RATES THROUGH MAY 2015)
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

WV

ACCT NO (I)	ACCOUNT TITLE (II)	ORIGINAL COST (III)	NET SALVG. RATIO (IV)	TOTAL TO BE RECOVERED (V)	THEORETICAL RESERVE (VI)	ACCUMULATED DEPRECIATION (VII)	REMAINING AMOUNT (VIII)	AVG. REMAIN LIFE (IX)	ANNUAL ACCRUAL (X)	DEPR. RATE (XI)
OTHER PRODUCTION PLANT										
	CEREDO									
341	Structures & Improvements	1,652,232	1.00	1,652,232	389,925	1,098,253	553,979	27.42	20,203	1.22%
344	Generators	176,927,406	1.00	176,927,406	41,586,553	119,847,570	57,079,836	27.50	2,075,630	1.17%
345	Accessory Electrical Equip.	23,719,423	1.00	23,719,423	5,662,444	15,689,325	8,030,098	27.01	297,301	1.25%
346	Misc. Power Plant Equip.	1,019,973	1.00	1,019,973	222,081	250,762	769,211	19.94	38,576	3.78%
	Total	203,319,034	1.00	203,319,034	47,861,003	136,885,910	66,433,124		2,431,711	1.20%
	DRESDEN (5)									
341	Structures & Improvements	38,961,284	1.00	38,961,284	1,632,237	1,208,696	37,752,588	33.39	1,130,656	2.90%
342	Fuel Holders, Producers & Access.	18,860,915	1.00	18,860,915	606,829	449,366	18,411,549	33.39	551,409	2.92%
344	Generators	252,575,207	1.00	252,575,207	10,824,652	8,015,819	244,559,388	33.50	7,300,280	2.89%
345	Accessory Electrical Equip.	22,357,056	1.00	22,357,056	966,086	715,401	21,641,655	32.77	660,411	2.95%
346	Misc. Power Plant Equip.	27,248,700	1.01	27,521,187	1,735,987	1,285,525	26,235,662	22.28	1,177,543	4.32%
	Total	360,003,162	1.00	360,275,649	15,765,791	11,674,807	348,600,842		10,820,299	3.01%
	Total Other Production Plant	**563,322,196**	**1.00**	**563,594,683**	**63,626,794**	**148,560,717**	**415,033,966**	**31.32**	**13,252,010**	2.35%
	Total Production Plant	**6,546,260,509**	**1.04**	**6,810,807,047**	**2,595,392,257**	**2,182,417,288**	**4,628,389,759**	**22.67**	**204,195,952**	3.12%
TRANSMISSION PLANT										
351	Energy Storage Equipment (6)	3,054,157	1.00	3,054,157	1,499,446	658,649	2,395,508	7.64	203,712	6.67%
352	Structures & Improvements	47,065,579	1.10	51,772,137	21,651,452	26,039,523	25,732,614	36.07	713,408	1.52%
353	Station Equipment	865,044,846	0.85	735,288,119	208,813,427	267,607,360	467,680,759	32.22	14,515,232	1.68%
354	Towers & Fixtures	413,584,670	1.10	454,943,137	127,837,828	143,677,294	311,265,843	48.89	6,366,657	1.54%
355	Poles & Fixtures	223,472,144	1.15	256,992,966	36,897,160	45,057,165	211,935,801	35.97	5,892,016	2.64%
356	OH Conductor & Devices	484,481,575	0.88	426,343,786	120,535,716	160,993,798	265,349,988	45.90	5,781,045	1.19%
357	Underground Conduit	255,431	1.00	255,431	139,537	171,483	83,948	22.69	3,700	1.45%
358	Underground Conductor	6,691,699	1.00	6,691,699	3,177,681	1,613,003	5,078,696	10.50	483,685	7.23%
	Total Transmission Plant	**2,043,650,101**	**0.95**	**1,935,341,432**	**520,552,247**	**645,818,275**	**1,289,523,157**	**37.97**	**33,959,454**	
	DISTRIBUTION PLANT - VA (7)									
361	Structures & Improvements	15,517,683	1.12	17,379,805	6,897,609	6,366,510	11,013,295	30.16	374,087	2.41%
362	Station Equipment	221,416,717	1.02	225,845,051	51,906,685	52,787,343	173,057,708	30.81	5,417,609	2.45%
364	Poles, Towers, & Fixtures	332,104,009	1.60	531,366,414	153,124,629	159,222,466	372,143,948	19.93	19,138,622	5.76%
365	Overhead Conductor & Devices	356,561,098	1.08	385,085,986	63,533,034	72,616,033	312,469,953	29.23	10,321,585	2.89%
366	Underground Conduit	53,023,520	1.00	53,023,520	15,505,131	16,205,519	36,818,001	35.38	994,597	1.88%
367	Underground Conductor	148,765,540	1.00	148,765,540	21,179,002	44,542,404	104,223,136	47.17	2,242,961	1.51%
368	Line Transformers	319,074,864	1.15	366,936,094	100,573,169	99,435,426	267,500,668	19.60	13,524,610	4.24%
369	Services	155,515,877	1.21	188,174,211	43,016,147	50,303,957	137,870,254	23.14	6,054,547	3.89%
370	Meters	79,934,311	1.10	87,927,742	27,797,255	15,197,476	72,730,266	17.10	3,523,045	4.41%
371	Installations on Custs. Prem.	31,739,210	1.20	38,087,052	13,264,902	14,087,558	23,999,494	6.52	4,197,025	13.22%
372	Leased Property on Cust. Prem.	771	1.00	771	517	445	326	8.22	40	5.14%
373	Street Lighting & Signal Sys.	16,938,565	1.07	18,124,265	5,932,066	6,981,448	11,142,817	13.45	1,015,913	6.00%
	Total Distribution Plant - VA	1,730,592,165	1.19	2,060,716,451	502,730,146	537,746,585	1,522,969,866	22.80	66,804,641	3.86%
	DISTRIBUTION PLANT - WV									
361	Structures & Improvements	15,554,343	1.12	17,420,864	6,913,905	6,111,759	11,309,105	30.16	374,970	2.41%
362	Station Equipment	157,453,002	1.02	160,602,062	36,911,682	41,905,027	118,697,035	30.81	3,852,549	2.45%
363	Energy Storage Equipment (8)	5,346,203	1.00	5,346,203	1,914,973	1,698,371	3,647,832	9.63	356,592	6.67%
364	Poles, Towers, & Fixtures	321,153,547	1.60	513,845,675	148,075,652	144,989,909	368,855,766	19.93	18,507,565	5.76%
365	Overhead Conductor & Devices	307,070,818	1.08	331,636,483	54,714,720	71,812,154	259,824,329	29.23	8,888,961	2.89%
366	Underground Conduit	36,959,254	1.00	36,959,254	10,807,621	12,431,389	24,527,865	35.38	693,269	1.88%
367	Underground Conductor	75,462,387	1.00	75,462,387	10,743,200	21,794,342	53,668,045	47.17	1,137,758	1.51%
368	Line Transformers	211,380,218	1.15	243,087,251	66,627,556	67,475,905	175,611,346	19.60	8,959,763	4.24%
369	Services	139,427,052	1.21	168,706,733	38,565,930	43,098,725	125,608,008	23.14	5,428,177	3.89%
370	Meters	46,888,019	1.10	51,576,821	16,305,366	16,238,740	35,338,081	17.10	2,066,554	4.41%
371	Installations on Custs. Prem.	22,412,341	1.20	26,894,809	9,366,885	7,571,557	19,323,252	6.52	2,963,689	13.22%
373	Street Lighting & Signal Sys.	8,248,736	1.07	8,826,148	2,888,796	2,172,042	6,654,106	13.45	494,729	6.00%
	Total Distribution Plant - WV	1,347,355,920	1.22	1,640,364,690	403,836,286	437,299,920	1,203,064,770		53,724,576	3.99%

APPALACHIAN POWER COMPANY
SCHEDULE I - CALCULATION OF DEPRECIATION RATES BY THE REMAINNG LIFE METHOD
(STEAM PRODUCTION DEPRECIATION RATES THROUGH MAY 2015)
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

