

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

For Twelve Months Ended

2017

AEP OHIO TRANSMISSION COMPANY

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 113)				\$339,803,550
2	REVENUE CREDITS	(Worksheet E, ln 8) (Note A)	Total	Allocator	DA 1.00000	\$ 5,887,587
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, ln 9) (Note X)	5,887,587			0
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				\$ 333,915,963

MEMO: The Carrying Charge Calculations on lines 7 to 12 below are used in calculating project revenue requirements billed through PJM Schedule 12, Transmission Enhancement Charges. The total non-incentive revenue requirements for these projects shown on line 5 is included in the total on line 4.

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives)	(Worksheet J/K)	44,736,527	DA	1.00000	\$ 44,736,527
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)					
7	Annual Rate	((ln 1- ln 80)/((ln 33) x 100))				17.74%
8	Monthly Rate	(ln 7 / 12)				1.48%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)					
10	Annual Rate	((ln 1- ln 80 - ln 83)/((ln 33) x 100))				15.62%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)					
12	Annual Rate	((ln 1 - ln 80 - ln 83 - ln 108 - ln 109) /((ln 33) x 100))				6.56%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)					#N/A
14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES					
15	Total Load Dispatch & Scheduling (Account 561)	Line 63 Below				891,244
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)					-
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)					-
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)				891,244

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(1)		(2)	(3)	(4)		(5)
<u>RATE BASE CALCULATION</u>		<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>		<u>Total</u> <u>Transmission</u>
Line No.						
19	GROSS PLANT IN SERVICE	(Worksheet A In 14.(d) & Ln 117)	2,014,892,481	DA	1.00000	2,014,892,481
20	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP	1.00000	-
21	General Plant	(Worksheet A In 14.(h))	56,833,041	W/S	1.00000	56,833,041
22	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	-	W/S	1.00000	-
23	Intangible Plant	(Worksheet A In 14.(j))	16,141,926	W/S	1.00000	16,141,926
24	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	2,087,867,447	GP=	1.000000	2,087,867,447
				GTD=	1.00000	
25	ACCUMULATED DEPRECIATION AND AMORTIZATION					
26	Transmission	(Worksheet A In 28.(d) & Ln 43.(b))	99,275,526	TP1=	1.00000	99,275,526
27	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1=	1.00000	-
28	General Plant	(Worksheet A In 28.(h))	953,516	W/S	1.00000	953,516
29	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	-	W/S	1.00000	-
30	Intangible Plant	(Worksheet A In 28.(j))	4,996,599	W/S	1.00000	4,996,598.50
31	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	105,225,640			105,225,640
32	NET PLANT IN SERVICE					
33	Transmission	(In 19 + In 20 - In 26 - In 27)	1,915,616,955			1,915,616,955
34	General Plant	(In 21 + In 22 - In 28 - In 29)	55,879,525			55,879,525
35	Intangible Plant	(In 23 - In 30)	11,145,327			11,145,327
36	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	1,982,641,807	NP=	1.000000	1,982,641,807
37	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
38	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA		-
39	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(390,104,379)	DA		(390,104,379)
40	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(1,809,937)	DA		(1,809,937)
41	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	4,048,665	DA		4,048,665
42	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA		-
43	TOTAL ADJUSTMENTS	(sum Ins 38 to 42)	(387,865,651)			(387,865,651)
44	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e)) In 45.(e))	5,173,908	DA		5,173,908
45	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA		-
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))		W/S	1.00000	
47	WORKING CAPITAL	(Note E)				
48	Cash Working Capital	(1/8 * In 66)	2,489,286			2,489,286
49	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	523,601	TP	1.00000	523,601
50	A&G Materials & Supplies	(Worksheet C, In 3.(F))	12,150	W/S	1.00000	12,150
51	Stores Expense	(Worksheet C, In 4.(F))	-	GP	1.00000	-
52	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.(G))	-	W/S	1.00000	-
53	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.(F))	2,150,094	GP	1.00000	2,150,094
54	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.(E))	-	DA	1.00000	-
55	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.(D))	-	NA	0.00000	-
56	TOTAL WORKING CAPITAL	(sum Ins 48 to 55)	5,175,131			5,175,131
57	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA	1.00000	-
58	RATE BASE (sum Ins 36, 43, 44, 45, 46, 56, 57)		1,605,125,195			1,605,125,195

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(1)		(2)	(3)	(4)		(5)
EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION		Data Sources (See "General Notes")	TO Total	Allocator		Total Transmission
Line	No.	OPERATION & MAINTENANCE EXPENSE				
	59	Customer Related Expense	322 & 323.164,171,178.b			
	60	Regional Marketing Expenses	322.131.b			
	61	Transmission	321.112.b			
	62	TOTAL O&M EXPENSES	(sum Ins 59 to 61)			
	63	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)			
	64	Less: Account 565	(Note H) 321.96.b			
	65	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)			
	66	Total O&M Allocable to Transmission	(Ins 61 - 63 - 64 - 65)	TP	1.00000	19,914,290
	67	Administrative and General	323.197.b (Notes J & M)			
	68	Less: Acct. 924, Property Insurance	323.185.b			
	69	Acct. 928, Reg. Com. Exp.	323.189.b			
	70	Acct. 930.1, Gen. Advert. Exp.	323.191.b			
	71	Acct. 930.2, Misc. Gen. Exp.	323.192.b			
	72	Balance of A & G	(In 67 - sum In 68 to In 71)	W/S	1.00000	7,403,618
	73	Plus: Acct. 924, Property Insurance	(In 68)	GP(h)	1.00000	394,031
	74	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	TP	1.00000	111,616
	75	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	TP	1.00000	-
	76	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	DA	1.00000	453
	77	PBOP Adjustment	Worksheet O Ln 16.(B), (Note K & M)	W/S	1.00000	366,498
	78	A & G Subtotal	(sum Ins 72 to 77)			8,276,216
	79	O & M EXPENSE SUBTOTAL	(In 66 + In 78)			28,190,506
	80	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		DA	1.00000	-
	81	TOTAL O & M EXPENSE	(In 79 + In 80)			28,190,506
	82	DEPRECIATION AND AMORTIZATION EXPENSE				
	83	Transmission	336.7.f	TP1	1.00000	40,621,386
	84	General	336.10.f	W/S	1.00000	1,271,689
	85	Intangible	336.1.f	W/S	1.00000	2,965,352
	86	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)			44,858,427
	87	TAXES OTHER THAN INCOME	(Note N)			
	88	Labor Related				
	89	Payroll	Worksheet H In 23.(D)	W/S	1.00000	-
	90	Plant Related				
	91	Property	Worksheet H-p2 In 3.(C) & In 3.(G)	DA	1.00000	92,771,741
	92	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	NA	0.00000	-
	93	Other	Worksheet H In 23.(E)	GP	1.00000	420,787
	94	TOTAL OTHER TAXES	(sum Ins 89 to 93)			93,192,528
	95	INCOME TAXES	(Note O)			
	96	T=1 - {(1 - SIT) * (1 - FIT)} / (1 - SIT * FIT * p)} =	35.10%			
	97	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =	40.95%			
	98	where WCLTD=(In 136) and WACC = (In 139)				
	99	and FIT, SIT & p are as given in Note O.				
	100	GRCF=1 / (1 - T) = (from In 96)	1.5408			
	101	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)			-
	102	Excess Deferred Income Tax	(Note T)	NP(h)	1.00000	-
	103	Tax Effect of Permanent and Flow-Through Differences	(Note T)	NP(h)	1.00000	610,050
	104	Income Tax Calculation	(In 97 * In 109)			50,152,079
	105	ITC adjustment	(In 100 * In 101)	NP(h)	1.00000	-
	106	Excess Deferred Income Tax	(In 100 * In 102)			-
	107	Tax Effect of Permanent and Flow-Through Differences	(In 100 * In 103)			939,948
	108	TOTAL INCOME TAXES	(sum Ins 104 to 107)			51,092,027
	109	RETURN ON RATE BASE (Rate Base*WACC)	(In 58 * In 139)			122,470,062
	110	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))	-	DA	1.00000	-
	111	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))	-			-
	112	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 111 * In97)	-			-
	113	TOTAL REVENUE REQUIREMENT	339,804,350			339,803,550
		(sum Ins 81, 86, 94, 108, 109, 110, 111, 112)				

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
114	Total transmission plant	(In 19)							2,014,892,481	
115	Less transmission plant excluded from PJM Tariff	(Worksheet A, In 42.(d)) (Note P)								
116	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 42, Col. (b)) (Note Q)							-	
117	Transmission plant included in PJM Tariff	(In 114 - In 115 - In 116)							2,014,892,481	
118	Percent of transmission plant in PJM Tariff	(In 117 / In 114)						TP=	1.00000	
119	WAGES & SALARY ALLOCATOR (W/S)	(Note R)								
120	Line Deliberately Left Blank									
121	Transmission	354.21.b	-	8,507,057	8,507,057	TP	1.00000		8,507,057	
122	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000		-	
123	Line Deliberately Left Blank									
124	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000		-	
125	Total	(sum Ins 121, 122, & 124)	-	8,507,057	8,507,057				8,507,057	
126	Transmission related amount							W/S=	1.00000	
127	Actual (Uncapped) Capital Structure									
127	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$	
128	Long Term Interest	(Worksheet M, In.36, col.(d))							36,383,202	
129	Preferred Dividends	(Worksheet M, In. 45, col.(d))							-	
130	Development of Common Stock:									
131	Proprietary Capital	(Worksheet M, In. 14, col.(b))							987,828,129	
132	Less: Preferred Stock	(Worksheet M, In. 14, col.(c))							-	
133	Less: Account 216.1	(Worksheet M, In. 14, col.(d))							-	
134	Less: Account 219	(Worksheet M, In. 14, col.(e))							-	
135	Common Stock	(In 131 - In 132 - In 133 - In 134)							987,828,129	
			Capital Structure Percentages							
			\$	%			Cost (Note S)	Weighted		
136	Long Term Debt (Note S) Worksheet M, In 28, col. (g), In 37, col. (d))		976,600,000	49.71%			3.73%	0.0185		
137	Preferred Stock (In 132)		-	0.00%			0.00%	0.0000		
138	Common Stock (In 135)		987,828,129	50.29%			11.49%	0.0578		
139	Total (Sum Ins 136 to 138)		1,964,428,129	100.00%				WACC=	0.0763	

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AEP OHIO TRANSMISSION COMPANY

Letter

Notes

General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
7) If AEP Transmission Companies have any directly assigned transmission facilities, the revenue credits in the formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. See Worksheet E for details.
- B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet R and any over under recovery will be filed and posted as part of the informational filing.
- C Transmission Plant Balances in this study are projected or actual average beginning of year end of year balances.
- D The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-l(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 66. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 63.
2) Costs of Transmission of Electricity by Others, as described in Note H.
3) The impact of state regulatory deferrals and amortizations, as shown on line 65
4) All A&G Expenses, as shown on line 78.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 110.
- G Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.

