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December 19, 2011

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: Trans-Allegheny Interstate Line Company
Revised Informational Filing of 2011 Formula Rate Annual Update
Docket No. ER07-562-000

Dear Secretary Bose:

Trans-Allegheny Interstate Line Company (“TrAILCo”) submits a revised reconciliation of the annual transmission revenue requirement for the 2010 Rate Year¹ (“2010 Reconciliation ATTR”) and a revised forecasted annual transmission revenue requirement for the 2011 Rate Year (“2011 Forecasted ATTR”) to remove certain merger-related costs that were inadvertently included in the original 2010 Reconciliation ATTR and 2011 Forecasted ATTR filed with the Commission on May 16, 2011.² PJM Interconnection, L.L.C. (“PJM”) will begin billing under the revised 2011 Forecasted ATTR in January 2012 and will retroactively correct billing from June 1, 2011, the beginning of the 2011 Rate Year.

Description of the Filing

On July 21, 2008, the Commission approved a settlement that resolved all issues set for hearing by the Commission in the May 31 Order associated with establishing TrAILCo’s transmission cost of service formula rate (“Formula Rate”).³ Pursuant to the Formula Rate Protocols, TrAILCo is required to file an annual update of its Formula Rate on or before May 15 of each year.⁴ The annual updates are filed with the Commission as informational filings. On May 16, 2011, TrAILCo filed the 2011 Annual Update, which included the original 2010 Reconciliation ATTR and 2011 Forecasted ATTR. Pursuant to the Protocols, TrAILCo will reconcile any over- or under-recovery from the 2011 Forecasted ATTR in the

¹ The “Rate Year” begins on June 1 of a given calendar year and continues through May 31 of the subsequent calendar year.

² *Trans-Allegheny Interstate Line Co.*, Electronic Informational Filing of 2011 Formula Rate Annual Update, May 16, 2011, Docket No. ER07-562 (“2011 Annual Update”).

³ *Trans-Allegheny Interstate Line Co.*, 124 FERC ¶ 61,075 (2008).

⁴ PJM Interconnection, L.L.C., Open Access Transmission Tariff, Attachment H-18B, Sections 1(b).

2012 Annual Update, and will refund or recover the over- or under-recovery, respectively, in 2012 Rate Year.

On December 16, 2010, the Commission issued an “Order Authorizing Merger and Disposition of Jurisdictional Facilities” in Docket No. EC10-68-000, in which it authorized the merger of FirstEnergy Corp. and Allegheny Energy, Inc.⁵ In the Merger Order, the Commission accepted the applicants’ “hold harmless” commitment with regard to merger-related costs.⁶ The merger was consummated on February 25, 2011, and, at that time, FirstEnergy Corp. became the ultimate parent of TrAILCo.

As part of an internal review, TrAILCo personnel discovered that merger-related costs were inadvertently included in the original 2010 Reconciliation ATTR and 2011 Forecasted ATTR. TrAILCo is hereby submitting, as Attachments 1 and 2, a revised 2010 Reconciliation ATTR and a revised 2011 Forecasted ATTR, respectively, to remove merger-related costs in order to be in compliance with the Merger Order. In accordance with the Protocols, TrAILCo would typically file a reconciliation of its 2011 Forecasted ATTR in May 2012 and would return any over-collections in the 2012 Rate Year. However, in order to immediately comply with its “hold harmless” commitment, TrAILCo is filing a revised 2010 Reconciliation ATTR and 2011 Forecasted ATTR to remove merger-related costs at this time. PJM will begin billing under the revised 2011 Forecasted ATTR in January 2012 and will retroactively correct billing from June 1, 2011.

On the 2010 Reconciliation ATTR, TrAILCo reduced line 53, Total A&G, of Appendix A to remove merger-related costs, which resulted in a reduction of Line 150, Net Zonal Revenue Requirement, of Appendix A of \$413,123. To reflect the revised 2010 reconciliation, TrAILCo revised the 2011 Forecasted ATTR by reducing Line 147, Reconciliation amount, of Appendix A by \$427,234.⁷ As reflected in the reference column for Line 147, the Reconciliation amount is calculated on Attachment 6 of the 2011 Forecasted ATTR. Accordingly, Attachment 6 is revised to reflect the removal of merger-related costs, including in the tables titled “Results of Formula For Reconciliation” and the “Reconciliation amount by Project.”

⁵ *FirstEnergy Corp., et al.*, 133 FERC ¶ 61,222 (2010) (“Merger Order”).

⁶ *Id.* at P 62.

⁷ The difference between the revision to the 2010 Reconciliation ATTR (\$413,123) and the revision on Line 147 of the 2011 Forecasted ATTR (\$427,234) of \$14,111 reflects the removal of carrying charges on the 2010 under-collection associated with the removal of merger-related costs.

TrAILCo will submit this filing to PJM for posting on its website (www.PJM.com). In accordance with Section 1.e of TrAILCo's Formula Rate implementation protocols, TrAILCo will make available a "workable" Excel file containing the data for the revised 2011 Forecasted ATTR to eligible entities upon their written request and will send a copy of the "workable" Excel file to the attention of the Executive Secretary/General Counsel of the state utility commissions of Maryland, Pennsylvania, and Virginia. This filing contains no expenses or costs that have been alleged or adjudged in any administrative or judicial proceeding to be illegal, duplicative, or unnecessary costs, nor has any expense of cost been demonstrated to be the product of discriminatory employment practices.⁸

Thank you for your attention to this informational filing. Please direct any questions to the undersigned.

Respectfully submitted,

/s/ Stephen Angle

Stephen Angle

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Attorney for Trans-Allegheny Interstate Line
Company

Attachments

⁸ See 18 C.F.R. § 35.13(b)(7).

ATTACHMENT 1
Reconciliation of
Annual Transmission Revenue Requirements

ATTACHMENT H-18A

Trans-Allegheny Interstate Line Company

Formula Rate -- Appendix A

Notes

FERC Form 1 Page # or Instruction

TrAILCo

Shaded cells are input cells

2010 Reconciliation

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	990,782
2	Total Wages Expense	p354.28.b	5,997,366
3	Less A&G Wages Expense	p354.27.b	5,006,584
4	Total Wages Less A&G Wages Expense	(Line 2 - Line 3)	990,782
5	Wages & Salary Allocator	(Line 1 / Line 4), if line 2 = 0, then 100%	100.0000%
Plant Allocation Factors			
6	Electric Plant in Service	(Note B) Attachment 5	221,806,884
7	Total Plant In Service	(Line 6)	221,806,884
8	Accumulated Depreciation (Total Electric Plant)	Attachment 5	5,885,566
9	Total Accumulated Depreciation	(Line 8)	5,885,566
10	Net Plant	(Line 7 - Line 9)	215,921,318
11	Transmission Gross Plant	(Line 15 + Line 21)	221,806,884
12	Gross Plant Allocator	(Line 11 / Line 7, if Line 7=0, enter 100%)	100.0000%
13	Transmission Net Plant	(Line 11 - Line 29)	215,921,318
14	Net Plant Allocator	(Line 13 / Line 10, if line 10=0, enter 100%)	100.0000%

Plant Calculations

Transmission Plant			
15	Transmission Plant In Service	(Note B) Attachment 5	194,191,336
16	New Trans. Plant Adds. for Current Calendar Year (13 average balance)	(Note B) Attachment 6	0
17	Total Transmission Plant	(Line 15 + Line 16)	194,191,336
18	General & Intangible	Attachment 5	27,615,548
19	Total General & Intangible	(Line 18)	27,615,548
20	Wage & Salary Allocator	(Line 5)	100.0000%
21	Transmission Related General and Intangible Plant	(Line 19 * Line 20)	27,615,548
22	Transmission Related Plant	(Line 17 + Line 21)	221,806,884
Accumulated Depreciation			
23	Transmission Accumulated Depreciation	(Note B) Attachment 5	5,709,049
24	Accumulated General Depreciation	Attachment 5	148,607
25	Accumulated Intangible Amortization	Attachment 5	27,911
26	Total Accumulated General and Intangible Depreciation	(Sum Lines 24 to 25)	176,518
27	Wage & Salary Allocator	(Line 5)	100.0000%
28	Transmission Related General & Intangible Accumulated Depreciation	(Line 26 * Line 27)	176,518
29	Total Transmission Related Accumulated Depreciation	(Line 23 + Line 28)	5,885,566
30	Total Transmission Related Net Property, Plant & Equipment	(Line 22 - Line 29)	215,921,318

Adjustment To Rate Base

Accumulated Deferred Income Taxes			
31	ADIT net of FASB 106 and 109	Enter Negative	Attachment 1
32	Transmission Related Accumulated Deferred Income Taxes		(Line 31)
			-37,515,524
33	Transmission Related CWIP (Current Year 13 Month weighted average balances)	(Note B)	p216.b.43 as shown on Attachment 6
			741,640,318
34	Transmission Related Land Held for Future Use	(Note C)	Attachment 5
			0
Transmission Related Pre-Commercial Costs Capitalized			
35	Unamortized Capitalized Pre-Commercial Costs		Attachment 5
			283,843
Prepayments			
36	Transmission Related Prepayments	(Note A)	Attachment 5
			383,690
Materials and Supplies			
37	Undistributed Stores Expense	(Note A)	Attachment 5
38	Wage & Salary Allocator		(Line 5)
			100.0000%
39	Total Undistributed Stores Expense Allocated to Transmission		(Line 37 * Line 38)
			0
40	Transmission Materials & Supplies		Attachment 5
			0
41	Transmission Related Materials & Supplies		(Line 39 + Line 40)
			0
Cash Working Capital			
42	Operation & Maintenance Expense		(Line 74)
43	1/8th Rule		1/8
44	Transmission Related Cash Working Capital		(Line 42 * Line 43)
			9,705,036
			12.5%
			1,213,130
45	Total Adjustment to Rate Base		(Lines 32 + 33 + 34 + 35+ 36 + 41 + 44)
			706,005,456
46	Rate Base		(Line 30 + Line 45)
			921,926,774.67

O&M

Transmission O&M			
47	Transmission O&M		p321.112.b
			(line 73)
48	Less Account 566 Misc Trans Exp listed on line 73 below.)		p321.96.b
49	Less Account 565		PJM Data
50	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note M)	p200.4.c
51	Plus Property Under Capital Leases		
52	Transmission O&M		(Lines 47 - 48 - 49 + 50 + 51)
			2,476,650
			961,828
			0
			0
			1,514,822
A&G Expenses			
53	Total A&G		p323.197.b
54	Less Property Insurance Account 924		p323.185.b
55	Less Regulatory Commission Exp Account 928	(Note E)	p323.189.b
56	Less General Advertising Exp Account 930.1		p323.191.b
57	Less PBOP Adjustment		Attachment 5
58	Less EPRI Dues	(Note D)	p352 & 353
59	A&G Expenses		(Line 53) - Sum (Lines 54 to 58)
60	Wage & Salary Allocator		(Line 5)
61	Transmission Related A&G Expenses		(Line 59 * Line 60)
			7,239,649
			53,038
			-530
			20,750
			11,263
			0
			7,155,128
			100.0000%
			7,155,128.03
Directly Assigned A&G			
62	Regulatory Commission Exp Account 928	(Note G)	Attachment 5
63	General Advertising Exp Account 930.1	(Note J)	Attachment 5
64	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 62 + Line 63)
			-530
			20,750
			20,220
65	Property Insurance Account 924		p323.185.b
66	General Advertising Exp Account 930.1	(Note F)	Attachment 5
67	Total Accounts 928 and 930.1 - General		(Line 65 + Line 66)
68	Net Plant Allocator		(Line 14)
69	A&G Directly Assigned to Transmission		(Line 67 * Line 68)
			53,038
			0
			53,038
			100.0000%
			53,038
Account 566 Miscellaneous Transmission Expense			
70	Amortization Expense on Pre-Commercial Cost	Account 566	Attachment 5
71	Pre-Commercial Expense	Account 566	Attachment 5
72	Miscellaneous Transmission Expense	Account 566	Attachment 5
73	Total Account 566		Sum (Lines 70 to 72)
			567,686
			0
			394,142
			961,828
74	Total Transmission O&M		(Lines 52 + 61 + 64 + 69 + 73)
			9,705,036

Depreciation & Amortization Expense

Depreciation Expense			
75	Transmission Depreciation Expense	Attachment 5	4,251,919
76	General Depreciation	Attachment 5	309,153
77	Intangible Amortization	(Note A) Attachment 5	3,271
78	Total	(Line 76 + Line 77)	312,424
79	Wage & Salary Allocator	(Line 5)	100.0000%
80	Transmission Related General Depreciation and Intangible Amortization	(Line 78 * Line 79)	312,424
81	Total Transmission Depreciation & Amortization	(Lines 75 + 80)	4,564,343

Taxes Other than Income

82	Transmission Related Taxes Other than Income	Attachment 2	2,004,031
83	Total Taxes Other than Income	(Line 82)	2,004,031

Return / Capitalization Calculations

84	Preferred Dividends	enter positive	p118.29.c	0
Common Stock				
85	Proprietary Capital		p112.16.c	416,538,090
86	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	0
87	Less Preferred Stock		(Line 95)	0
88	Less Account 216.1		p112.12.c	0
89	Common Stock		(Line 85 - 86 - 87 - 88)	416,538,090
Capitalization				
90	Long Term Debt	(Note N)		820,000,000
91	Less Unamortized Loss on Reacquired Debt		p111.81.c	9,844,260
92	Plus Unamortized Gain on Reacquired Debt		p113.61.c	0
93	Less ADIT associated with Gain or Loss		Attachment 1	3,883,683
94	Total Long Term Debt		(Line 90 - 91 + 92 - 93)	806,272,057
95	Preferred Stock		p112.3.c	0
96	Common Stock		(Line 89)	416,538,090
97	Total Capitalization		(Sum Lines 94 to 96)	1,222,810,147
98	Debt %	Total Long Term Debt	(Note N) (Line 94 / Line 97)	50.0%
99	Preferred %	Preferred Stock	(Note N) (Line 95 / Line 97)	0.0%
100	Common %	Common Stock	(Note N) (Line 96 / Line 97)	50.0%
101	Debt Cost	Total Long Term Debt		0.049
102	Preferred Cost	Preferred Stock	(Line 84 / Line 95)	0.0000
103	Common Cost	Common Stock	(Note I) The most recent FERC approved ROE	0.1170
104	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 98 * Line 101)	0.02447
105	Weighted Cost of Preferred	Preferred Stock	(Line 99 * Line 102)	0.0000
106	Weighted Cost of Common	Common Stock	(Line 100 * Line 103)	0.0585
107	Rate of Return on Rate Base (ROR)		(Sum Lines 104 to 106)	0.08297
108	Investment Return = Rate Base * Rate of Return		(Line 46 * Line 107)	76,492,872

Composite Income Taxes			
Income Tax Rates			
109	FIT=Federal Income Tax Rate	(Note H)	35.00%
110	SIT=State Income Tax Rate or Composite		8.09%
111	p	(percent of federal income tax deductible for state purpc Per State Tax Code	0.00%
112	T	$T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =$	40.26%
113	T / (1-T)		67.38%
114	Income Tax Component =	$CIT=(T/(1-T) * Investment Return * (1-(WCLTD/R)) =$ [Line 113 * Line 108 * (1- (Line 104 / Line 107))]	36,341,828
115	Total Income Taxes	(Line 114)	36,341,828

REVENUE REQUIREMENT

Summary			
116	Net Property, Plant & Equipment	(Line 30)	215,921,318
117	Total Adjustment to Rate Base	(Line 45)	706,005,456
118	Rate Base	(Line 46)	921,926,775
119	Total Transmission O&M	(Line 74)	9,705,036
120	Total Transmission Depreciation & Amortization	(Line 81)	4,564,343
121	Taxes Other than Income	(Line 83)	2,004,031
122	Investment Return	(Line 108)	76,492,872
123	Income Taxes	(Line 115)	36,341,828
124	Gross Revenue Requirement	(Sum Lines 119 to 123)	129,108,109
Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
125	Transmission Plant In Service	(Line 22)	221,806,884
126	Excluded Transmission Facilities	(Note L) Attachment 5	0
127	Included Transmission Facilities	(Line 125 - Line 126)	221,806,884
128	Inclusion Ratio	(Line 127 / Line 125)	100.00%
129	Gross Revenue Requirement	(Line 124)	129,108,109
130	Adjusted Gross Revenue Requirement	(Line 128 * Line 129)	129,108,109
Revenue Credits			
131	Revenue Credits	Attachment 3	1,926,160
132	Net Revenue Requirement	(Line 130 - Line 131)	127,181,949
Net Plant Carrying Charge			
133	Net Revenue Requirement	(Line 132)	127,181,949
134	Net Transmission Plant + CWIP	(Line 17 - Line 23 + Line 33)	930,122,606
135	FCR	(Line 133 / Line 134)	13.6737%
136	FCR without Depreciation	(Line 133 - Line 75) / Line 134	13.2165%
137	FCR without Depreciation and Pre-Commercial Costs	(Line 133 - Line 70 - Line 71 - Line 75) / Line 134	13.1555%
138	FCR without Depreciation, Return, nor Income Taxes	(Line 133 - Line 75 - Line 108 - Line 115) / Line 134	1.0854%
Net Plant Carrying Charge Calculation with Incentive ROE			
139	Net Revenue Requirement Less Return and Taxes	(Line 132 - Line 122 - Line 123)	14,347,250
140	Increased Return and Taxes	Attachment 4	120,550,472
141	Net Revenue Requirement with Incentive ROE	(Line 139 + Line 140)	134,897,722
142	Net Transmission Plant + CWIP	(Line 17 - Line 23+ Line 33)	930,122,606
143	FCR with Incentive ROE	(Line 141 / Line 142)	14.5032%
144	FCR with Incentive ROE without Depreciation	(Line 141 - Line 75) / Line 142	14.0461%
145	FCR with Incentive ROE without Depreciation and Pre-Commercial	(Line 141 - Line 70 - Line 71 - Line 75) / Line 142	13.9851%
146	Net Revenue Requirement	(Line 132)	127,181,949
147	Reconciliation amount	Attachment 6	0
148	Plus any increased ROE calculated on Attach 7 other than PJM Sch. 12 projects not paid by other PJM trans zones	Attachment 7	7,034,949
149	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	0
150	Net Zonal Revenue Requirement	(Line 146 + 147 + 148 + 149)	134,216,898.55
Network Zonal Service Rate			
151	1 CP Peak	(Note K) PJM Data	N/A
152	Rate (\$/MW-Year)	(Line 150 / 151)	N/A
153	Network Service Rate (\$/MW/Year)	(Line 152)	N/A

Notes

- A Electric portion only
- B For both the estimate and the reconciliation, Construction Work In Progress ("CWIP") and leases that are expensed as O&M (rather than amortized) are excluded.
- For the Estimate Process:**
Transmission plant in service will show the end of year balance and is linked to Attachment 5 which shows detail support by project.
The transmission plant will agree to or be reconciled to the FERC Form 1 balance for the transmission plant.
New Transmission Plant expected to be placed in service in the current calendar year will be based on the average of 13 monthly investment costs and shown separately detailed by project on Attachment 6.
Accumulated depreciation will show the end of year balance and is linked to Attachment 5 which shows detail support by project.
CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- For the Reconciliation Process:**
Transmission plant in service will be calculated using a 13 month average balance and will be detailed on Attachment 5. This includes
new transmission plant added to plant-in-service
Accumulated depreciation will be calculated using a 13 month average balance and will be detailed on Attachment 5. This includes
accumulated depreciation associated with current year transmission plant.
CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Includes Transmission portion only and (i) only land that has an estimated in-service date within 10 years may be included and (ii) a plan for the land's use is required to be included in the filing whenever the cost of the land is proposed to be included in rates.
- D Excludes all EPRI Annual Membership Dues
- E Excludes all Regulatory Commission Expenses
- F Includes Safety related advertising included in Account 930.1
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- H 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. If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed.
- I ROE will be established in the Commission order accepting the settlement in Docket No. ER07-562 and no change in ROE will be made absent a Section 205 or Section 206 filing at FERC.
- J Education and outreach expenses relating to transmission, for example siting or billing
- K As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- L Amount of transmission plant excluded from rates per Attachment 5.
- M Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M on Line 47.
If they are booked to Acct 565, they are included on Line 50. Copies of PJM invoices will be provided upon request.
- N The capital structure will remain 50% equity and 50% debt until construction of all of the segments of the TrAIL Project is completed and the entire TrAIL Project is placed in service. The first year that these projects are in service the formula will be run based on the 50/50 capital structure and on the actual year end capital structure. The two results will be weighted based on: the number of days the last project was in service and 365 day minus the numbers of days the last project was in service divided by 365 days.
This can be illustrated using the following example:

Example:

Assume Last Project goes into service on day 260.
Hypothetical Capital Structure until the last project goes into service is 50/50.
Assume Year End actual capital structure is 60% equity and 40% debt.

Therefore: Weighted Equity = $[50\% \cdot 260 + 60\% \cdot (365 - 260)] / 365$

Trans-Allegheny Interstate Line Company
 Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

Line	Trans-Allegheny Interstate Company							
	B1	B2	B3	C	D	E	F	G
	<i>Beg of Year Total</i>	<i>End of Year Total</i>	<i>End of Year for Est. Average for Final Total</i>	<i>Retail Related</i>	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>Total ADIT</i>
1 ADIT- 282 From Account Total Below	21,944,661	16,977,821	19,461,241		19,461,241	-	-	19,461,241
2 ADIT-283 From Account Total Below	12,708,159	35,155,734	23,931,947		23,931,947	-	-	23,931,947
3 ADIT-190 From Account Total Below	(10,525,805)	(1,565,293)	(6,045,549)		(5,877,664)	-	-	(5,877,664)
4 Subtotal					37,515,524	-	-	37,515,524
5 Wages & Salary Allocator							100.0000%	
6 Gross Plant Allocator						100.0000%		
7 ADIT					37,515,524	-	-	37,515,524

Enter Negative

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 93.
 Amount 3,883,683 < From Acct 283, below

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns C-F and each separate ADIT item will be listed, Dissimilar items with amounts exceeding \$100,000 will be listed separately.