WV

ACCT NO (I)	ACCOUNT TITLE (II)	ORIGINAL COST (III)	NET SALVG. RATIO (IV)	TOTAL TO BE RECOVERED (V)	THEORETICAL RESERVE (VI)	ACCUMULATED DEPRECIATION (VII)	REMAINING AMOUNT (VIII)	AVG. REMAIN LIFE (IX)	ANNUAL ACCRUAL (X)	DEPR. RATE (XI)
DISTRIBUTION PLANT - TN										
370	Meters	47,141	1.10	51,855	16,393	47,462	4,393	10.00	439	0.93%
	Total Distribution Plant - TN	47,141		51,855	16,393	47,462	4,393		439	0.93%
	Total Distribution Plant	**3,077,995,226**	**1.20**	**3,701,132,996**	**906,582,825**	**975,093,967**	**2,726,039,029**	**22.62**	**120,529,656**	3.92%
GENERAL PLANT										
390	Structures & Improvements	107,543,532	0.75	80,657,649	31,702,265	46,502,292	34,155,357	25.49	1,339,951	1.25%
391	Office Furniture & Equipment	6,434,097	1.00	6,434,097	2,628,378	3,101,113	3,332,984	17.74	187,880	2.92%
392	Transportation Equipment	445	1.00	445	206	206	239	14.50	16	3.70%
393	Stores Equipment	1,247,885	1.00	1,247,885	380,554	433,877	814,008	38.23	21,292	1.71%
394	Tools Shop & Garage Equipment	23,955,943	1.10	26,351,537	6,361,810	6,583,065	19,768,472	32.62	606,023	2.53%
395	Laboratory Equipment	2,733,895	1.00	2,733,895	1,653,975	1,203,683	1,530,212	14.62	104,666	3.83%
396	Power Operated Equipment	821	1.00	821	805	805	16	0.50	32	3.90%
397	Communication Equipment	30,544,390	1.01	30,849,834	12,956,827	9,386,400	21,463,434	13.92	1,541,913	5.05%
398	Miscellaneous Equipment	6,443,229	1.00	6,443,229	1,894,248	2,262,941	4,180,288	24.71	169,174	2.63%
	Total General Plant	**178,904,237**	**0.86**	**154,719,392**	**57,579,068**	**69,474,382**	**85,245,010**	**21.47**	**3,970,948**	2.22%
Total Depreciable Plant		**11,846,810,073**	**1.06**	**12,602,000,867**	**4,080,106,397**	**3,872,803,912**	**8,729,196,955**	**24.07**	**362,656,010**	3.06%

Notes:

1. Depreciation rates for Amos, Glen Lyn, Kanawha, Mountaineer and Sporn were calculated together combining original cost and accumulated depreciation and recovering these amounts over the remaining life of Amos and Mountaineer which are both expected to retire in 2040. In addition, the Company is requesting a separate depreciation rate for Amos and Mountaineer's SCR Catalyst in account 312 in this filing. The catalyst is a significant cost and has a shorter average life than total account 312. Chao Lin, AEP Senior Engineer Air Emissions Control calculated the SCR Catalyst cost included in Amos and Mountaineer's account 312 and provided an expected life for the catalyst at each of these facilities. The depreciation study uses Mr. Lin's estimates to request a separate depreciation rate for this investment. The total average life estimated by Mr. Lin is shown in the "AVG REMAIN LIFE" column.

2. Ohio Power's portion of Amos Unit 3 was transferred to APCo in December 2013 .

3. Clinch River Units 1 and 2 to be converted to burn natural gas. Clinch River Unit 3 has an estimated retirement date of May 31, 2015.

4. The units at the Glen Lyn, Kanawha River, and Sporn Plants have an estimated retirement date of May 31, 2015.

5. The Dresden Plant balance does not include Virginia's AFUDC investment. Dresden Plant was not in service when depreciation rates were changed in 2006 in WV Case No. 05-1278-E-PC-PW-42T. The Company has been using an engineering estimated 35 year life for the plant and is requesting an initially approved depreciation rate in this filing.

6. Account 351, Electric Storage Equipment - Transmission was established in 2013 as per FERC Order 784 regarding Accounting and Financial Reporting for New Electric Storage Technologies. The amount in account 351 represents the Company's investment in a sodium sulphur (NaS) storage battery at its Chemical 138KV Substation.

7. Using West Virginia depreciation rates for total Company comparison purposes, except for account 372 where West Virginia has no investment. This account uses Virginia's depreciation rate.

8. Account 363 Energy Storage Equipment uses an engineering estimated 15 year life and represents a sodium sulphur (NaS) battery at APCo's WV Balls Gap 138KV Substation.

APPALACHIAN POWER COMPANY
SCHEDULE II - CALCULATION OF STEAM PRODUCTION DEPRECIATION RATES BY THE REMAINNG LIFE METHOD JUNE 2015 FORWARD
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

WV

ACCT NO (I)	ACCOUNT TITLE (II)	ORIGINAL COST (III)	NET SALVG. RATIO (IV)	TOTAL TO BE RECOVERED (V)	THEORETICAL RESERVE (VI)	ACCUMULATED DEPRECIATION (VII)	REMAINING AMOUNT (VIII)	AVG. REMAIN LIFE (IX)	ANNUAL ACCRUAL (X)	DEPR. RATE (XI)
STEAM PRODUCTION PLANT										
	AMOS UNITS 1&2 (1)									
311	Structures & Improvements	43,227,781	1.01	43,660,059	22,106,882	26,991,305	16,668,754	26.08	1,048,282	2.43%
312	Boiler Plant Equipment	1,310,182,600	1.05	1,375,691,730	371,503,117	362,515,303	1,013,176,427	24.67	40,470,508	3.09%
312	Boiler Plant Equip. SCR Catalyst	20,422,274	1.00	20,422,274	7,695,694	7,695,694	12,726,580	11.00	1,856,385	9.09%
314	Turbogenerator Units	120,924,588	1.06	128,180,063	56,816,558	8,651,994	119,528,069	23.94	3,681,686	3.04%
315	Accessory Electrical Equip.	40,140,776	1.02	40,943,592	21,085,371	8,603,491	32,340,101	25.73	853,660	2.13%
316	Misc. Power Plant Equip.	10,235,121	1.03	10,542,175	4,169,836	2,409,136	8,133,039	25.20	277,889	2.72%
	Total	1,545,133,140		1,619,439,892	483,377,458	416,866,923	1,202,572,969		48,188,410	3.12%
	AMOS UNIT 3 (1) (2)									
311	Structures & Improvements	100,183,997	1.01	101,185,837	42,373,120	42,353,296	58,832,541	26.08	2,429,481	2.43%
312	Boiler Plant Equipment	1,465,418,812	1.05	1,538,689,753	376,611,944	284,033,668	1,254,656,085	24.67	45,265,632	3.09%
312	Boiler Plant Equip. SCR Catalyst	17,384,535	1.00	17,384,535	8,229,144	8,229,144	9,155,391	8.00	2,173,067	12.50%
314	Turbogenerator Units	102,998,245	1.06	109,178,140	46,423,646	29,131,284	80,046,856	23.94	3,135,898	3.04%
315	Accessory Electrical Equip.	27,371,090	1.02	27,918,512	15,280,523	14,812,556	13,105,956	25.73	582,091	2.13%
316	Misc. Power Plant Equip.	23,580,469	1.03	24,287,883	11,099,892	9,112,919	15,174,964	25.20	640,223	2.72%
	Total	1,736,937,148		1,818,644,659	500,018,269	387,672,867	1,430,971,792		54,226,392	3.12%
	CLINCH RIVER (3)									
311	Structures & Improvements	40,937,155	1.01	41,346,527	33,830,084	28,716,589	12,629,938	6.17	2,046,991	5.00%
312	Boiler Plant Equipment	289,789,652	1.01	292,687,549	208,433,184	118,753,004	173,934,545	6.12	28,420,677	9.81%
314	Turbogenerator Units	60,077,414	1.02	61,278,962	48,768,834	44,595,857	16,683,105	7.87	2,119,835	3.53%
315	Accessory Electrical Equip.	13,896,178	1.01	14,035,140	11,148,809	9,924,567	4,110,573	8.08	508,734	3.66%
316	Misc. Power Plant Equip.	7,276,925	1.01	7,349,694	5,416,423	3,998,672	3,351,022	7.11	471,311	6.48%
	Total	411,977,324		416,697,871	307,597,334	205,988,689	210,709,182		33,567,550	8.15%
	MOUNTAINEER (1)									
311	Structures & Improvements	194,148,184	1.01	196,089,666	76,937,325	59,471,012	136,618,654	26.08	4,708,131	2.43%
312	Boiler Plant Equipment	1,119,863,999	1.05	1,175,857,199	444,265,463	333,872,269	841,984,930	24.67	34,591,716	3.09%
312	Boiler Plant Equip. SCR Catalyst	16,652,662	1.00	16,652,662	6,586,254	6,586,254	10,066,408	8.00	2,081,583	12.50%
314	Turbogenerator Units	110,201,667	1.07	117,915,784	55,128,776	56,079,522	61,836,262	23.94	3,355,215	3.04%
315	Accessory Electrical Equip.	68,312,795	1.02	69,679,051	37,902,341	41,722,910	27,956,141	25.73	1,452,784	2.13%
316	Misc. Power Plant Equip.	20,297,934	1.04	21,109,851	10,061,705	10,018,897	11,090,954	25.20	551,101	2.72%
	Total	1,529,477,241		1,597,304,213	630,881,864	507,750,864	1,089,553,349		46,740,530	3.06%
	OTHER									
311	Centralized Maintenence	85,770	1.00	85,770	40,119	26,434	59,336	26.08	2,275	2.65%
316	Central Machine Shop	15,478,432	1.00	15,478,432	6,070,413	3,999,763	11,478,669	25.20	455,503	2.94%
311	Little Broad Run Ash Disposal	267,028	1.00	267,028	31,596	20,818	246,210	26.08	9,441	3.54%
312	Little Broad Run Ash Disposal	37,855,651	1.00	37,855,651	8,132,579	5,358,513	32,497,138	24.67	1,317,274	3.48%
315	Little Broad Run Ash Disposal	64,843	1.00	64,843	3,572	2,354	62,489	25.73	2,429	3.75%
	Total	53,751,724		53,751,724	14,278,279	10,682,514	44,343,842		1,786,921	3.32%
	Total Steam Production Plant	**5,277,276,577**	**1.04**	**5,505,838,360**	**1,936,153,204**	**1,528,961,857**	**3,978,151,135**		**184,509,802**	3.50%