The addbacks on line80 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.

The company records referenced on line80 is the AEP OHIO TRANSMISSION COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- N Includes only FICA, unemployment, highway, property and other assessments. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)
(ln 101) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT= 0.15% (State Income Tax Rate or Composite SIT. Worksheet G))
p = 0.00% (percent of federal income tax deductible for state purposes)
- The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable. If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-ochange rate and post-change rate each is in effect.
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (Ln 128)/average long term debt (Ln 136). Preferred Stock cost rate = preferred dividends (Ln 129)/preferred outstanding (Ln 137). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER10-355. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual beginning and ending average balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.
- Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
- T
- U Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs.
- V The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.
- Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
- X The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.
- Y

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP OHIO TRANSMISSION COMPANY

		Gross Plant In Service				
Line No	Month (a)	Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5
1	December Prior to Rate Year	1,810,239,420	-	56,671,661	-	12,230,800
2	January					
3	February					
4	March					
5	April					
6	May					
7	June					
8	July					
9	August					
10	September					
11	October					
12	November					
13	December of Rate Year	2,219,545,541	-	56,994,420	-	20,053,051
14	Average of the Beginning and Ending Balances	2,014,892,481	-	56,833,041	-	16,141,926

		Accumulated Depreciation				
Line No	Month (a)	Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, ln 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, ln 21, Col. (b)
15	December Prior to Rate Year	79,867,345	-	317,671	-	3,841,088
16	January					
17	February					
18	March					
19	April					
20	May					
21	June					
22	July					
23	August					
24	September					
25	October					
26	November					
27	December of Rate Year	118,683,707	-	1,589,360	-	6,152,109
28	Average of the Beginning and Ending Balances	99,275,526	-	953,516	-	4,996,599

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP OHIO TRANSMISSION COMPANY

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (d) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year	-	-	-	-
30	January				-
31	February				-
32	March				-
33	April				-
34	May				-
35	June				-
36	July				-
37	August				-
38	September				-
39	October				-
40	November				-
41	December of Rate Year	-	-	-	-
42	Average of the Beginning and Ending Balances	-	-	-	-

43 Transmission Accumulated Depreciation net of GSU 99,275,526

<u>Plant Held For Future Use</u>		<u>Source of Data</u>	<u>Balance @ December 31, 2017</u>	<u>Balance @ December 31, 2016</u>	<u>Average Balance for 2017</u>
(a)	(b)	(c)	(d)	(e)	
44 <u>Plant Held For Future Use</u>	FF1, page 214, ln 47, Col. (d)	5,173,908	5,173,908	5,173,908	
45 <u>Transmission Plant Held For Future Use (Included in total on line 4</u>	Company Records - Note 1	5,173,908	5,173,908	5,173,908	

Regulatory Assets and Liabilities Approved for Recovery In Ratebase

Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.

46		-
47		-
48		-
49		-
50		-
51	Total Regulatory Deferrals Included in Ratebase	-

Unfunded Reserves Summary (Company Records)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP OHIO TRANSMISSION COMPANY

52	<u>Description</u>	<u>Account</u>			
53a					-
53b					-
54		Total	-	-	-

NOTE 1: On this worksheet, "Company Records" refers to AEP's property accounting ledger.
NOTE 2: The ratebase should not include the unamortized balance of hedging gains or losses.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
AEP OHIO TRANSMISSION COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2017</u>	<u>(D) Balance @ December 31, 2016</u>	<u>(E) Average Balance for 2017</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)			-
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)			-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)			-
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	428,828,740	351,380,017	390,104,379
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)			-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)			-
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	428,828,740	351,380,017	390,104,379
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	1,990,622	1,629,251	1,809,937
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)			-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)			-
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	1,990,622	1,629,251	1,809,937
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	6,412,208	1,685,121	4,048,665
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)			-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)			-
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	6,412,208	1,685,121	4,048,665
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section I.167(I)-I(h)(6)(ii). Line item detail of actual deferred tax items will be included on Work

NOTE 2 ADIT balances should exclude balances related to hedging activity.

AEP OHIO TRANSMISSION COMPANY
SPECIFIED DEFERRED CREDITS - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2017

(DEBIT) CREDIT

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O
	PER BOOKS	NON-APPLICABLE/NON-UTILITY	AVERAGE ELECTRIC		FUNCTIONALIZATION AVERAGE				FUNCTIONALIZATION 12/31/2016			FUNCTIONALIZATION 12/31/2017		
ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	UTILITY (B+C+D+E)/2	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1.00 ACCOUNT 281:														
2.01														
2.02	0	0			0	0	0	0						
2.03														
2.04	0	0	0	0	0									
2.05	0	0	0	0	0									
2.06	0	0	0	0	0									
3 TOTAL ACCOUNT 281	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 ACCOUNT 281 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5 ACCOUNT 282:														
5.01 BOOK VS. TAX DEPRECIATION	360,692,351	439,341,919			400,017,135		400,017,135			360,692,351			439,341,919	
5.02 R & D DEDUCTION - SECTION 174	76,918	76,918			76,918		76,918			76,918			76,918	
5.03 GAIN/LOSS ON ACRS/MACRS PROPERTY	45,327	74,175			59,751		59,751			45,327			74,175	
5.04 ABFUDC	8,508,485	11,315,046			9,911,766		9,911,766			8,508,485			11,315,046	
5.05 INT EXP CAPITALIZED FOR TAX	(17,781,009)	(23,310,815)			(20,545,912)		(20,545,912)			(17,781,009)			(23,310,815)	
5.06 CIAC - BOOK RECEIPTS	(2,833,419)	(3,123,168)			(2,978,294)		(2,978,294)			(2,833,419)			(3,123,168)	
5.07 BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	0	66,150			33,075		33,075			-			66,150	
5.08 TX ACCEL AMORT - CAPITALIZED SOFTWARE	0	366,498			183,249		183,249			-			366,498	
5.09 CAPITALIZED SOFTWARE COST-BOOK	2,603,142	3,901,483			3,252,313		3,252,313			2,603,142			3,901,483	
5.10 REMOVAL COST	68,222	120,534			94,378		94,378			68,222			120,534	
5.11 NON-UTILITY DEFERRED FIT	0	0	0	0	0									
5.12 SFAS 109 FLOW-THRU 282.3	30,884,357	22,438,237	(30,884,357)	(22,438,237)	0									
5.13 SFAS 109 EXCESS DFIT 282.4	0	(171,531,496)	0	171,531,496	0									
5.14	0	0			0	0	0	0						
6 TOTAL ACCOUNT 282	382,264,374	279,735,481	(30,884,357)	149,093,259	390,104,379	0	390,104,379	0	0	351,380,017	0	0	428,828,740	0
7 ACCOUNT 282 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 ACCOUNT 283:														
9.01 REG ASSET-TRANSCO PRE-FORMATION COSTS	0	0			0		0			-			-	
9.02 CAPITALIZED SOFTWARE COST-BOOK	0	0			0		0			-			-	
9.03 NON-UTILITY DEFERRED FIT 283.2	0	0	0	0	0		0							
9.04 SFAS 109 FLOW-THRU 283.3	16,630,038	5,964,595	(16,630,038)	(5,964,595)	0		0							
9.05 SFAS 109 EXCESS DFIT 283.4	0	2,463,331	0	(2,463,331)	0		0							
9.06 SFAS 133 ADIT FED - SFAS 133 NONAFFIL 2830006	0	0	0	0	0		0							
9.07 ADIT - FED-HDG-CF-INT RATE 2830015	0	0	0	0	0		0							
9.08	0	0			0	0	0	0						
10	16,630,038	8,427,926	(16,630,038)	(8,427,926)	0	0	0	0	0	0	0	0	0	0
11 DEFD STATE INCOME TAXES	1,629,251	1,990,622			1,809,937		1,809,937			1,629,251			1,990,622	
11.01 SFAS 109 - DEFD STATE INCOME TAXES	-	-	0	0	0									
12 TOTAL ACCOUNT 283	18,259,289	10,418,548	(16,630,038)	(8,427,926)	1,809,937	0	1,809,937	0	0	1,629,251	0	0	1,990,622	0
13 ACCOUNT 283 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 JURISDICTIONAL AMOUNTS FUNCTIONALIZED														
15 TOTAL COMPANY AMOUNTS FUNCTIONALIZED														
16 REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT														
17 NOTE: POST 1970 ACCUMULATED DEFERRED														
18 INV TAX CRED. (JDITC) IN A/C 255														
18.01	0	0			0	0	0	0						
18.02	0	0			0	0	0	0						
19														
20 TOTAL ACCOUNT 255	0	0	0	0	0	0	0	0	0	0	0	0	0	0