A

	B1	B2	B3	C	D	E	F	G	
	Trans-Allegheny Interstate Company								
	End of Year for								
	Beg of Year	End of Year	Est. Average	Retail	Gas, Prod	Only	Plant	Labor	
	Balance	Balance	for Final	Related	Or Other	Transmission	Related	Related	
	p234.18.b	p234.18.c	Total		Related	Related			JUSTIFICATION
Tax Interest Capitalized	10,002,984	-	5,001,492			5,001,492			Actual amount of tax interest capitalized
Depreciation	-	-	-			-			Book depreciation
Taxes Intercompany Charges AESC	-	260,832	130,416			130,416			Intercompany charges from the AP service company
Worker's Compensation	104,674	120,675	112,675			112,675			Actual amount of reserve for workers' compensation
Long Term Disability Accrual	2,479	2,302	2,391			2,391			Long term disability accrual
Excess Over/Under Prior Service	-	-	-			-			Excess over under prior service cost
Amortization Expense	4,177	-	2,089			2,089			Amortization of intangible plant
WV Rate Change Consolidated Benefit	(140)	(120)	(130)			(130)			Temporary difference due to change in state tax rate in West Virginia
CIAC - Taxable	411,631	-	205,816			205,816			Taxable CIAC
Taxes Accrued State Other	-	7,039	3,520			3,520			PA Sales Tax
Miscellaneous Other Property Tax	-	(117,532)	(58,766)			(58,766)			WV Property Tax
Merger Costs Capitalized	-	335,771	167,886		167,886	-			Costs incurred as a result of Allegheny merging with First Energy which are not to be included within the revenue requirement
Reserve for EIB	-	869,079	434,540			434,540			Allocated portion of total liabilities relating to captive insurance
Power Tax Adjustment	-	79,357	39,679			39,679			System adjustment to reclass balances to correct FERC accounts
Operating Provision Enviro Accrual	-	7,890	3,945			3,945			Environmental clean-up expenses
Subtotal	10,525,805	1,565,293	6,045,549	-	167,886	5,877,664	-	-	
Less FASB 109 included above									
Less FASB 106 included above									
Total	10,525,805	1,565,293	6,045,549	-	167,886	5,877,664	-	-	

Instructions for Account 190:

- ADIT items related only to Retail Related Operations are directly assigned to Column C.
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT items related only to Transmission are directly assigned to Column E.
- ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PJM TRANSMISSION OWNER

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B1	B2	B3	C	D	E	F	G	
	Trans-Allegheny Interstate Company								
	Beg of Year Balance	End of Year Balance	End of Year for Est. Average for Final Total	Retail Related	Gas, Prod Or Other Related Related	Only Transmission Related Related	Plant Related Related	Labor Related Related	JUSTIFICATION
ADIT- 282	p274.9.b	p275.9.k							
Property Related - ABFUDC	913,516	1,198,161	1,055,839			1,055,839			Allowance for borrowed funds used during construction (ABFUDC)
Property Related - Tax Depreciation	22,571,513	22,334,952	22,453,233			22,453,233			Tax depreciation
FASB 109 Fixed Asset Adjustment	2,918,387	4,184,814	3,551,601			3,551,601			Increase in AOFDC
Book Depreciation Expense	(1,540,368)	(3,267,325)	(2,403,847)			(2,403,847)			Book depreciation
Amortization Expense - Intangible Plant	-	(4,020)	(2,010)			(2,010)			Book depreciation / amortization
Bonus Depreciation	-	20,597,674	10,298,837			10,298,837			Tax depreciation
CIACS Taxable	-	(388,696)	(194,348)			(194,348)			Taxable CIAC
Tax Interest Capitalized	-	(23,641,968)	(11,820,984)			(11,820,984)			Actual amount of tax interest capitalized
Power Tax Adjustment	-	149,043	74,522			74,522			System adjustment to reclass balances to correct FERC accounts
Subtotal	24,863,048	21,162,635	23,012,842			23,012,842			
Less FASB 109 included above	2,918,387	4,184,814	3,551,601			3,551,601			Increase in AOFDC
Less FASB 106 included above	-	-	-			-			
Total	21,944,661	16,977,821	19,461,241			19,461,241			

Instructions for Account 282:

- ADIT items related only to Retail Related Operations are directly assigned to Column C.
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT items related only to Transmission are directly assigned to Column E.
- ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PJM TRANSMISSION OWNER

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B1	B2	B3	C	D	E	F	G	JUSTIFICATION
	Trans-Allegheny Interstate Company								
ADIT-283	Beg of Year Balance	End of Year Balance	End of Year for Est. Average for Final Total	Retail Related	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	
	p276.19.b	p277.19.k							
Deferred Tax Reclassification	-	-	-			-			ADIT balance sheet reclassification
Regulated Asset Prexy LT	588,449	5,254,226	2,921,338			2,921,338			Regulatory asset for Prexy reclassification
WV Rate Change Consol Benefit	-	-	-			-			Temporary difference due to change in state tax rate in West Virginia
Reg Asset PJM Receivable - ST	10,629,496	24,358,135	17,493,816			17,493,816			Comparison of actual to forecast revenues - non-property related
Reg Asset PJM Receivable - LT	1,501,980	445,499	973,740			973,740			Comparison of actual to forecast revenues - non-property related
WV State Property Tax	50,475	-	25,238			25,238			West Virginia property tax payment
Tax Intercompany Charge	(62,241)	-	(31,121)			(31,121)			Intercompany charges from the AP service company
Deferred Charge EIB	-	1,130,290	565,145			565,145			Allocated portion of total liabilities relating to captive insurance
Unamortized Loss on Reacquired Debt	-	3,883,683	1,941,842			1,941,842			Unamortized debt expenses for existing debt that is refinanced and amortized over the life of the new debt
Power Tax Adjustment	-	83,901	41,951			41,951			System adjustment to reclass balances to correct FERC accounts
Subtotal	12,708,159	35,155,734	23,931,947			23,931,947			
Less FASB 109 included above									
Less FASB 106 included above									
Total	12,708,159	35,155,734	23,931,947			23,931,947			

Instructions for Account 283:

- ADIT items related only to Retail Related Operations are directly assigned to Column C.
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT items related only to Transmission are directly assigned to Column E.
- ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

Trans-Allegheny Interstate Line Company
Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	FERC Form No.1 page, line & Col	Amount	Allocator	Allocated Amount	
Plant Related		Gross Plant Allocator			
1.1	2009 State Property WV	p263.34(i)	103,466	100.0000%	\$ 103,466
1.2	2010 State Property WV	p263.35(i)	131,146	100.0000%	131,146
1.3	2009 Local Property WV	p263.1.5(i)	3,645	100.0000%	3,645
1.4	2010 Local Property WV	p263.1.6(i)	22,945	100.0000%	22,945
1.5	2010 Local Property VA	p263.1.9(i)	83,401	100.0000%	83,401
1.6	2010 Local Property PA	p263.1.12(i)	2,884	100.0000%	2,884
1.7	2009 Local Property MD	p263.1.15(i)	500,534	100.0000%	500,534
1.8	2010 Local Property MD	p263.1.16(i)	521,362	100.0000%	521,362
2.1	2010 Capital Stock Tax/Franchise MD	p263.10(i)	300	100.0000%	300
2.2	2008 Capital Stock Tax/Franchise PA	p263.20(i)	-60,020	100.0000%	-60,020
2.3	2009 Capital Stock Tax/Franchise PA	p263.21(i)	24,758	100.0000%	24,758
2.4	2010 Capital Stock Tax/Franchise PA	p263.22(i)	104,500	100.0000%	104,500
2.5	Capital Stock Tax/Franchise All States	p263.1.1(i)	32	100.0000%	32
3.1	Gross Premium MD	p263.13(i)	2,391	100.0000%	2,391
3.2	Gross Premium PA	p263.23(i)	372	100.0000%	372
4.1	2010 State Use Tax PA	p263.18(i)	30,668	100.0000%	30,668
4.2	2010 State Sales Tax PA	p263.19(i)	17,485	100.0000%	17,485
6.1	State License WV	p263.38(i)	30	100.0000%	30
8	Total Plant Related		<u>1,489,899</u>	<u>100.0000%</u>	<u>1,489,899</u>
Labor Related		Wages & Salary Allocator			
9	Accrued Federal FICA	p263.3(i)	490,953		
10	Accrued Federal Unemployment	p263.4(i)	4,708		
11	State Unemployment	p263.1.2(i)	18,471		
12					
13					
14	Total Labor Related		<u>514,132</u>	<u>100.0000%</u>	<u>514,132</u>
Other Included		Gross Plant Allocator			
15					0
16					0
17					0
18					
19	Total Other Included		<u>0</u>	<u>100.0000%</u>	<u>0</u>
20	Total Included (Lines 8 + 14 + 19)		<u>2,004,031</u>		<u>2,004,031</u> Input to Appendix A, Line 82
Retail Related Other Taxes to be Excluded					
21	Federal Income Tax	p263.2(i)	6,607,208		
22	Corporate Net Income Tax MD	p263.9(i)	609,228		
23	Corporate Net Income Tax PA	p263.17(i)	199,134		
24	Corporate Net Income Tax VA	p263.27(i)	69,819		
25	Corporate Net Income Tax WV	p263.33(i)	848,971		
26					
27					
28					
29					
30					
31	Subtotal, Excluded		<u>8,334,360</u>		
32	Total, Included and Excluded (Line 20 + Line 28)		<u>10,338,391</u>		
33	Total Other Taxes from p114.14.c		<u>2,004,032</u>		
34	Difference (Line 32 - Line 33)		<u>8,334,359</u>		

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they shall not be included.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Gross Plant Allocator; provided, however, that overheads shall be treated as in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

Trans-Allegheny Interstate Line Company

Attachment 3 - Revenue Credit Workpaper

Amount FERC Form No.1
page, line & Col

Account 454 - Rent from Electric Property

1	Rent from Electric Property - Transmission Related (Note 3)	-	Page 300 Line: 19 Column: b
2	Total Rent Revenues (Line 1)	-	

Account 456 - Other Electric Revenues (Note 1)

3	Schedule 1A	-	
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)	-	
5	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner	1,926,160	p328-330 Footnote Data Schedule Page: 328 Line: 1 Column: m
6	PJM Transitional Revenue Neutrality (Note 1)	-	
7	PJM Transitional Market Expansion (Note 1)	-	
8	Professional Services (Note 3)	-	
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)	-	
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	-	
11	Gross Revenue Credits (Sum Lines 2-10)	1,926,160	
12	Less line 14g	-	
13	Total Revenue Credits (Line 11 - Line 12)	1,926,160	Input to Appendix A, Line 131

Revenue Adjustment to determine Revenue Credit

14a	Revenues associated with lines 14b-g are to be included in lines 2-10 and total of those revenues entered here	-
14b	Costs associated with revenues in line 14a	-
14c	Net Revenues (14a - 14b)	-
14d	50% Share of Net Revenues (14c / 2)	-
14e	Costs associated with revenues in line 14a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	-
14f	Net Revenue Credit (14d + 14e)	-
14g	Line 14a less line 14f	-
15	Amount offset in line 4 above	-
16	Total Account 454 and 456	1,926,160

17 Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 178 of Appendix A.

18 Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.

19 Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 14a - 14g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).

20 Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support. For example revenues associated with distribution facilities. In addition Revenues from Schedule 12 of the PJM OATT are not included in the total above to the extent they are credited under Schedule 12 of the PJM OATT.

Attachment 4 - Calculation with Incentive ROE

A	Return and Taxes at High End of the range of Reasonableness			
	Return and Taxes at High End of the range of Reasonableness	(Sum Lines 26 and 33 from below)	120,550,472	Input to Appendix A, Line 140
B	Difference between Base ROE and Incentive ROE		100	

Return Calculation

		Source Reference	
1	Rate Base	Appendix A, Line 46	921,926,775
2	Preferred Dividends	enter positive Appendix A, Line 84	0
Common Stock			
3	Proprietary Capital	Appendix A, Line 85	416,538,090
4	Less Accumulated Other Comprehensive Income Account 219	Appendix A, Line 86	0
5	Less Preferred Stock	Appendix A, Line 87	0
6	Less Account 216.1	Appendix A, Line 88	0
7	Common Stock	Appendix A, Line 89	416,538,090
Capitalization			
8	Long Term Debt	Appendix A, Line 90	820,000,000
9	Less Unamortized Loss on Reacquired Debt	Appendix A, Line 91	9,844,260
10	Plus Unamortized Gain on Reacquired Debt	Appendix A, Line 92	0
11	Less ADIT associated with Gain or Loss	Appendix A, Line 93	3,883,683
12	Total Long Term Debt	Appendix A, Line 94	806,272,057
13	Preferred Stock	Appendix A, Line 95	0
14	Common Stock	Appendix A, Line 96	416,538,090
15	Total Capitalization	Appendix A, Line 97	1,222,810,147
16	Debt %	Total Long Term Debt Appendix A, Line 98	50%
17	Preferred %	Preferred Stock Appendix A, Line 99	0%
18	Common %	Common Stock Appendix A, Line 100	50%
19	Debt Cost	Total Long Term Debt Appendix A, Line 101	0.0489
20	Preferred Cost	Preferred Stock Appendix A, Line 102	0.0000
21	Common Cost	Common Stock Appendix A, Line 103	12.70% 0.1270
22	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 16 * 19)	0.0245
23	Weighted Cost of Preferred	Preferred Stock (Line 17 * 20)	0.0000
24	Weighted Cost of Common	Common Stock (Line 18 * 21)	0.0635
25	Rate of Return on Rate Base (ROR)	(Sum Lines 22 to 24)	0.0880
26	Investment Return = Rate Base * Rate of Return	(Line 1 * Line 25)	81,102,506

Composite Income Taxes

Income Tax Rates			
27	FIT=Federal Income Tax Rate	Appendix A, Line 109	35.00%
28	SIT=State Income Tax Rate or Composite	Appendix A, Line 110	8.09%
29	p = percent of federal income tax deductible for state purposes	Appendix A, Line 111	0.00%
30	T	Appendix A, Line 112	40.26%
31	T/(1-T)	Appendix A, Line 113	67.38%
32	Income Tax Component =	CIT=(T/(1-T) * Investment Return * (1-(WCLTD/R)) =	39,447,967
33	Total Income Taxes	(Line 32)	39,447,967

Attachment 5 - Cost Support

Plant In Service Worksheet

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Details														
		13 Month Balance for Reconciliation		EOY Balance for Estimate		13 Month Plant Balance For reconciliation												
		Total		Total		Black Oak	Wylie Ridge	502 Junction - Terrestrial Line	500 kV Proxy - 502 Junction	138 kV Proxy - 502 Junction	Meadowbrook Transformer	North Shenandoah	Beddington Transformer	Meadow Brook SS Capacitor	Kammer Transformers	Doubs Replacement Transformer #2	Doubs Replacement Transformer #4	Total
Calculation of Transmission Plant In Service																		
December	p206.58.b	For 2009	137,773.984			46,572,819	13,295,566	11,548,561	2,928	244,884	8,202,934	1,923,902	7,713,990	6,263,316	41,988,386	-	-	137,773.984
January	company records	For 2010	137,070.095			46,572,867	13,295,566	11,548,027	2,928	244,884	8,202,934	1,923,902	7,714,189	6,476,876	41,987,822	-	-	137,070.095
February	company records	For 2010	137,087.698			46,573,035	13,295,566	11,548,027	2,928	244,884	8,202,934	1,923,902	7,714,264	6,394,177	41,987,880	-	-	137,087.698
March	company records	For 2010	138,079.248			46,579,077	13,295,566	11,646,724	2,928	244,884	8,202,934	1,923,902	7,715,927	6,478,416	41,987,880	-	-	138,079.248
April	company records	For 2010	208,081.744			46,690,805	13,295,566	81,626,119	2,928	244,884	8,202,934	1,923,902	7,721,662	6,484,964	41,987,880	-	-	208,081.744
May	company records	For 2010	217,918.390			46,592,141	13,295,566	86,478,399	2,928	244,884	8,202,934	1,923,902	7,721,662	6,496,328	41,987,880	-	-	217,918.390
June	company records	For 2010	218,650.110			46,694,243	13,295,566	86,485,149	2,928	244,884	8,202,934	1,923,902	7,721,662	6,496,189	41,978,391	-	-	218,650.110
July	company records	For 2010	219,831.545			46,695,919	13,295,566	87,009,718	2,928	244,884	8,202,934	1,923,902	7,721,662	6,496,239	42,675,008	-	-	219,831.545
August	company records	For 2010	220,459.755			46,696,411	13,295,566	87,828,758	2,928	244,884	8,202,934	1,923,902	7,721,662	6,496,239	42,675,159	-	-	220,459.755
September	company records	For 2010	220,839.974			46,698,764	13,295,566	88,607,877	2,928	244,884	8,202,934	1,923,902	7,721,662	6,496,239	42,671,734	-	-	220,839.974
October	company records	For 2010	218,712.007			46,601,428	13,295,566	86,205,866	2,928	2,273	8,202,934	1,923,902	7,721,662	6,496,239	42,557,417	-	-	218,712.007
November	company records	For 2010	223,968.583			46,601,373	13,295,566	86,380,243	-	-	8,202,934	1,923,902	7,721,662	6,496,239	42,557,417	4,514,592	5,674,055	223,968.583
December	p207.58.g	For 2010	224,314.675		224,314.675	46,602,048	13,295,566	87,313,715	-	-	8,202,934	1,923,902	7,721,662	6,496,239	42,557,417	4,508,379	5,674,055	224,314.675
15	Transmission Plant In Service		194,191,336		224,314,675	46,590,155	13,295,566	63,415,246	2,477	188,624	8,202,934	1,923,902	7,719,487	6,468,285	42,253,859	695,459	3,435,344	194,191,336
Link to Appendix A, line 15				Link to Appendix A, line 15														
Calculation of Distribution Plant In Service																		
December	p206.75.b	For 2009	-			-	-	-	-	-	-	-	-	-	-	-	-	-
January	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
February	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
March	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
April	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
May	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
June	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
July	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
August	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
September	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
October	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
November	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
December	p207.75.g	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
18	Distribution Plant In Service		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Calculation of Intangible Plant In Service																		
December	p204.5.b	For 2009	-			-	-	-	-	-	-	-	-	-	-	-	-	-
December	p205.5.g	For 2010	65,412		65,412	-	-	-	-	-	-	-	-	-	-	-	-	65,412
18	Intangible Plant In Service		32,706		65,412	-	-	-	-	-	-	-	-	-	-	-	-	32,706
Link to Appendix A, line 18				Link to Appendix A, line 18														
Calculation of General Plant In Service																		
December	p206.99.b	For 2009	3,881,565		-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	p207.99.g	For 2010	51,284,119		51,284,119	-	-	-	-	-	-	-	-	-	-	-	-	51,284,119
18	General Plant In Service		27,582,242		51,284,119	-	-	-	-	-	-	-	-	-	-	-	-	27,582,242
Link to Appendix A, line 18				Link to Appendix A, line 18														
Calculation of Production Plant In Service																		
December	p204.46b	For 2009	-			-	-	-	-	-	-	-	-	-	-	-	-	-
January	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
February	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
March	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
April	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
May	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
June	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
July	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
August	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
September	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
October	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
November	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
December	p205.46.g	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-
6	Production Plant In Service		-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sum of averages above																		
			221,806,884		275,684,206													
Link to Appendix A, line 6				Link to Appendix A, line 6														

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Accumulated Depreciation Worksheet				Details															
Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				13 Month Balance for Reconciliation	EOY Balance for Estimate	13 Month Balance For Reconciliation													
						Black Oak	Wylie Ridge	502 Junction - Terrestrial Line	500 W/ Prady - 502 Junction	138 W/ Prady - 502 Junction	Meadowbrook Transformer	North Sherradiah	Bedington Transformer	Meadow Brook SS Capacitor	Kammer Transformers	Doubs Replacement Transformer #2	Doubs Replacement Transformer #4	Total	
Calculation of Transmission Accumulated Depreciation				Source															
December	Prior year FERC Form 1 p219.25.b	For 2009	3,773,948			2,683,134	568,383	25,235	113	88	255,023	56,838	105,478	18,655	71,203	-	-	3,773,948	
January	company records	For 2010	4,028,858			2,797,216	580,462	39,245	118	92	280,378	60,004	118,577	18,655	144,683	-	-	4,028,858	
February	company records	For 2010	4,285,061			2,911,295	603,584	43,513	123	96	283,733	63,371	132,477	28,708	218,161	-	-	4,285,061	
March	company records	For 2010	4,541,936			3,026,377	626,861	37,107	128	100	288,088	66,738	145,977	49,929	291,640	-	-	4,541,936	
April	company records	For 2010	4,800,194			3,139,471	651,117	41,381	133	103	312,443	70,135	159,480	61,841	365,119	-	-	4,800,194	
May	company records	For 2010	5,183,350			3,253,594	673,385	170,387	138	107	326,769	73,472	172,993	73,887	438,598	-	-	5,183,350	
June	company records	For 2010	5,584,048			3,367,699	697,010	307,865	143	111	341,154	78,839	188,506	85,944	512,076	-	-	5,584,048	
July	company records	For 2010	5,996,034			3,481,818	720,278	445,709	148	115	355,569	80,235	211,223	98,019	585,013	-	-	5,996,034	
August	company records	For 2010	6,400,090			3,595,939	743,545	583,868	154	119	369,864	83,572	224,736	110,093	659,695	-	-	6,400,090	
September	company records	For 2010	6,793,483			3,710,062	766,812	723,151	159	123	384,219	86,939	227,045	122,168	734,376	-	-	6,793,483	
October	company records	For 2010	7,198,725			3,824,189	790,031	863,124	164	127	398,574	90,306	240,558	134,243	809,052	-	-	7,198,725	
November	company records	For 2010	7,607,330			3,938,321	813,263	1,006,545	169	131	412,929	93,673	254,071	146,317	883,527	-	-	7,607,330	
December	p219.25.b	For 2010	8,023,973			4,052,453	835,808	1,151,215	31	24	427,284	97,040	267,583	158,408	958,003	7,901	-	8,023,973	
23	Transmission Accumulated Depreciation		5,709,049			3,367,735	696,896	418,334	132	103	341,154	76,839	188,239	85,143	513,165	608	-	5,709,049	
				Link to Appendix A, line 23	Link to Appendix A, line 23														
Calculation of Distribution Accumulated Depreciation				Source															
December	Prior year FERC Form 1 p219.26.b	For 2009	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
January	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
February	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
March	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
April	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
May	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
June	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
July	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
August	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
September	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
October	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
November	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
December	p219.26.b	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
Distribution Accumulated Depreciation				-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Calculation of Intangible Accumulated Depreciation				Source															
December	Prior year FERC Form 1 p200.21.b	For 2009	10,295			-	-	-	-	-	-	-	-	-	-	-	-	-	
December	p200.21b	For 2010	45,527			-	-	-	-	-	-	-	-	-	-	-	-	45,527	
25	Accumulated Intangible Depreciation		27,911			-	-	-	-	-	-	-	-	-	-	-	-	45,527	
				Link to Appendix A, line 25	Link to Appendix A, line 25														
Calculation of General Accumulated Depreciation				Source															
December	Prior year FERC Form 1 p219.28b	For 2009	10,011			-	-	-	-	-	-	-	-	-	-	-	-	-	
December	p219.28.b	For 2010	287,202			-	-	-	-	-	-	-	-	-	-	-	-	287,202	
24	Accumulated General Depreciation		148,607			-	-	-	-	-	-	-	-	-	-	-	-	287,202	
				Link to Appendix A, line 24	Link to Appendix A, line 24														
Calculation of Production Accumulated Depreciation				Source															
December	Prior year FERC Form 1 p219.20.b-24.b	For 2009	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
January	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
February	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
March	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
April	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
May	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
June	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
July	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
August	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
September	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
October	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
November	company records	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
December	p219.20.b thru 219.24.b	For 2010	-			-	-	-	-	-	-	-	-	-	-	-	-	-	
Production Accumulated Depreciation				-		-	-	-	-	-	-	-	-	-	-	-	-	-	-
8	Total Accumulated Depreciation	Sum of averages above	5,885,566			3,367,735	696,896	418,334	132	103	341,154	76,839	188,239	85,143	513,165	608	-	5,885,566	
				Link to Appendix A, line 8	Link to Appendix A, line 8														

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form 1 Amount	Electric Portion	Non-electric Portion	Details
			Beg of year	End of Year (for estimate)	Average of Beginning and Ending Balances	
40	Materials and Supplies					
37	Transmission Materials & Supplies	p227.8				
	Unallocated Stores Expense	p227.16				
51	Allocated General Expenses					
	Plus Property Under Capital Leases	0 p200.4.c				

Transmission / Non-transmission Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Beg of year	End of Year (for estimate)	Average of Beginning and Ending Balances	Details
34	Transmission Related Land Held for Future Use	Total				Enter Details Here
		Non-transmission Related				
		Transmission Related				