Notes:

1. Depreciation rates for Amos and Mountaineer include the remaining net value of Glen Lyn, Kanawha River and Sporn in accumulated depreciation. The rates for Amos and Mountaineer were calculated together combining original cost and accumulated depreciation and recovering these amounts over the remaining life of Amos and Mountaineer which are both expected to retire in 2040. In addition, the Company is requesting a separate depreciation rate for Amos and Mountaineer's SCR Catalyst in account 312 in this filing. The catalyst is a significant cost and has a shorter average life than total account 312. Chao Lin, AEP Senior Engineer Air Emissions Control calculated the SCR Catalyst cost included in Amos and Mountaineer's account 312 and provided an expected life for the catalyst at each of these facilities. The depreciation study uses Mr. Lin's estimates to request a separate depreciation rate for this investment. The total average life estimated by Mr. Lin is shown in the "AVG REMAIN LIFE" column.

2. Ohio Power's portion of Amos Unit 3 was transferred to APCo in December 2013 .

3. Clinch River Units 1 and 2 to be refueled to burn natural gas. Clinch River Unit 3 has an estimated retirement date of May 31, 2015.

APPALACHIAN POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE REMAINNG LIFE METHOD
SCHEDULE III - COMPARE DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES
(STEAM PRODUCTION DEPRECIATION RATES THROUGH MAY 2015)
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

WV

NO. (1)	TITLE (2)	ORIGINAL COST (3)	CURRENT APPROVED RATE (4)	ANNUAL ACCRUAL (5)	STUDY RATE (6)	STUDY ACCRUAL (7)	DIFFERENCE (DECREASE) (8)
	Steam Production Plant						
	AMOS UNITS 1&2						
311	Structures & Improvements	43,227,781	2.12%	916,429	2.13%	918,643	2,214
312	Boiler Plant Equipment	1,310,182,600	3.20%	41,925,843	2.86%	37,462,965	-4,462,878
312	Boiler Plant Equip. SCR Catalyst	20,422,274	3.20%	653,513	9.09%	1,856,385	1,202,872
314	Turbogenerator Units	120,924,588	2.77%	3,349,611	2.44%	2,947,059	-402,552
315	Accessory Electrical Equipment	40,140,776	2.43%	975,421	1.79%	719,314	-256,107
316	Misc. Power Plant Equip.	10,235,121	2.44%	249,737	2.11%	216,167	-33,570
	Total	1,545,133,140	3.11%	48,070,554	2.86%	44,120,533	-3,950,021
	AMOS UNIT 3 (1)						
311	Structures & Improvements	100,183,997	2.06%	2,063,790	2.13%	2,129,031	65,241
312	Boiler Plant Equipment	1,465,418,812	2.83%	41,471,352	2.86%	41,901,742	430,390
312	Boiler Plant Equip. SCR Catalyst	17,384,535	2.83%	491,982	12.50%	2,173,067	1,681,085
314	Turbogenerator Units	102,998,245	2.76%	2,842,752	2.44%	2,510,175	-332,577
315	Accessory Electrical Equipment	27,371,090	2.24%	613,112	1.79%	490,484	-122,628
316	Misc. Power Plant Equip.	23,580,469	2.84%	669,685	2.11%	498,023	-171,662
	Total	1,736,937,148	2.77%	48,152,673	2.86%	49,702,522	1,549,849
	CLINCH RIVER (2)						
311	Structures & Improvements	40,937,155	2.58%	1,056,179	5.00%	2,046,991	990,812
312	Boiler Plant Equipment	289,789,652	3.26%	9,447,143	9.81%	28,420,677	18,973,534
314	Turbogenerator Units	60,077,414	2.67%	1,604,067	3.53%	2,119,835	515,768
315	Accessory Electrical Equipment	13,896,178	2.32%	322,391	3.66%	508,734	186,343
316	Misc. Power Plant Equip.	7,276,925	3.05%	221,946	6.48%	471,311	249,365
	Total	411,977,324	3.07%	12,651,726	8.15%	33,567,548	20,915,822
	GLEN LYN UNIT 5 (3)						
311	Structures & Improvements	3,203,526	4.06%	130,063	2.13%	68,079	-61,984
312	Boiler Plant Equipment	25,429,843	4.92%	1,251,148	2.86%	727,133	-524,015
314	Turbogenerator Units	6,576,230	5.53%	363,666	2.44%	160,270	-203,396
315	Accessory Electrical Equipment	2,369,413	5.17%	122,499	1.79%	42,459	-80,040
316	Misc. Power Plant Equip.	220,080	10.47%	23,042	2.11%	4,648	-18,394
	Total	37,799,092	5.00%	1,890,418	2.65%	1,002,589	-887,829
	GLEN LYN UNIT 6 (3)						
311	Structures & Improvements	12,873,332	3.14%	404,223	2.13%	273,574	-130,649
312	Boiler Plant Equipment	72,071,697	4.31%	3,106,290	2.86%	2,060,796	-1,045,494
314	Turbogenerator Units	21,820,646	3.63%	792,089	2.44%	531,792	-260,297
315	Accessory Electrical Equipment	6,291,287	3.39%	213,275	1.79%	112,739	-100,536
316	Misc. Power Plant Equip.	4,381,958	4.61%	202,008	2.11%	92,548	-109,460
	Total	117,438,920	4.02%	4,717,885	2.62%	3,071,449	-1,646,436
	KANAWHA RIVER (3)						
311	Structures & Improvements	18,673,613	0.35%	65,358	2.13%	396,837	331,479
312	Boiler Plant Equipment	124,776,523	1.40%	1,746,871	2.86%	3,567,822	1,820,951
314	Turbogenerator Units	33,878,466	1.02%	345,560	2.44%	825,654	480,094
315	Accessory Electrical Equipment	9,108,432	0.82%	74,689	1.79%	163,221	88,532
316	Misc. Power Plant Equip.	6,714,237	2.09%	140,328	2.11%	141,806	1,478
	Total	193,151,271	1.23%	2,372,806	2.64%	5,095,340	2,722,534
	MOUNTAINEER						
311	Structures & Improvements	194,148,184	1.67%	3,242,275	2.13%	4,125,884	883,609
312	Boiler Plant Equipment	1,119,863,999	2.01%	22,509,266	2.86%	32,021,052	9,511,786
312	Boiler Plant Equip. SCR Catalyst	16,652,662	2.01%	334,719	12.50%	2,081,583	1,746,864
314	Turbogenerator Units	110,201,667	1.92%	2,115,872	2.44%	2,685,730	569,858
315	Accessory Electrical Equipment	68,312,795	1.65%	1,127,161	1.79%	1,224,151	96,990
316	Misc. Power Plant Equip.	20,297,934	1.87%	379,571	2.11%	428,695	49,124
	Total	1,529,477,241	1.94%	29,708,864	2.78%	42,567,095	12,858,231

APPALACHIAN POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE REMAINNG LIFE METHOD
SCHEDULE III - COMPARE DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES
(STEAM PRODUCTION DEPRECIATION RATES THROUGH MAY 2015)
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