AEP OHIO TRANSMISSION COMPANY
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2017

DEBIT (CREDIT)

[illegible]

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
AEP OHIO TRANSMISSION COMPANY

Formula Rate
WS C - Working Capital
Page 13 of 48

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number	Source	Balance @ December 31, 2017	Balance @ December 31, 2016	Average Balance for 2017				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	1,046,997	204	523,601			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	5,122	19,178	12,150			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary (Note 1)

	Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)
5						
6	Totals as of December 31, 2017	2,163,760	0	2,163,760	0	2,163,760
7	Totals as of December 31, 2016	2,136,428	0	2,136,428	0	2,136,428
8	Average Balance	2,150,094	-	2,150,094	-	2,150,094

Prepayments Account 165 - Balance @ 12/31/2017

	Acc. No.	Description	2017 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
9									
10	1650001	Prepaid Insurance	217,950	-		217,950		217,950	Plant Related Insurance Policies
11	165000214	Prepaid Taxes	0	-		-		-	
12	1650006	Other Prepayments	1,600,000	-		1,600,000		1,600,000	Prepaid Transmission Projects
13	165001217	Prepaid Use Taxes	12,564	-		12,564		12,564	Prepaid Use Taxes
14	1650021	Prepaid Insurance EIS	72,698	-		72,698		72,698	Plant Related Insurance Policies
15	1650023	Prepaid Lease	260,548	-		260,548		260,548	Prepaid Lease
16	1650003	Prepaid Rents	0	-		-		-	
17	1650004	Prepaid Interest	0	-		-		-	
18	1650010	Prepaid Pension Benefits	0	-		-		-	
19	1650014	FAS 158 Qual Contra Asset	0	-		-		-	
20	1650016	FAS 112 ASSETS	0	-		-		-	
21				-		-	-	-	
22				-		-	-	-	
23				-		-	-	-	
24				-		-	-	-	
25				-		-	-	-	
	Subtotal - Form 1, p 111.57.c		2,163,760	0	0	2,163,760	0	2,163,760	

Prepayments Account 165 - Balance @ 12/31/ 2016

	Acc. No.	Description	2016 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
26									
27	1650001	Prepaid Insurance	184,252	-		184,252		184,252	Plant Related Insurance Policies
28	165000216	Prepaid Taxes	0	-		-		-	
29	1650006	Other Prepayments	1,600,000	-		1,600,000		1,600,000	Prepaid Transmission Projects
30	165001216	Prepaid Use Taxes	10,000	-		10,000		10,000	Prepaid Use Taxes
31	1650021	Prepaid Insurance EIS	59,295	-		59,295		59,295	Plant Related Insurance Policies
32	1650023	Prepaid Lease	282,881	-		282,881		282,881	Prepaid Lease
33	1650003	Prepaid Rents	0	-		-		-	
34	1650004	Prepaid Interest	0	-		-		-	
35	1650010	Prepaid Pension Benefits	0	-		-		-	
36	1650014	FAS 158 Qual Contra Asset	0	-		-		-	
37	1650016	FAS 112 ASSETS	0	-		-		-	
38	1650031	Prepaid OCIP Work Comp		-			-	-	
39	1650032	Prepaid OCIP Work Comp LT		-			-	-	
40	1650033	Prepaid OCIP Work Comp - Aff		-			-	-	
	1650034	Prepaid OCIP Work Comp LT - Aff		-			-	-	
	Subtotal - Form 1, p 111.57.d		2,136,428	0	0	2,136,428	0	2,136,428	

Note 1: Prepayment Balance will not include: (i) federal and state income tax payments made to offset additional tax liabilities resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; (ii) outstanding income tax refunds due to [company] resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; or (iii) prepayments of federal or state income taxes which are attributable to income earned during periods prior to January 1 of the year depicted in the Balance Sheet (as described in USofA Account 236).

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
AEP OHIO TRANSMISSION COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2017</u>
1	Net Funds from IPP Customers 12/31/2016 (2017 FORM 1, P269)	-
2	Interest Expense (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2017 (2017 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column $((\text{Ln } 1 + \text{Ln } 7)/2)$	-

Note 1 On this worksheet Company Records refers to AEP OHIO TRANSMISSION COMPANY's general ledger.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
AEP OHIO TRANSMISSION COMPANY

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	-	-	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	-	-	-
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	5,887,587	-	5,887,587
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	-	-	-
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	389,775,987	389,775,987	-
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)	-	-	-
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)	-	-	-
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	395,663,574	389,775,987	5,887,587
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	395,663,574	389,775,987	5,887,587
9	Facility Credits under PJM OATT Section 30.9			

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or AEP OHIO TRANSMISSION COMPANY's general ledger. The functional amounts identified as transmission revenue also come from the general ledger.

Note 2 The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
AEP OHIO TRANSMISSION COMPANY

Formula Rate
WS F Misc Exp
Page 16 of 48

Line Number	(A) Item No.	(B) Description	(C) 2017 Expense	(D) 100% Non-Transmission	(E) 100% Transmission Specific	(F) Explanation
<u>Regulatory O&M Deferrals & Amortizations</u>						
1						
2						
3						
4		Total	-			
<u>Detail of Account 561 Per FERC Form 1</u>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	8,285			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	671,634			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	-			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	211,305			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	20			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	-			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	-			
14		Total of Account 561	891,244			
<u>Account 928</u>						
15	9280000	Regulatory Commission Exp	617	617	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	10,138	10,138	-	
18	9280003	Regulatory Commission Exp-Case	-	-	-	
19	9280004	Regulatory Commission Exp-Case	-	-	-	
20	9280005	Regulatory Commission Exp-Case	111,616	-	111,616	
21		Total (FERC Form 1 p.323.189.b)	122,371	10,755	111,616	
<u>Account 930.1</u>						
22	9301000	General Advertising Expenses	(471)	(471)	-	
23	9301001	Newspaper Advertising Space	8	8	-	
24	9301002	Radio Station Advertising Time	-	-	-	
25	9301003	TV Station Advertising Time	-	-	-	
26	9301004	Newspaper Advertising Prod Exp	-	-	-	
27	9301005	Radio &TV Advertising Prod Exp	-	-	-	
28	9301006	Spec Corporate Comm Info Proj	-	-	-	
29	9301007	Special Adv Space & Prod Exp	-	-	-	
30	9301008	Direct Mail and Handouts	-	-	-	
31	9301009	Fairs, Shows, and Exhibits	-	-	-	
32	9301010	Publicity	661	661	-	
33	9301011	Dedications, Tours, & Openings	-	-	-	
34	9301012	Public Opinion Surveys	14	14	-	
35	9301013	Movies Slide Films & Speeches	-	-	-	
36	9301014	Video Communications	-	-	-	
37	9301015	Other Corporate Comm Exp	3,134	3,134	-	
38		Total (FERC Form 1 p.323.191.b)	3,346	3,346	-	
<u>Account 930.2</u>						
39	9302000	Misc General Expenses	130,528	130,528	-	
40	9302003	Corporate & Fiscal Expenses	12,273	12,273	-	
41	9302004	Research, Develop&Demonstr Exp	-	-	-	
42	9302007	Assoc Business Development Exp	453	-	453	
43		Total (FERC Form 1 p.323.192.b)	143,254	142,801	453	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
AEP OHIO TRANSMISSION COMPANY

1	Ohio State Tax Rate	0.15%	
	Apportionment Factor - Note 1	100.00%	
	Effective State Tax Rate		0.15%
2	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
3	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
4	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
5	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		<u>0.15%</u>

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

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	Gross Receipts Tax	507				507
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - West Virginia	92,771,741	92,771,741			
5	Real and Personal Property - Virginia	-	-			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	420,787			420,787	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	293				293
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis	93,193,328	92,771,741	-	420,787	800

(Total Company Amount Ties to FFI p.114, Ln 14,(c))
NOTE 1: The detail of each total company number and its source in the FERC Form 1 is shown on WS H-1.

		Functional Property Tax Allocation				
		Lines 24-58 Column (B) Deliberately Left Blank	Transmission	Lines 24-58 Column (D) Deliberately Left Blank	General	Total
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	1,915,616,955	-	55,879,525	1,971,496,480
Ohio JURISDICTION						
25	Percentage of Plant in Ohio JURISDICTION					
26	Net Plant in Ohio JURISDICTION (Ln 24 * Ln 25)	-	-	-	-	-
27	Less: Net Value of Exempted Generation Plant					
28	Taxable Property Basis (Ln 26 - Ln 27)	-	-	-	-	-
29	Relative Valuation Factor					-
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-	
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33	Weighted Ohio JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%		
JURISDICTION						
35	Net Plant in JURISDICTION (Ln 24 - Ln 26)	-	1,915,616,955	-	55,879,525	1,971,496,480
36	Less: Net Value Exempted Generation Plant					
37	Taxable Property Basis	-	1,915,616,955	-	55,879,525	1,971,496,480
38	Relative Valuation Factor					
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-	
40	General Plant Allocator (Ln 39 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
41	Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-	
42	Weighted JURISDICTION Plant (Ln 39 + 41)	-	-	-	-	-
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%		