CWIP & Expensed Lease Worksheet

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Beg of year	CWIP In Form 1 Amount	Expensed Lease In Form 1 Amount	Details
6	Plant Allocation Factors					
	Electric Plant In Service	(Note B) Attachment 5	147,655,549	-	-	
15	Plant In Service	(Note B) Attachment 5	137,773,984	-	-	
23	Accumulated Depreciation	(Note B) Attachment 5	3,773,948	-	-	
	Transmission Accumulated Depreciation					

Pre-Commercial Costs Capitalized

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions			EDY for Estimate and BOY for Final	Amortization Amount (Over 4 Years)	Calculated End of Year Balance	Average of Beginning and Ending Balances (for estimate and reconciliation)	Details
35	Unamortized Capitalized Pre-Commercial Costs		\$ 567,686	\$ 567,686	\$ -	\$ 283,843	

EPRI Dues Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Beg of year	EPRI Dues	Details
58	Allocated General & Common Expenses				
	Less EPRI Dues	(Note D) p352 & 353			Enter Details Here

Regulatory Expense Related to Transmission Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form 1 Amount	Transmission Related	Non-transmission Related	Details
62	Directly Assigned A&G					Link to Appendix A, line 62
	Regulatory Commission Exp Account 928	(Note C) p323.189.b	(930)	(930)	-	Enter Details Here

Safety Related Advertising Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form 1 Amount	Safety Related	Non-safety Related	Details
66	Directly Assigned A&G					Link to Appendix A, line 66
	General Advertising Exp Account 930.1	(Note F) p323.191.b	20,750	-	-	Enter Details Here

MultiState Workpaper

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions			State 1	State 2	State 3	State 4	State 5	Details
110	Income Tax Rates		MD 8.25%	WV 8.5%	PA 9.99%			
	SIT-State Income Tax Rate or Composite	(Note H)	Composite 8.0877%	Composite is calculated based on sales, payroll and property for each jurisdiction				

Education and Out Reach Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions			Form 1 Amount	Education & Outreach	Other	Details
63	Directly Assigned A&G					Enter Details Here
	General Advertising Exp Account 930.1	(Note I) p323.191.b	20,750	20,750	-	

Attachment 5 - Cost Support

Excluded Plant Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Excluded Transmission Facilities	Description of the Facilities
126	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities Excluded Transmission Facilities (Note L) Step-Up Facilities	-	General Description of the Facilities
Instructions:		Enter \$	
1 Remove all investment below 69 KV or generator step up transformers included in transmission plant in service that are not a result of the RTEP Process			
2 If unable to determine the investment below 69KV in a substation with investment of 69 KV and higher as well as below 69 KV, the following formula will be used:		Or	
Example		Enter \$	
A Total investment in substation	1,000,000		
B Identifiable investment in Transmission (provide workpapers)	500,000		
C Identifiable investment in Distribution (provide workpapers)	400,000		
D Amount to be excluded (A x (C / (B + C)))	444,444		

Add more lines if necessary

Prepayments

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Beg of year	End of Year	Average of Beginning and Ending Balances	Allocation	Transmission Balance	Details
36	Prepayments			Enter \$		Amount	
	Prepayments	606,987	160,393	383,690	100%	383,690	
	Prepaid Pensions if not included in Prepayments	-	0	0	100%	0	
	Total Prepayments	606,987	160,393	383,690		383,690	

Detail of Account 566 Miscellaneous Transmission Expenses

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Total	Details																		
70	Amortization Expense on Pre-Commercial Cost	\$ 567,686	Summary of Pre-Commercial Expenses																		
71	Pre-Commercial Expense	-																			
72	Miscellaneous Transmission Expense	394,142																			
	Total Account 566 Miscellaneous Transmission Expenses	\$ 961,828																			
			<table border="1"> <thead> <tr> <th>Cost Element Name</th> <th>Total</th> </tr> </thead> <tbody> <tr><td>Labor & Overhead (1)</td><td>-</td></tr> <tr><td>Miscellaneous (2)</td><td>-</td></tr> <tr><td>Outside Services Legal (3)</td><td>-</td></tr> <tr><td>Outside Services Other (4)</td><td>-</td></tr> <tr><td>Outside Services Rates (5)</td><td>-</td></tr> <tr><td>Advertising (6)</td><td>-</td></tr> <tr><td>Travel, Lodging and Meals (7)</td><td>-</td></tr> <tr><td>Total</td><td>-</td></tr> </tbody> </table>	Cost Element Name	Total	Labor & Overhead (1)	-	Miscellaneous (2)	-	Outside Services Legal (3)	-	Outside Services Other (4)	-	Outside Services Rates (5)	-	Advertising (6)	-	Travel, Lodging and Meals (7)	-	Total	-
Cost Element Name	Total																				
Labor & Overhead (1)	-																				
Miscellaneous (2)	-																				
Outside Services Legal (3)	-																				
Outside Services Other (4)	-																				
Outside Services Rates (5)	-																				
Advertising (6)	-																				
Travel, Lodging and Meals (7)	-																				
Total	-																				
			<p>(1) Labor & overhead amount includes costs allocated to preparation of the preliminary survey and investigation.</p> <p>(2) Miscellaneous amount includes rental of volunteer fire department facilities for open houses, Fed EX fees for various mailings from Legal, Procurement, Transmission & Finance, fees for various conference calls and PJM application fee.</p> <p>(3) Outside legal services includes the cost for research and preparation of the filing to determine incentive rate availability.</p> <p>(4) Other services other includes fees for website development, media relations services, campaign management, open houses and research services.</p> <p>(5) Outside services rates includes the advice of a rate consultant regarding rate design.</p> <p>(6) Advertising includes newspaper and other media announcements of public scoping meetings related to the proposed project.</p> <p>(7) Travel, lodging and meals are the direct expenses for Allegheny staff to attend the scoping meetings.</p>																		
149	Not Revenue Requirement Facility Credits under Section 30.9 of the PJM OATT	-																			

Attachment 5 - Cost Support

Depreciation Rates

		Net		Accrual		Annual Depreciation Expense													
		Survivor	Salvage	Rate (Annual)															
		Life	Curve	Percent	Percent	Black Oak	Wyle Ridge	502 Junction - Terrestrial Line	500 KV Prexy - 502 Junction	138 KV Prexy - 502 Junction	Meadowbrook Transformer	North Sherrardah	Bedington Transformer	Meadow Brook SS Capacitor	Kammer Transformers	Double Replacement Transformer #2	Double Replacement Transformer #4	Total	
TRANSMISSION PLANT																			
350.2	Land & Land Rights - Easements	70	-	R4	0	1.43	-	-	8,257	-	-	-	-	-	-	-	-	8,257	
352	Structures & Improvements	50	-	R3	(10)	2.20	-	-	1,692	-	-	-	-	-	-	-	-	1,692	
	SVC	35	-			2.86	-	-	-	-	-	-	-	-	-	-	-	-	
353	Station Equipment																		
	Other	50	-	R2	(5)	2.10	15,599	279,207	873,360	(81)	(63)	172,262	40,402	162,105	108,761	886,800	7,901	68,223	2,614,474
	SVC	Note 1	-	80 R2 - 35-yr truncation		2.96	1,353,720	-	-	-	-	-	-	-	-	-	-	-	1,353,720
	SCADA	15	-	S3	0	6.67	-	-	21,513	-	-	-	-	9,479	-	-	-	30,992	
354	Towers & Fixtures	65	-	R4	(25)	1.92	-	-	-	-	-	-	-	-	-	-	-	-	
355	Poles & Fixtures	55	-	R2.5	(20)	2.18	-	-	-	-	-	-	-	-	-	-	-	-	
356	Overhead Conductors & Devices																		
	Other	55	-	R2.5	(40)	2.83	-	-	242,782	-	-	-	-	-	-	-	-	242,782	
	Clearing	70	-	R4	0	1.43	-	-	-	-	-	-	-	-	-	-	-	-	
357	Underground conduit	55	-	S3	(5)	1.91	-	-	-	-	-	-	-	-	-	-	-	-	
358	Underground conductor and devices	45	-	R3	(5)	2.33	-	-	-	-	-	-	-	-	-	-	-	-	
	SVC	35	-			2.86	-	-	-	-	-	-	-	-	-	-	-	-	
Total Transmission Plant Depreciation																			
Total Transmission Depreciation Expense (must tie to p336.7.f)							1,369,320	279,207	1,147,605	(81)	(63)	172,262	40,402	162,105	118,240	886,800	7,901	68,223	4,251,919
Note 1: Depreciation rate is based on an 80 R2 survivor curve with a 35-year truncation.																			
GENERAL PLANT																			
390	Structures & Improvements	50		R1	0	2.00												249,191	
391	Office Furniture & Equipment	20		SQ	0	5.00												12,441	
	Information Systems	10		SQ	0	10.00												578	
	Data Handling	10		SQ	0	10.00												-	
392	Transportation Equipment																		
	Other	15		SQ	20	5.33												-	
	Autos	7		S3	20	11.43												1,655	
	Light Trucks	11.5		L4	20	6.96												19,030	
	Medium Truck	11.5		L4	20	6.96												-	
	Trailers	18		L1	20	4.44												-	
	ATV	15		SQ	20	5.33												-	
393	Stores Equipment	20		SQ	0	5.00												-	
394	Tools, Shop & Garage Equipment	20		SQ	0	5.00												-	
396	Power Operated Equipment	18		L1	25	4.17												-	
397	Communication Equipment	15		SQ	0	6.67												21,260	
398	Miscellaneous Equipment	15		SQ	0	6.67												-	
Total General Plant																		309,153	
Total General Plant Depreciation Expense (must tie to p336.10.b & c)																		309,153	
INTANGIBLE PLANT																			
303	Miscellaneous Intangible Plant	5		SQ	0	20.00												3,270.60	
Total Intangible Plant																		3,270.60	
Total Intangible Plant Amortization (must tie to p336.1.d & e)																		3,271	

These depreciation rates will not change absent the appropriate filing at FERC.

Attachment 5 - Cost Support

PBOP Expenses

1	Total PBOP expenses	22,856,433
2	Amount relating to retired personnel	8,786,372
3	Amount allocated on FTEs	14,070,061
4	Number of FTEs for Allegheny	4,408
5	Cost per FTE	3,192
6	TAAILCo FTEs (labor not capitalized) current year	35.75
7	TAAILCo PBOP Expense for base year	114,095.81
8	TAAILCo PBOP Expense in Account 926 for current year	125,359
9	PBOP Adjustment for Appendix A, Line 57	(11,263)
57	Lines 1-5 cannot change absent approval or acceptance by FERC in a separate proceeding.	

Trans-Allegheny Interstate Line Company

Attachment 5a - Pre-Commercial Costs and CWIP

Step 1 Totals reported below are by project with the amounts to be expensed reported separately from those to be deferred and amortized (note, deferred costs related to 2006 include AFUDC).

For Forecasting purposes, Pre-Commercial expenses will be estimated. Total deferred and amortized Pre-commercial costs will be the actual amount agreeing to FERC Form 1 and Attachment 5.

Step 2 For each project, where CWIP is to be recovered in rate base, CWIP will be estimated and the totals reported below by project. For the Reconciliation, for each project where CWIP is to be recovered in rate base the CWIP will be itemized by project below. Additionally, the amount of AFUDC that would have been capitalized for projects where CWIP is included in rate base will be reported in the FERC Form No. 1.

Step 3 For the Reconciliation, the total additions to plant in service for that year will be summarized by project to demonstrate no Pre-Commercial costs expensed were included in the additions to plant in service and AFUDC on projects where CWIP was recovered in rate base was included in the additions to plant in service. The Pre-commercial expenses are actual expenses incurred for the reconciliation year. Total deferred and amortized Pre-commercial costs will be the actual amount agreeing to FERC Form 1 and Attachment 5.

Column A		Column B	Column C	Column D	Column E	Column F	Column G
		Pre-Commercial Costs			CWIP		
Step 1	For Estimate:	Expensed (Estimated)	Deferred	Amount of Deferred Amortized in Year	Average of 13 Monthly Balances		
	Prexy - 502 Junction 138 kV (CWIP)	-	-	60,937	-		
	Prexy - 502 Junction 500 kV (CWIP)	-	-	78,492	-		
	502 Junction - Territorial Line (CWIP)	-	-	428,257	-		
	Total	-	567,686	567,686	-		
Step 3	For Reconciliation:	Pre-Commercial Costs			For Reconciliation Step 2	AFUDC In CWIP	AFUDC (If CWIP was not in Rate Base)
	Prexy - 502 Junction 138 kV (CWIP)	Expensed (Actual)	Deferred	Amount of Deferred Amortized in Year	CWIP		
	1	-	60,937	60,937	-	-	3,236,495
	2	-	-	-	-	-	-
	3	-	-	-	-	-	-
	4	-	-	-	-	-	-
	...						
	Total	-	60,937	60,937	-	-	3,236,495
	Prexy - 502 Junction 500 kV (CWIP)						
	1	-	78,492	78,492	-	-	2,841,678
	2	-	-	-	-	-	-
	3	-	-	-	-	-	-
	4	-	-	-	-	-	-
	...						
	Total	-	78,492	78,492	-	-	2,841,678
	502 Junction - Territorial Line (CWIP)						
	1	-	428,257	428,257	883,183,797	-	98,556,959
	2	-	-	-	-	-	-
	3	-	-	-	-	-	-
	4	-	-	-	-	-	-
	...						
	Total	-	428,257	428,257	883,183,797	-	98,556,959
Total Additions to Plant In Service (sum of the above for each project)		Refer to Attachment 5 - Cost Support Plant in Service Worksheet					104,635,132
Total Additions to Plant in Service reported on pages 204-207 of the Form No. 1		Refer to Attachment 5 - Cost Support Plant in Service Worksheet					
Difference (must be zero)							

Notes:

1 Small projects may be combined into larger projects where rate treatment is consistent. Pre-Commercial costs benefiting multiple projects will be allocated to projects based on the estimated plant in service of each project.

Allocation of Pre-Commercial Costs	Plant in Service (Estimated 2/12/2008)	Allocation
Prexy - 502 Junction 138 kV (CWIP)	94,140,000	0.10734
Prexy - 502 Junction 500 Kv (CWIP)	121,260,000	0.13827
502 Junction - Territorial Line (CWIP)	661,600,000	0.75439
Total	877,000,000	1.00000

2 Column D is the total CWIP balance including any AFUDC, Column E is the AFUDC if any in Column D, and Column F is the AFUDC that would have been in Column E if CWIP were not recovered in rate base.

Trans-Allegheny Interstate Line Company
Attachment 6 - Estimate and Reconciliation Worksheet

Step	Month	Year	Action
Exec Summary			
1	April	Year 2	TO populates the formula with Year 1 data
2	April	Year 2	TO estimates all transmission Cap Adds and CWIP for Year 2 based on each project's cost using the average of 13 monthly balances. Cap Adds are the projects expected to be in service in Year 2.
3	April	Year 2	TO adds Cap Adds and CWIP to plant in service in Formula (Appendix A, Lines 16 and 33)
4	May	Year 2	Post results of Step 3 on PJM web site
5	June	Year 2	Results of Step 3 go into effect
6	April	Year 3	TO estimates all transmission Cap Adds and CWIP during Year 3 based each project's cost using the average of 13 monthly balances. Cap Adds are expected to be in service in Year 3.
7	April	Year 3	Reconciliation - TO calculates Reconciliation by populating the 13 monthly plant balances and beginning and end of year balances for the other rate base items and the 13 monthly averages for CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year).
8	April	Year 3	Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Step 5 with interest to the result of Step 7 (this difference is also added to Step 7 in the subsequent year)
9	May	Year 3	Post results of Step 8 on PJM web site
10	June	Year 3	Results of Step 8 go into effect

Reconciliation Details

1	April	Year 2	TO populates the formula with Year 1 data Rev Req based on Year 1 data	Must run Appendix A to get this number (without any cap adds in Appendix A line 16 and without CWIP in Appendix A line 33)
2	April	Year 2	TO estimates all transmission Cap Adds and CWIP for Year 2 based on each project's cost using the average of 13 monthly balances. Cap Adds are the projects expected to be in service in Year 2.	

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		Doubs Transformer #4 (monthly additions)	Meadow Brook SS Capacitor (monthly additions)	Bedington (monthly additions)	Kammer (monthly additions)	Black Oak (monthly additions)	502 Junction - Territorial Line (monthly additions)	500 kV Prexy - 502 Junction (monthly additions)	138 kV Prexy - 502 Junction (monthly additions)
		(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP	CWIP
Dec (Prior Year CWIP) p216.b.43	Actual	-	-	-	-	-	550,957,894	9,755,230	12,230,784
Jan 2010	Actual	-	193,561	199	(564)	448	30,629,759	396	641
Feb	Actual	-	(82,700)	75	59	168	40,246,923	7,086	6,881
Mar	Actual	-	84,239	1,663	-	6,942	49,067,580	9,734	6,989
Apr	Actual	-	6,548	5,735	-	10,828	40,168,805	8,574	6,964
May	Budget	-	-	-	1,422,505	31,614	35,104,182	-	-
Jun	Budget	5,299,034	-	-	-	-	39,855,100	-	-
Jul	Budget	36,962	-	-	-	-	19,559,015	-	-
Aug	Budget	-	-	-	-	-	14,807,850	-	-
Sep	Budget	-	-	-	-	-	7,917,838	-	-
Oct	Budget	-	-	-	-	-	5,060,466	-	-
Nov	Budget	-	-	-	-	-	4,298,730	-	-
Dec	Budget	-	-	-	-	-	4,390,118	-	-
Total		5,335,997	201,648	7,672	1,422,000	50,000	842,064,260	9,781,020	12,252,266

Month End Balances									
Other Projects PIS (Monthly additions)	Doubs Transformer #4 (monthly additions)	Meadow Brook SS Capacitor (monthly additions)	Bedington (monthly additions)	Kammer (monthly additions)	Black Oak (monthly additions)	502 Junction - Territorial Line (monthly additions)	500 kV Prexy - 502 Junction (monthly additions)	138 kV Prexy - 502 Junction (monthly additions)	CWIP
(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)
-	-	-	-	-	-	550,957,894	9,755,230	12,230,784	-
-	-	193,561	199	(564)	448	581,587,653	9,755,626	12,231,433	-
-	-	110,861	274	(505)	616	621,834,575	9,762,712	12,238,313	-
-	-	195,100	1,937	(505)	7,558	670,902,156	9,772,446	12,245,302	-
-	-	201,648	7,672	(505)	18,386	711,070,961	9,781,020	12,252,266	-
-	-	201,648	7,672	1,422,000	50,000	746,175,143	9,781,020	12,252,266	-
5,299,034	-	201,648	7,672	1,422,000	50,000	786,030,243	9,781,020	12,252,266	-
36,962	-	201,648	7,672	1,422,000	50,000	805,589,258	9,781,020	12,252,266	-
-	-	201,648	7,672	1,422,000	50,000	820,397,108	9,781,020	12,252,266	-
-	-	201,648	7,672	1,422,000	50,000	828,314,946	9,781,020	12,252,266	-
-	-	201,648	7,672	1,422,000	50,000	833,375,412	9,781,020	12,252,266	-
-	-	201,648	7,672	1,422,000	50,000	837,674,142	9,781,020	12,252,266	-
-	-	201,648	7,672	1,422,000	50,000	842,064,260	9,781,020	12,252,266	-
	37,315,015	2,314,354	71,460	11,373,920	427,008	9,635,973,753	127,075,196	159,216,227	
	2,870,386	178,027	5,497	874,917	32,847	741,228,750	9,775,015	12,247,402	
(Appendix A, Line 16)	(Appendix A, Line 16)	(Appendix A, Line 16)	(Appendix A, Line 16)	(Appendix A, Line 33)	(Appendix A, Line 33)	(Appendix A, Line 33)			

3 April Year 2 TO adds Cap Adds and CWIP to plant in service in Formula (Appendix A, Lines 16 and 33)

Total Revenue Requirement	Doubs Transformer #2 (Monthly additions)	Doubs Transformer #4 (Monthly additions)	Meadow Brook SS Capacitor (Monthly additions)	Bedington Transformer (Monthly additions)	Kammer Transformers (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shenandoah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	500 kV Prexy - 502 Junction (Monthly additions)	138 kV Prexy - 502 Junction (Monthly additions)
\$ 131,758,700	-	388,458	890,564	1,135,906	5,862,392	1,283,972	309,340	7,685,069	2,002,955	108,853,463	1,486,624	1,859,956

5 June Year 2 Results of Step 3 go into effect

Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Step 5 with interest to the result of Step 7 (this difference is also added to Step 7 in the subsequent year)

The Reconciliation in Step 8		The forecast in Prior Year				
134,216,899		131,758,700		= 2,458,198		
Interest on Amount of Refunds or Surcharges Interest 35.19a for March Current Yr						
Month	Yr	1/12 of Step 9	Interest 35.19a for March Current Yr	Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	204,850	0.2700%	11.5	6,361	211,210
Jul	Year 1	204,850	0.2700%	10.5	5,807	210,657
Aug	Year 1	204,850	0.2700%	9.5	5,254	210,104
Sep	Year 1	204,850	0.2700%	8.5	4,701	209,551
Oct	Year 1	204,850	0.2700%	7.5	4,148	208,998
Nov	Year 1	204,850	0.2700%	6.5	3,595	208,445
Dec	Year 1	204,850	0.2700%	5.5	3,042	207,892
Jan	Year 2	204,850	0.2700%	4.5	2,489	207,339
Feb	Year 2	204,850	0.2700%	3.5	1,936	206,786
Mar	Year 2	204,850	0.2700%	2.5	1,383	206,233
Apr	Year 2	204,850	0.2700%	1.5	830	205,680
May	Year 2	204,850	0.2700%	0.5	277	205,126
Total		2,458,198				2,498,021
Balance						
Jun	Year 2	2,498,021	0.2700%	211,840	2,292,926	
Jul	Year 2	2,292,926	0.2700%	211,840	2,087,277	
Aug	Year 2	2,087,277	0.2700%	211,840	1,881,073	
Sep	Year 2	1,881,073	0.2700%	211,840	1,674,312	
Oct	Year 2	1,674,312	0.2700%	211,840	1,466,993	
Nov	Year 2	1,466,993	0.2700%	211,840	1,259,114	
Dec	Year 2	1,259,114	0.2700%	211,840	1,050,674	
Jan	Year 3	1,050,674	0.2700%	211,840	841,670	
Feb	Year 3	841,670	0.2700%	211,840	632,103	
Mar	Year 3	632,103	0.2700%	211,840	421,970	
Apr	Year 3	421,970	0.2700%	211,840	211,269	
May	Year 3	211,269	0.2700%	211,840	(0)	
Total with interest				2,542,078		
The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest				2,542,078	Input to Appendix A, Line 143	
Rev Req based on Year 2 data with estimated Cap Adds for Year 3 (Step 8)				\$	-	
Revenue Requirement for Year 3					2,542,078	

Reconciliation Amount by Project												
Total Revenue Requirement	Doubs Transformer #2 (monthly additions)	Doubs Transformer #4 (monthly additions)	Meadow Brook SS Capacitor (Monthly additions)	Bedington Transformer (Monthly additions)	Kammer Transformers (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shenandoah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	500 kV Proxy - 502 Junction (Monthly additions)	138 kV Proxy - 502 Junction (Monthly additions)
\$ 2,542,078.29	\$ 102,700	\$ 133,380	\$ 69,711	\$ 17,553	\$ 533,201	\$ (80,096)	\$ (26,833)	\$ (280,322)	\$ (68,593)	\$ 2,753,092	\$ (271,886)	\$ (339,829)

9 May Year 3 Post results of Step 8 on PJM web site
\$ 2,542,078

10 June Year 3 Results of Step 8 go into effect
\$ 2,542,078

Trans-Allegheny Interstate Line Company
Attachment 7 - Transmission Enhancement Charge Worksheet

Revenue Requirement By Project

Fixed Charge Rate (FCR) if not a CIAC			
Formula Line			
A	137	FCR without Depreciation and Pre-Commercial Costs	13.1555%
B	145	FCR with Incentive ROE without Depreciation and Pre-Commercial	13.9851%
C		Line B less Line A	0.8295%
FCR if a CIAC			
D	138	FCR without Depreciation, Return, nor Income Tax	1.0854%

The FCR resulting from Formula in a given year is used for that year only
 Therefore actual revenues collected in a year do not change based on cost data for subsequent year

10
 11 "Yes" if a project under PJM OATT Schedule 12, otherwise
 "No"
 12 "Yes" if the customer has paid a lump sum payment in the
 amount of the investment on line 29, Otherwise "No"
 13 Input the allowed ROE
 14 From line 3 above if "No" on line 12 and From line 7 above
 if "Yes" on line 12
 15 If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%
 then line 3, and if line 12 is "Yes", then line 7
 16 forecast of CWIP or Cap Adds.
 reconciliation - Average of 13 month prior year net plant
 balances plus prior year 13-mo CWIP balances.
 17 Annual Depreciation Exp from Attachment 5
 18
 19 See Calculations for each item below
 20 See Calculations for each item below

		PJM Upgrade ID: b0321.2; b0321.3					PJM Upgrade ID: b0321.1				
Details		Prexy - 502 Junction 138 kV (CWIP + Plant In Service)					Prexy - 502 Junction 500 kV (CWIP+ Plant In Service)				
Schedule 12	(Yes or No)	Yes					Yes				
CIAC	(Yes or No)	No					No				
Allowed ROE		12.70%					12.70%				
FCR without Incentive ROE		13.1555%					13.1555%				
FCR for This Project		13.9851%					13.9851%				
Investment		10,514,559					8,189,446				
		(63)					(81)				
	Invest Yr	Return	Depreciation	Pre-Commercial Exp.	Reconciliation Amount	Revenue	Return	Depreciation	Pre-Commercial Exp.	Reconciliation amount	Revenue
Wo Incentive ROE	2010	1,383,243.53	(63.26)	60,937.24	0.00	1,444,117.51	1,077,363.12	(81.39)	78,492.14	0.00	1,155,773.87
W Incentive ROE	2010	1,470,466.39	(63.26)	60,937.24	0.00	1,531,340.37	1,145,298.15	(81.39)	78,492.14	0.00	1,223,708.90

For Plant in Service
 "Pre-Commercial Exp" is equal to the amount of pre-commercial expense on Attachment 5a for each project expensed in year and amortized in year.
 Revenue is equal to the "Return" ("Investment" times FCR) plus "Depreciation" plus "Pre-Commercial Exp" plus prior year "Reconciliation amount"
 "Reconciliation Amount" is created in the reconciliation in Attachment 6 and included in the forecasted revenue requirement.