WV

NO.	TITLE	ORIGINAL COST	CURRENT APPROVED RATE	ANNUAL ACCRUAL	STUDY RATE	STUDY ACCRUAL	DIFFERENCE (DECREASE)
	SPORN (3)						
311	Structures & Improvements	12,885,998	0.22%	28,349	2.13%	273,843	245,494
312	Boiler Plant Equipment	90,451,731	1.92%	1,736,673	2.86%	2,586,349	849,676
314	Turbogenerator Units	21,013,630	0.98%	205,934	2.44%	512,124	306,190
315	Accessory Electrical Equipment	7,598,808	0.97%	73,708	1.79%	136,169	62,461
316	Misc. Power Plant Equip.	4,134,456	1.18%	48,787	2.11%	87,320	38,533
	Total	136,084,623	1.54%	2,093,451	2.64%	3,595,805	1,502,354
	OTHER						
311	Centralized Maintenance	85,770	2.07%	1,775	2.65%	2,275	500
316	Central Machine Shop	15,478,432	2.10%	325,047	2.94%	455,503	130,456
311	Little Broad Run Ash Disposal	267,028	1.76%	4,700	3.54%	9,441	4,741
312	Little Broad Run Ash Disposal	37,855,651	1.76%	666,259	3.48%	1,317,274	651,015
315	Little Broad Run Ash Disposal	64,843	1.76%	1,141	3.75%	2,429	1,288
	Total	53,751,724	1.86%	998,922	3.32%	1,786,922	788,000
	Total Steam Production Plant	**5,761,750,483**	**2.61%**	**150,657,299**	**3.20%**	**184,509,803**	**33,852,504**
	Hydraulic Production Plant						
	BUCK						
331	Structures & Improvements	326,505	1.08%	3,526	3.98%	12,999	9,473
332	Reservoirs, Dams & Waterways	5,823,685	2.57%	149,669	5.92%	344,853	195,184
333	Waterwheels, Turbines & Generators	1,831,391	4.87%	89,189	4.44%	81,285	-7,904
334	Accessory Electric Equipment	2,499,664	2.99%	74,740	6.33%	158,199	83,459
335	Micellaneous Power Plant Equipment	250,453	1.94%	4,859	7.88%	19,739	14,880
336	Roads, Railroads & Bridges	3,437	1.05%	36	3.06%	105	69
	Total Buck Plant	10,735,135	3.00%	322,019	5.75%	617,180	295,161
	BYLLESBY						
331	Structures & Improvements	862,690	1.09%	9,403	6.45%	55,650	46,247
332	Reservoirs, Dams & Waterways	5,839,487	3.08%	179,856	8.79%	513,021	333,165
333	Waterwheels, Turbines & Generators	2,377,068	3.98%	94,607	6.88%	163,459	68,852
334	Accessory Electric Equipment	847,610	2.21%	18,732	3.09%	26,203	7,471
335	Micellaneous Power Plant Equipment	786,032	1.86%	14,620	8.09%	63,585	48,965
	Total Byllesby Plant	10,712,887	2.96%	317,218	7.67%	821,918	504,700
	CLAYTOR						
331	Structures & Improvements	2,056,809	1.28%	26,327	1.91%	39,236	12,909
332	Reservoirs, Dams & Waterways	10,006,198	0.87%	87,054	1.17%	117,421	30,367
333	Waterwheels, Turbines & Generators	2,248,329	0.72%	16,188	1.27%	28,535	12,347
334	Accessory Electric Equipment	2,945,552	1.78%	52,431	2.34%	69,034	16,603
335	Micellaneous Power Plant Equipment	2,466,734	2.18%	53,775	2.87%	70,825	17,050
336	Roads, Railroads & Bridges	31,799	0.55%	175	0.69%	220	45
	Total Claytor Plant	19,755,421	1.19%	235,950	1.65%	325,271	89,321
	LEESVILLE						
331	Structures & Improvements	2,198,172	0.86%	18,904	0.81%	17,853	-1,051
332	Reservoirs, Dams & Waterways	10,572,221	1.34%	141,668	1.77%	187,232	45,564
333	Waterwheels, Turbines & Generators	3,380,758	0.91%	30,765	1.30%	43,835	13,070
334	Accessory Electric Equipment	810,415	1.14%	9,239	2.57%	20,824	11,585
335	Micellaneous Power Plant Equipment	1,519,564	1.49%	22,642	2.53%	38,427	15,785
336	Roads, Railroads & Bridges	80,790	0.85%	687	0.60%	485	-202
	Total Leesville Plant	18,561,920	1.21%	223,905	1.66%	308,656	84,751
	LONDON						
331	Structures & Improvements	536,856	1.75%	9,395	3.12%	16,750	7,355
332	Reservoirs, Dams & Waterways	1,369,743	1.54%	21,094	2.45%	33,508	12,414
333	Waterwheels, Turbines & Generators	2,632,258	1.52%	40,010	3.02%	79,420	39,410
334	Accessory Electric Equipment	1,868,915	2.17%	40,555	2.63%	49,184	8,629
335	Micellaneous Power Plant Equipment	412,306	2.20%	9,071	3.02%	12,441	3,370
336	Roads, Railroads & Bridges	48,853	1.43%	699	1.38%	672	-27
	Total London Plant	6,868,931	1.76%	120,824	2.79%	191,975	71,151

APPALACHIAN POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE REMAINNG LIFE METHOD
SCHEDULE III - COMPARE DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES
(STEAM PRODUCTION DEPRECIATION RATES THROUGH MAY 2015)
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

WV

NO.	TITLE	ORIGINAL COST	CURRENT APPROVED RATE	ANNUAL ACCRUAL	STUDY RATE	STUDY ACCRUAL	DIFFERENCE (DECREASE)
	MARMET						
331	Structures & Improvements	599,168	1.69%	10,126	1.97%	11,820	1,694
332	Reservoirs, Dams & Waterways	1,876,778	1.62%	30,404	2.95%	55,347	24,943
333	Waterwheels, Turbines & Generators	2,603,361	1.54%	40,092	3.22%	83,867	43,775
334	Accessory Electric Equipment	2,162,426	2.22%	48,006	2.70%	58,429	10,423
335	Micellaneous Power Plant Equipment	567,122	2.23%	12,647	2.90%	16,429	3,782
336	Roads, Railroads & Bridges	1,275	1.48%	19	1.30%	17	-2
	Total Marmet Plant	7,810,130	1.81%	141,294	2.89%	225,909	84,615
	NIAGARA						
331	Structures & Improvements	196,124	1.34%	2,628	2.23%	4,368	1,740
332	Reservoirs, Dams & Waterways	4,904,258	2.16%	105,932	6.44%	315,776	209,844
333	Waterwheels, Turbines & Generators	628,318	4.43%	27,834	4.23%	26,581	-1,253
334	Accessory Electric Equipment	213,394	2.02%	4,311	6.26%	13,366	9,055
335	Micellaneous Power Plant Equipment	236,941	3.42%	8,103	5.68%	13,464	5,361
	Total Niagara Plant	6,179,035	2.41%	148,808	6.05%	373,555	224,747
	REUSENS						
331	Structures & Improvements	485,336	0.77%	3,737	7.70%	37,375	33,638
332	Reservoirs, Dams & Waterways	1,610,589	1.27%	20,454	7.00%	112,714	92,260
333	Waterwheels, Turbines & Generators	2,551,573	2.24%	57,155	7.85%	200,327	143,172
334	Accessory Electric Equipment	898,460	1.19%	10,692	6.02%	54,127	43,435
335	Micellaneous Power Plant Equipment	600,505	3.04%	18,255	8.48%	50,925	32,670
	Total Reusens Plant	6,146,463	1.79%	110,293	7.41%	455,468	345,175
	SMITH MOUNTAIN						
331	Structures & Improvements	12,266,136	1.04%	127,568	1.11%	136,527	8,959
332	Reservoirs, Dams & Waterways	26,088,428	0.95%	247,840	0.97%	253,649	5,809
333	Waterwheels, Turbines & Generators	66,418,567	1.44%	956,427	2.70%	1,791,458	835,031
334	Accessory Electric Equipment	8,788,116	1.57%	137,973	3.15%	276,423	138,450
335	Micellaneous Power Plant Equipment	9,220,140	1.54%	141,990	3.55%	327,008	185,018
336	Roads, Railroads & Bridges	1,052,133	0.94%	9,890	0.73%	7,658	-2,232
	Total Smith Mountain Plant	123,833,520	1.31%	1,621,688	2.26%	2,792,723	1,171,035
	WINFIELD						
331	Structures & Improvements	826,446	1.61%	13,306	3.02%	24,961	11,655
332	Reservoirs, Dams & Waterways	1,989,678	1.62%	32,233	2.54%	50,553	18,320
333	Waterwheels, Turbines & Generators	4,422,709	1.24%	54,842	3.69%	163,004	108,162
334	Accessory Electric Equipment	190,526	1.49%	2,839	3.17%	6,039	3,200
335	Micellaneous Power Plant Equipment	3,131,462	2.00%	62,629	2.44%	76,311	13,682
336	Roads, Railroads & Bridges	23,567	2.22%	523	2.62%	618	95
	Total Winfield Plant	10,584,388	1.57%	166,372	3.04%	321,486	155,114
	Total Hydraulic Production Plant	**221,187,830**	**1.54%**	**3,408,371**	**2.91%**	**6,434,141**	**3,025,770**
	Other Production Plant						
	CEREDO						
341	Structures & Improvements	1,652,232	1.22%	20,157	1.22%	20,203	46
344	Generators	176,927,406	1.60%	2,830,838	1.17%	2,075,630	-755,208
345	Accessory Electrical Equip.	23,719,423	1.22%	289,377	1.25%	297,301	7,924
346	Misc. Power Plant Equip.	1,019,973	1.22%	12,444	3.78%	38,576	26,132
	Total	203,319,034	1.55%	3,152,816	1.20%	2,431,710	-721,106
	DRESDEN (4)						
341	Structures & Improvements	38,961,284	2.90%	1,130,656	2.90%	1,130,656	0
342	Fuel Holders, Producers and Access.	18,860,915	2.92%	551,409	2.92%	551,409	0
344	Generators	252,575,207	2.89%	7,300,280	2.89%	7,300,280	0
345	Accessory Electrical Equip.	22,357,056	2.95%	660,411	2.95%	660,411	0
346	Misc. Power Plant Equip.	27,248,700	4.32%	1,177,543	4.32%	1,177,543	0
	Total	360,003,162	3.01%	10,820,299	3.01%	10,820,299	0
	Total Other Production Plant	**563,322,196**	**2.48%**	**13,973,115**	**2.35%**	**13,252,009**	**-721,106**
	Total Production Plant	**6,546,260,509**	**2.57%**	**168,038,785**	**3.12%**	**204,195,953**	**36,157,168**