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
Line No.	Annual Tax Expenses by Type (Note 1)		Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference		
1	Revenue Taxes						
2	Gross Receipts Tax		507				
				25	P.263 ln 11 (i)		
				482	P.263 ln 12 (i)		
					P.263.2 ln 4 (i)		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	"Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)"	Tax Year	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Tax Year Factor (Note 2)	Transmission Function (Note 2)
	Real Estate and Personal Property Taxes Total						
	(Ln 4 + Ln 5 + Ln 6 + Ln 7)		92,771,741				92,771,741
4	Real and Personal Property - Ohio		92,771,741				92,771,741
		2014		4,846	P.263 ln 21 (i)	100%	4,846
		2015		(374,105)	P.263 ln 22 (i)	100%	(374,105)
		2016		93,141,000	P.263 ln 23 (i)	100%	93,141,000
							-
5	Real and Personal Property		-				-
							-
							-
							-
							-
							-
6	Real and Personal Property - Tennessee		-				-
							-
							-
7	Real and Personal Property - Other Jurisdictions		-				-
							-

(A)		(B)	(C)	(D)	
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	
8	<u>Payroll Taxes</u>				
9	Federal Insurance Contribution (FICA)	-			
10	Federal Unemployment Tax	-			
11	State Unemployment Insurance	-			
12	<i>Line Left Deliberately Blank</i>				
13	State Severance Taxes	-			
14	<u>Miscellaneous Taxes</u>				
15	State Business & Occupation Tax	-			
16	State Public Service Commission Fees	420,787	420,787	P.263 ln 14 (i)	
17	State Franchise Taxes	-			
18	State Lic/Registration Fee	-			
19	Misc. State and Local Tax	-			
20	Sales & Use	293	293	P.263 ln 17 (i)	
21	Federal Excise Tax	-			
22	Michigan Single Business Tax	-			
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	93,193,328	93,193,328		

Note 1: The taxes assessed on each transmission company can differ from year to year and between transmission companies by both the type of taxes and the states in which they were assessed. Therefore, for each company, the types and jurisdictions of tax expense recorded on this page could differ from the same page in the same company's prior year template or from this page in other transmission companies' current year templates. For each update, this sheet will be revised to ensure that the total activity recorded hereon equals the total reported in account 408.1 on P. 114, Ln 14.(c) of the Ferc Form 1.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet I RESERVED
AEP OHIO TRANSMISSION COMPANY

I. Calculate Return and Income Taxes with 0 basis point ROE increase for Projects Qualified for Regional Billing.

A. Determine 'R' with hypothetical 0 basis point increase in ROE for Identified Projects

ROE w/o incentives (TCOS, ln 138)			11.49%
Project ROE Incentive Adder			0
ROE with additional 0 basis point incentive			11.49%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the True-Up TCOS, lns 136 through 138)			
	%	Cost	Weighted cost
Long Term Debt	49.71%	3.73%	1.852%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	50.29%	11.49%	5.778%
		R =	7.630%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR		Rev Require	W Incentives	Incentive Amounts
As Projected in Prior Year WS J		\$ 45,052,975	\$ 45,052,975	\$ -
Actual After True-up		\$ 44,736,527	\$ 44,736,527	\$ -
True-up of ARR For 2017		(316,448)	(316,448)	-

B. Determine Return using 'R' with hypothetical 0 basis point ROE increase for Identified Projects.

Rate Base (True-Up TCOS, ln 58)	1,605,125,195
R (fom A. above)	7.630%
Return (Rate Base x R)	122,470,062

C. Determine Income Taxes using Return with hypothetical 0 basis point ROE increase for Identified Projects.

Return (from B. above)	122,470,062
Effective Tax Rate (TCOS, ln 97)	40.95%
Income Tax Calculation (Return x CIT)	50,152,079
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	939,948
Income Taxes	51,092,027

II. Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical 0 basis point ROE increase.

A. Determine Annual Revenue Requirement less return and Income Taxes.

Annual Revenue Requirement (TCOS, ln 1)	339,803,550
Lease Payments (TCOS, lns 80)	-
Return (TCOS, ln 109)	122,470,062
Income Taxes (TCOS, ln 108)	51,092,027
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	166,241,461

B. Determine Annual Revenue Requirement with hypothetical 0 basis point increase in ROE.

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	166,241,461
Return (from I.B. above)	122,470,062
Income Taxes (from I.C. above)	51,092,027
Annual Revenue Requirement, with 0 Basis Point ROE increase	339,803,550
Depreciation (TCOS, ln 83)	40,621,386
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	299,182,164

C. Determine FCR with hypothetical 0 basis point ROE increase.

Net Transmission Plant (Projected TCOS, ln 33)	1,915,616,955
Annual Revenue Requirement, with 0 Basis Point ROE increase	339,803,550
FCR with 0 Basis Point increase in ROE	17.74%

Annual Rev. Req. w/ 0 Basis Point ROE increase, less Dep.	299,182,164
FCR with 0 Basis Point ROE increase, less Depreciation	15.62%
FCR less Depreciation (TCOS, ln 10)	15.62%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2017 TCOS, ln 19	2,014,892,481
Annual Depreciation and Amortization Expense (TCOS, ln 83)	40,621,386
Composite Depreciation Rate	2.02%
Depreciable Life for Composite Depreciation Rate	49.60
Average Life in Whole Years	50

Note 1: Until AEP OHIO TRANSMISSION COMPANY establishes Transmission plant in service the depreciation expense component of the carrying charge will be calculated as in the Operating Company formula approved in Docket No. ER08-1329. The calculation for AEP OHIO TRANSMISSION COMPANY is shown on Worksheet P.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.	(e.g. ER05-925-000)

Project Description: RTEP ID: b0570 (LIMA-STERLING 138 KV LINE: REB)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,517,047	1,517,047	-
Prior Yr True-Up	1,686,428	1,686,428	-
True-Up Adjustment	169,381	169,381	-

Details			
Investment	10,402,068	Current Year	2017
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	15.62%
Useful life	50	FCR w/incentives approved for these facilities, less dep.	15.62%
CIAC (Yes or No)	No	Annual Depreciation Expense	208,041

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2012	10,402,068	-	10,402,068	10,402,068	1,624,601	1,624,601	\$ -
2013	10,402,068	208,041	10,194,027	10,298,047	1,816,396	1,816,396	\$ -
2014	10,194,027	208,041	9,985,985	10,090,006	1,783,904	1,783,904	\$ -
2015	9,985,985	208,041	9,777,944	9,881,965	1,751,412	1,751,412	\$ -
2016	9,777,944	208,041	9,569,903	9,673,923	1,718,920	1,718,920	\$ -
2017	9,569,903	208,041	9,361,861	9,465,882	1,686,428	1,686,428	\$ -
2018	9,361,861	208,041	9,153,820	9,257,841	1,653,936	1,653,936	\$ -
2019	9,153,820	208,041	8,945,778	9,049,799	1,621,444	1,621,444	\$ -
2020	8,945,778	208,041	8,737,737	8,841,758	1,588,952	1,588,952	\$ -
2021	8,737,737	208,041	8,529,696	8,633,716	1,556,460	1,556,460	\$ -
2022	8,529,696	208,041	8,321,654	8,425,675	1,523,968	1,523,968	\$ -
2023	8,321,654	208,041	8,113,613	8,217,634	1,491,476	1,491,476	\$ -
2024	8,113,613	208,041	7,905,572	8,009,592	1,458,984	1,458,984	\$ -
2025	7,905,572	208,041	7,697,530	7,801,551	1,426,492	1,426,492	\$ -
2026	7,697,530	208,041	7,489,489	7,593,510	1,394,000	1,394,000	\$ -
2027	7,489,489	208,041	7,281,448	7,385,468	1,361,508	1,361,508	\$ -
2028	7,281,448	208,041	7,073,406	7,177,427	1,329,016	1,329,016	\$ -
2029	7,073,406	208,041	6,865,365	6,969,386	1,296,524	1,296,524	\$ -
2030	6,865,365	208,041	6,657,324	6,761,344	1,264,032	1,264,032	\$ -
2031	6,657,324	208,041	6,449,282	6,553,303	1,231,540	1,231,540	\$ -
2032	6,449,282	208,041	6,241,241	6,345,261	1,199,048	1,199,048	\$ -
2033	6,241,241	208,041	6,033,199	6,137,220	1,166,556	1,166,556	\$ -
2034	6,033,199	208,041	5,825,158	5,929,179	1,134,064	1,134,064	\$ -
2035	5,825,158	208,041	5,617,117	5,721,137	1,101,572	1,101,572	\$ -
2036	5,617,117	208,041	5,409,075	5,513,096	1,069,080	1,069,080	\$ -
2037	5,409,075	208,041	5,201,034	5,305,055	1,036,588	1,036,588	\$ -
2038	5,201,034	208,041	4,992,993	5,097,013	1,004,096	1,004,096	\$ -
2039	4,992,993	208,041	4,784,951	4,888,972	971,604	971,604	\$ -
2040	4,784,951	208,041	4,576,910	4,680,931	939,112	939,112	\$ -
2041	4,576,910	208,041	4,368,869	4,472,889	906,620	906,620	\$ -
2042	4,368,869	208,041	4,160,827	4,264,848	874,128	874,128	\$ -
2043	4,160,827	208,041	3,952,786	4,056,807	841,636	841,636	\$ -
2044	3,952,786	208,041	3,744,744	3,848,765	809,144	809,144	\$ -
2045	3,744,744	208,041	3,536,703	3,640,724	776,652	776,652	\$ -
2046	3,536,703	208,041	3,328,662	3,432,682	744,160	744,160	\$ -
2047	3,328,662	208,041	3,120,620	3,224,641	711,668	711,668	\$ -
2048	3,120,620	208,041	2,912,579	3,016,600	679,176	679,176	\$ -
2049	2,912,579	208,041	2,704,538	2,808,558	646,684	646,684	\$ -
2050	2,704,538	208,041	2,496,496	2,600,517	614,192	614,192	\$ -
2051	2,496,496	208,041	2,288,455	2,392,476	581,700	581,700	\$ -
2052	2,288,455	208,041	2,080,414	2,184,434	549,208	549,208	\$ -
2053	2,080,414	208,041	1,872,372	1,976,393	516,716	516,716	\$ -
2054	1,872,372	208,041	1,664,331	1,768,352	484,224	484,224	\$ -
2055	1,664,331	208,041	1,456,290	1,560,310	451,732	451,732	\$ -
2056	1,456,290	208,041	1,248,248	1,352,269	419,239	419,239	\$ -
2057	1,248,248	208,041	1,040,207	1,144,227	386,747	386,747	\$ -
2058	1,040,207	208,041	832,165	936,186	354,255	354,255	\$ -
2059	832,165	208,041	624,124	728,145	321,763	321,763	\$ -
2060	624,124	208,041	416,083	520,103	289,271	289,271	\$ -
2061	416,083	208,041	208,041	312,062	256,779	256,779	\$ -
2062	208,041	208,041	0	104,021	224,287	224,287	\$ -
2063	0	0	-	0	0	0	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -

Project Totals	10,402,068	52,641,694	52,641,694
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** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
LIFE OF THE PROJECT.