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 11 "Yes" if a project under PJM OATT Schedule 12, otherwise
 "No"
 12 "Yes" if the customer has paid a lump sum payment in the
 amount of the investment on line 29, Otherwise "No"
 13 Input the allowed ROE
 14 From line 3 above if "No" on line 12 and From line 7 above
 if "Yes" on line 12
 15 If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%
 then line 3, and if line 12 is "Yes" then line 7
 16 forecast of CWIP or Cap Adds.
 reconciliation - Average of 13 month prior year net plant
 balances plus prior year 13-mo CWIP balances.
 17 Annual Depreciation Exp from Attachment 5

18
 19 See Calculations for each item below
 20 See Calculations for each item below

PJM Upgrade ID: b0328.1 b0328.2; b0347.1; b0347.2; b0347.3; b0347.4					PJM Upgrade ID: b0218				PJM Upgrade ID: b0216				
502 Junction - Territorial Line (CWIP + Plant In Service)					Wylie Ridge Transformer (Plant In Service)				Black Oak (SVC) Dynamic Reactive Device (Plant In Service)				
Yes					Yes					Yes			
No	12.70%				No	11.70%				No	12.70%		
	13.1555%					13.1555%					13.1555%		
	13.9851%					13.1555%					13.9851%		
	786,124,090					12,598,670					43,222,420		
	1,147,605					279,207					1,369,320		
		Pre-Commercial	Reconciliation	Revenue			Reconciliation	Revenue				Reconciliation	Revenue
	Return	Depreciation	Exp.	Amount	Return	Depreciation	Amount	Revenue	Return	Depreciation	Amount	Revenue	
	103,418,609.53	1,147,604.56	428,256.62	0.00	104,994,470.71	1,657,418.88	279,207.00	0.00	1,936,625.88	5,686,128.47	1,369,319.89	0.00	7,055,448.36
	109,939,851.98	1,147,604.56	428,256.62	0.00	111,515,713.16	1,657,418.88	279,207.00	0.00	1,936,625.88	6,044,677.30	1,369,319.89	0.00	7,413,997.19

For Plant in Service
 "Pre-Commercial Exp" is equal to the amount of pre-comme
 Revenue is equal to the "Return" ("Investment" times FCR)
 "Reconciliation Amount" is created in the reconciliation in At

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10 "Yes" if a project under PJM OATT Schedule 12, otherwise
11 "No"
12 "Yes" if the customer has paid a lump sum payment in the
amount of the investment on line 29, Otherwise "No"
13 Input the allowed ROE
14 From line 3 above if "No" on line 12 and From line 7 above
if "Yes" on line 12
15 If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%
then line 3, and if line 12 is "Yes", then line 7
16 forecast of CWIP or Cap Adds.
reconciliation – Average of 13 month prior year net plant
balances plus prior year 13-mo CWIP balances.
17 Annual Depreciation Exp from Attachment 5

18
19 See Calculations for each item below
20 See Calculations for each item below

PJM Upgrade ID: b0323					PJM Upgrade ID: b0230					PJM Upgrade ID: b0229				
North Shenandoah Transformer (Plant In Service)					Meadowbrook Transformer (Plant In Service)					Bedington Transformer (Plant In Service)				
Yes					Yes					Yes				
No					No					No				
11.70%					11.70%					11.70%				
13.1555%					13.1555%					13.1555%				
13.1555%					13.1555%					13.1555%				
1,847,063					7,861,780					7,531,248				
40,402					172,262					162,105				
		Reconciliation					Reconciliation					Reconciliation		
Return	Depreciation	Amount	Revenue		Return	Depreciation	Amount	Revenue		Return	Depreciation	Amount	Revenue	
242,990.51	40,401.96	0.00	283,392.47		1,034,257.05	172,261.56	0.00	1,206,518.61		990,773.88	162,105.44	0.00	1,152,879.32	
242,990.51	40,401.96	0.00	283,392.47		1,034,257.05	172,261.56	0.00	1,206,518.61		990,773.88	162,105.44	0.00	1,152,879.32	

For Plant in Service
"Pre-Commercial Exp" is equal to the amount of pre-comm
Revenue is equal to the "Return" ("Investment" times FCR)
"Reconciliation Amount" is created in the reconciliation in A

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PJM Upgrade ID: b0559				PJM Upgrade ID: b0495				PJM Upgrade ID: b0343			
Meadowbrook Capacitor (Plant In Service)				Kammer Transformers (Plant In Service)				Doubt Replace Transformer #2			
"Yes" if a project under PJM OATT Schedule 12, otherwise "No"				"Yes" if a project under PJM OATT Schedule 12, otherwise "No"				"Yes" if a project under PJM OATT Schedule 12, otherwise "No"			
"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"				"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"				"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"			
Input the allowed ROE				Input the allowed ROE				Input the allowed ROE			
From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12				From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12				From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12			
If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7 forecast of CWIP or Cap Adds.				If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7 forecast of CWIP or Cap Adds.				If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7 forecast of CWIP or Cap Adds.			
reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.				reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.				reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.			
Annual Depreciation Exp from Attachment 5				Annual Depreciation Exp from Attachment 5				Annual Depreciation Exp from Attachment 5			
		Reconciliation Amount	Revenue			Reconciliation Amount	Revenue			Reconciliation Amount	Revenue
Return	Depreciation			Return	Depreciation			Return	Depreciation		
839,734.58	118,239.86	0.00	957,974.44	5,491,199.87	886,799.82	0.00	6,377,999.69	91,411.18	7,900.54	0.00	99,311.72
839,734.58	118,239.86	0.00	957,974.44	5,491,199.87	886,799.82	0.00	6,377,999.69	91,411.18	7,900.54	0.00	99,311.72

For Plant in Service
 "Pre-Commercial Exp" is equal to the amount of pre-commercial Revenue is equal to the "Return" ("Investment" times FCR)
 "Reconciliation Amount" is created in the reconciliation in Attachment 5

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 11 "Yes" if a project under PJM OATT Schedule 12, otherwise
 "No"
 12 "Yes" if the customer has paid a lump sum payment in the
 amount of the investment on line 29. Otherwise "No"
 13 Input the allowed ROE
 14 From line 3 above if "No" on line 12 and From line 7 above
 if "Yes" on line 12
 15 If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%
 then line 3, and if line 12 is "Yes", then line 7
 16 forecast of CWIP or Cap Adds.
 reconciliation – Average of 13 month prior year net plant
 balances plus prior year 13-mo CWIP balances.
 17 Annual Depreciation Exp from Attachment 5

18
 19 See Calculations for each item below
 20 See Calculations for each item below

PJM Upgrade ID: b0345						
Doubt Replace Transformer #4						
Yes						
No						
11.70%						
13.1555%						
13.1555%						
3,414,643						
68,223						
Return	Depreciation	Reconciliation Amount	Revenue	Total	Incentive Charged	Revenue Credit
449,213.66	68,223.13	0.00	517,436.79	127,181,949.37		127,181,949.37
449,213.66	68,223.13	0.00	517,436.79	134,216,898.55	134,216,898.55	

\$7,034,949.18
Ax A Line 148

For Plant in Service
 "Pre-Commercial Exp" is equal to the amount of pre-comme
 Revenue is equal to the "Return" ("Investment" times FCR)
 "Reconciliation Amount" is created in the reconciliation in A

Template for Annual Information Filings with Formula Rate Debt Cost Disclosure and True-Up
Attachment 8, page 1, Table 1 and 2
Template for Annual Information Filings with Formula Rate Debt Cost Disclosure and True-Up

TABLE 1: Summary Cost of Long Term Debt											
CALCULATION OF COST OF DEBT/Hypothetical Example											
YEAR ENDED		12/31/2014									
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
	t=N	Issue Date	Maturity Date	ORIGINAL ISSUANCE	Net Proceeds At Issuance	Net Amount Outstanding at t=N	Months Outstanding at t=N	Average Net Outstanding in Year* z*	Weighted Outstanding Ratios	Effective Cost Rate (Tables 2 and 3)	Weighted Debt Cost at t = N (h) * (i)
Long Term Debt Cost at Year Ended:											
<u>First Mortgage Bonds:</u>											
(1)	7.09%, Debenture Description, Series, Name of Issuer	1/1/2014	8/31/2030	\$ 300,000,000	\$ 294,600,000	\$ 295,000,000	12	\$ 295,156,250	66.23%	7.324%	4.8506%
(2)	Coupon rate, Debenture Description, Series, Name of Issuer	1/1/2014	6/30/2025								
<u>Other Long Term Debt:</u>											
(3)	6.6%, Medium Term Notes, Series, Name of Issuer	04/01/2014	06/30/2024	\$ 200,000,000	\$ 198,000,000	\$ 150,000,000	9	\$ 150,200,000	33.70%	6.735%	2.2697%
(4)	\$1,000,000 variable rate LT Credit Line Drawdown, 6.59% (2014 Interest Rate), Series, Name of Issuer	xx/xx/xxxx	xx/xx/xxxx	na	na	\$ 359,000	12	\$ 320,000	0.07%	6.590%	0.0047%
Total				\$ 500,000,000		\$ 445,359,000		\$ 445,676,250	100.000%		7.13% **

t = time
The current portion of long term debt is included in the Net Amount Outstanding at t = N in these calculations.
The outstanding amount (column (e)) for debt retired during the year is the outstanding amount at the last month it was outstanding.
* z = Average of monthly balances for months outstanding during the year (average of the balances for the 12 months of the year, with zero in months that the issuance is not outstanding in a month).
Interim (individual debenture) debt cost calculations shall be taken to four decimals in percentages (7.2300%, 5.2582%); Final Total Weighted Average Debt Cost for the Formula Rate shall be rounded to two decimals of a percent (7.03%).
** This Total Weighted Average Debt Cost will be shown on Line 101 of formula rate Appendix A.

TABLE 2: Effective Cost Rates For Traditional Front-Loaded Debt Issuances:													
YEAR ENDED		12/31/2014											
	(aa)	(bb)	(cc)	(dd)	(ee)	(ff)	(gg)	(hh)	(ii)	(jj)	(kk)	(ll)	
	Affiliate	Issue Date	Maturity Date	Amount Issued	(Discount) Premium at Issuance	Issuance Expense	Loss/Gain on Recquired Debt	Less Related ADIT (Attachment 1)	Net Proceeds	Net Proceeds Ratio	Coupon Rate	Annual Interest	Effective Cost Rate* (Yield to Maturity at Issuance, t = 0)
<u>First Mortgage Bonds</u>													
(1)	No	1/1/2014	6/30/2025	\$ 300,000,000	\$ (2,400,000)	\$ 3,000,000	-	xxx	\$ 294,600,000	98.2000	0.07090	\$ 21,270,000	7.324%
(2)		xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxxx	xxx	xxxx	xx.xxxx
<u>Other Long Term Debt:</u>													
(3)	No	4/1/2014	06/30/2024	200,000,000		2,000,000		xxx	\$ 198,000,000	99.0000	0.06600	13,200,000	6.735%
TOTALS				\$ 500,000,000	(2,400,000)	\$ 5,000,000	-	xxx	\$ 492,600,000			\$ 34,470,000	

* YTM at issuance calculated from an acceptable bond table or from YTM = Internal Rate of Return (IRR) calculation
Effective Cost Rate of Individual Debenture (YTM at issuance); the t=0 Cashflow Q equals Net Proceeds column (gg); Semi-annual (or other) interest cashflows (G₁, C₂, etc.).

Trans-Allegheny Interstate Line Company

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology

TRAILCO anticipates its financing will be a 7 year loan, where by TRAILCO pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TRAILCO will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TRAILCO will true up the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment.

Total Loan Amount	\$ 900,000,000
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Internal Rate of Return ¹	4.894132%
Based on following Financial Formula ² :	

$$NPV = 0 = \sum_{t=1}^N \frac{C_t}{(1+IRR)^{pwr(t)}}$$

Origination Fees	7,780,954
Origination Fees	
Addition Origination Fees	15,125
Total Issuance Expense	7,796,079

Revolving Credit Commitment Fee	New Borrowing	Old Borrowing
Revolving Credit Commitment Fee	0.005	0.0050
		0.0037

	2008	2008	2008	2008	2009	2010	2011	2012	2013	2014	2015
LIBOR Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Spread											
Interest Rate	6.13%	3.86%	4.05%	4.34%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Bond \$200M Interest Rate	\$ 450,000,000					4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revolver Interest Rate	\$ 350,000,000	Draw 1	DONE			3.249%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 2, 3, 4	DONE			3.247%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 5	DONE			3.251%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 6	DONE - Roll over Draw 1 and 4			3.316%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 7	DONE			3.361%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 8	DONE - Roll over Draw 2, 3 and 5			3.422%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 9	DONE			3.417%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 10	DONE			3.348%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 11	DONE - Roll over Draw 6 and 9			3.498%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 12	DONE - Roll over Draw 10			3.418%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 13	DONE - Roll over Draw 7 and 8			3.398%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 14	DONE			3.275%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 15	DONE			3.275%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 16	DONE - Roll over Draw 11			3.289%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 17	DONE			3.248%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 17A	DONE - Roll over Draw 12, 14 and 15			3.286%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 18	DONE - Roll over Draw 13 and 17			3.286%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 19	DONE				3.283%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 20	DONE - Roll over Draw 16				3.304%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 21	DONE - Roll over Draw 17A and 19				3.312%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 22	DONE - Roll over Draw 18				3.312%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 23	DONE				3.222%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 24	Roll over Draw 20				3.213%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 25	Roll over Draw 21, 22 and 23				3.174%	6.21%			

(A) Year	(B)	GL '224100		GL '820204		GL '181100/654106		GL '820202		(I) Net Cash Flows (D-F-G-H)	Interest at effective rate	Amortization of origination fees and commitment fees
		(C) Capital Expenditures	(D) Principle Drawn In Quarter (\$000's)	(E) Principle Drawn To Date	(F) Outstanding Debt Balance	(G) Interest Expense	(H) Origination Fees	(I) Commitment				
2008												
12/24/2007	Q4	68,183,000	10,000,000	10,000,000	10,000,000		734,955		9,265,045		-	-
01/31/2008	Q1			10,000,000	9,265,045		31,013		(31,013)		46,204	46,204
02/4/2008	Q1			10,000,000	9,280,236		69,578		(69,578)		4,861	4,861
02/6/2008	Q1			10,000,000	9,215,518		138		(138)		2,413	2,413
02/29/2008	Q1			10,000,000	9,217,794		2,960		(2,960)		27,796	27,796
03/5/2008	Q1			10,000,000	9,242,629		125,384		(125,384)		6,052	6,052
3/24/2008	Q1	25,543,000		10,000,000	9,123,297	155,048			(155,048)		22,720	(132,327)
03/31/2008	Q1			10,000,000	8,990,969		17,011		(17,011)		8,243	8,243
04/30/2008	Q2			10,000,000	8,982,201		197,270		(197,270)		35,345	35,345
05/19/2008	Q2			10,000,000	8,820,276		109,825		(109,825)		21,966	21,966
6/23/2008	Q2	20,509,000		10,000,000	8,732,417	97,477			(97,477)		40,102	(57,376)
06/26/2008	Q2			10,000,000	8,675,041		43,099		(43,099)		3,408	3,408
06/30/2008	Q2			10,000,000	8,635,350		13,268		(13,268)		4,523	4,523
08/8/2008	Q3			10,000,000	8,626,605		1,578		(1,578)		44,155	44,155
08/13/2008	Q3			10,000,000	8,669,182		62,777		(62,777)		5,676	5,676
8/15/2008	Q3		55,000,000	65,000,000	8,612,081	59,689	7,780,954		47,159,357		2,255	(57,434)
8/20/2008	Q3			65,000,000	55,773,693		530		(530)		36,518	36,518
8/25/2008	Q3			65,000,000	55,809,681		15,125		(15,125)		36,542	36,542

Trans-Allegheny Interstate Line Company

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology

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Total Loan Amount	\$ 900,000,000
-------------------	----------------

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Based on following Financial Formula ² :	

$$NPV = 0 = \sum_{t=1}^N \frac{C_t}{(1+IRR)^{pwr(t)}}$$

Origination Fees	
Origination Fees	7,780,954
Addition Origination Fees	15,125
Total Issuance Expense	7,796,079

	New Borrowing	Old Borrowing
Revolving Credit Commitment Fee	0.005	0.0050
Revolving Credit Commitment Fee		0.0037

8/9/2010	Q3	(35,000,000)	675,000,000	693,905,984	107,415		(35,107,415)	1,272,895	1,165,480
8/9/2010	Q3	35,000,000	710,000,000	660,071,464	-		35,000,000	-	-
8/12/2010	Q3	(30,000,000)	680,000,000	695,071,464	271,681		(30,271,681)	273,025	1,344
8/12/2010	Q3	(80,000,000)	600,000,000	665,072,808	699,609		(80,699,609)	-	(699,609)
8/12/2010	Q3	110,000,000	710,000,000	584,373,199	-		110,000,000	-	-
8/30/2010	Q3	-	710,000,000	694,373,199	-	407,816	(407,816)	1,638,110	1,638,110
9/7/2010	Q3	30,000,000	740,000,000	695,603,493	-		30,000,000	728,862	728,862
9/26/2010	Q3	-	740,000,000	726,332,355	-		-	1,808,819	1,808,819
10/1/2010	Q4	-	740,000,000	728,141,174	-		-	476,753	476,753
10/8/2010	Q4	30,000,000	770,000,000	728,455,149	-		30,000,000	667,830	667,830
10/26/2010	Q4	(115,000,000)	655,000,000	759,122,979	1,028,023		(116,028,023)	1,790,863	762,839
10/26/2010	Q4	115,000,000	770,000,000	644,885,818	-		115,000,000	-	-
11/5/2010	Q4	30,000,000	800,000,000	759,885,818	-		30,000,000	995,402	995,402
11/9/2010	Q4	(35,000,000)	765,000,000	790,881,220	305,721.11		(35,305,721)	414,239	108,518
11/9/2010	Q4	(30,000,000)	735,000,000	755,989,738	171,937.50		(30,171,938)	-	(171,938)
11/9/2010	Q4	(30,000,000)	705,000,000	725,817,801	86,853.33		(30,086,853)	-	(86,853)
11/9/2010	Q4	95,000,000	800,000,000	695,730,947	-		95,000,000	-	-
11/12/2010	Q4	(110,000,000)	690,000,000	790,730,947	955,215.56		(110,955,216)	310,600	(644,616)
11/12/2010	Q4	(30,000,000)	660,000,000	680,086,332	18,946.67		(30,018,947)	-	(18,947)
11/12/2010	Q4	140,000,000	800,000,000	650,067,385	5.83		139,999,994	-	(6)
12/6/2010	Q4	20,000,000	820,000,000	790,067,379	-		20,000,000	2,486,129	2,486,129
12/23/2010	Q4	-	820,000,000	812,553,508	-	8,281	(8,281)	1,810,298	1,810,298
1/3/2011	Q1	-	820,000,000	814,355,525	-		(140,277.78)	1,173,506	1,173,506
1/15/2011	Q1	-	820,000,000	815,388,753	9,000,000		(9,000,000)	1,281,897	(7,718,103)
1/26/2011	Q1	(115,000,000)	705,000,000	807,670,650	966,601		(115,966,601)	1,163,873	197,272
1/26/2011	Q1	115,000,000	820,000,000	692,867,922	-		115,000,000	-	-
2/9/2011	Q1	(20,000,000)	800,000,000	807,867,922	118,552.78		(20,118,553)	1,481,946	1,363,393
2/9/2011	Q1	(95,000,000)	705,000,000	789,231,315	797,767.78		(95,797,768)	-	(797,768)
2/9/2011	Q1	115,000,000	820,000,000	693,433,547	-		115,000,000	-	-
2/14/2011	Q1	(140,000,000)	680,000,000	808,433,547	1,201,216		(141,201,216)	529,325	(671,891)
2/14/2011	Q1	140,000,000	820,000,000	667,761,657	-		140,000,000	-	-
2/16/2011	Q1	-	820,000,000	807,761,657	-	3,099	(3,099)	211,512	211,512
4/1/2011	Q2	-	820,000,000	807,970,070	-		(97,778)	4,667,294	4,667,294
4/14/2011	Q2	10,000,000	830,000,000	812,539,587	-		10,000,000	1,383,959	1,383,959
4/26/2011	Q2	(115,000,000)	715,000,000	823,923,546	949,900		(115,949,900)	1,295,314	345,414
4/26/2011	Q2	115,000,000	830,000,000	709,268,961	-		115,000,000	-	-
5/9/2011	Q2	(115,000,000)	715,000,000	824,268,961	941,620		(115,941,620)	1,403,937	462,317
5/9/2011	Q2	(140,000,000)	575,000,000	709,731,278	1,081,920		(141,081,920)	-	(1,081,920)
5/9/2011	Q2	(10,000,000)	565,000,000	568,649,358	22,375		(10,022,375)	-	(22,375)
5/9/2011	Q2	235,000,000	800,000,000	558,626,983	-		235,000,000	-	-
5/16/2011	Q2	(235,000,000)	565,000,000	793,626,983	145,034		(235,145,034)	727,578	582,543
5/16/2011	Q2	235,000,000	800,000,000	559,209,527	-		235,000,000	-	-
5/23/2011	Q2	(235,000,000)	565,000,000	794,209,527	145,034		(235,145,034)	728,112	583,078
5/23/2011	Q2	235,000,000	800,000,000	559,792,604	-		235,000,000	-	-
5/26/2011	Q2	(115,000,000)	685,000,000	794,792,604	307,913		(115,307,913)	312,195	4,283
5/30/2011	Q2	(235,000,000)	450,000,000	679,796,887	145,034		(235,145,034)	356,056	211,022
7/1/2011	Q3	50,000,000	500,000,000	445,007,909	-		49,725,694	1,868,072	1,868,072
7/15/2011	Q3	-	500,000,000	496,601,675	9,000,000		(9,000,000)	910,962	(8,089,038)
10/1/2011	Q4	-	500,000,000	488,512,637	-		(511,111)	5,013,666	5,013,666
12/31/2011	Q4	(50,000,000)	450,000,000	493,015,192	806,725		(50,806,725)	5,908,224	5,101,499
1/1/2012	Q1	-	450,000,000	448,116,691	-		(511,806)	58,666	58,666
1/15/2012	Q1	-	450,000,000	447,663,551	9,000,000		(9,000,000)	821,190	(8,178,810)
7/15/2012	Q3	-	450,000,000	439,484,741	9,000,000		(9,000,000)	10,596,561	1,596,561
1/15/2013	Q1	-	450,000,000	441,081,302	9,000,000		(9,000,000)	10,753,338	1,753,338
7/15/2013	Q3	-	450,000,000	442,834,640	9,000,000		(9,000,000)	10,617,967	1,617,967
1/15/2014	Q1	-	450,000,000	444,452,607	9,000,000		(9,000,000)	10,835,528	1,835,528
7/15/2014	Q3	-	450,000,000	446,288,135	9,000,000		(9,000,000)	10,700,772	1,700,772
1/15/2015	Q1	-	450,000,000	447,988,907	9,000,000		(9,000,000)	10,921,742	1,921,742
1/25/2015	Q1	(450,000,000)	-	449,910,649	500,000		(450,500,000)	589,354	89,354