APPALACHIAN POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE REMAINNG LIFE METHOD
SCHEDULE III - COMPARE DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES
(STEAM PRODUCTION DEPRECIATION RATES THROUGH MAY 2015)
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

WV

NO.	TITLE	ORIGINAL COST	CURRENT APPROVED RATE	ANNUAL ACCRUAL	STUDY RATE	STUDY ACCRUAL	DIFFERENCE (DECREASE)
TRANSMISSION PLANT							
351	Electric Storage Equipment (5)	3,054,157	6.67%	203,712	6.67%	203,712	0
352	Structures & Improvements	47,065,579	1.55%	729,516	1.52%	713,408	-16,108
353	Station Equipment	865,044,846	1.95%	16,868,374	1.68%	14,515,232	-2,353,142
354	Towers & Fixtures	413,584,670	1.14%	4,714,865	1.54%	6,366,657	1,651,792
355	Poles & Fixtures	223,472,144	2.77%	6,190,178	2.64%	5,892,016	-298,162
356	OH Conductor & Devices	484,481,575	1.01%	4,893,264	1.19%	5,781,045	887,781
357	Underground Conduit	255,431	1.24%	3,167	1.45%	3,700	533
358	Underground Conductor	6,691,699	3.18%	212,796	7.23%	483,685	270,889
	Total Transmission Plant	**2,043,650,101**	**1.65%**	**33,815,872**	**1.66%**	**33,959,455**	**143,583**
DISTRIBUTION PLANT - VA (6)							
361	Structures & Improvements	15,517,683	2.18%	338,285	2.41%	374,087	35,802
362	Station Equipment	221,416,717	2.20%	4,871,168	2.45%	5,417,609	546,441
364	Poles, Towers, & Fixtures	332,104,009	4.90%	16,273,096	5.76%	19,138,622	2,865,526
365	Overhead Conductor & Devices	356,561,098	1.93%	6,881,629	2.89%	10,321,585	3,439,956
366	Underground Conduit	53,023,520	2.04%	1,081,680	1.88%	994,597	-87,083
367	Underground Conductor	148,765,540	1.89%	2,811,669	1.51%	2,242,961	-568,708
368	Line Transformers	319,074,864	3.30%	10,529,471	4.24%	13,524,610	2,995,139
369	Services	155,515,877	3.05%	4,743,234	3.89%	6,054,547	1,311,313
370	Meters	79,934,311	4.11%	3,285,300	4.41%	3,523,045	237,745
371	Installations on Custs. Prem.	31,739,210	8.94%	2,837,485	13.22%	4,197,025	1,359,540
372	Leased Property on Customers Premises	771	5.70%	44	5.14%	40	-4
373	Street Lighting & Signal Sys.	16,938,565	4.04%	684,318	6.00%	1,015,913	331,595
	Total Distribution Plant - VA	1,730,592,165	3.14%	54,337,379	3.86%	66,804,641	12,467,262
DISTRIBUTION PLANT - WV							
361	Structures & Improvements	15,554,343	2.18%	339,085	2.41%	374,970	35,885
362	Station Equipment	157,453,002	2.20%	3,463,966	2.45%	3,852,549	388,583
363	Energy Storage Equipment (7)	5,346,203	6.67%	356,592	6.67%	356,592	0
364	Poles, Towers, & Fixtures	321,153,547	4.90%	15,736,524	5.76%	18,507,565	2,771,041
365	Overhead Conductor & Devices	307,070,818	1.93%	5,926,467	2.89%	8,888,961	2,962,494
366	Underground Conduit	36,959,254	2.04%	753,969	1.88%	693,269	-60,700
367	Underground Conductor	75,462,387	1.89%	1,426,239	1.51%	1,137,758	-288,481
368	Line Transformers	211,380,218	3.30%	6,975,547	4.24%	8,959,763	1,984,216
369	Services	139,427,052	3.05%	4,252,525	3.89%	5,428,177	1,175,652
370	Meters	46,888,019	4.11%	1,927,098	4.41%	2,066,554	139,456
371	Installations on Custs. Prem.	22,412,341	8.94%	2,003,663	13.22%	2,963,689	960,026
373	Street Lighting & Signal Sys.	8,248,736	4.04%	333,249	6.00%	494,729	161,480
	Total Distribution Plant - WV	1,347,355,920	3.23%	43,494,924	3.99%	53,724,576	10,229,652
DISTRIBUTION PLANT - TN							
370	Meters	47,141	4.00%	1,886	0.93%	439	-1,447
	Total Distribution Plant - TN	47,141	4.00%	1,886		439	-1,447
	Total Distribution Plant	**3,077,995,226**	**3.18%**	**97,834,189**	**3.92%**	**120,529,656**	**22,695,467**

APPALACHIAN POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE REMAINNG LIFE METHOD
SCHEDULE III - COMPARE DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES
(STEAM PRODUCTION DEPRECIATION RATES THROUGH MAY 2015)
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

WV

NO.	TITLE	ORIGINAL COST	CURRENT APPROVED RATE	ANNUAL ACCRUAL	STUDY RATE	STUDY ACCRUAL	DIFFERENCE (DECREASE)
GENERAL PLANT							
390	Structures & Improvements	107,543,532	1.42%	1,527,118	1.25%	1,339,951	-187,167
391	Office Furniture & Equipment	6,434,097	2.57%	165,356	2.92%	187,880	22,524
392	Transportation Equipment	445	1.15%	5	3.70%	16	11
393	Stores Equipment	1,247,885	1.34%	16,722	1.71%	21,292	4,570
394	Tools Shop & Garage Equipment	23,955,943	2.14%	512,657	2.53%	606,023	93,366
395	Laboratory Equipment	2,733,895	1.39%	38,001	3.83%	104,666	66,665
396	Power Operated Equipment	821	0.76%	6	3.90%	32	26
397	Communication Equipment	30,544,390	3.19%	974,366	5.05%	1,541,913	567,547
398	Miscellaneous Equipment	6,443,229	2.03%	130,798	2.63%	169,174	38,376
	Total General Plant	**178,904,237**	**1.88%**	**3,365,029**	**2.22%**	**3,970,947**	**605,918**
	Total Depreciable Plant	**11,846,810,073**	**2.56%**	**303,053,875**	**3.06%**	**362,656,011**	**59,602,136**

Notes:

1. Includes Ohio Power's December 31, 2013 portion of Amos Unit 3 transferred to APCo in December 2013.

2. Clinch River Units 1 and 2 to be refueled to burn natural gas. Clinch River Unit 3 has an estimated retirement date of May 31, 2015.

3. The units at the Glen Lyn, Kanawha River, and Sporn Plants have an estimated retirement date of May 31, 2015.

4. The Dresden Plant balance does not include Virginia's AFUDC investment. Dresden Plant was not in service when depreciation rates were set in WV Case No. 05-1278-E-PC-PW-42T. The Company has been using an engineering estimated 35 year life for the plant and is requesting an initially approved depreciation rate in this filing. Since the Dresden Plant was not in plant in-service in 2005 when current depreciation rates were last set, there is no change in depreciation expense due to a change in approved rates and the currently requested rates were used in both the "Current Approved Rate" and "Study Rate" columns on this analysis.