[illegible]

[illegible]

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b1034.8 (138kV Circuit Breakers at the West Canton, South Canton, Canton Central, and Wagenhals stations)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	725,644	725,644	-
Prior Yr True-Up	711,414	711,414	-
True-Up Adjustment	(14,230)	(14,230)	-

Details			
Investment	4,305,129	Current Year	2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	
Service Month (1-12)	12	FCR w/o incentives, less depreciation	
Useful life	50	FCR w/incentives approved for these facilities, less dep.	
CIAC (Yes or No)	No	Annual Depreciation Expense	
			15.62%
			15.62%
			86,103

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	4,305,129	-	4,305,129	4,305,129	672,378	672,378	\$ -
2014	4,305,129	86,103	4,219,026	4,262,078	751,756	751,756	\$ -
2015	4,219,026	86,103	4,132,924	4,175,975	738,309	738,309	\$ -
2016	4,132,924	86,103	4,046,821	4,089,873	724,861	724,861	\$ -
2017	4,046,821	86,103	3,960,719	4,003,770	711,414	711,414	\$ -
2018	3,960,719	86,103	3,874,616	3,917,667	697,966	697,966	\$ -
2019	3,874,616	86,103	3,788,514	3,831,565	684,519	684,519	\$ -
2020	3,788,514	86,103	3,702,411	3,745,462	671,071	671,071	\$ -
2021	3,702,411	86,103	3,616,308	3,659,360	657,623	657,623	\$ -
2022	3,616,308	86,103	3,530,206	3,573,257	644,176	644,176	\$ -
2023	3,530,206	86,103	3,444,103	3,487,154	630,728	630,728	\$ -
2024	3,444,103	86,103	3,358,001	3,401,052	617,281	617,281	\$ -
2025	3,358,001	86,103	3,271,898	3,314,949	603,833	603,833	\$ -
2026	3,271,898	86,103	3,185,795	3,228,847	590,386	590,386	\$ -
2027	3,185,795	86,103	3,099,693	3,142,744	576,938	576,938	\$ -
2028	3,099,693	86,103	3,013,590	3,056,642	563,491	563,491	\$ -
2029	3,013,590	86,103	2,927,488	2,970,539	550,043	550,043	\$ -
2030	2,927,488	86,103	2,841,385	2,884,436	536,596	536,596	\$ -
2031	2,841,385	86,103	2,755,283	2,798,334	523,148	523,148	\$ -
2032	2,755,283	86,103	2,669,180	2,712,231	509,700	509,700	\$ -
2033	2,669,180	86,103	2,583,077	2,626,129	496,253	496,253	\$ -
2034	2,583,077	86,103	2,496,975	2,540,026	482,805	482,805	\$ -
2035	2,496,975	86,103	2,410,872	2,453,924	469,358	469,358	\$ -
2036	2,410,872	86,103	2,324,770	2,367,821	455,910	455,910	\$ -
2037	2,324,770	86,103	2,238,667	2,281,718	442,463	442,463	\$ -
2038	2,238,667	86,103	2,152,565	2,195,616	429,015	429,015	\$ -
2039	2,152,565	86,103	2,066,462	2,109,513	415,568	415,568	\$ -
2040	2,066,462	86,103	1,980,359	2,023,411	402,120	402,120	\$ -
2041	1,980,359	86,103	1,894,257	1,937,308	388,672	388,672	\$ -
2042	1,894,257	86,103	1,808,154	1,851,205	375,225	375,225	\$ -
2043	1,808,154	86,103	1,722,052	1,765,103	361,777	361,777	\$ -
2044	1,722,052	86,103	1,635,949	1,679,000	348,330	348,330	\$ -
2045	1,635,949	86,103	1,549,846	1,592,898	334,882	334,882	\$ -
2046	1,549,846	86,103	1,463,744	1,506,795	321,435	321,435	\$ -
2047	1,463,744	86,103	1,377,641	1,420,693	307,987	307,987	\$ -
2048	1,377,641	86,103	1,291,539	1,334,590	294,540	294,540	\$ -
2049	1,291,539	86,103	1,205,436	1,248,487	281,092	281,092	\$ -
2050	1,205,436	86,103	1,119,334	1,162,385	267,645	267,645	\$ -
2051	1,119,334	86,103	1,033,231	1,076,282	254,197	254,197	\$ -
2052	1,033,231	86,103	947,128	990,180	240,749	240,749	\$ -
2053	947,128	86,103	861,026	904,077	227,302	227,302	\$ -
2054	861,026	86,103	774,923	817,975	213,854	213,854	\$ -

Project Totals	4,305,129	21,786,945	21,786,945
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** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR

TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE

LIFE OF THE PROJECT.

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Formula Rate
WS K TRUE-UP RTEP RR
Page 26 of 48

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.	(e.g. ER05-925-000)

Project Description: RTEP ID: b1864.2 (West Bellaire-Brues 138 kV Circuit)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	180,849	180,849	-
Prior Yr True-Up	177,315	177,315	-
True-Up Adjustment	(3,534)	(3,534)	-

Details			
Investment	1,076,416	Current Year	2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	15.62%
Useful life	50	FCR w/incentives approved for these facilities, less dep.	15.62%
CIAC (Yes or No)	No	Annual Depreciation Expense	21,528

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	1,076,416	3,588	1,072,828	1,074,622	171,423	171,423	\$ -
2014	1,072,828	21,528	1,051,300	1,062,064	187,402	187,402	\$ -
2015	1,051,300	21,528	1,029,771	1,040,535	184,040	184,040	\$ -
2016	1,029,771	21,528	1,008,243	1,019,007	180,677	180,677	\$ -
2017	1,008,243	21,528	986,715	997,479	177,315	177,315	\$ -
2018	986,715	21,528	965,186	975,951	173,953	173,953	\$ -
2019	965,186	21,528	943,658	954,422	170,591	170,591	\$ -
2020	943,658	21,528	922,130	932,894	167,228	167,228	\$ -
2021	922,130	21,528	900,601	911,366	163,866	163,866	\$ -
2022	900,601	21,528	879,073	889,837	160,504	160,504	\$ -
2023	879,073	21,528	857,545	868,309	157,141	157,141	\$ -
2024	857,545	21,528	836,016	846,781	153,779	153,779	\$ -
2025	836,016	21,528	814,488	825,252	150,417	150,417	\$ -
2026	814,488	21,528	792,960	803,724	147,054	147,054	\$ -
2027	792,960	21,528	771,431	782,196	143,692	143,692	\$ -
2028	771,431	21,528	749,903	760,667	140,330	140,330	\$ -
2029	749,903	21,528	728,375	739,139	136,967	136,967	\$ -
2030	728,375	21,528	706,847	717,611	133,605	133,605	\$ -
2031	706,847	21,528	685,318	696,082	130,243	130,243	\$ -
2032	685,318	21,528	663,790	674,554	126,881	126,881	\$ -
2033	663,790	21,528	642,262	653,026	123,518	123,518	\$ -
2034	642,262	21,528	620,733	631,497	120,156	120,156	\$ -
2035	620,733	21,528	599,205	609,969	116,794	116,794	\$ -
2036	599,205	21,528	577,677	588,441	113,431	113,431	\$ -
2037	577,677	21,528	556,148	566,912	110,069	110,069	\$ -
2038	556,148	21,528	534,620	545,384	106,707	106,707	\$ -
2039	534,620	21,528	513,092	523,856	103,344	103,344	\$ -
2040	513,092	21,528	491,563	502,327	99,982	99,982	\$ -
2041	491,563	21,528	470,035	480,799	96,620	96,620	\$ -
2042	470,035	21,528	448,507	459,271	93,258	93,258	\$ -
2043	448,507	21,528	426,978	437,743	89,895	89,895	\$ -
2044	426,978	21,528	405,450	416,214	86,533	86,533	\$ -
2045	405,450	21,528	383,922	394,686	83,171	83,171	\$ -
2046	383,922	21,528	362,393	373,158	79,808	79,808	\$ -
2047	362,393	21,528	340,865	351,629	76,446	76,446	\$ -
2048	340,865	21,528	319,337	330,101	73,084	73,084	\$ -
2049	319,337	21,528	297,808	308,573	69,721	69,721	\$ -
2050	297,808	21,528	276,280	287,044	66,359	66,359	\$ -
2051	276,280	21,528	254,752	265,516	62,997	62,997	\$ -
2052	254,752	21,528	233,223	243,988	59,634	59,634	\$ -
2053	233,223	21,528	211,695	222,459	56,272	56,272	\$ -
2054	211,695	21,528	190,167	200,931	52,910	52,910	\$ -
2055	190,167	21,528	168,639	179,403	49,548	49,548	\$ -
2056	168,639	21,528	147,110	157,874	46,185	46,185	\$ -
2057	147,110	21,528	125,582	136,346	42,823	42,823	\$ -
2058	125,582	21,528	104,054	114,818	39,461	39,461	\$ -
2059	104,054	21,528	82,525	93,289	36,098	36,098	\$ -
2060	82,525	21,528	60,997	71,761	32,736	32,736	\$ -
2061	60,997	21,528	39,469	50,233	29,374	29,374	\$ -
2062	39,469	21,528	17,940	28,704	26,011	26,011	\$ -
2063	17,940	17,940	-	8,970	19,341	19,341	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -

Project Totals	1,076,416	5,419,394	5,419,394
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*** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
LIFE OF THE PROJECT.