(1) Commitment fees for 4th quarter 2008

ATTACHMENT 2
Annual Transmission Revenue Requirements
For 2011 Rate Year

ATTACHMENT H-18A

Trans-Allegheny Interstate Line Company

Formula Rate -- Appendix A

Shaded cells are input cells

Notes

FERC Form 1 Page # or Instruction

TRAILCo

2011 Forecast

Allocators

Wages & Salary Allocation Factor			
1	Transmission Wages Expense	p354.21.b	990,782
2	Total Wages Expense	p354.28.b	5,997,366
3	Less A&G Wages Expense	p354.27.b	5,006,584
4	Total Wages Less A&G Wages Expense	(Line 2 - Line 3)	990,782
5	Wages & Salary Allocator	(Line 1 / Line 4), if line 2 = 0, then 100%	100.0000%
Plant Allocation Factors			
6	Electric Plant in Service	(Note B) Attachment 5	275,664,206
7	Total Plant In Service	(Line 6)	275,664,206
8	Accumulated Depreciation (Total Electric Plant)	Attachment 5	8,356,702
9	Total Accumulated Depreciation	(Line 8)	8,356,702
10	Net Plant	(Line 7 - Line 9)	267,307,504
11	Transmission Gross Plant	(Line 15 + Line 21)	275,664,206
12	Gross Plant Allocator	(Line 11 / Line 7, if Line 7=0, enter 100%)	100.0000%
13	Transmission Net Plant	(Line 11 - Line 29)	267,307,504
14	Net Plant Allocator	(Line 13 / Line 10, if line 10=0, enter 100%)	100.0000%

Plant Calculations

Transmission Plant			
15	Transmission Plant In Service	(Note B) Attachment 5	224,314,675
16	New Trans. Plant Adds. for Current Calendar Year (13 average balance)	(Note B) Attachment 6	7,847,209
17	Total Transmission Plant	(Line 15 + Line 16)	232,161,884
18	General & Intangible	Attachment 5	51,349,531
19	Total General & Intangible	(Line 18)	51,349,531
20	Wage & Salary Allocator	(Line 5)	100.0000%
21	Transmission Related General and Intangible Plant	(Line 19 * Line 20)	51,349,531
22	Transmission Related Plant	(Line 17 + Line 21)	283,511,415
Accumulated Depreciation			
23	Transmission Accumulated Depreciation	(Note B) Attachment 5	8,023,973
24	Accumulated General Depreciation	Attachment 5	287,202
25	Accumulated Intangible Amortization	Attachment 5	45,527
26	Total Accumulated General and Intangible Depreciation	(Sum Lines 24 to 25)	332,729
27	Wage & Salary Allocator	(Line 5)	100.0000%
28	Transmission Related General & Intangible Accumulated Depreciation	(Line 26 * Line 27)	332,729
29	Total Transmission Related Accumulated Depreciation	(Line 23 + Line 28)	8,356,702
30	Total Transmission Related Net Property, Plant & Equipment	(Line 22 - Line 29)	275,154,713

Adjustment To Rate Base

Accumulated Deferred Income Taxes			
31	ADIT net of FASB 106 and 109	Enter Negative	Attachment 1
32	Transmission Related Accumulated Deferred Income Taxes		(Line 31)
			-50,904,033
33	Transmission Related CWIP (Current Year 13 Month weighted average balances)	(Note B)	p216.b.43 as shown on Attachment 6
			937,980,207
34	Transmission Related Land Held for Future Use	(Note C)	Attachment 5
			0
Transmission Related Pre-Commercial Costs Capitalized			
35	Unamortized Capitalized Pre-Commercial Costs		Attachment 5
			0
Prepayments			
36	Transmission Related Prepayments	(Note A)	Attachment 5
			383,690
Materials and Supplies			
37	Undistributed Stores Expense	(Note A)	Attachment 5
38	Wage & Salary Allocator		(Line 5)
			100.0000%
39	Total Undistributed Stores Expense Allocated to Transmission		(Line 37 * Line 38)
			0
40	Transmission Materials & Supplies		Attachment 5
			0
41	Transmission Related Materials & Supplies		(Line 39 + Line 40)
			0
Cash Working Capital			
42	Operation & Maintenance Expense		(Line 74)
43	1/8th Rule		1/8
			12.5%
44	Transmission Related Cash Working Capital		(Line 42 * Line 43)
			1,263,944
45	Total Adjustment to Rate Base		(Lines 32 + 33 + 34 + 35+ 36 + 41 + 44)
			888,723,808
46	Rate Base		(Line 30 + Line 45)
			1,163,878,521

O&M

Transmission O&M			
47	Transmission O&M		p321.112.b
			2,476,650
48	Less Account 566 Misc Trans Exp listed on line 73 below.)		(line 73)
			394,142
49	Less Account 565		p321.96.b
			0
50	Plus Schedule 12 Charges billed to Transmission Owner and booked to Account 565	(Note M)	PJM Data
			0
51	Plus Property Under Capital Leases		p200.4.c
			0
52	Transmission O&M		(Lines 47 - 48 - 49 + 50 + 51)
			2,082,508
A&G Expenses			
53	Total A&G		p323.197.b
			7,646,165
54	Less Property Insurance Account 924		p323.185.b
			53,038
55	Less Regulatory Commission Exp Account 928	(Note E)	p323.189.b
			-530
56	Less General Advertising Exp Account 930.1		p323.191.b
			20,750
57	Less PBOP Adjustment		Attachment 5
			11,263
58	Less EPRI Dues	(Note D)	p352 & 353
			0
59	A&G Expenses		(Line 53) - Sum (Lines 54 to 58)
			7,561,644
60	Wage & Salary Allocator		(Line 5)
			100.0000%
61	Transmission Related A&G Expenses		(Line 59 * Line 60)
			7,561,644
Directly Assigned A&G			
62	Regulatory Commission Exp Account 928	(Note G)	Attachment 5
			-530
63	General Advertising Exp Account 930.1	(Note J)	Attachment 5
			20,750
64	Subtotal - Accounts 928 and 930.1 - Transmission Related		(Line 62 + Line 63)
			20,220
65	Property Insurance Account 924		p323.185.b
			53,038
66	General Advertising Exp Account 930.1	(Note F)	Attachment 5
			0
67	Total Accounts 928 and 930.1 - General		(Line 65 + Line 66)
			53,038
68	Net Plant Allocator		(Line 14)
			100.0000%
69	A&G Directly Assigned to Transmission		(Line 67 * Line 68)
			53,038
Account 566 Miscellaneous Transmission Expense			
70	Amortization Expense on Pre-Commercial Cost	Account 566	Attachment 5
			0
71	Pre-Commercial Expense	Account 566	Attachment 5
			0
72	Miscellaneous Transmission Expense	Account 566	Attachment 5
			394,142
73	Total Account 566		Sum (Lines 70 to 72)
			394,142
74	Total Transmission O&M		(Lines 52 + 61 + 64 + 69 + 73)
			10,111,552

Depreciation & Amortization Expense

Depreciation Expense			
75	Transmission Depreciation Expense	Attachment 5	4,251,919
76	General Depreciation	Attachment 5	309,153
77	Intangible Amortization	(Note A) Attachment 5	3,271
78	Total	(Line 76 + Line 77)	312,424
79	Wage & Salary Allocator	(Line 5)	100.0000%
80	Transmission Related General Depreciation and Intangible Amortization	(Line 78 * Line 79)	312,424
81	Total Transmission Depreciation & Amortization	(Lines 75 + 80)	4,564,343

Taxes Other than Income

82	Transmission Related Taxes Other than Income	Attachment 2	2,004,031
83	Total Taxes Other than Income	(Line 82)	2,004,031

Return / Capitalization Calculations

84	Preferred Dividends	enter positive	p118.29.c	0
Common Stock				
85	Proprietary Capital		p112.16.c	416,538,090
86	Less Accumulated Other Comprehensive Income Account 219		p112.15.c	0
87	Less Preferred Stock		(Line 95)	0
88	Less Account 216.1		p112.12.c	0
89	Common Stock		(Line 85 - 86 - 87 - 88)	416,538,090
Capitalization				
90	Long Term Debt	(Note N)		820,000,000
91	Less Unamortized Loss on Reacquired Debt		p111.81.c	9,844,260
92	Plus Unamortized Gain on Reacquired Debt		p113.61.c	0
93	Less ADIT associated with Gain or Loss		Attachment 1	3,883,683
94	Total Long Term Debt		(Line 90 - 91 + 92 - 93)	806,272,057
95	Preferred Stock		p112.3.c	0
96	Common Stock		(Line 89)	416,538,090
97	Total Capitalization		(Sum Lines 94 to 96)	1,222,810,147
98	Debt %	Total Long Term Debt	(Note N) (Line 94 / Line 97)	59.9%
99	Preferred %	Preferred Stock	(Note N) (Line 95 / Line 97)	0.0%
100	Common %	Common Stock	(Note N) (Line 96 / Line 97)	40.1%
101	Debt Cost	Total Long Term Debt		0.049
102	Preferred Cost	Preferred Stock	(Line 84 / Line 95)	0.0000
103	Common Cost	Common Stock	(Note I) The most recent FERC approved ROE	0.1170
104	Weighted Cost of Debt	Total Long Term Debt (WCLTD)	(Line 98 * Line 101)	0.02930
105	Weighted Cost of Preferred	Preferred Stock	(Line 99 * Line 102)	0.0000
106	Weighted Cost of Common	Common Stock	(Line 100 * Line 103)	0.0470
107	Rate of Return on Rate Base (ROR)		(Sum Lines 104 to 106)	0.07626
108	Investment Return = Rate Base * Rate of Return		(Line 46 * Line 107)	88,751,741

Composite Income Taxes			
Income Tax Rates			
109	FIT=Federal Income Tax Rate	(Note H)	35.00%
110	SIT=State Income Tax Rate or Composite		8.09%
111	p	(percent of federal income tax deductible for state purpc Per State Tax Code	0.00%
112	T	$T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =$	40.26%
113	T / (1-T)		67.38%
114	Income Tax Component =	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$ [Line 113 * Line 108 * (1- (Line 104 / Line 107))]	36,825,380
115	Total Income Taxes	(Line 114)	36,825,380

REVENUE REQUIREMENT

Summary			
116	Net Property, Plant & Equipment	(Line 30)	275,154,713
117	Total Adjustment to Rate Base	(Line 45)	888,723,808
118	Rate Base	(Line 46)	1,163,878,521
119	Total Transmission O&M	(Line 74)	10,111,552
120	Total Transmission Depreciation & Amortization	(Line 81)	4,564,343
121	Taxes Other than Income	(Line 83)	2,004,031
122	Investment Return	(Line 108)	88,751,741
123	Income Taxes	(Line 115)	36,825,380
124	Gross Revenue Requirement	(Sum Lines 119 to 123)	142,257,047

Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities			
125	Transmission Plant In Service	(Line 22)	283,511,415
126	Excluded Transmission Facilities	(Note L) Attachment 5	0
127	Included Transmission Facilities	(Line 125 - Line 126)	283,511,415
128	Inclusion Ratio	(Line 127 / Line 125)	100.00%
129	Gross Revenue Requirement	(Line 124)	142,257,047
130	Adjusted Gross Revenue Requirement	(Line 128 * Line 129)	142,257,047

Revenue Credits			
131	Revenue Credits	Attachment 3	1,926,160

132	Net Revenue Requirement	(Line 130 - Line 131)	140,330,887
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Net Plant Carrying Charge			
133	Net Revenue Requirement	(Line 132)	140,330,887
134	Net Transmission Plant + CWIP	(Line 17 - Line 23 + Line 33)	1,162,118,118
135	FCR	(Line 133 / Line 134)	12.0754%
136	FCR without Depreciation	(Line 133 - Line 75) / Line 134	11.7096%
137	FCR without Depreciation and Pre-Commercial Costs	(Line 133 - Line 70 - Line 71 - Line 75) / Line 134	11.7096%
138	FCR without Depreciation, Return, nor Income Taxes	(Line 133 - Line 75 - Line 108 - Line 115) / Line 134	0.9037%

Net Plant Carrying Charge Calculation with Incentive ROE			
139	Net Revenue Requirement Less Return and Taxes	(Line 132 - Line 122 - Line 123)	14,753,766
140	Increased Return and Taxes	Attachment 4	133,395,557
141	Net Revenue Requirement with Incentive ROE	(Line 139 + Line 140)	148,149,323
142	Net Transmission Plant + CWIP	(Line 17 - Line 23+ Line 33)	1,162,118,118
143	FCR with Incentive ROE	(Line 141 / Line 142)	12.74822%
144	FCR with Incentive ROE without Depreciation	(Line 141 - Line 75) / Line 142	12.3823%
145	FCR with Incentive ROE without Depreciation and Pre-Commercial	(Line 141 - Line 70 - Line 71 - Line 75) / Line 142	12.3823%

Net Revenue Requirement			
146	Net Revenue Requirement	(Line 132)	140,330,887
147	Reconciliation amount	Attachment 6	2,542,078
148	Plus any increased ROE calculated on Attach 7 other than PJM Sch. 12 projects not paid by other PJM trans zones	Attachment 7	7,176,435
149	Facility Credits under Section 30.9 of the PJM OATT	Attachment 5	0

150	Net Zonal Revenue Requirement	(Line 146 + 147 + 148 + 149)	150,049,400
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Network Zonal Service Rate			
151	1 CP Peak	(Note K) PJM Data	N/A
152	Rate (\$/MW-Year)	(Line 150 / 151)	N/A

153	Network Service Rate (\$/MW/Year)	(Line 152)	N/A
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Notes

- A Electric portion only
- B For both the estimate and the reconciliation, Construction Work In Progress ("CWIP") and leases that are expensed as O&M (rather than amortized) are excluded.
For the Estimate Process:
Transmission plant in service will show the end of year balance and is linked to Attachment 5 which shows detail support by project.
The transmission plant will agree to or be reconciled to the FERC Form 1 balance for the transmission plant.
New Transmission Plant expected to be placed in service in the current calendar year will be based on the average of 13 monthly investment costs and shown separately detailed by project on Attachment 6.
Accumulated depreciation will show the end of year balance and is linked to Attachment 5 which shows detail support by project.
CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
For the Reconciliation Process:
Transmission plant in service will be calculated using a 13 month average balance and will be detailed on Attachment 5. This includes
new transmission plant added to plant-in-service
Accumulated depreciation will be calculated using a 13 month average balance and will be detailed on Attachment 5. This includes
accumulated depreciation associated with current year transmission plant.
CWIP will be linked to Attachment 6 which shows detail support by project (incentive and non-incentive).
- C Includes Transmission portion only and (i) only land that has an estimated in-service date within 10 years may be included and (ii) a plan for the land's use is required to be included in the filing whenever the cost of the land is proposed to be included in rates.
- D Excludes all EPRI Annual Membership Dues
- E Excludes all Regulatory Commission Expenses
- F Includes Safety related advertising included in Account 930.1
- G Includes Regulatory Commission Expenses directly related to transmission service, RTO filings, or transmission siting itemized in Form 1 at 351.h.
- H 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. If the utility includes taxes in more than one state, it must explain in Attachment 5 the name of each state and how the blended or composite SIT was developed.
- I ROE will be established in the Commission order accepting the settlement in Docket No. ER07-562 and no change in ROE will be made absent a Section 205 or Section 206 filing at FERC.
- J Education and outreach expenses relating to transmission, for example siting or billing
- K As provided for in Section 34.1 of the PJM OATT; the PJM established billing determinants will not be revised or updated in the annual rate reconciliations.
- L Amount of transmission plant excluded from rates per Attachment 5.
- M Payments made under Schedule 12 of the PJM OATT that are not directly assessed to load in the Zone under Schedule 12 are included in Transmission O&M on Line 47.
If they are booked to Acct 565, they are included on Line 50. Copies of PJM invoices will be provided upon request.
- N The capital structure will remain 50% equity and 50% debt until construction of all of the segments of the TrAIL Project is completed and the entire TrAIL Project is placed in service. The first year that these projects are in service the formula will be run based on the 50/50 capital structure and on the actual year end capital structure. The two results will be weighted based on: the number of days the last project was in service and 365 day minus the numbers of days the last project was in service divided by 365 days.
This can be illustrated using the following example:

Example:

Assume Last Project goes into service on day 260.
Hypothetical Capital Structure until the last project goes into service is 50/50.
Assume Year End actual capital structure is 60% equity and 40% debt.

Therefore: Weighted Equity = $[50\% \cdot 260 + 60\% \cdot (365 - 260)] / 365$

Trans-Allegheny Interstate Line Company
 Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

Line	Trans-Allegheny Interstate Company							
	B1	B2	B3	C	D	E	F	G
	<i>Beg of Year Total</i>	<i>End of Year Total</i>	<i>End of Year for Est. Average for Final Total</i>	<i>Retail Related</i>	<i>Only Transmission Related</i>	<i>Plant Related</i>	<i>Labor Related</i>	<i>Total ADIT</i>
1 ADIT- 282 From Account Total Below	21,944,661	16,977,821	19,461,241		16,977,821	-	-	16,977,821
2 ADIT-283 From Account Total Below	12,708,159	35,155,734	23,931,947		35,155,734	-	-	35,155,734
3 ADIT-190 From Account Total Below	(10,525,805)	(1,565,293)	(6,045,549)		(1,229,522)	-	-	(1,229,522)
4 Subtotal					50,904,033	-	-	50,904,033
5 Wages & Salary Allocator							100.0000%	
6 Gross Plant Allocator						100.0000%		
7 ADIT					50,904,033	-	-	50,904,033

Enter Negative

Note: ADIT associated with Gain or Loss on Reacquired Debt is included in Column A here and included in Cost of Debt on Appendix A, Line 93.
 Amount 3,883,683 < From Acct 283, below

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns C-F and each separate ADIT item will be listed, Dissimilar items with amounts exceeding \$100,000 will be listed separately.