5. Account 351, Electric Storage Equipment - Transmission was established in 2013 as per FERC Order 784 regarding Accounting and Financial Reporting for New Electric Storage Technologies. The amount in account 351 represents the Company's investment in a sodium sulphur (NaS) storage battery at its Chemical 138KV Substation and it uses an engineering estimated 15 year life.

6. Using West Virginia depreciation rates for comparison purposes.

7. Account 363 Energy Storage Equipment uses an engineering estimated 15 year life and represents a sodium sulphur NaS battery at APCp's WV Balls Gap 139KV Substation.

APPALACHIAN POWER COMPANY
ANNUAL STEAM PRODUCTION DEPRECIATION RATES AND ACCRUALS BY THE REMAINNG LIFE METHOD
SCHEDULE IV - COMPARE STEAM PRODUCTION DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES JUNE 2015 FORWARD
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

WV

NO. (1)	TITLE (2)	ORIGINAL COST (3)	CURRENT APPROVED RATE (4)	ANNUAL ACCRUAL (5)	STUDY RATE (6)	STUDY ACCRUAL (7)	DIFFERENCE (DECREASE) (8)
	Steam Production Plant						
	AMOS UNITS 1&2						
311	Structures & Improvements	43,227,781	2.12%	916,429	2.43%	1,048,282	131,853
312	Boiler Plant Equipment	1,310,182,600	3.20%	41,925,843	3.09%	40,470,508	-1,455,335
312	Boiler Plant Equip. SCR Catalyst	20,422,274	3.20%	653,513	9.09%	1,856,385	1,202,872
314	Turbogenerator Units	120,924,588	2.77%	3,349,611	3.04%	3,681,686	332,075
315	Accessory Electrical Equipment	40,140,776	2.43%	975,421	2.13%	853,660	-121,761
316	Misc. Power Plant Equip.	10,235,121	2.44%	249,737	2.72%	277,889	28,152
	Total	1,545,133,140	3.11%	48,070,554	3.12%	48,188,410	117,856
	AMOS UNIT 3 (1)						
311	Structures & Improvements	100,183,997	2.06%	2,063,790	2.43%	2,429,481	365,691
312	Boiler Plant Equipment	1,465,418,812	2.83%	41,471,352	3.09%	45,265,632	3,794,280
312	Boiler Plant Equip. SCR Catalyst	17,384,535	2.83%	491,982	12.50%	2,173,067	1,681,085
314	Turbogenerator Units	102,998,245	2.76%	2,842,752	3.04%	3,135,898	293,146
315	Accessory Electrical Equipment	27,371,090	2.24%	613,112	2.13%	582,091	-31,021
316	Misc. Power Plant Equip.	23,580,469	2.84%	669,685	2.72%	640,223	-29,462
	Total	1,736,937,148	2.77%	48,152,673	3.12%	54,226,392	6,073,719
	CLINCH RIVER (2)						
311	Structures & Improvements	40,937,155	2.58%	1,056,179	5.00%	2,046,991	990,812
312	Boiler Plant Equipment	289,789,652	3.26%	9,447,143	9.81%	28,420,677	18,973,534
314	Turbogenerator Units	60,077,414	2.67%	1,604,067	3.53%	2,119,835	515,768
315	Accessory Electrical Equipment	13,896,178	2.32%	322,391	3.66%	508,734	186,343
316	Misc. Power Plant Equip.	7,276,925	3.05%	221,946	6.48%	471,311	249,365
	Total	411,977,324	3.07%	12,651,726	8.15%	33,567,548	20,915,822
	MOUNTAINEER						
311	Structures & Improvements	194,148,184	1.67%	3,242,275	2.43%	4,708,131	1,465,856
312	Boiler Plant Equipment	1,119,863,999	2.01%	22,509,266	3.09%	34,591,716	12,082,450
312	Boiler Plant Equip. SCR Catalyst	16,652,662	2.01%	334,719	12.50%	2,081,583	1,746,864
314	Turbogenerator Units	110,201,667	1.92%	2,115,872	3.04%	3,355,215	1,239,343
315	Accessory Electrical Equipment	68,312,795	1.65%	1,127,161	2.13%	1,452,784	325,623
316	Misc. Power Plant Equip.	20,297,934	1.87%	379,571	2.72%	551,101	171,530
	Total	1,529,477,241	1.94%	29,708,864	3.06%	46,740,530	17,031,666
	OTHER						
311	Centralized Maintenance	85,770	2.07%	1,775	2.65%	2,275	500
316	Central Machine Shop	15,478,432	2.10%	325,047	2.94%	455,503	130,456
311	Little Broad Run Ash Disposal	267,028	1.76%	4,700	3.54%	9,441	4,741
312	Little Broad Run Ash Disposal	37,855,651	1.76%	666,259	3.48%	1,317,274	651,015
315	Little Broad Run Ash Disposal	64,843	1.76%	1,141	3.75%	2,429	1,288
	Total	53,751,724	1.86%	998,922	3.32%	1,786,922	788,000
	Total Steam Production Plant	**5,277,276,577**	**2.64%**	**139,582,739**	**3.50%**	**184,509,802**	**44,927,063**

Notes:

1. Includes Ohio Power's December 31, 2013 portion of Amos Unit 3 transferred to APCo in December 2013.
2. Clinch River Units 1 and 2 to be refueled to burn natural gas. Clinch River Unit 3 has an estimated retirement date of May 31, 2015.

APPALACHIAN POWER COMPANY
SCHEDULE V - COMPARISON OF MORTALITY CHARACTERISTICS
DEPRECIATION STUDY AS OF DECEMBER 31, 2013

WV

(1)		(2)	(3)	(4)	(5)	(6)		(7)	(8)	(9)	(10)	(11)
		Existing Rates (a)						Current Study Rates				
		Avg. Service Life	Iowa Curve	Salvage	Cost of Removal	Net Salvage Factor		Avg. Service Life	Iowa Curve	Salvage	Cost of Removal	Net Salvage Factor
TRANSMISSION PLANT												
351	Energy Storage Equipment	N/A	N/A	N/A	N/A	N/A		15	SQ	5%	5%	0%
352	Structures & Improvements	55	R3.0	5%	5%	0%		62	R4.0	5%	15%	-10%
353	Station Equipment	35	R2.0	40%	25%	15%		45	R1.5	28%	13%	15%
354	Towers & Fixtures	87	R2.5	25%	35%	-10%		68	R3.0	25%	35%	-10%
355	Poles & Fixtures	37	L2.0	5%	20%	-15%		42	R0.5	5%	20%	-15%
356	Overhead Conductor & Devices	80	R2.5	15%	5%	10%		64	R3.0	30%	18%	12%
357	Underground Conduit	55	S2.0	0%	0%	0%		50	R2.0	0%	0%	0%
358	Underground Conductor and Devices	25	L3.0	0%	0%	0%		20	L4.0	0%	0%	0%
DISTRIBUTION PLANT												
361	Structures & Improvements	43	R4.0	5%	5%	0%		50	R3.0	4%	16%	-12%
362	Station Equipment	37	R1.0	40%	25%	15%		40	R1.0	7%	9%	-2%
363	Energy Storage Equipment	N/A	N/A	N/A	N/A	N/A		15	SQ	5%	5%	0%
364	Poles, Towers, & Fixtures	30	R1.5	5%	60%	-55%		28	R0.5	17%	77%	-60%
365	Overhead Conductor & Devices	43	L0.0	40%	25%	15%		35	L0.0	24%	32%	-8%
366	Underground Conduit	47	S6.0	0%	0%	0%		50	S4.0	0%	0%	0%
367	Underground Conductor	52	R0.5	0%	0%	0%		55	R0.5	0%	0%	0%
368	Line Transformers	32	R0.5	25%	35%	-10%		27	R0.5	9%	24%	-15%
369	Services	36	R0.5	2%	15%	-13%		30	R0.5	1%	22%	-21%
370	Meters	25	S6.0	10%	20%	-10%		25	S6.0	10%	20%	-10%
371	Installations on Custs. Prem.	11	S6.0	2%	10%	-8%		10	R0.5	3%	23%	-20%
372	Leased Property on Custs. Prem.	25	L3.0	0%	0%	0%		25	L3.0	0%	0%	0%
373	Street Lighting & Signal Sys.	21	S6.0	10%	5%	5%		20	R0.5	9%	16%	-7%
GENERAL PLANT												
390	Structures & Improvements	38	R3.0	30%	2%	28%		42	R2.5	36%	11%	25%
391	Office Furniture & Equipment	30	L3.0	5%	0%	5%		30	SQ	0%	0%	0%
392	Transportation Equipment	27	S6.0	5%	0%	5%		27	SQ	0%	0%	0%
393	Stores Equipment	55	R4.0	0%	0%	0%		55	SQ	0%	0%	0%
394	Tools Shop & Garage Equipment	43	R0.5	0%	0%	0%		43	SQ	0%	10%	-10%
395	Laboratory Equipment	37	S2.0	0%	0%	0%		37	SQ	0%	0%	0%
396	Power Operated Equipment	25	L2.0	0%	0%	0%		25	SQ	0%	0%	0%
397	Communication Equipment	24	R0.5	5%	0%	5%		24	SQ	0%	1%	-1%
398	Miscellaneous Equipment	35	S6.0	0%	0%	0%		35	SQ	0%	0%	0%

N/A = Not Available

(a) Existing rates were set in 2006 in Case No. 05-1278-E-PC-PW-42T.