[illegible]

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Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b1870 (Replace Ohio Central transformer #1 345/138/12 kV 450 MVA for a 345/138/34.5 kV 675 MVA transformer)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
 INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
 TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
 LIFE OF THE PROJECT.

[illegible]

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.	(e.g. ER05-925-000)

Project Description: RTEP ID: b1032.2 (Construct two 138kV outlets to Delano 138kV station and to Camp Sherman station)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	4,892,362	4,892,362	-
Prior Yr True-Up	1,358,999	1,358,999	-
True-Up Adjustment	(3,533,363)	(3,533,363)	-

Details			
Investment	7,997,245	Current Year	2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	15.62%
Useful life	50	FCR w/incentives approved for these facilities, less dep.	15.62%
CIAC (Yes or No)	No	Annual Depreciation Expense	159,945

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	7,997,245	79,972	7,917,273	7,957,259	1,322,742	1,322,742	\$ -
2016	7,917,273	159,945	7,757,328	7,837,300	1,383,979	1,383,979	\$ -
2017	7,757,328	159,945	7,597,383	7,677,355	1,358,999	1,358,999	\$ -
2018	7,597,383	159,945	7,437,438	7,517,410	1,334,018	1,334,018	\$ -
2019	7,437,438	159,945	7,277,493	7,357,465	1,309,038	1,309,038	\$ -
2020	7,277,493	159,945	7,117,548	7,197,521	1,284,058	1,284,058	\$ -
2021	7,117,548	159,945	6,957,603	7,037,576	1,259,078	1,259,078	\$ -
2022	6,957,603	159,945	6,797,658	6,877,631	1,234,097	1,234,097	\$ -
2023	6,797,658	159,945	6,637,713	6,717,686	1,209,117	1,209,117	\$ -
2024	6,637,713	159,945	6,477,768	6,557,741	1,184,137	1,184,137	\$ -
2025	6,477,768	159,945	6,317,824	6,397,796	1,159,156	1,159,156	\$ -
2026	6,317,824	159,945	6,157,879	6,237,851	1,134,176	1,134,176	\$ -
2027	6,157,879	159,945	5,997,934	6,077,906	1,109,196	1,109,196	\$ -
2028	5,997,934	159,945	5,837,989	5,917,961	1,084,216	1,084,216	\$ -
2029	5,837,989	159,945	5,678,044	5,758,016	1,059,235	1,059,235	\$ -
2030	5,678,044	159,945	5,518,099	5,598,071	1,034,255	1,034,255	\$ -
2031	5,518,099	159,945	5,358,154	5,438,127	1,009,275	1,009,275	\$ -
2032	5,358,154	159,945	5,198,209	5,278,182	984,294	984,294	\$ -
2033	5,198,209	159,945	5,038,264	5,118,237	959,314	959,314	\$ -
2034	5,038,264	159,945	4,878,319	4,958,292	934,334	934,334	\$ -
2035	4,878,319	159,945	4,718,375	4,798,347	909,354	909,354	\$ -
2036	4,718,375	159,945	4,558,430	4,638,402	884,373	884,373	\$ -
2037	4,558,430	159,945	4,398,485	4,478,457	859,393	859,393	\$ -
2038	4,398,485	159,945	4,238,540	4,318,512	834,413	834,413	\$ -
2039	4,238,540	159,945	4,078,595	4,158,567	809,432	809,432	\$ -
2040	4,078,595	159,945	3,918,650	3,998,622	784,452	784,452	\$ -
2041	3,918,650	159,945	3,758,705	3,838,678	759,472	759,472	\$ -
2042	3,758,705	159,945	3,598,760	3,678,733	734,492	734,492	\$ -
2043	3,598,760	159,945	3,438,815	3,518,788	709,511	709,511	\$ -
2044	3,438,815	159,945	3,278,870	3,358,843	684,531	684,531	\$ -
2045	3,278,870	159,945	3,118,926	3,198,898	659,551	659,551	\$ -
2046	3,118,926	159,945	2,958,981	3,038,953	634,570	634,570	\$ -
2047	2,958,981	159,945	2,799,036	2,879,008	609,590	609,590	\$ -
2048	2,799,036	159,945	2,639,091	2,719,063	584,610	584,610	\$ -
2049	2,639,091	159,945	2,479,146	2,559,118	559,629	559,629	\$ -
2050	2,479,146	159,945	2,319,201	2,399,173	534,649	534,649	\$ -
2051	2,319,201	159,945	2,159,256	2,239,229	509,669	509,669	\$ -
2052	2,159,256	159,945	1,999,311	2,079,284	484,689	484,689	\$ -
2053	1,999,311	159,945	1,839,366	1,919,339	459,708	459,708	\$ -
2054	1,839,366	159,945	1,679,421	1,759,394	434,728	434,728	\$ -
2055	1,679,421	159,945	1,519,477	1,599,449	409,748	409,748	\$ -
2056	1,519,477	159,945	1,359,532	1,439,504	384,767	384,767	\$ -
2057	1,359,532	159,945	1,199,587	1,279,559	359,787	359,787	\$ -
2058	1,199,587	159,945	1,039,642	1,119,614	334,807	334,807	\$ -
2059	1,039,642	159,945	879,697	959,669	309,827	309,827	\$ -
2060	879,697	159,945	719,752	799,724	284,846	284,846	\$ -
2061	719,752	159,945	559,807	639,780	259,866	259,866	\$ -
2062	559,807	159,945	399,862	479,835	234,886	234,886	\$ -
2063	399,862	159,945	239,917	319,890	209,905	209,905	\$ -
2064	239,917	159,945	79,972	159,945	184,925	184,925	\$ -
2065	79,972	79,972	-	39,986	86,218	86,218	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -

Project Totals	7,997,245	39,847,111	39,847,111
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*** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
LIFE OF THE PROJECT.

[illegible]

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

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Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b1034.3 (Install a 345/138kV 450 MVA transformer at Canton Central)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

[illegible]

Project Totals	13,479,817	68,217,243	68,217,243
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** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

Formula Rate
WS K TRUE-UP RTEP RR
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A. Base Plan Facilities

(e.g. ER05-925-000)

RTEP ID: b1970 (Reconductor 13 miles of Kammer-West Bellaire 345 kV line)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
LIFE OF THE PROJECT.

[illegible]

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

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Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b2018 (Loop Conesville-Bixby 345 kV circuit into Ohio Central)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

[illegible]

Project Totals	13,744,473	69,556,586	69,556,586
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** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b2032 (Rebuild 138 kV Elliott Tap-Poston line)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
LIFE OF THE PROJECT.

[illegible]

Project Totals	3,781,771
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** This is the total amount that needs to be reported to PJM for billing to all regions

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b1032.1 (Construct a new 345/138kV station on the Marquis-Bixby 345kV line near the intersection with Ross - Highland 69kV)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

[illegible]

** This is the total amount that needs to be reported to PJM for billing to all regions

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b1032.4 (Install 138/69kV transformer at new station and connect in the Ross - Highland 69kV line)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,077,982	1,077,982	-
Prior Yr True-Up	1,056,203	1,056,203	-
True-Up Adjustment	(21,779)	(21,779)	-

Details			
Investment	6,215,398	Current Year	2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	15.62%
Useful life	50	FCR w/incentives approved for these facilities, less dep.	15.62%
CIAC (Yes or No)	No	Annual Depreciation Expense	124,308