A

	B1	B2	B3	C	D	E	F	G	
	Trans-Allegheny Interstate Company								
	End of Year for								
	Beg of Year	End of Year	Est. Average	Retail	Gas, Prod	Only	Plant	Labor	
	Balance	Balance	for Final	Related	Or Other	Transmission	Related	Related	
	p234.18.b	p234.18.c	Total		Related	Related			JUSTIFICATION
Tax Interest Capitalized	10,002,984	-	5,001,492			-			Actual amount of tax interest capitalized
Depreciation	-	-	-			-			Book depreciation
Taxes Intercompany Charges AESC	-	260,832	130,416			260,832			Intercompany charges from the AP service company
Worker's Compensation	104,674	120,675	112,675			120,675			Actual amount of reserve for workers' compensation
Long Term Disability Accrual	2,479	2,302	2,391			2,302			Long term disability accrual
Excess Over/Under Prior Service	-	-	-			-			Excess over under prior service cost
Amortization Expense	4,177	-	2,089			-			Amortization of intangible plant
WV Rate Change Consolidated Benefit	(140)	(120)	(130)			(120)			Temporary difference due to change in state tax rate in West Virginia
CIAC - Taxable	411,631	-	205,816			-			Taxable CIAC
Taxes Accrued State Other	-	7,039	3,520			7,039			PA Sales Tax
Miscellaneous Other Property Tax	-	(117,532)	(58,766)			(117,532)			WV Property Tax
Merger Costs Capitalized	-	335,771	167,886		335,771	-			Costs incurred as a result of Allegheny merging with First Energy which are not to be included within the revenue requirement
Reserve for EIB	-	869,079	434,540			869,079			Allocated portion of total liabilities relating to captive insurance
Power Tax Adjustment	-	79,357	39,679			79,357			System adjustment to reclass balances to correct FERC accounts
Operating Provision Enviro Accrual	-	7,890	3,945			7,890			Environmental clean-up expenses
Subtotal	10,525,805	1,565,293	6,045,549	-	335,771	1,229,522	-	-	
Less FASB 109 included above									
Less FASB 106 included above									
Total	10,525,805	1,565,293	6,045,549	-	335,771	1,229,522	-	-	

Instructions for Account 190:

- ADIT items related only to Retail Related Operations are directly assigned to Column C.
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT items related only to Transmission are directly assigned to Column E.
- ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PJM TRANSMISSION OWNER

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B1 B2 B3 C D E F G								JUSTIFICATION
	Trans-Allegheny Interstate Company								
	Beg of Year Balance	End of Year Balance	End of Year for Est. Average for Final Total	Retail Related	Gas, Prod Or Other Related Related	Only Transmission Related Related	Plant Related Related	Labor Related Related	
ADIT- 282	p274.9.b	p275.9.k							
Property Related - ABFUDC	913,516	1,198,161	1,055,839			1,198,161			Allowance for borrowed funds used during construction (ABFUDC)
Property Related - Tax Depreciation	22,571,513	22,334,952	22,453,233			22,334,952			Tax depreciation
FASB 109 Fixed Asset Adjustment	2,918,387	4,184,814	3,551,601			4,184,814			Increase in AOFDC
Book Depreciation Expense	(1,540,368)	(3,267,325)	(2,403,847)			(3,267,325)			Book depreciation
Amortization Expense - Intangible Plant	-	(4,020)	(2,010)			(4,020)			Book depreciation / amortization
Bonus Depreciation	-	20,597,674	10,298,637			20,597,674			Tax depreciation
CIACS Taxable	-	(388,696)	(194,348)			(388,696)			Taxable CIAC
Tax Interest Capitalized	-	(23,641,968)	(11,820,984)			(23,641,968)			Actual amount of tax interest capitalized
Power Tax Adjustment	-	149,043	74,522			149,043			System adjustment to reclass balances to correct FERC accounts
Subtotal	24,863,048	21,162,635	23,012,842			21,162,635			
Less FASB 109 included above	2,918,387	4,184,814	3,551,601			4,184,814			Increase in AOFDC
Less FASB 106 included above	-	-	-			-			
Total	21,944,661	16,977,821	19,461,241			16,977,821			

Instructions for Account 282:

- ADIT items related only to Retail Related Operations are directly assigned to Column C.
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT items related only to Transmission are directly assigned to Column E.
- ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

PJM TRANSMISSION OWNER

Attachment 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

A	B1	B2	B3	C	D	E	F	G	JUSTIFICATION
	Trans-Allegheny Interstate Company								
ADIT-283	Beg of Year Balance	End of Year Balance	End of Year for Est. Average for Final Total	Retail Related	Gas, Prod Or Other Related	Only Transmission Related	Plant Related	Labor Related	
	p276.19.b	p277.19.k							
Deferred Tax Reclassification	-	-	-			-			ADIT balance sheet reclassification
Regulated Asset Proxy LT	588,449	5,254,226	2,921,338			5,254,226			Regulatory asset for Prexy reclassification
WV Rate Change Consol Benefit	-	-	-			-			Temporary difference due to change in state tax rate in West Virginia
Reg Asset PJM Receivable - ST	10,629,496	24,358,135	17,493,816			24,358,135			Comparison of actual to forecast revenues - non-property related
Reg Asset PJM Receivable - LT	1,501,980	445,499	973,740			445,499			Comparison of actual to forecast revenues - non-property related
WV State Property Tax	50,475	-	25,238			-			West Virginia property tax payment
Tax Intercompany Charge	(62,241)	-	(31,121)			-			Intercompany charges from the AP service company
Deferred Charge EIB	-	1,130,290	565,145			1,130,290			Allocated portion of total liabilities relating to captive insurance
Unamortized Loss on Reacquired Debt	-	3,883,683	1,941,842			3,883,683			Unamortized debt expenses for existing debt that is refinanced and amortized over the life of the new debt
Power Tax Adjustment	-	83,901	41,951			83,901			System adjustment to reclass balances to correct FERC accounts
Subtotal	12,708,159	35,155,734	23,931,947			35,155,734			
Less FASB 109 included above									
Less FASB 106 included above									
Total	12,708,159	35,155,734	23,931,947			35,155,734			

Instructions for Account 283:

- ADIT items related only to Retail Related Operations are directly assigned to Column C.
- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column D.
- ADIT items related only to Transmission are directly assigned to Column E.
- ADIT items related to Plant and not in Columns C, D & E are directly assigned to Column F.
- ADIT items related to labor and not in Columns C, D, E & F are directly assigned to Column G.
- Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates. Therefore, if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

Trans-Allegheny Interstate Line Company

Attachment 2 - Taxes Other Than Income Worksheet

Other Taxes	FERC Form No.1 page, line & Col	Amount	Allocator	Allocated Amount	
Plant Related		Gross Plant Allocator			
1.1	2009 State Property WV	p263.34(i)	103,466	100.0000%	\$ 103,466
1.2	2010 State Property WV	p263.35(i)	131,146	100.0000%	131,146
1.3	2009 Local Property WV	p263.1.5(i)	3,645	100.0000%	3,645
1.4	2010 Local Property WV	p263.1.6(i)	22,945	100.0000%	22,945
1.5	2010 Local Property VA	p263.1.9(i)	83,401	100.0000%	83,401
1.6	2010 Local Property PA	p263.1.12(i)	2,884	100.0000%	2,884
1.7	2009 Local Property MD	p263.1.15(i)	500,534	100.0000%	500,534
1.8	2010 Local Property MD	p263.1.16(i)	521,362	100.0000%	521,362
2.1	2010 Capital Stock Tax/Franchise MD	p263.10(i)	300	100.0000%	300
2.2	2008 Capital Stock Tax/Franchise PA	p263.20(i)	-60,020	100.0000%	-60,020
2.3	2009 Capital Stock Tax/Franchise PA	p263.21(i)	24,758	100.0000%	24,758
2.4	2010 Capital Stock Tax/Franchise PA	p263.22(i)	104,500	100.0000%	104,500
2.5	Capital Stock Tax/Franchise All States	p263.1.1(i)	32	100.0000%	32
3.1	Gross Premium MD	p263.13(i)	2,391	100.0000%	2,391
3.2	Gross Premium PA	p263.23(i)	372	100.0000%	372
4.1	2010 State Use Tax PA	p263.18(i)	30,668	100.0000%	30,668
4.2	2010 State Sales Tax PA	p263.19(i)	17,485	100.0000%	17,485
6.1	State License WV	p263.38(i)	30	100.0000%	30
8	Total Plant Related		<u>1,489,899</u>	<u>100.0000%</u>	<u>1,489,899</u>
Labor Related		Wages & Salary Allocator			
9	Accrued Federal FICA	p263.3(i)	490,953		
10	Accrued Federal Unemployment	p263.4(i)	4,708		
11	State Unemployment	p263.1.2(i)	18,471		
12					
13					
14	Total Labor Related		<u>514,132</u>	<u>100.0000%</u>	<u>514,132</u>
Other Included		Gross Plant Allocator			
15					0
16					0
17					0
18					0
19	Total Other Included		<u>0</u>	<u>100.0000%</u>	<u>0</u>
20	Total Included (Lines 8 + 14 + 19)		<u>2,004,031</u>		<u><u>2,004,031</u></u> Input to Appendix A, Line 82
Retail Related Other Taxes to be Excluded					
21	Federal Income Tax	p263.2(i)	6,607,208		
22	Corporate Net Income Tax MD	p263.9(i)	609,228		
23	Corporate Net Income Tax PA	p263.17(i)	199,134		
24	Corporate Net Income Tax VA	p263.27(i)	69,819		
25	Corporate Net Income Tax WV	p263.33(i)	848,971		
26					
27					
28					
29					
30					
31	Subtotal, Excluded		<u>8,334,360</u>		
32	Total, Included and Excluded (Line 20 + Line 28)		<u>10,338,391</u>		
33	Total Other Taxes from p114.14.c		<u>2,004,032</u>		
34	Difference (Line 32 - Line 33)		<u>8,334,359</u>		

Criteria for Allocation:

- A Other taxes that are incurred through ownership of plant including transmission plant will be allocated based on the Gross Plant Allocator. If the taxes are 100% recovered at retail they shall not be included.
- B Other taxes that are incurred through ownership of only general or intangible plant will be allocated based on the Wages and Salary Allocator. If the taxes are 100% recovered at retail they shall not be included.
- C Other taxes that are assessed based on labor will be allocated based on the Wages and Salary Allocator.
- D Other taxes except as provided for in A, B and C above, that are incurred and (1) are not fully recovered at retail or (2) are directly or indirectly related to transmission service will be allocated based on the Gross Plant Allocator; provided, however, that overheads shall be treated as in footnote B above.
- E Excludes prior period adjustments in the first year of the formula's operation and reconciliation for the first year.

Trans-Allegheny Interstate Line Company

Attachment 3 - Revenue Credit Workpaper

		Amount	FERC Form No.1 page, line & Col
Account 454 - Rent from Electric Property			
1	Rent from Electric Property - Transmission Related (Note 3)	-	Page 300 Line: 19 Column: b
2	Total Rent Revenues (Line 1)	-	
Account 456 - Other Electric Revenues (Note 1)			
3	Schedule 1A	-	
4	Net revenues associated with Network Integration Transmission Service (NITS) for which the load is not included in the divisor (difference between NITS credits from PJM and PJM NITS charges paid by Transmission Owner) (Note 4)	-	
5	Point to Point Service revenues for which the load is not included in the divisor received by Transmission Owner	1,926,160	p328-330 FootNote Data Schedule Page: 328 Line: 1 Column: m
6	PJM Transitional Revenue Neutrality (Note 1)		
7	PJM Transitional Market Expansion (Note 1)		
8	Professional Services (Note 3)	-	
9	Revenues from Directly Assigned Transmission Facility Charges (Note 2)		
10	Rent or Attachment Fees associated with Transmission Facilities (Note 3)	-	
11	Gross Revenue Credits (Sum Lines 2-10)	1,926,160	
12	Less line 14g	-	
13	Total Revenue Credits (Line 11 - Line 12)	<u>1,926,160</u>	Input to Appendix A, Line 131
Revenue Adjustment to determine Revenue Credit			
14a	Revenues associated with lines 14b-g are to be included in lines 2-10 and total of those revenues entered here	-	
14b	Costs associated with revenues in line 14a	-	
14c	Net Revenues (14a - 14b)	-	
14d	50% Share of Net Revenues (14c / 2)	-	
14e	Costs associated with revenues in line 14a that are included in FERC accounts recovered through the formula times the allocator used to functionalize the amounts in the FERC account to the transmission service at issue.	-	
14f	Net Revenue Credit (14d + 14e)	-	
14g	Line 14a less line 14f	-	
15	Amount offset in line 4 above	-	
16	Total Account 454 and 456	1,926,160	
17	Note 1: All revenues related to transmission that are received as a transmission owner (i.e., not received as a LSE), for which the cost of the service is recovered under this formula, except as specifically provided for elsewhere in this Attachment or elsewhere in the formula will be included as a revenue credit or included in the peak on line 178 of Appendix A.		
18	Note 2: If the costs associated with the Directly Assigned Transmission Facility Charges are included in the Rates, the associated revenues are included in the Rates. If the costs associated with the Directly Assigned Transmission Facility Charges are not included in the Rates, the associated revenues are not included in the Rates.		
19	Note 3: Ratemaking treatment for the following specified secondary uses of transmission assets: (1) right-of-way leases and leases for space on transmission facilities for telecommunications; (2) transmission tower licenses for wireless antennas; (3) right-of-way property leases for farming, grazing or nurseries; (4) licenses of intellectual property (including a portable oil degasification process and scheduling software); and (5) transmission maintenance and consulting services (including energized circuit maintenance, high-voltage substation maintenance, safety training, transformer oil testing, and circuit breaker testing) to other utilities and large customers (collectively, products). Company will retain 50% of net revenues consistent with Pacific Gas and Electric Company, 90 FERC ¶ 61,314. Note: in order to use lines 14a - 14g, the utility must track in separate subaccounts the revenues and costs associated with each secondary use (except for the cost of the associated income taxes).		
20	Note 4: If the facilities associated with the revenues are not included in the formula, the revenue is shown here, but not included in the total above and explained in the Cost Support. For example revenues associated with distribution facilities. In addition Revenues from Schedule 12 of the PJM OATT are not included in the total above to the extent they are credited under Schedule 12 of the PJM OATT.		

A	Return and Taxes at High End of the range of Reasonableness Return and Taxes at High End of the range of Reasonableness	(Sum Lines 26 and 33 from below)	133,395,557	Input to Appendix A, Line 140
B	Difference between Base ROE and Incentive ROE		100	

Return Calculation

		Source Reference	
1	Rate Base	Appendix A, Line 46	1,163,878,521
2	Preferred Dividends	enter positive Appendix A, Line 84	0
Common Stock			
3	Proprietary Capital	Appendix A, Line 85	416,538,090
4	Less Accumulated Other Comprehensive Income Account 219	Appendix A, Line 86	0
5	Less Preferred Stock	Appendix A, Line 87	0
6	Less Account 216.1	Appendix A, Line 88	0
7	Common Stock	Appendix A, Line 89	416,538,090
Capitalization			
8	Long Term Debt	Appendix A, Line 90	820,000,000
9	Less Unamortized Loss on Reacquired Debt	Appendix A, Line 91	9,844,260
10	Plus Unamortized Gain on Reacquired Debt	Appendix A, Line 92	0
11	Less ADIT associated with Gain or Loss	Appendix A, Line 93	3,883,683
12	Total Long Term Debt	Appendix A, Line 94	806,272,057
13	Preferred Stock	Appendix A, Line 95	0
14	Common Stock	Appendix A, Line 96	416,538,090
15	Total Capitalization	Appendix A, Line 97	1,222,810,147
16	Debt %	Total Long Term Debt Appendix A, Line 98	60%
17	Preferred %	Preferred Stock Appendix A, Line 99	0%
18	Common %	Common Stock Appendix A, Line 100	40%
19	Debt Cost	Total Long Term Debt Appendix A, Line 101	0.049
20	Preferred Cost	Preferred Stock Appendix A, Line 102	0.0000
21	Common Cost	Common Stock	12.70% 0.1270
22	Weighted Cost of Debt	Total Long Term Debt (WCLTD) (Line 16 * 19)	0.02930
23	Weighted Cost of Preferred	Preferred Stock (Line 17 * 20)	0.0000
24	Weighted Cost of Common	Common Stock (Line 18 * 21)	0.0510
25	Rate of Return on Rate Base (ROR)	(Sum Lines 22 to 24)	0.0803
26	Investment Return = Rate Base * Rate of Return	(Line 1 * Line 25)	93,422,710

Composite Income Taxes

Income Tax Rates			
27	FIT=Federal Income Tax Rate	Appendix A, Line 109	35.00%
28	SIT=State Income Tax Rate or Composite	Appendix A, Line 110	8.09%
29	p = percent of federal income tax deductible for state purposes	Appendix A, Line 111	0.00%
30	T	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$	Appendix A, Line 112
31	T/ (1-T)	Appendix A, Line 113	40.26% 67.38%
32	Income Tax Component =	$CIT=(T/1-T) * Investment Return * (1-(WCLTD/R)) =$	39,972,848
33	Total Income Taxes	(Line 32)	39,972,848

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Accumulated Depreciation Worksheet

Appendix A Line 8, Depreciable Assets, Form 1 Page 8c and Instructions			Details															
13 Month Balance For Reconciliation			EOY Balance For Estimate	13 Month Balance For Reconciliation														
Calculation of Transmission Accumulated Depreciation				Black Oak Wylie Ridge 502 Junction - Terrestrial Line 500 KV Proxy 502 Junction 138 KV Proxy 502 Junction Meadowbrook Transformer North Shanduah Bedington Transformer Meadow Brook SS Capacitor Kammer Transformers UGUBs Replacement Transformer #2 UGUBs Replacement Transformer #4														
Source				Total														
December	Prior year FERC Form 1 p219.25.b	For 2009	3,773,948	2,683,134	558,383	25,235	113	88	255,023	56,638	105,478	18,655	71,203	-	-	-	-	3,773,948
January	company records	For 2010	4,028,856	2,797,215	580,492	39,246	118	92	269,378	60,064	118,977	18,655	144,483	-	-	-	-	4,028,856
February	company records	For 2010	4,285,061	2,911,296	603,584	43,513	123	95	283,733	63,371	132,477	28,708	218,161	-	-	-	-	4,285,061
March	company records	For 2010	4,541,936	3,025,377	626,851	37,107	128	100	298,088	66,738	145,977	49,929	291,640	-	-	-	-	4,541,936
April	company records	For 2010	4,800,194	3,139,471	650,117	41,281	133	103	312,443	70,165	159,480	61,841	365,119	-	-	-	-	4,800,194
May	company records	For 2010	5,183,350	3,253,584	673,385	170,387	138	107	326,799	73,472	172,993	73,887	438,598	-	-	-	-	5,183,350
June	company records	For 2010	5,584,048	3,367,699	697,210	307,865	143	111	341,154	76,839	186,506	85,944	512,076	-	-	-	8,700	5,584,048
July	company records	For 2010	5,986,634	3,481,818	720,278	445,709	148	115	355,009	80,265	211,223	98,019	585,013	-	-	-	18,595	5,986,634
August	company records	For 2010	6,400,090	3,595,939	743,545	583,888	154	119	369,864	83,672	224,736	110,093	659,895	-	-	-	28,508	6,400,090
September	company records	For 2010	6,793,483	3,710,062	766,812	723,161	159	123	384,219	86,989	227,045	122,168	734,376	-	-	-	38,436	6,793,483
October	company records	For 2010	7,198,725	3,824,189	790,031	863,124	164	127	398,574	90,306	240,558	134,243	809,052	-	-	-	48,357	7,198,725
November	company records	For 2010	7,607,330	3,938,321	813,353	1,006,545	169	131	412,929	93,673	254,071	146,317	883,527	-	-	-	58,294	7,607,330
December	p219.25.b	For 2010	8,023,973	4,052,453	835,808	1,151,215	31	34	427,284	97,560	267,883	158,408	959,092	7,001	-	-	69,228	8,023,973
23	Transmission Accumulated Depreciation		5,769,049	8,023,973	3,367,735	696,896	419,334	132	103	341,154	76,839	188,239	85,143	513,165	608	-	20,700	5,769,049
Calculation of Distribution Accumulated Depreciation			Link to Appendix A, line 23															
December	Prior year FERC Form 1 p219.26.b	For 2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
January	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
February	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	p219.26.b	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution Accumulated Depreciation			-															
Calculation of Intangible Accumulated Depreciation																		
December	Prior year FERC Form 1 p200.21.b	For 2009	10,295	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	p200.21.b	For 2010	45,527	45,527	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25	Accumulated Intangible Depreciation		22,811	45,527	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Calculation of General Accumulated Depreciation			Link to Appendix A, line 25															
December	Prior year FERC Form 1 p219.28b	For 2009	18,011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	p219.28.b	For 2010	287,202	287,202	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24	Accumulated General Depreciation		148,667	287,202	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Calculation of Production Accumulated Depreciation			Link to Appendix A, line 24															
December	Prior year FERC Form 1 p219.20.b	For 2009	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
January	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
February	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
March	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
April	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
May	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
June	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
July	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
August	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
September	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
October	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
November	company records	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
December	p219.20.b thru 219.24.b	For 2010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Production Accumulated Depreciation			-															
8	Total Accumulated Depreciation	Sum of averages above	5,885,566	8,356,702	-	-	-	-	-	-	-	-	-	-	-	-	-	-
			Link to Appendix A, line 8															

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Electric / Non-electric Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
				Beg of year	End of Year (for estimate)	Average of Beginning and Ending Balances	
40	Materials and Supplies			-	-	-	
37	Transmission Materials & Supplies	p227.8		-	-	-	
	Undistributed Stores Expense	p227.16		-	-	-	
51	Allocated General Expenses	0	p200.4.c	-	-	-	
	Plus Property Under Capital Leases			-	-	-	

Transmission / Non-transmission Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
				Beg of year	End of Year (for estimate)	Average of Beginning and Ending Balances	
34	Transmission Related Land Held for Future Use	Total		-	-	-	Enter Details Here
		Non-transmission Related		-	-	-	
		Transmission Related		-	-	-	

CWIP & Expensed Lease Worksheet

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	CWIP in Form 1 Amount	Expensed Lease in Form 1 Amount	Details
				Beg of year			
6	Plant Allocation Factors			141,655,549	-	-	
	Electric Plant in Service	(Note B)	Attachment 5				
15	Plant In Service			137,773,984	-	-	
	Transmission Plant In Service	(Note B)	Attachment 5				
23	Accumulated Depreciation			3,773,948	-	-	
	Transmission Accumulated Depreciation	(Note B)	Attachment 5				

Pre-Commercial Costs Capitalized

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
				EOY for Estimate and BOY for Final	Amortization Amount (Over 4 Years)	Calculated End of Year Balance	Average of Beginning and Ending Balances (for estimate and reconciliation)
35	Unamortized Capitalized Pre-Commercial Costs			\$ -	\$ -	\$ -	\$ -

EPRI Dues Cost Support

Attachment A Line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Electric Portion	Non-electric Portion	Details
				Beg of year			
58	Allocated General & Common Expenses						
	Less EPRI Dues	(Note D)	p352 & 353				Enter Details Here

Regulatory Expense Related to Transmission Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Transmission Related	Non-transmission Related	Details
62	Directly Assigned A&G						
	Regulatory Commission Exp Account 928	(Note G)	p323.189.b	(530)	(530)	-	Link to Appendix A, line 62 Enter Details Here

Safety Related Advertising Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Safety Related	Non-safety Related	Details
66	Directly Assigned A&G						
	General Advertising Exp Account 930.1	(Note F)	p323.191.b	20,750			Link to Appendix A, line 66 Enter Details Here

MultiState Workpaper

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				State 1	State 2	State 3	State 4	State 5	Details
				MD 8.25%	WV 8.50%	PA 9.99%			
110	Income Tax Rates			Composite	Composite is calculated based on sales, payroll and property for each jurisdiction				
	SIT-State Income Tax Rate or Composite	(Note H)		8.09%					

Education and Out Reach Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions				Form 1 Amount	Education & Outreach	Other	Details
63	Directly Assigned A&G						
	General Advertising Exp Account 930.1	(Note J)	p323.191.b	20,750	20,750	-	Enter Details Here

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Excluded Plant Cost Support

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Excluded Transmission Facilities	Description of the Facilities
126	Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities Excluded Transmission Facilities (Note L) Step-Up Facilities	-	General Description of the Facilities
Instructions:		Enter \$	
1 Remove all investment below 69 kV or generator step up transformers included in transmission plant in service that are not a result of the RTEP Process			
2 If unable to determine the investment below 69kV in a substation with investment of 69 kV and higher as well as below 69 kV, the following formula will be used:		Or	
Example		Enter \$	
A Total investment in substation	1,000,000		
B Identifiable investment in Transmission (provide workpapers)	500,000		
C Identifiable investment in Distribution (provide workpapers)	400,000		
D Amount to be excluded (A x (C / (B + C)))	444,444		

Add more lines if necessary

Prepayments

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Beg. of year	End of Year	Average of Beginning and Ending Balances	Allocation	Transmission Related	Details
36	Prepayments Prepaid Insurance	606,987	160,393	Enter \$ 383,690	100%	Amount 383,690	
Prepaid Pensions if not included in Prepayments		-	0	0	100%	0	
Total Prepayments		606,987	160,393	383,690		383,690	

Detail of Account 566 Miscellaneous Transmission Expenses

Link to Appendix A, line #s, Descriptions, Notes, Form 1 Page #s and Instructions		Total	Summary of Pre-Commercial Expenses
70	Amortization Expense on Pre-Commercial Cost	\$ -	
71	Pre-Commercial Expense	-	
72	Miscellaneous Transmission Expense	\$ 394,142	
Total Account 566 Miscellaneous Transmission Expenses p.321		\$ 394,142	
			Labor & Overhead (1) Miscellaneous (2) Outside Services Legal (3) Outside Services Other (4) Outside Services States (5) Advertising (6) Travel, Lodging and Meals (7) Total
			(1) Labor & overhead amount includes costs allocated to preparation of the preliminary survey and investigation. (2) Miscellaneous amount includes rental of volunteer fire department facilities for open houses, Fed EX fees for various meetings from Legal, Procurement, Transmission & Finance, fees for various conference calls and PJM application fee. (3) Outside legal services includes the cost for research and preparation of the filing to determine incentive rate availability. (4) Other services other includes fees for website development, media relations services, campaign management, open houses and research services. (5) Outside services rates includes the advice of a rate consultant regarding rate design. (6) Advertising includes newspaper and other media announcements of public scoping meetings related to the proposed project. (7) Travel, lodging and meals are the direct expenses for Allegheny staff to attend the scoping meetings.
Net Revenue Requirement			
149	Facility Credits under Section 30.9 of the PJM OATT	-	