APPALACHIAN POWER COMPANY
SCHEDULE VI - ESTIMATED GENERATION PLANT RETIREMENT DATES
DEPRECIATION STUDY AS OF DECEMBER 31, 2013

Plant	Capacity (MW)	Fuel	Year Installed	Year Retired	Life Span (Years)
Steam Production Plant					
Mountaineer					
Unit 1	1,300	Coal	1980	2040	60
Kanawha River					
Unit 1	200	Coal	1953	2015	62
Unit 2	200	Coal	1953	2015	62
Amos					
Unit 1	800	Coal	1971	2040	69
Unit 2	800	Coal	1972	2040	68
Unit 3	1,300	Coal	1973	2040	67
Sporn					
Unit 1	150	Coal	1950	2015	65
Unit 3	150	Coal	1951	2015	64
Clinch River					
Unit 1	235	Coal	1958	2025	67
Unit 2	235	Coal	1958	2025	67
Unit 3	235	Coal	1961	2015	54
Glen Lyn					
Unit 5	95	Coal	1944	2015	71
Unit 6	240	Coal	1957	2015	58
Hydraulic Production Plant					
Buck	8.5	Hydro	1912	2024	112
Byllesby	21.6	Hydro	1912	2024	112
Claytor	75.0	Hydro	1939	2041	102
Niagara	2.4	Hydro	1906	2024	118
Reusens	12.5	Hydro	1903	2024	121
Leesville	50.0	Hydro	1964	2040	76
London	14.4	Hydro	1935	2044	109
Marmet	14.4	Hydro	1935	2044	109
Winfield	14.8	Hydro	1938	2044	106
Smith Mountain	586.0	Hydro	1965	2040	75
Other Production Plant					
Ceredo	505.0	Gas	2001	2041	40
Dresden	580.0	Gas	2012	2047	35

WHEELING POWER COMPANY
SCHEDULE VII - CALCULATION OF DEPRECIATION RATES BY THE REMAINNG LIFE METHOD
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

ACCT NO (I)	ACCOUNT TITLE (II)	ORIGINAL COST (III)	NET SALVG. RATIO (IV)	TOTAL TO BE RECOVERED (V)	THEORETICAL RESERVE (VI)	ACCUMULATED DEPRECIATION (VII)	REMAINING AMOUNT (VIII)	AVG. REMAIN LIFE (IX)	ANNUAL ACCRUAL (X)	DEPR. RATE (XI)
STEAM PRODUCTION PLANT (1)										
311	Structures & Improvements	42,000,197	1.02	42,840,201	17,759,830	16,183,401	26,656,800	25.01	1,065,846	2.54%
312	Boiler Plant Equipment	765,644,984	1.02	780,957,884	238,315,228	238,518,431	542,439,453	24.25	22,368,637	2.92%
312	Boiler Plant Equip. SCR Catalyst (2)	8,190,115	1.00	8,190,115	3,218,715	2,378,494	5,811,621	6.07	1,023,764	12.50%
314	Turbogenerator Units	53,295,697	1.02	54,361,611	28,275,041	33,613,523	20,748,088	23.84	870,306	1.63%
315	Accessory Electrical Equip.	17,080,672	1.02	17,422,285	9,195,626	11,043,285	6,379,000	25.81	247,152	1.45%
316	Misc. Power Plant Equip.	7,693,412	1.02	7,847,280	3,182,218	3,072,521	4,774,759	24.13	197,876	2.57%
	Total Steam Production Plant	**893,905,077**	1.02	**911,619,376**	**299,946,658**	**304,809,655**	**606,809,721**		**25,773,581**	**2.88%**
TRANSMISSION PLANT										
352	Structures & Improvements	767,827	1.10	844,610	386,186	666,896	177,714	33.65	5,281	0.69%
353	Station Equipment	47,974,096	0.85	40,777,982	4,907,928	8,475,397	32,302,585	39.58	816,134	1.70%
354	Towers & Fixtures	4,376,150	1.10	4,813,765	2,754,691	4,757,017	56,748	29.09	1,951	0.04%
355	Poles & Fixtures	35,894,469	1.15	41,278,639	1,713,718	2,959,383	38,319,256	40.26	951,795	2.65%
356	OH Conductor & Devices	18,914,188	0.88	16,644,485	3,396,597	5,865,512	10,778,973	50.94	211,601	1.12%
357	Underground Conduit	10,982	1.00	10,982	6,447	6,447	4,535	20.65	220	2.00%
358	Underground Conductor	76,937	1.00	76,937	71,629	71,629	5,308	1.38	3,846	5.00%
	Total Transmission Plant	**108,014,649**	**0.97**	**104,447,400**	**13,237,196**	**22,802,281**	**81,645,119**	41.01	**1,990,828**	1.84%
DISTRIBUTION PLANT										
361	Structures & Improvements	526,952	1.12	590,186	335,177	327,216	262,970	21.60	12,175	2.31%
362	Station Equipment	22,871,851	1.02	23,329,288	5,426,809	5,297,915	18,031,373	30.70	587,341	2.57%
364	Poles, Towers, & Fixtures	30,007,702	1.60	48,012,323	13,806,034	13,478,122	34,534,201	19.95	1,731,038	5.77%
365	Overhead Conductor & Devices	24,176,461	1.08	26,110,578	5,379,303	5,251,537	20,859,041	27.79	750,595	3.10%
366	Underground Conduit	9,796,771	1.00	9,796,771	2,503,117	2,443,665	7,353,106	37.22	197,558	2.02%
367	Underground Conductor	13,524,939	1.00	13,524,939	1,404,901	1,371,533	12,153,406	49.29	246,569	1.82%
368	Line Transformers	21,873,360	1.15	25,154,364	6,228,831	6,080,888	19,073,476	20.31	939,117	4.29%
369	Services	12,085,263	1.21	14,623,168	3,975,036	3,880,623	10,742,545	21.85	491,650	4.07%
370	Meters	5,028,375	1.10	5,531,213	540,039	527,212	5,004,001	22.56	221,809	4.41%
371	Installations on Custs. Prem.	1,725,969	1.20	2,071,163	1,161,107	1,133,529	937,634	4.39	213,584	12.37%
373	Street Lighting & Signal Sys.	1,689,314	1.07	1,807,566	890,437	869,288	938,278	10.15	92,441	5.47%
	Total Distribution Plant	**143,306,957**	1.19	**170,551,559**	**41,650,791**	**40,661,527**	**129,890,031**	**23.69**	**5,483,877**	3.83%
GENERAL PLANT										
390	Structures & Improvements	2,819,165	0.75	2,114,374	733,355	1,428,822	685,552	27.43	24,993	0.89%
391	Office Furniture & Equipment	49,011	1.00	49,011	15,253	29,718	19,293	20.66	934	1.91%
393	Stores Equipment	1,548	1.00	1,548	70	136	1,412	52.50	27	1.74%
394	Tools Shop & Garage Equipment	419,921	1.10	461,913	82,959	161,632	300,281	35.28	8,511	2.03%
397	Communication Equipment	1,329,568	1.01	1,342,864	422,942	824,033	518,831	16.44	31,559	2.37%
398	Miscellaneous Equipment	145,019	1.00	145,019	31,548	61,466	83,553	27.39	3,050	2.10%
	Total General Plant	**4,764,232**	**0.86**	**4,114,729**	**1,286,127**	**2,505,807**	**1,608,922**	**23.29**	**69,074**	1.45%
Total Depreciable Plant		**1,149,990,915**	**1.04**	**1,190,733,064**	**356,120,772**	**370,779,270**	**819,953,793**	**24.61**	**33,317,361**	**2.90%**

Notes:

1. **West Virginia's share of Mitchell Plant at 50% of its original cost and accumulated depreciation.**
2. **According to AEP Air Emissions Control, the average life for SCR catalyst at Mitchell is 8 years. Accordingly used a 12.5% rate (1/8) to depreciate catalyst at Mitchell.**

WHEELING POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE REMAINNG LIFE METHOD
SCHEDULE VIII - COMPARE DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