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	6,215,398	62,154	6,153,244	6,184,321	1,028,025	1,028,025	\$ -
2016	6,153,244	124,308	6,028,936	6,091,090	1,075,618	1,075,618	\$ -
2017	6,028,936	124,308	5,904,628	5,966,782	1,056,203	1,056,203	\$ -
2018	5,904,628	124,308	5,780,320	5,842,474	1,036,789	1,036,789	\$ -
2019	5,780,320	124,308	5,656,012	5,718,166	1,017,374	1,017,374	\$ -
2020	5,656,012	124,308	5,531,704	5,593,858	997,960	997,960	\$ -
2021	5,531,704	124,308	5,407,396	5,469,550	978,545	978,545	\$ -
2022	5,407,396	124,308	5,283,088	5,345,242	959,131	959,131	\$ -
2023	5,283,088	124,308	5,158,780	5,220,934	939,717	939,717	\$ -
2024	5,158,780	124,308	5,034,472	5,096,626	920,302	920,302	\$ -
2025	5,034,472	124,308	4,910,164	4,972,318	900,888	900,888	\$ -
2026	4,910,164	124,308	4,785,856	4,848,010	881,473	881,473	\$ -
2027	4,785,856	124,308	4,661,549	4,723,702	862,059	862,059	\$ -
2028	4,661,549	124,308	4,537,241	4,599,395	842,644	842,644	\$ -
2029	4,537,241	124,308	4,412,933	4,475,087	823,230	823,230	\$ -
2030	4,412,933	124,308	4,288,625	4,350,779	803,815	803,815	\$ -
2031	4,288,625	124,308	4,164,317	4,226,471	784,401	784,401	\$ -
2032	4,164,317	124,308	4,040,009	4,102,163	764,986	764,986	\$ -
2033	4,040,009	124,308	3,915,701	3,977,855	745,572	745,572	\$ -
2034	3,915,701	124,308	3,791,393	3,853,547	726,157	726,157	\$ -
2035	3,791,393	124,308	3,667,085	3,729,239	706,743	706,743	\$ -
2036	3,667,085	124,308	3,542,777	3,604,931	687,328	687,328	\$ -
2037	3,542,777	124,308	3,418,469	3,480,623	667,914	667,914	\$ -
2038	3,418,469	124,308	3,294,161	3,356,315	648,499	648,499	\$ -
2039	3,294,161	124,308	3,169,853	3,232,007	629,085	629,085	\$ -
2040	3,169,853	124,308	3,045,545	3,107,699	609,670	609,670	\$ -
2041	3,045,545	124,308	2,921,237	2,983,391	590,256	590,256	\$ -
2042	2,921,237	124,308	2,796,929	2,859,083	570,841	570,841	\$ -
2043	2,796,929	124,308	2,672,621	2,734,775	551,427	551,427	\$ -
2044	2,672,621	124,308	2,548,313	2,610,467	532,012	532,012	\$ -
2045	2,548,313	124,308	2,424,005	2,486,159	512,598	512,598	\$ -
2046	2,424,005	124,308	2,299,697	2,361,851	493,183	493,183	\$ -
2047	2,299,697	124,308	2,175,389	2,237,543	473,769	473,769	\$ -
2048	2,175,389	124,308	2,051,081	2,113,235	454,354	454,354	\$ -
2049	2,051,081	124,308	1,926,773	1,988,927	434,940	434,940	\$ -
2050	1,926,773	124,308	1,802,465	1,864,619	415,525	415,525	\$ -
2051	1,802,465	124,308	1,678,157	1,740,311	396,111	396,111	\$ -
2052	1,678,157	124,308	1,553,850	1,616,003	376,696	376,696	\$ -
2053	1,553,850	124,308	1,429,542	1,491,696	357,282	357,282	\$ -
2054	1,429,542	124,308	1,305,234	1,367,388	337,867	337,867	\$ -
2055	1,305,234	124,308	1,180,926	1,243,080	318,453	318,453	\$ -
2056	1,180,926	124,308	1,056,618	1,118,772	299,038	299,038	\$ -
2057	1,056,618	124,308	932,310	994,464	279,624	279,624	\$ -
2058	932,310	124,308	808,002	870,156	260,209	260,209	\$ -
2059	808,002	124,308	683,694	745,848	240,795	240,795	\$ -
2060	683,694	124,308	559,386	621,540	221,380	221,380	\$ -
2061	559,386	124,308	435,078	497,232	201,966	201,966	\$ -
2062	435,078	124,308	310,770	372,924	182,551	182,551	\$ -
2063	310,770	124,308	186,462	248,616	163,137	163,137	\$ -
2064	186,462	124,308	62,154	124,308	143,722	143,722	\$ -
2065	62,154	62,154	-	31,077	67,008	67,008	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -

Project Totals	6,215,398	30,968,872	30,968,872
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** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
 INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
 TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
 LIFE OF THE PROJECT.

[illegible]

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b1666 (Build an 8 breaker 138 kV station tapping both circuits of the Fostoria-East Lima 138 kV line)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,060,430	1,060,430	-
Prior Yr True-Up	3,133,618	3,133,618	-
True-Up Adjustment	2,073,188	2,073,188	-

Details			
Investment	18,412,075	Current Year	2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	7	FCR w/o incentives, less depreciation	15.62%
Useful life	50	FCR w/incentives approved for these facilities, less dep.	15.62%
CIAC (Yes or No)	No	Annual Depreciation Expense	368,242

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	18,412,075	153,434	18,258,641	18,335,358	3,017,061	3,017,061	\$ -
2016	18,258,641	368,242	17,890,400	18,074,520	3,191,131	3,191,131	\$ -
2017	17,890,400	368,242	17,522,158	17,706,279	3,133,618	3,133,618	\$ -
2018	17,522,158	368,242	17,153,917	17,338,037	3,076,106	3,076,106	\$ -
2019	17,153,917	368,242	16,785,675	16,969,796	3,018,594	3,018,594	\$ -
2020	16,785,675	368,242	16,417,434	16,601,554	2,961,082	2,961,082	\$ -
2021	16,417,434	368,242	16,049,192	16,233,313	2,903,570	2,903,570	\$ -
2022	16,049,192	368,242	15,680,951	15,865,071	2,846,058	2,846,058	\$ -
2023	15,680,951	368,242	15,312,709	15,496,830	2,788,545	2,788,545	\$ -
2024	15,312,709	368,242	14,944,468	15,128,588	2,731,033	2,731,033	\$ -
2025	14,944,468	368,242	14,576,226	14,760,347	2,673,521	2,673,521	\$ -
2026	14,576,226	368,242	14,207,985	14,392,105	2,616,009	2,616,009	\$ -
2027	14,207,985	368,242	13,839,743	14,023,864	2,558,497	2,558,497	\$ -
2028	13,839,743	368,242	13,471,502	13,655,622	2,500,984	2,500,984	\$ -
2029	13,471,502	368,242	13,103,260	13,287,381	2,443,472	2,443,472	\$ -
2030	13,103,260	368,242	12,735,019	12,919,139	2,385,960	2,385,960	\$ -
2031	12,735,019	368,242	12,366,777	12,550,898	2,328,448	2,328,448	\$ -
2032	12,366,777	368,242	11,998,536	12,182,656	2,270,936	2,270,936	\$ -
2033	11,998,536	368,242	11,630,294	11,814,415	2,213,424	2,213,424	\$ -
2034	11,630,294	368,242	11,262,053	11,446,173	2,155,911	2,155,911	\$ -
2035	11,262,053	368,242	10,893,811	11,077,932	2,098,399	2,098,399	\$ -
2036	10,893,811	368,242	10,525,570	10,709,690	2,040,887	2,040,887	\$ -
2037	10,525,570	368,242	10,157,328	10,341,449	1,983,375	1,983,375	\$ -
2038	10,157,328	368,242	9,789,087	9,973,207	1,925,863	1,925,863	\$ -
2039	9,789,087	368,242	9,420,845	9,604,966	1,868,351	1,868,351	\$ -
2040	9,420,845	368,242	9,052,604	9,236,724	1,810,838	1,810,838	\$ -
2041	9,052,604	368,242	8,684,362	8,868,483	1,753,326	1,753,326	\$ -
2042	8,684,362	368,242	8,316,121	8,500,241	1,695,814	1,695,814	\$ -
2043	8,316,121	368,242	7,947,879	8,132,000	1,638,302	1,638,302	\$ -
2044	7,947,879	368,242	7,579,638	7,763,758	1,580,790	1,580,790	\$ -
2045	7,579,638	368,242	7,211,396	7,395,517	1,523,278	1,523,278	\$ -
2046	7,211,396	368,242	6,843,155	7,027,275	1,465,765	1,465,765	\$ -
2047	6,843,155	368,242	6,474,913	6,659,034	1,408,253	1,408,253	\$ -
2048	6,474,913	368,242	6,106,672	6,290,792	1,350,741	1,350,741	\$ -
2049	6,106,672	368,242	5,738,430	5,922,551	1,293,229	1,293,229	\$ -
2050	5,738,430	368,242	5,370,189	5,554,309	1,235,717	1,235,717	\$ -
2051	5,370,189	368,242	5,001,947	5,186,068	1,178,205	1,178,205	\$ -
2052	5,001,947	368,242	4,633,706	4,817,826	1,120,692	1,120,692	\$ -
2053	4,633,706	368,242	4,265,464	4,449,585	1,063,180	1,063,180	\$ -

Project Totals	18,412,075	91,979,726	91,979,726
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** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
 INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
 TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
 LIFE OF THE PROJECT.

[illegible]

A. Base Plan Facilities

(e.g. ER05-925-000)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

[illegible]

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

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Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b1957 (Terminate Transformer #2 at SW Lima in new bay position)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

[illegible]

** This is the total amount that needs to be reported to PJM for billing to all regions.

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Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b2019 (Establish Burger 345/138 kV station)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

[illegible]

** This is the total amount that needs to be reported to PJM for billing to all regions.

This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

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Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b2017 (Reconductor or rebuild Sporn - Waterford - Muskingum River 345 kV line)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

[illegible]

Project Totals	52,397,332	260,393,241	260,393,241
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Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b1818 (Expand Allen w/ second xfmr. and cut-in 138 kV double circuit tower line)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	525,167	525,167	-
Prior Yr True-Up	391,207	391,207	-
True-Up Adjustment	(133,960)	(133,960)	-

Details			
Investment	2,504,837	Current Year	2017
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	15.62%
Useful life	50	FCR w/incentives approved for these facilities, less dep.	15.62%
CIAC (Yes or No)	No	Annual Depreciation Expense	50,097

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:
INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUED-UP ARRS OVER THE
LIFE OF THE PROJECT.