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

Depreciation Rates

		Net		Accrual		Annual Depreciation Expense											Total				
		Survivor	Salvage	Rate (Annual)																	
		Life	Curve	Percent	Percent	Black Oak	Wyle Ridge	502 Junction - Territorial Line	500 KV Proxy - 502 Junction	138 KV Proxy - 502 Junction	Meadowbrook Transformer	North Shenandoah	Bedington Transformer	Meadow Brook SS Capacitor	Kammer Transformers	Doubs Replacement Transformer #2	Doubs Replacement Transformer #4	Total			
TRANSMISSION PLANT																					
350.2	Land & Land Rights - Easements	70	-	R4	0	1.40	-	-	8,267.43	-	-	-	-	-	-	-	-	-	8,267.43		
352	Structures & Improvements	50	-	R3	(10)	2.30	-	-	1,460.44	-	-	-	-	-	-	-	-	-	1,460.44		
	SVC	35	-			2.86	-	-	-	-	-	-	-	-	-	-	-	-	-		
353	Station Equipment																				
	Other	50	-	R2	(5)	2.10	15,599.41	279,207.00	873,359.75	(81.39)	(63.26)	172,261.56	40,401.96	162,105.44	108,760.52	886,799.82	7,900.54	68,223.13	2,614,474.48		
	SVC	Note 1	-	80 R2 - 35-yr truncation		2.96	1,353,720.48	-	-	-	-	-	-	-	-	-	-	-	1,353,720.48		
	SCADA	15	-	S3	0	6.67	-	-	-	-	-	-	-	9,479.34	-	-	-	-	9,479.34		
354	Towers & Fixtures	65	-	R4	(25)	1.92	-	-	21,512.90	-	-	-	-	-	-	-	-	-	21,512.90		
355	Poles & Fixtures	55	-	R2.5	(20)	2.18	-	-	-	-	-	-	-	-	-	-	-	-	-		
356	Overhead Conductors & Devices																				
	Other	55	-	R2.5	(40)	2.80	-	-	242,782.04	-	-	-	-	-	-	-	-	-	242,782.04		
	Clearing	70	-	R4	0	1.43	-	-	-	-	-	-	-	-	-	-	-	-	-		
357	Underground conduit	55	-	S3	(5)	1.91	-	-	-	-	-	-	-	-	-	-	-	-	-		
358	Underground conductor and devices	45	-	R3	(5)	2.33	-	-	-	-	-	-	-	-	-	-	-	-	-		
	SVC	35	-			2.86	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Transmission Plant Depreciation							1,369,319.89	279,207.00	1,147,604.56	(81.39)	(63.26)	172,261.56	40,401.96	162,105.44	118,239.86	886,799.82	7,900.54	68,223.13	4,251,919.11		
Total Transmission Depreciation Expense (must tie to p336.7.f)							4,251,919														
Note 1: Depreciation rate is based on an 80 R2 survivor curve with a 35-year truncation.																					
GENERAL PLANT																					
380	Structures & Improvements	50		R1	0	2.00	-	-	-	-	-	-	-	-	-	-	-	-	-	249,191	
391	Office Furniture & Equipment	20		SQ	0	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-	17,441	
	Information Systems	10		SQ	0	10.00	-	-	-	-	-	-	-	-	-	-	-	-	-	578	
	Data Handling	10		SQ	0	10.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
392	Transportation Equipment																				
	Other	15		SQ	20	5.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Autos	7		S3	20	11.43	-	-	-	-	-	-	-	-	-	-	-	-	-	1,655	
	Light Trucks	11.5		L4	20	6.98	-	-	-	-	-	-	-	-	-	-	-	-	-	19,030	
	Medium Truck	11.5		L4	20	6.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Trailers	18		L1	20	4.44	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	ATV	15		SQ	20	5.33	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
393	Stores Equipment	20		SQ	0	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
394	Tools, Shop & Garage Equipment	20		SQ	0	5.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
396	Power Operated Equipment	18		L1	25	4.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
397	Communication Equipment	15		SQ	0	6.67	-	-	-	-	-	-	-	-	-	-	-	-	-	21,260	
398	Miscellaneous Equipment	15		SQ	0	6.67	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total General Plant							309,153														
Total General Plant Depreciation Expense (must tie to p336.10.b & c)							309,153														
INTANGIBLE PLANT																					
303	Miscellaneous Intangible Plant	5		SQ	0	20.00	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,270.60
Total Intangible Plant							3,270.60														
Total Intangible Plant Amortization (must tie to p336.1 d & e)							3,271														

These depreciation rates will not change absent the appropriate filing at FERC.

Trans-Allegheny Interstate Line Company

Attachment 5 - Cost Support

PBOP Expenses

1	Total PBOP expenses	22,856,433
2	Amount relating to retired personnel	8,786,372
3	Amount allocated on FTEs	14,070,061
4	Number of FTEs for Allegheny	4,408
5	Cost per FTE	3,192
6	TRAILCo FTEs (labor not capitalized) current year	36,750
7	TRAILCo PBOP Expense for base year	114,096
8	TRAILCo PBOP Expense in Account 926 for current year	125,359
9	PBOP Adjustment for Appendix A, Line 57	(11,263)
Lines 1-6 cannot change absent approval or acceptance by FERC in a separate proceeding.		

Trans-Allegheny Interstate Line Company

Attachment 5a - Pre-Commercial Costs and CWIP

Step 1 Totals reported below are by project with the amounts to be expensed reported separately from those to be deferred and amortized (note, deferred costs related to 2006 include AFUDC).

For Forecasting purposes, Pre-Commercial expenses will be estimated. Total deferred and amortized Pre-commercial costs will be the actual amount agreeing to FERC Form 1 and Attachment 5.

Step 2 For each project, where CWIP is to be recovered in rate base, CWIP will be estimated and the totals reported below by project. For the Reconciliation, for each project where CWIP is to be recovered in rate base the CWIP will be itemized by project below. Additionally, the amount of AFUDC that would have been capitalized for projects where CWIP is included in rate base will be reported in the FERC Form No. 1.

Step 3 For the Reconciliation, the total additions to plant in service for that year will be summarized by project to demonstrate no Pre-Commercial costs expensed were included in the additions to plant in service and AFUDC on projects where C was recovered in rate base was included in the additions to plant in service. The Pre-commercial expenses are actual expenses incurred for the reconciliation year. Total deferred and amortized Pre-commercial costs will be the actual amount agreeing to FERC Form 1 and Attachment 5.

Column A	Column B	Column C	Column D	Column E	Column F	Column G
	Pre-Commercial Costs			CWIP		
	Expensed (Estimated)	Deferred	Amount of Deferred Amortized in Year	Average of 13 Monthly Balances		
Step 1 For Estimate:						
Prexy - 502 Junction 138 kV (CWIP)	-	-	-	-		
Prexy - 502 Junction 500 kV (CWIP)	-	-	-	-		
502 Junction - Territorial Line (CWIP)	-	-	-	937,980,207		
Total	-	-	-	937,980,207		
Step 3 For Reconciliation:						
	Pre-Commercial Costs					
	Expensed (Actual)	Deferred	Amount of Deferred Amortized in Year			
Prexy - 502 Junction 138 kV (CWIP)						
1	-	-	-			
2	-	-	-			
3	-	-	-			
4	-	-	-			
...						
Total	-	-	-			
Prexy - 502 Junction 500 kV (CWIP)						
1	-	-	-			
2	-	-	-			
3	-	-	-			
4	-	-	-			
...						
Total	-	-	-			
502 Junction - Territorial Line (CWIP)						
1	-	-	-			
2	-	-	-			
3	-	-	-			
4	-	-	-			
...						
Total	-	-	-			
Total Additions to Plant In Service (sum of the above for each project)	Refer to Attachment 5 - Cost Support Plant in Service Worksheet					
Total Additions to Plant in Service reported on pages 204-207 of the Form No. 1	Refer to Attachment 5 - Cost Support Plant in Service Worksheet					
Difference (must be zero)						

Notes:
 1 Small projects may be combined into larger projects where rate treatment is consistent. Pre-Commercial costs benefiting multiple projects will be allocated to projects based on the estimated plant in service of each project.

Allocation of Pre-Commercial Costs	Plant in Service (Estimated 2/12/2008)	Allocation
Prexy - 502 Junction 138 kV (CWIP)	94,140,000	0.10734
Prexy - 502 Junction 500 kV (CWIP)	121,260,000	0.13827
502 Junction - Territorial Line (CWIP)	661,600,000	0.75439
Total	877,000,000	1.00000

2 Column D is the total CWIP balance including any AFUDC, Column E is the AFUDC if any in Column D, and Column F is the AFUDC that would have been in Column E if CWIP were not recovered in rate base.

Trans-Allegheny Interstate Line Company
Attachment 6 - Estimate and Reconciliation Worksheet

Step	Month	Year	Action
Exec Summary			
1	April	Year 2	TO populates the formula with Year 1 data
2	April	Year 2	TO estimates all transmission Cap Adds and CWIP for Year 2 based on each project's cost using the average of 13 monthly balances. Cap Adds are the projects expected to be in service in Year 2.
3	April	Year 2	TO adds Cap Adds and CWIP to plant in service in Formula (Appendix A, Lines 16 and 33)
4	May	Year 2	Post results of Step 3 on PJM web site
5	June	Year 2	Results of Step 3 go into effect
6	April	Year 3	TO estimates all transmission Cap Adds and CWIP during Year 3 based each project's cost using the average of 13 monthly balances. Cap Adds are expected to be in service in Year 3.
7	April	Year 3	Reconciliation - TO calculates Reconciliation by populating the 13 monthly plant balances and beginning and end of year balances for the other rate base items and the 13 monthly averages for CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year).
8	April	Year 3	Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Step 5 with interest to the result of Step 7 (this difference is also added to Step 7 in the subsequent year)
9	May	Year 3	Post results of Step 8 on PJM web site
10	June	Year 3	Results of Step 8 go into effect

Reconciliation Details

1	April	Year 2	TO populates the formula with Year 1 data Rev Req based on Year 1 data	Must run Appendix A to get this number (without any cap adds in Appendix A line 16 and without CWIP in Appendix A line 33)
2	April	Year 2	TO estimates all transmission Cap Adds and CWIP for Year 2 based on each project's cost using the average of 13 monthly balances. Cap Adds are the projects expected to be in service in Year 2.	

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		Doubs Transformer #4 (monthly additions)	Meadow Brook SS Capacitor (monthly additions)	Bedington (monthly additions)	Kammer (monthly additions)	Black Oak (monthly additions)	502 Junction - Territorial Line (monthly additions)	500 kV Prexy - 502 Junction (monthly additions)	138 kV Prexy - 502 Junction (monthly additions)
		(in service)	(in service)	(in service)	(in service)	(in service)	CWIP	CWIP	CWIP
Dec (Prior Year CWIP) p216.b.43	Actual	-	-	-	-	-	550,957,894	9,755,230	12,230,784
Jan 2010	Actual	-	193,561	199	(564)	448	30,629,759	396	648
Feb	Actual	-	(82,700)	75	59	168	40,246,923	7,086	6,881
Mar	Actual	-	84,239	1,663	-	6,942	49,067,580	9,734	6,989
Apr	Actual	-	6,548	5,735	-	10,828	40,168,805	8,574	6,964
May	Budget	-	-	-	1,422,505	31,614	35,104,182	-	-
Jun	Budget	5,299,034	-	-	-	-	39,855,100	-	-
Jul	Budget	36,962	-	-	-	-	19,559,015	-	-
Aug	Budget	-	-	-	-	-	14,807,850	-	-
Sep	Budget	-	-	-	-	-	7,917,838	-	-
Oct	Budget	-	-	-	-	-	5,060,466	-	-
Nov	Budget	-	-	-	-	-	4,298,730	-	-
Dec	Budget	-	-	-	-	-	4,390,118	-	-
Total		5,335,997	201,648	7,672	1,422,000	50,000	842,064,260	9,781,020	12,252,266

Month End Balances									
Other Projects PIS (Monthly additions)	Doubs Transformer #4 (monthly additions)	Meadow Brook SS Capacitor (monthly additions)	Bedington (monthly additions)	Kammer (monthly additions)	Black Oak (monthly additions)	502 Junction - Territorial Line (monthly additions)	500 kV Prexy - 502 Junction (monthly additions)	138 kV Prexy - 502 Junction (monthly additions)	
(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	(in service)	CWIP
-	-	-	-	-	-	550,957,894	9,755,230	12,230,784	
-	193,561	199	(564)	448	581,587,653	9,755,626	12,231,433		
-	110,861	274	(505)	616	621,834,575	9,762,712	12,238,313		
-	195,100	1,937	(505)	7,558	670,902,156	9,772,446	12,245,302		
-	201,648	7,672	(505)	18,386	711,070,961	9,781,020	12,252,266		
-	201,648	7,672	1,422,000	50,000	746,175,143	9,781,020	12,252,266		
5,299,034	201,648	7,672	1,422,000	50,000	786,030,243	9,781,020	12,252,266		
5,335,997	201,648	7,672	1,422,000	50,000	805,589,258	9,781,020	12,252,266		
5,335,997	201,648	7,672	1,422,000	50,000	820,397,108	9,781,020	12,252,266		
5,335,997	201,648	7,672	1,422,000	50,000	828,314,946	9,781,020	12,252,266		
5,335,997	201,648	7,672	1,422,000	50,000	833,375,412	9,781,020	12,252,266		
5,335,997	201,648	7,672	1,422,000	50,000	837,674,142	9,781,020	12,252,266		
5,335,997	201,648	7,672	1,422,000	50,000	842,064,260	9,781,020	12,252,266		
37,315,015	2,314,354	71,460	11,373,920	427,008	9,635,973,753	127,075,196	159,216,227		
(Appendix A, Line 16)	(Appendix A, Line 16)	(Appendix A, Line 16)	(Appendix A, Line 16)	(Appendix A, Line 33)	(Appendix A, Line 33)	(Appendix A, Line 33)	(Appendix A, Line 33)		
2,870,386	178,027	5,497	874,917	32,847	741,228,750	9,775,015	12,247,402		

3	April	Year 2	TO adds Cap Adds and CWIP to plant in service in Formula (Appendix A, Lines 16 and 33)
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	Doubs Transformer #2 (Monthly additions)	Doubs Transformer #4 (Monthly additions)	Meadow Brook SS Capacitor (Monthly additions)	Bedington Transformer (Monthly additions)	Kammer Transformers (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shenandoah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	500 kV Prexy - 502 Junction (Monthly additions)	138 kV Prexy - 502 Junction (Monthly additions)
Total Revenue Requirement	\$ 131,758,700	388,458	890,564	1,135,906	5,862,392	1,283,972	309,340	7,685,069	2,002,955	108,853,463	1,486,624	1,859,956

5	June	Year 2	Results of Step 3 go into effect
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6 April Year 3

TO estimates all transmission Cap Adds and CWIP during Year 3 based each project's cost using the average of 13 monthly balances. Cap Adds are expected be in service in Year 3.

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
		Doubs Transformer #3 (monthly additions) (in service)	Cabol SS Transformer (in service)	Wylie Ridge Replace Transformer (in service)			502 Junction - Territorial Line (monthly additions) CWIP	500 kV Prexy - 502 Junction (monthly additions) CWIP	138 kV Prexy - 502 Junction (monthly additions) CWIP
Dec (Prior Year CWIP) p216.b.43	Actual	-	-	-	-	-	883,183,797	-	-
Jan 2011	Actual	-	-	-	-	-	24,022,753	-	-
Feb	Actual	-	-	-	-	-	8,321,933	-	-
Mar	Actual	-	-	-	-	-	7,148,372	-	-
Apr	Actual	-	-	-	-	-	4,388,172	-	-
May	Budget	-	-	-	-	-	16,171,278	-	-
Jun	Budget	4,479,647	-	4,654,117	-	-	4,803,284	4,654,117	-
Jul	Budget	540,110	-	26,453	-	-	3,534,155	4,680,570	-
Aug	Budget	-	6,919,343	-	-	-	2,987,820	4,680,570	-
Sep	Budget	-	20,320	-	-	-	2,668,772	4,680,570	-
Oct	Budget	-	-	-	-	-	2,500,868	4,680,570	-
Nov	Budget	-	-	-	-	-	2,135,670	4,680,570	-
Dec	Budget	-	-	-	-	-	(24,510)	4,680,570	-
Total		5,019,756	6,939,663	4,680,570	-	-	961,842,364	-	-
New Transmission Plant Additions for Year 3 (13 month average balance)									

Month End Balances									
Other Projects PIS (Monthly additions)	Doubs Transformer #3 (monthly additions)	Cabol SS Transformer (monthly additions)	Wylie Ridge Replace Transformer (in service)			502 Junction - Territorial Line (monthly additions) CWIP	500 kV Prexy - 502 Junction (monthly additions) CWIP	138 kV Prexy - 502 Junction (monthly additions) CWIP	
-	-	-	-	-	-	883,183,797	-	-	-
-	-	-	-	-	-	907,206,550	-	-	-
-	-	-	-	-	-	915,528,483	-	-	-
-	-	-	-	-	-	922,676,856	-	-	-
-	-	-	-	-	-	927,065,027	-	-	-
-	-	-	-	-	-	943,236,305	-	-	-
-	4,479,647	-	4,654,117	-	-	948,039,589	-	-	-
-	5,019,756	-	4,680,570	-	-	951,573,744	-	-	-
-	5,019,756	6,919,343	4,680,570	-	-	954,561,564	-	-	-
-	5,019,756	6,939,663	4,680,570	-	-	957,230,336	-	-	-
-	5,019,756	6,939,663	4,680,570	-	-	959,731,204	-	-	-
-	5,019,756	6,939,663	4,680,570	-	-	961,866,874	-	-	-
-	5,019,756	6,939,663	4,680,570	-	-	961,842,364	-	-	-
-	34,598,185	34,677,994	32,737,538	-	-	12,193,742,697	-	-	-
-	2,661,399	2,667,538	2,518,272	-	-	937,980,207	-	-	-

Total Revenue Requirement	Cabol SS Transformer	Doubs Transformer #2 (Monthly additions)	Doubs Transformer #3 (Monthly additions)	Doubs Transformer #4 (Monthly additions)	Meadow Brook SS Capacitor (Monthly additions)	Bedington Transformer (Monthly additions)	Kammer Transformers (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shenandoah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	500 kV Prexy - 502 Junction (Monthly additions)	138 kV Prexy - 502 Junction (Monthly additions)
\$ 147,507,322	312,357	536,994	311,638	724,732	860,372	1,034,946	5,757,910	1,082,756	254,320	6,637,954	2,033,069	127,960,426	(85)	(66)

7 April Year 3

Reconciliation - TO calculates Reconciliation by populating the 13 monthly plant balances and beginning and end of year balances for the other rate base items and the 13 monthly averages for CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year).

	(A)	(B)	(C)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
		Doubs Transformer #4 (monthly additions) (in service)	Doubs Transformer #2 (monthly additions) (in service)	Meadow Brook SS Capacitor (Monthly additions) (in service)	Bedington Transformer (Monthly additions) (in service)	Kammer Transformers (Monthly additions) (in service)	Black Oak (monthly additions) (in service)	502 Junction - Territorial Line (monthly additions) CWIP	500 kV Prexy - 502 Junction (monthly additions) CWIP	138 kV Prexy - 502 Junction (monthly additions) CWIP
Jan 2010	Actual	-	-	-	-	-	-	550,957,894	9,755,230	12,230,784
Feb	Actual	-	-	-	-	-	-	30,627,293	396	64
Mar	Actual	-	-	-	-	-	-	40,246,923	7,086	6,881
Apr	Actual	-	-	-	-	-	-	48,968,873	9,734	6,988
May	Actual	-	-	-	-	-	-	(29,810,580)	8,574	6,964
Jun	Actual	-	-	-	-	-	-	34,965,355	(10,939)	(7,918)
Jul	Actual	-	-	-	-	-	-	36,960,713	-	-
Aug	Actual	-	-	-	-	-	-	35,634,099	(4,563)	(3,707)
Sep	Actual	-	-	-	-	-	-	40,715,297	(331,930)	(136,602)
Oct	Actual	-	-	-	-	-	-	27,800,072	(584)	(531)
Nov	Actual	-	-	-	-	-	-	24,091,655	-	-
Dec	Actual	-	-	-	-	-	-	25,233,168	(9,433,004)	(12,103,509)
Total		-	-	-	-	-	-	883,183,797	(0)	(0)
Average 13 Month Balance										

Month End Balances									
Other Projects PIS (Monthly additions)	Doubs Transformer #4 (monthly additions)	Doubs Transformer #2 (monthly additions)	Kammer Transformers (monthly additions)	Black Oak (monthly additions)	502 Junction - Territorial Line (monthly balance) CWIP	500 kV Prexy - 502 Junction (monthly balance) CWIP	138 kV Prexy - 502 Junction (monthly balance) CWIP		
-	-	-	-	-	550,957,894	9,755,230	12,230,784	-	-
-	-	-	-	-	581,585,187	9,755,626	12,231,433	-	-
-	-	-	-	-	621,832,109	9,762,712	12,238,313	-	-
-	-	-	-	-	670,800,982	9,772,446	12,245,302	-	-
-	-	-	-	-	640,990,402	9,781,020	12,252,266	-	-
-	-	-	-	-	675,955,757	9,770,081	12,244,348	-	-
-	-	-	-	-	712,916,470	9,770,081	12,244,348	-	-
-	-	-	-	-	748,550,569	9,765,518	12,240,642	-	-
-	-	-	-	-	789,265,866	9,433,588	12,104,040	-	-
-	-	-	-	-	817,065,938	9,433,004	12,103,509	-	-
-	-	-	-	-	841,157,593	9,433,004	12,103,509	-	-
-	-	-	-	-	866,390,761	-	(0)	-	-
-	-	-	-	-	883,183,797	-	(0)	-	-
-	-	-	-	-	9,400,653,326	106,432,311	134,238,494	-	-
-	-	-	-	-	723,127,179	8,187,101	10,326,038	-	-

Result of Formula for Reconciliation

Total Revenue Requirement	Doubs Transformer #4 (monthly additions)	Doubs Transformer #2 (monthly additions)	Meadow Brook SS Capacitor (Monthly additions)	Bedington Transformer (Monthly additions)	Kammer Transformers (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shenandoah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	500 kV Prexy - 502 Junction (Monthly additions)	138 kV Prexy - 502 Junction (Monthly additions)
\$ 134,216,898.55	99,312	517,437	957,974	1,152,879	6,378,000	1,206,519	283,392	7,413,997	1,936,626	111,515,713	1,223,709	1,531,340

8 April Year 3

Reconciliation - TO adds the difference between the Reconciliation in Step 7 and the forecast in Step 5 with interest to the result of Step 7 (this difference is also added to Step 7 in the subsequent year)

The Reconciliation in Step 8		The forecast in Prior Year				
134,216,899		131,758,700		2,458,198	2,458,198	<Note: for the first rate year, divide this reconciliation amount by 12 and multiply by the number of months and fractional months the rate was in effect.