NO. (1)	TITLE (2)	ORIGINAL COST (3)	CURRENT APPROVED RATE (4)	CURRENT ANNUAL ACCRUAL (5)	STUDY RATE (6)	STUDY ACCRUAL (7)	DIFFERENCE (DECREASE) (8)
Steam Production Plant							
	MITCHELL PLANT (1)						
311	Structures & Improvements	42,000,197	2.54%	1,065,846	2.54%	1,065,846	0
312	Boiler Plant Equipment	765,644,984	2.92%	22,368,637	2.92%	22,368,637	0
312	Boiler Plant Equip. SCR Catalyst (2)	8,190,115	12.50%	1,023,764	12.50%	1,023,764	0
314	Turbogenerator Units	53,295,697	1.63%	870,306	1.63%	870,306	0
315	Accessory Electrical Equipment	17,080,672	1.45%	247,152	1.45%	247,152	0
316	Misc. Power Plant Equip.	7,693,412	2.57%	197,876	2.57%	197,876	0
	Total Steam Production Plant	**893,905,077**	**2.88%**	**25,773,581**	**2.88%**	**25,773,581**	**0**
TRANSMISSION PLANT							
352	Structures & Improvements	767,827	2.70%	20,731	0.69%	5,281	-15,450
353	Station Equipment	47,974,096	2.70%	1,295,301	1.70%	816,134	-479,167
354	Towers & Fixtures	4,376,150	2.70%	118,156	0.04%	1,951	-116,205
355	Poles & Fixtures	35,894,469	2.70%	969,151	2.65%	951,795	-17,356
356	OH Conductor & Devices	18,914,188	2.70%	510,683	1.12%	211,601	-299,082
357	Underground Conduit	10,982	2.70%	297	2.00%	220	-77
358	Underground Conductor	76,937	2.70%	2,077	5.00%	3,846	1,769
	Total Transmission Plant	**108,014,649**	**2.70%**	**2,916,396**	**1.84%**	**1,990,828**	**-925,568**
DISTRIBUTION PLANT							
361	Structures & Improvements	526,952	3.40%	17,916	2.31%	12,175	-5,741
362	Station Equipment	22,871,851	3.40%	777,643	2.57%	587,341	-190,302
364	Poles, Towers, & Fixtures	30,007,702	3.40%	1,020,262	5.77%	1,731,038	710,776
365	Overhead Conductor & Devices	24,176,461	3.40%	822,000	3.10%	750,595	-71,405
366	Underground Conduit	9,796,771	3.40%	333,090	2.02%	197,558	-135,532
367	Underground Conductor	13,524,939	3.40%	459,848	1.82%	246,569	-213,279
368	Line Transformers	21,873,360	3.40%	743,694	4.29%	939,117	195,423
369	Services	12,085,263	3.40%	410,899	4.07%	491,650	80,751
370	Meters	5,028,375	3.40%	170,965	4.41%	221,809	50,844
371	Installations on Custs. Prem.	1,725,969	3.40%	58,683	12.37%	213,584	154,901
373	Street Lighting & Signal Sys.	1,689,314	3.40%	57,437	5.47%	92,441	35,004
	Total Distribution Plant	**143,306,957**	**3.40%**	**4,872,437**	**3.83%**	**5,483,877**	**611,440**

WHEELING POWER COMPANY
ANNUAL DEPRECIATION RATES AND ACCRUALS BY THE REMAINNG LIFE METHOD
SCHEDULE VIII - COMPARE DEPRECIATION EXPENSE USING CURRENT AND STUDY RATES
BASED ON PLANT IN SERVICE AT DECEMBER 31, 2013

NO. (1)	TITLE (2)	ORIGINAL COST (3)	CURRENT APPROVED RATE (4)	CURRENT ANNUAL ACCRUAL (5)	STUDY RATE (6)	STUDY ACCRUAL (7)	DIFFERENCE (DECREASE) (8)
GENERAL PLANT							
390	Structures & Improvements	2,819,165	3.50%	98,671	0.89%	24,993	-73,678
391	Office Furniture & Equipment	49,011	3.50%	1,715	1.91%	934	-781
393	Stores Equipment	1,548	3.50%	54	1.74%	27	-27
394	Tools Shop & Garage Equipment	419,921	3.50%	14,697	2.03%	8,511	-6,186
397	Communication Equipment	1,329,568	3.50%	46,535	2.37%	31,559	-14,976
398	Miscellaneous Equipment	145,019	3.50%	5,076	2.10%	3,050	-2,026
Total General Plant		**4,764,232**	**3.50%**	**166,748**	**1.45%**	**69,074**	**-97,674**
Total Depreciable Plant		**1,149,990,915**	**2.93%**	**33,729,162**	**2.90%**	**33,317,360**	**-411,802**

Notes:

1. WPCo's proposed 50% interest in the Mitchell Plant at December 31, 2013. Since this schedule measures the change in depreciation expense caused by a change in depreciation rates and since Mitchell was not previously connected to WPCo, the change in depreciation expense due to a change in depreciation rates is $0 and the currently requested Mitchell depreciation rates were used in the Current Annual Accrual.

2. According to AEP Air Emissions Control, the average life for SCR catalyst at Mitchell is 8 years. Accordingly used a 12.5% rate (1/8) to depreciate catalyst at Mitchell.

WHEELING POWER COMPANY
SCHEDULE IX - COMPARISON OF MORTALITY CHARACTERISTICS
DEPRECIATION STUDY AS OF DECEMBER 31, 2013

(1)		(2)	(3)	(4)	(5)	(6)		(7)	(8)	(9)	(10)	(11)
		Existing Rates						Current Study Rates (a)				
		Avg. Service Life	Iowa Curve	Salvage	Cost of Removal	Net Salvage Factor		Avg. Service Life	Iowa Curve	Salvage	Cost of Removal	Net Salvage Factor
TRANSMISSION PLANT												
352	Structures & Improvements	N/A	N/A	N/A	N/A	N/A		62	R4.0	5%	15%	-10%
353	Station Equipment	N/A	N/A	N/A	N/A	N/A		45	R1.5	28%	13%	15%
354	Towers & Fixtures	N/A	N/A	N/A	N/A	N/A		68	R3.0	25%	35%	-10%
355	Poles & Fixtures	N/A	N/A	N/A	N/A	N/A		42	R0.5	5%	20%	-15%
356	Overhead Conductor & Devices	N/A	N/A	N/A	N/A	N/A		64	R3.0	30%	18%	12%
357	Underground Conduit	N/A	N/A	N/A	N/A	N/A		50	R2.0	0%	0%	0%
358	Underground Conductor and Devices	N/A	N/A	N/A	N/A	N/A		20	L4.0	0%	0%	0%
DISTRIBUTION PLANT												
361	Structures & Improvements	N/A	N/A	N/A	N/A	N/A		50	R3.0	4%	16%	-12%
362	Station Equipment	N/A	N/A	N/A	N/A	N/A		40	R1.0	7%	9%	-2%
364	Poles, Towers, & Fixtures	N/A	N/A	N/A	N/A	N/A		28	R0.5	17%	77%	-60%
365	Overhead Conductor & Devices	N/A	N/A	N/A	N/A	N/A		35	L0.0	24%	32%	-8%
366	Underground Conduit	N/A	N/A	N/A	N/A	N/A		50	S4.0	0%	0%	0%
367	Underground Conductor	N/A	N/A	N/A	N/A	N/A		55	R0.5	0%	0%	0%
368	Line Transformers	N/A	N/A	N/A	N/A	N/A		27	R0.5	9%	24%	-15%
369	Services	N/A	N/A	N/A	N/A	N/A		30	R0.5	1%	22%	-21%
370	Meters	N/A	N/A	N/A	N/A	N/A		25	S6.0	10%	20%	-10%
371	Installations on Custs. Prem.	N/A	N/A	N/A	N/A	N/A		10	R0.5	3%	23%	-20%
373	Street Lighting & Signal Sys.	N/A	N/A	N/A	N/A	N/A		20	R0.5	9%	16%	-7%
GENERAL PLANT												
390	Structures & Improvements	N/A	N/A	N/A	N/A	N/A		42	R2.5	36%	11%	25%
391	Office Furniture & Equipment	N/A	N/A	N/A	N/A	N/A		30	SQ	0%	0%	0%
393	Stores Equipment	N/A	N/A	N/A	N/A	N/A		55	SQ	0%	0%	0%
394	Tools Shop & Garage Equipment	N/A	N/A	N/A	N/A	N/A		43	SQ	0%	10%	-10%
397	Communication Equipment	N/A	N/A	N/A	N/A	N/A		24	SQ	0%	1%	-1%
398	Miscellaneous Equipment	N/A	N/A	N/A	N/A	N/A		35	SQ	0%	0%	0%

N/A = Not Available

(a) Used mortality statistics from APCo's Depreciation Study dated December 31, 2013