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2017	2,504,837	-	2,504,837	2,504,837	391,207	391,207	\$ -
2018	2,504,837	50,097	2,454,740	2,479,789	437,392	437,392	\$ -
2019	2,454,740	50,097	2,404,644	2,429,692	429,567	429,567	\$ -
2020	2,404,644	50,097	2,354,547	2,379,595	421,743	421,743	\$ -
2021	2,354,547	50,097	2,304,450	2,329,498	413,919	413,919	\$ -
2022	2,304,450	50,097	2,254,353	2,279,402	406,095	406,095	\$ -
2023	2,254,353	50,097	2,204,257	2,229,305	398,271	398,271	\$ -
2024	2,204,257	50,097	2,154,160	2,179,208	390,447	390,447	\$ -
2025	2,154,160	50,097	2,104,063	2,129,111	382,623	382,623	\$ -
2026	2,104,063	50,097	2,053,966	2,079,015	374,798	374,798	\$ -
2027	2,053,966	50,097	2,003,870	2,028,918	366,974	366,974	\$ -
2028	2,003,870	50,097	1,953,773	1,978,821	359,150	359,150	\$ -
2029	1,953,773	50,097	1,903,676	1,928,724	351,326	351,326	\$ -
2030	1,903,676	50,097	1,853,579	1,878,628	343,502	343,502	\$ -
2031	1,853,579	50,097	1,803,483	1,828,531	335,678	335,678	\$ -
2032	1,803,483	50,097	1,753,386	1,778,434	327,854	327,854	\$ -
2033	1,753,386	50,097	1,703,289	1,728,338	320,029	320,029	\$ -
2034	1,703,289	50,097	1,653,192	1,678,241	312,205	312,205	\$ -
2035	1,653,192	50,097	1,603,096	1,628,144	304,381	304,381	\$ -
2036	1,603,096	50,097	1,552,999	1,578,047	296,557	296,557	\$ -
2037	1,552,999	50,097	1,502,902	1,527,951	288,733	288,733	\$ -
2038	1,502,902	50,097	1,452,805	1,477,854	280,909	280,909	\$ -
2039	1,452,805	50,097	1,402,709	1,427,757	273,085	273,085	\$ -
2040	1,402,709	50,097	1,352,612	1,377,660	265,261	265,261	\$ -
2041	1,352,612	50,097	1,302,515	1,327,564	257,436	257,436	\$ -
2042	1,302,515	50,097	1,252,419	1,277,467	249,612	249,612	\$ -
2043	1,252,419	50,097	1,202,322	1,227,370	241,788	241,788	\$ -
2044	1,202,322	50,097	1,152,225	1,177,273	233,964	233,964	\$ -
2045	1,152,225	50,097	1,102,128	1,127,177	226,140	226,140	\$ -
2046	1,102,128	50,097	1,052,032	1,077,080	218,316	218,316	\$ -
2047	1,052,032	50,097	1,001,935	1,026,983	210,492	210,492	\$ -
2048	1,001,935	50,097	951,838	976,886	202,667	202,667	\$ -
2049	951,838	50,097	901,741	926,790	194,843	194,843	\$ -
2050	901,741	50,097	851,645	876,693	187,019	187,019	\$ -
2051	851,645	50,097	801,548	826,596	179,195	179,195	\$ -
2052	801,548	50,097	751,451	776,499	171,371	171,371	\$ -
2053	751,451	50,097	701,354	726,403	163,547	163,547	\$ -
2054	701,354	50,097	651,258	676,306	155,723	155,723	\$ -
2055	651,258	50,097	601,161	626,209	147,898	147,898	\$ -
2056	601,161	50,097	551,064	576,113	140,074	140,074	\$ -
2057	551,064	50,097	500,967	526,016	132,250	132,250	\$ -
2058	500,967	50,097	450,871	475,919	124,426	124,426	\$ -
2059	450,871	50,097	400,774	425,822	116,602	116,602	\$ -
2060	400,774	50,097	350,677	375,726	108,778	108,778	\$ -
2061	350,677	50,097	300,580	325,629	100,954	100,954	\$ -
2062	300,580	50,097	250,484	275,532	93,129	93,129	\$ -
2063	250,484	50,097	200,387	225,435	85,305	85,305	\$ -
2064	200,387	50,097	150,290	175,339	77,481	77,481	\$ -
2065	150,290	50,097	100,193	125,242	69,657	69,657	\$ -
2066	100,193	50,097	50,097	75,145	61,833	61,833	\$ -
2067	50,097	50,097	-	25,048	54,009	54,009	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
2075	-	-	-	-	-	-	\$ -
2076	-	-	-	-	-	-	\$ -

[illegible]

Project Totals 2,504,837

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This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet L RESERVED
AEP OHIO TRANSMISSION COMPANY

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
AEP OHIO TRANSMISSION COMPANY

		Average Balance of Common Equity				
Line No	Month (a)	Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
(Note A)		(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	875,520,859	-	-	-	875,520,859
2	January					
3	February					
4	March					
5	April					
6	May					
7	June					
8	July					
9	August					
10	September					
11	October					
12	November					
13	December of Rate Year	1,100,135,399	-	-	-	1,100,135,399
14	Average of the Beginning and End Year Balances	987,828,129	-	-	-	987,828,129

		Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
Line No	Month (a)	Bonds (b)	Less: Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
(Note A)		(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year	-	-	-	859,100,000	-	859,100,000
16	January						
17	February						
18	March						
19	April						
20	May						
21	June						
22	July						
23	August						
24	September						
25	October						
26	November						
27	December of Rate Year	-	-	-	1,094,100,000	-	1,094,100,000
28	Average of the Beginning and End Year Balances	-	-	-	976,600,000	-	976,600,000

NOTE 1: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (Page 257 Column H of the FF1)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
AEP OHIO TRANSMISSION COMPANY

Development of Cost of Long Term Debt Based on Average Outstanding Balance

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2017						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			36,383,202			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			-			
33	Amort of Loss on Recquired Debt - Acct 428.1 (117.64.c)			-			
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			-			
35	Less: Amort of Gain on Recquired Debt - Acct 429.1 (117.66.c)			-			
36	Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)			36,383,202			
37	Average Cost of Debt for 2017 (Ln 36/ Ln 28 (g))			3.73%			

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

38 AEP OHIO TRANSMISSION COMPANY may not include costs (or gains) related to interest hedging activities.

			Amortization Period		
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2017	Remaining Unamortized Balance	Beginning	Ending
39					
40					
41					
42					
43	Net (Gain)/Loss Hedge Amortization To Be Removed	-	-	-	-

Development of Cost of Preferred Stock

44	Balance of Preferred Stock (Line 14 (c))	-
45	Dividends on Preferred Stock (Acct 437, FF1 118.29))	
46	Average Cost of Preferred Stock (Ln 45 / Ln 44)	#DIV/0!

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
AEP OHIO TRANSMISSION COMPANY

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectively. Sales will be funtionalized based on the description of that asset. Sales of transmission assets will be direct assigned; sales of general assets will be functionalized on labor. Sales of plant held for future use related to generation or distribution will not be included in the formula.

Line	(A) Date	(B) Property Description	(C) Function (T) or (G) T = Transmission G = General	(D) Basis	(E) Proceeds	(F) (Gain) / Loss	(G) Functional Allocator	(H) Functionalized Proceeds (Gain) / Loss	(I) FERC Account
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4				Net (Gain) or Loss for		-		-	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Calculation of Post-employment Benefits Other than Pensions Expenses Allocable to Transmission Service
Worksheet O - PBOP Support
AEP OHIO TRANSMISSION COMPANY

PBOP	(A)	(B)
1	<u>Calculation of PBOP Expenses</u>	
2	<u>AEP System PBOP Rate</u>	
3	Total AEP System PBOP expenses	-\$62,529,765
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$62,529,765
6	Total AEP System Direct Labor Expense	\$1,368,849,981
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.046
8	Currently Approved PBOP Rate	-\$0.058
9	Base PBOP TransCo labor expensed in current year	8,289,543
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$480,793
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$847,291
15	Actual PBOP Expense (Sum Lines 11-14)	-\$847,291
16	PBOP Adjustment Line 10 less Line 15	\$366,498

Note: PBOP Expense will be calculated in accordance with the settlement in Docket ER10-355.

As part of the annual update process, AEP will provide to transmission customers and include in its informational filing an independently prepared actuarial report that includes a ten (10) year forecast of PBOP expenses. During the annual update process conducted for rate year 2018 and every four years thereafter, Worksheet O will be used to determine whether the PBOP allowance rate (\$PBOP per \$Direct O&M Labor) should be adjusted going forward for the next four years. If the annual actuarial report issued during the year of any PBOP rate review projects PBOP costs during the next four years that, when allocated to the AEP Transmission Companies based on their projected direct labor expenses over that same projected four-year period, absent a change in the PBOP Rate, will likely cause the AEP East Transmission Companies to over or under collect their cumulative PBOP expenses by more than 20% of the projected next four year's total PBOP expense, taking into account the net over or under collection of such expenses during the previous four years, the PBOP rate shall be adjusted. In order to determine whether continued use of the then approved PBOP rate is likely to result in the AEP Companies' incurrence of a cumulative allowance of PBOP costs under the formula rate will result in a cumulative over or under-recovery of actual PBOP expenses exceeding 20% over the subsequent four year period, Worksheet O will be used to determine (a) the level of cumulative over or under collections of PBOP expense during the time since the PBOP allowance rate was last set, including carrying costs based on the weighted average cost of capital each year from the formula rate actual transmission cost-of-service (b) the cumulative net present value of projected PBOP costs during the next four years as estimated by the then current actuarial report, assuming a discount rate equal to the actual transmission cost of service average cost of capital for the immediately prior calendar year and (c) the cumulative net present value of continued collections over the next four years based on the projected AEP Transmission Companies direct labor expenses and the then effective PBOP allowance rate assuming a discount rate equal to the prior year weighted average cost of capital. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance rate used in the formula rate calculation shall be changed to the value that will cause the projected result of (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years, (a)+(b)-(c), is less than 20% of (b), then the PBOP Rate will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP Rate stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEPTCo subsidiaries in PJM
Worksheet - P
DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS
EFFECTIVE AS OF July 1, 2014

AEP OHIO TRANSMISSION COMPANY