Interest on Amount of Refunds or Surcharges		0.2700%				
Interest 35.19a for March Current Yr		1/12 of Step 9		Interest 35.19a for March Current Yr		
Month	Yr			Months	Interest	Surcharge (Refund) Owed
Jun	Year 1	204,850	0.2700%	11.5	6,361	211,210
Jul	Year 1	204,850	0.2700%	10.5	5,807	210,657
Aug	Year 1	204,850	0.2700%	9.5	5,254	210,104
Sep	Year 1	204,850	0.2700%	8.5	4,701	209,551
Oct	Year 1	204,850	0.2700%	7.5	4,148	208,998
Nov	Year 1	204,850	0.2700%	6.5	3,595	208,445
Dec	Year 1	204,850	0.2700%	5.5	3,042	207,892
Jan	Year 2	204,850	0.2700%	4.5	2,489	207,339
Feb	Year 2	204,850	0.2700%	3.5	1,936	206,786
Mar	Year 2	204,850	0.2700%	2.5	1,383	206,233
Apr	Year 2	204,850	0.2700%	1.5	830	205,680
May	Year 2	204,850	0.2700%	0.5	277	205,126
Total		2,458,198				2,498,021

	Balance	Interest	Amort	Balance
Jun	2,498,021	0.2700%	211,840	2,292,926
Jul	2,292,926	0.2700%	211,840	2,087,277
Aug	2,087,277	0.2700%	211,840	1,881,073
Sep	1,881,073	0.2700%	211,840	1,674,312
Oct	1,674,312	0.2700%	211,840	1,466,993
Nov	1,466,993	0.2700%	211,840	1,259,114
Dec	1,259,114	0.2700%	211,840	1,050,674
Jan	1,050,674	0.2700%	211,840	841,670
Feb	841,670	0.2700%	211,840	632,103
Mar	632,103	0.2700%	211,840	421,970
Apr	421,970	0.2700%	211,840	211,269
May	211,269	0.2700%	211,840	(0)
Total with interest			2,542,078	

The difference between the Reconciliation in Step 8 and the forecast in Prior Year with interest: 2,542,078 Input to Appendix A, Line 147

Rev Req based on Year 2 data with estimated Cap Adds for Year 3 (Step 8): \$ 147,507,322

Revenue Requirement for Year 3: 150,049,400

Reconciliation Amount by Project												
Total Revenue Requirement	Doubs Transformer #2 (monthly additions)	Doubs Transformer #4 (monthly additions)	Meadow Brook SS Capacitor (Monthly additions)	Bedington Transformer (Monthly additions)	Kammer Transformers (Monthly additions)	Meadowbrook Transformer (Monthly additions)	North Shenandoah (Monthly additions)	Black Oak (Monthly additions)	Wylie Ridge (Monthly additions)	502 Junction - Territorial Line (Monthly additions)	500 kV Prexy - 502 Junction (Monthly additions)	138 kV Prexy - 502 Junction (Monthly additions)
\$ 2,542,078.29	102,700	133,380	69,711	17,553	533,201	(80,096)	(26,833)	(280,322)	(68,593)	2,753,092	(271,886)	(339,829)

\$ 2,542,078

9 May Year 3

Post results of Step 8 on PJM web site
\$ 150,049,400

10 June Year 3

Results of Step 8 go into effect
\$ 150,049,400

Trans-Allegheny Interstate Line Company
Attachment 7 - Transmission Enhancement Charge Worksheet

Revenue Requirement By Project

Fixed Charge Rate (FCR) if not a CIAC			
	Formula Line		
A	137	FCR without Depreciation and Pre-Commercial Costs	11.7096%
B	145	FCR with Incentive ROE without Depreciation and Pre-Commercial	12.3823%
C		Line B less Line A	0.6728%
FCR if a CIAC			
D	138	FCR without Depreciation, Return, nor Income Taxes	0.9037%

The FCR resulting from Formula in a given year is used for that year only.
Therefore actual revenues collected in a year do not change based on cost data for subsequent years

		PJM Upgrade ID: b0321.2; b0321.3					PJM Upgrade ID: b0321.1						
		Prexy - 502 Junction 138 kV (CWIP + Plant In Service)					Prexy - 502 Junction 500 kV (CWIP+ Plant In Service)						
10	Details												
11	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"	Schedule 12 (Yes or No)	Yes				Yes						
12	"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"	CIAC (Yes or No)	No				No						
13	Input the allowed ROE	Allowed ROE	12.70%				12.70%						
14	From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12	FCR without Incentive ROE	11.7096%				11.7096%						
15	If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%, then line 3, and if line 12 is "Yes" then line 7	FCR for This Project	12.3823%				12.3823%						
16	forecast of CWIP or Cap Adds.	Investment	(24)				(31)						
17	reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.		(63)				(81)						
	Annual Depreciation Exp from Attachment 5												
			Reconciliation						Reconciliation				
18		Invest Yr	Return	Depreciation	Pre-Commercial Exp.	Reconciliation Amount	Revenue	Return	Depreciation	Pre-Commercial Exp.	Reconciliation amount	Revenue	
19	See Calculations for each item below	2009	(2.85)	(63.26)	0.00	(339,828.79)	(339,894.90)	(3.66)	(81.39)	0.00	(271,886.19)	(271,971.24)	
20	See Calculations for each item below	2009	(3.01)	(63.26)	0.00	(339,828.79)	(339,895.06)	(3.87)	(81.39)	0.00	(271,886.19)	(271,971.45)	

For Plant in Service
"Pre-Commercial Exp" is equal to the amount of pre-commercial expense on Attachment 5a for each project expensed in year and amortized in year.
Revenue is equal to the "Return" ("Investment" times FCR) plus "Depreciation" plus "Pre-Commercial Exp" plus prior year "Reconciliation amount"
"Reconciliation Amount" is created in the reconciliation in Attachment 6 and included in the forecasted revenue requirement.

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	PJM Upgrade ID: b0328.2; b0347.1; b0347.2; b0347.3; b0347.4					PJM Upgrade ID: b0218				PJM Upgrade ID: b0216			
10	502 Junction - Territorial Line (CWIP + Plant In Service)					Wylie Ridge Transformer (Plant In Service)				Black Oak (SVC) Dynamic Reactive Device (Plant In Service)			
11	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"					Yes				Yes			
12	"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"					No				No			
13	Input the allowed ROE					11.70%				12.70%			
14	From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12					11.7096%				11.7096%			
15	If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%, then line 3, and if line 12 is "Yes" then line 7					11.7096%				12.3823%			
16	forecast of CWIP or Cap Adds. reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.					1,024,142,707				42,549,590			
17	Annual Depreciation Exp from Attachment 5					1,147,605				279,207			
18	Return	Depreciation	Pre-Commercial Exp.	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue
19	119,922,648.28	1,147,604.56	0.00	2,753,092.35	123,823,345.19	1,753,862.02	279,207.00	(68,592.67)	1,964,476.35	4,982,371.61	1,369,319.89	(280,321.69)	6,071,369.81
20	126,812,821.08	1,147,604.56	0.00	2,753,092.35	130,713,517.99	1,753,862.02	279,207.00	(68,592.67)	1,964,476.35	5,268,634.48	1,369,319.89	(280,321.69)	6,357,632.68

For Plant in Service

Pre-Commercial Exp is equal to the amount of pre-comme
 Revenue is equal to the *Return* ("Investment" times FCR)
 Reconciliation Amount is created in the reconciliation in At

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 11 "Yes" if a project under PJM OATT Schedule 12, otherwise
 "No"
 12 "Yes" if the customer has paid a lump sum payment in the
 amount of the investment on line 29, Otherwise "No"
 13 Input the allowed ROE
 14 From line 3 above if "No" on line 12 and From line 7 above
 if "Yes" on line 12
 15 If line 13 equals 12.7%, then line 4, if line 13 equals 11.7%
 then line 3, and if line 12 is "Yes" then line 7
 16 forecast of CWIP or Cap Adds.
 reconciliation – Average of 13 month prior year net plant
 balances plus prior year 13-mo CWIP balances.
 17 Annual Depreciation Exp from Attachment 5
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 19 See Calculations for each item below
 20 See Calculations for each item below

	PJM Upgrade ID: b0323				PJM Upgrade ID: b0230				PJM Upgrade ID: b0559			
	North Shenandoah Transformer (Plant In Service)				Meadowbrook Transformer (Plant In Service)				Meadow Brook SS Capacitor (Plant In Service)			
	Yes				Yes				Yes			
	No	11.70%			No	11.70%			No	11.70%		
		11.7096%				11.7096%				11.7096%		
		11.7096%				11.7096%				11.7096%		
		1,826,862				7,775,649				6,337,831.81		
		40,402				172,262				118,240		
	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue
	213,917.59	40,401.96	(26,833.31)	227,486.24	910,494.67	172,261.56	(80,095.78)	1,002,660.45	742,132.49	118,239.86	69,710.65	930,082.99
	213,917.59	40,401.96	(26,833.31)	227,486.24	910,494.67	172,261.56	(80,095.78)	1,002,660.45	742,132.49	118,239.86	69,710.65	930,082.99

For Plant in Service
 "Pre-Commercial Exp" is equal to the amount of pre-comme
 Revenue is equal to the "Return" ("Investment" times FCR)
 "Reconciliation Amount" is created in the reconciliation in At

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	PJM Upgrade ID: b0229				PJM Upgrade ID: b0495				PJM Upgrade ID: b0345			
	Bedington Transformer (Plant In Service)				Kammer Transformers (Plant In Service)				Doubs Transformer #2 (Plant In Service)			
11	"Yes" if a project under PJM OATT Schedule 12, otherwise "No"				"Yes" if a project under PJM OATT Schedule 12, otherwise "No"				"Yes" if a project under PJM OATT Schedule 12, otherwise "No"			
12	"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"				"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"				"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"			
13	Input the allowed ROE				Input the allowed ROE				Input the allowed ROE			
14	From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12				From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12				From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12			
15	If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7				If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7				If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7			
16	forecast of CWIP or Cap Adds.				forecast of CWIP or Cap Adds.				forecast of CWIP or Cap Adds.			
17	reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.				reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.				reconciliation – Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.			
	Annual Depreciation Exp from Attachment 5				Annual Depreciation Exp from Attachment 5				Annual Depreciation Exp from Attachment 5			
	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue
18	872,840.15	162,105.44	17,552.68	1,052,498.27	4,871,110.18	886,799.82	533,201.06	6,291,111.05	529,093.43	7,900.54	102,700.48	639,694.45
19	872,840.15	162,105.44	17,552.68	1,052,498.27	4,871,110.18	886,799.82	533,201.06	6,291,111.05	529,093.43	7,900.54	102,700.48	639,694.45
20	872,840.15	162,105.44	17,552.68	1,052,498.27	4,871,110.18	886,799.82	533,201.06	6,291,111.05	529,093.43	7,900.54	102,700.48	639,694.45

For Plant in Service
"Pre-Commercial Exp" is equal to the amount of pre-comme
Revenue is equal to the "Return" ("Investment" times FCR)
"Reconciliation Amount" is created in the reconciliation in At

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PJM Upgrade ID: b0344				PJM Upgrade ID: b0345				PJM Upgrade ID: b0704						
Doubt Transformer #3				Doubt Transformer #4 (Plant In Service)				Cabot SS Transformer						
"Yes" if a project under PJM OATT Schedule 12, otherwise "No"				"Yes" if a project under PJM OATT Schedule 12, otherwise "No"				"Yes" if a project under PJM OATT Schedule 12, otherwise "No"						
"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"				"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"				"Yes" if the customer has paid a lump sum payment in the amount of the investment on line 29, Otherwise "No"						
Input the allowed ROE				Input the allowed ROE				Input the allowed ROE						
From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12				From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12				From line 3 above if "No" on line 12 and From line 7 above if "Yes" on line 12						
If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7				If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7				If line 13 equals 12.7%, then line 4, if line 13 equals 11.7% then line 3, and if line 12 is "Yes" then line 7						
forecast of CWIP or Cap Adds.				forecast of CWIP or Cap Adds.				forecast of CWIP or Cap Adds.						
reconciliation - Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.				reconciliation - Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.				reconciliation - Average of 13 month prior year net plant balances plus prior year 13-mo CWIP balances.						
Annual Depreciation Exp from Attachment 5				Annual Depreciation Exp from Attachment 5				Annual Depreciation Exp from Attachment 5						
Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Return	Depreciation	Reconciliation Amount	Revenue	Total	Incentive Charged	Revenue Credit
311,638.21	0.00	0.00	311,638.21	656,508.53	68,223.13	133,379.51	858,111.18	312,357.08	0.00	0.00	312,357.08	142,872,965.13	150,049,400.43	142,872,965.13
311,638.21	0.00	0.00	311,638.21	656,508.53	68,223.13	133,379.51	858,111.18	312,357.08	0.00	0.00	312,357.08	150,049,400.43	150,049,400.43	142,872,965.13

7,176,435.30
Ax A Line 150

For Plant in Service

"Pre-Commercial Exp" is equal to the amount of pre-comme
Revenue is equal to the "Return" ("Investment" times FCR)
"Reconciliation Amount" is created in the reconciliation in At

Template for Annual Information Filings with Formula Rate Debt Cost Disclosure and True-Up
Attachment 8, page 1, Table 1 and 2
Template for Annual Information Filings with Formula Rate Debt Cost Disclosure and True-Up

TABLE 1: Summary Cost of Long Term Debt

CALCULATION OF COST OF DEBT/Hypothetical Example

YEAR ENDED		12/31/2014									
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
	t=N	Issue Date	Maturity Date	ORIGINAL ISSUANCE	Net Proceeds At Issuance	Net Amount Outstanding at t=N	Months Outstanding at t=N	Average Net Outstanding in Year* z*	Weighted Outstanding Ratios	Effective Cost Rate (Tables 2 and 3)	Weighted Debt Cost at t = N (h) * (i)
Long Term Debt Cost at Year Ended:											
<u>First Mortgage Bonds:</u>											
(1)	7.09%, Debenture Description, Series, Name of Issuer	1/1/2014	8/31/2030	\$ 300,000,000	\$ 294,600,000	\$ 295,000,000	12	\$ 295,156,250	66.23%	7.324%	4.8506%
(2)	Coupon rate, Debenture Description, Series, Name of Issuer	1/1/2014	6/30/2025								
<u>Other Long Term Debt:</u>											
(3)	6.6%, Medium Term Notes, Series, Name of Issuer	04/01/2014	06/30/2024	\$ 200,000,000	\$ 198,000,000	\$ 150,000,000	9	\$ 150,200,000	33.70%	6.735%	2.2697%
(4)	\$1,000,000 variable rate LT Credit Line Drawdown, 6.59% (2014 Interest Rate), Series, Name of Issuer	xx/xx/xxxx	xx/xx/xxxx	na	na	\$ 359,000	12	\$ 320,000	0.07%	6.590%	0.0047%
Total				\$ 500,000,000		\$ 445,359,000		\$ 445,676,250	100.000%		7.13% **

t = time
The current portion of long term debt is included in the Net Amount Outstanding at t = N in these calculations.
The outstanding amount (column (e)) for debt retired during the year is the outstanding amount at the last month it was outstanding.
* z = Average of monthly balances for months outstanding during the year (average of the balances for the 12 months of the year, with zero in months that the issuance is not outstanding in a month).
Interim (individual debenture) debt cost calculations shall be taken to four decimals in percentages (7.2300%, 5.2582%); Final Total Weighted Average Debt Cost for the Formula Rate shall be rounded to two decimals of a percent (7.03%).
** This Total Weighted Average Debt Cost will be shown on Line 101 of formula rate Appendix A.

TABLE 2: Effective Cost Rates For Traditional Front-Loaded Debt Issuances:

YEAR ENDED		12/31/2014												
	(aa)	(bb)	(cc)	(dd)	(ee)	(ff)	(gg)	(hh)	(ii)	(jj)	(kk)	(ll)		
	Affiliate	Issue Date	Maturity Date	Amount Issued	(Discount) Premium at Issuance	Issuance Expense	Loss/Gain on Reacquired Debt	Less Related ADIT (Attachment 1)	Net Proceeds	Net Proceeds Ratio	Coupon Rate	Annual Interest	Effective Cost Rate* (Yield to Maturity at Issuance, t = 0)	
<u>Long Term Debt Issuances:</u>														
<u>First Mortgage Bonds</u>														
(1)	7.09%, Debenture Description, Series, Name of Issuer	No	1/1/2014	6/30/2025	\$ 300,000,000	\$ (2,400,000)	\$ 3,000,000	-	xxx	\$ 294,600,000	98.2000	0.07090	\$ 21,270,000	7.324%
(2)	Coupon rate, Debenture Description, Series, Name of Issuer	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xx.xxxx
<u>Other Long Term Debt:</u>														
(3)	6.6%, Medium Term Notes, Series, Name of Issuer	No	4/1/2014	06/30/2024	200,000,000		2,000,000		xxx	\$ 198,000,000	99.0000	0.06600	13,200,000	6.735%
TOTALS				\$ 500,000,000	(2,400,000)	\$ 5,000,000	-	xxx	\$ 492,600,000			\$ 34,470,000		

* YTM at issuance calculated from an acceptable bond table or from YTM = Internal Rate of Return (IRR) calculation
Effective Cost Rate of Individual Debenture (YTM at issuance); the t=0 Cashflow Q equals Net Proceeds column (gg); Semi-annual (or other) interest cashflows (G₁, C₀₂, etc.).

Trans-Allegheny Interstate Line Company

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology

TRAILCo anticipates its financing will be a 7 year loan, where by TRAILCo pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TRAILCo will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TRAILCo will true up the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment.

Total Loan Amount	\$ 900,000,000
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Internal Rate of Return ¹	4.894132%
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Based on following Financial Formula²:

$$NPV = 0 = \sum_{t=1}^N \frac{C_t}{(1+IRR)^{pwr(t)}}$$

Origination Fees	7,780,954
Origination Fees	15,125
Addition Origination Fees	
Total Issuance Expense	<u>7,796,079</u>

Revolving Credit Commitment Fee	New Borrowing	Old Borrowing
Revolving Credit Commitment Fee	0.005	0.0050
Revolving Credit Commitment Fee		0.0037

	2008	2008	2008	2008	2009	2010	2011	2012	2013	2014	2015
LIBOR Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Spread											
Interest Rate	6.13%	3.86%	4.05%	4.34%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Bond \$200M Interest Rate						4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revolver Interest Rate	\$ 450,000,000	Draw 1	DONE			3.249%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 2, 3, 4	DONE			3.247%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 5	DONE			3.251%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 6	DONE - Roll over Draw 1 and 4			3.316%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 7	DONE			3.361%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 8	DONE - Roll over Draw 2, 3 and 5			3.422%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 9	DONE			3.417%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 10	DONE			3.348%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 11	DONE - Roll over Draw 6 and 9			3.498%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 12	DONE - Roll over Draw 10			3.418%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 13	DONE - Roll over Draw 7 and 8			3.398%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 14	DONE			3.275%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 15	DONE			3.275%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 16	DONE - Roll over Draw 11			3.289%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 17	DONE			3.248%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 17A	DONE - Roll over Draw 12, 14 and 15			3.286%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 18	DONE - Roll over Draw 13 and 17			3.286%	4.50%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 19	DONE				3.283%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 20	DONE - Roll over Draw 16				3.304%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 21	DONE - Roll over Draw 17A and 19				3.312%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 22	DONE - Roll over Draw 18				3.312%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 23	DONE				3.222%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 24	Roll over Draw 20				3.213%	6.21%			
Revolver Interest Rate	\$ 450,000,000	Draw 25	Roll over Draw 21, 22 and 23				3.174%	6.21%			

Trans-Allegheny Interstate Line Company

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology

TRAILCo anticipates its financing will be a 7 year loan, where by TRAILCo pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TRAILCo will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TRAILCo will true up the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment.

Total Loan Amount	\$ 900,000,000
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Internal Rate of Return ¹	4.894132%
Based on following Financial Formula ² :	

$$NPV = 0 = \sum_{t=1}^N \frac{C_t}{(1+IRR)^{pwr(t)}}$$

Origination Fees	7,780,954
Origination Fees	
Addition Origination Fees	15,125
Total Issuance Expense	7,796,079

Revolving Credit Commitment Fee	New Borrowing	Old Borrowing
Revolving Credit Commitment Fee	0.005	0.0050
Revolving Credit Commitment Fee		0.0037

	2008	2008	2008	2008	2009	2010	2011	2012	2013	2014	2015
LIBOR Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Spread											
Interest Rate	6.13%	3.86%	4.05%	4.34%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Bond \$200M Interest Rate						4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revolver Interest Rate	\$ 450,000,000	Draw 1	DONE			3.249%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 2, 3, 4	DONE			3.247%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 5	DONE			3.251%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 6	DONE - Roll over Draw 1 and 4			3.316%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 7	DONE			3.361%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 8	DONE - Roll over Draw 2, 3 and 5			3.422%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 9	DONE			3.417%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 10	DONE			3.348%	4.50%	6.21%			

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)		
Year	Capital Expenditures	Principle Drawn In Quarter (\$000's)	Principle Drawn To Date	Outstanding Debt Balance	Interest Expense	Origination Fees	Commitment	Net Cash Flows (D-F-G-H)	Interest at effective rate	Amortization of origination fees and commitment fees
2008										
12/24/2007	Q4	68,183,000	10,000,000	10,000,000	10,000,000	734,955		9,265,045	-	-
01/31/2008	Q1			10,000,000	9,265,045	31,013		(31,013)	46,204	46,204
02/4/2008	Q1			10,000,000	9,280,236	69,578		(69,578)	4,861	4,861
02/6/2008	Q1			10,000,000	9,215,518	138		(138)	2,413	2,413
02/29/2008	Q1			10,000,000	9,217,794	2,960		(2,960)	27,796	27,796
03/5/2008	Q1			10,000,000	9,242,629	125,384		(125,384)	6,052	6,052
3/24/2008	Q1	25,543,000		10,000,000	9,123,297	155,048		(155,048)	22,720	(132,327)
03/31/2008	Q1			10,000,000	8,990,969	17,011		(17,011)	8,243	8,243
04/30/2008	Q2			10,000,000	8,982,201	197,270		(197,270)	35,345	35,345
05/19/2008	Q2			10,000,000	8,820,276	109,825		(109,825)	21,966	21,966
6/23/2008	Q2	20,509,000		10,000,000	8,732,417	97,477		(97,477)	40,102	(57,376)
06/26/2008	Q2			10,000,000	8,675,041	43,099		(43,099)	3,408	3,408
06/30/2008	Q2			10,000,000	8,635,350	13,268		(13,268)	4,523	4,523
08/8/2008	Q3			10,000,000	8,626,605	1,578		(1,578)	44,155	44,155
08/13/2008	Q3			10,000,000	8,669,182	62,777		(62,777)	5,676	5,676
8/15/2008	Q3		55,000,000	65,000,000	8,612,081	59,689	7,780,954	47,159,357	2,255	(57,434)
8/20/2008	Q3			65,000,000	55,773,693	530		(530)	36,518	36,518
8/25/2008	Q3			65,000,000	55,809,681	15,125		(15,125)	36,542	36,542
9/3/2008	Q3			65,000,000	55,831,098	82,655		(82,655)	65,817	65,817
9/8/2008	Q3			65,000,000	55,814,261	1,958		(1,958)	36,545	36,545
9/11/2008	Q3			65,000,000	55,848,848	41,846		(41,846)	21,937	21,937
9/15/2008	Q3		(20,000,000)	45,000,000	55,828,939	243,199		(20,243,199)	29,241	(213,958)
9/25/2008	Q3			45,000,000	35,614,981	7,525		(7,525)	46,653	46,653
9/29/2008	Q3			45,000,000	35,654,110	98,058		(98,058)	18,675	18,675
9/30/2008	Q3	24,995,000		45,000,000	35,574,726	18,137	235,521	(253,658)	4,657	4,657
10/2/2008	Q4		20,000,000	65,000,000	35,325,726		78,507	19,921,493	9,250	9,250
10/17/2008	Q4			65,000,000	55,256,469		2,030	(2,030)	108,609	108,609
10/29/2008	Q4			65,000,000	55,363,048		267	(267)	87,038	87,038
11/19/2008	Q4			65,000,000	55,449,819		96,049	(96,049)	152,645	152,645
11/21/2008	Q4			65,000,000	55,506,415		730	(730)	14,534	14,534
12/15/2008	Q4		25,000,000	90,000,000	55,520,219	718,999		24,281,001	174,707	(544,292)
1/6/2009	Q1	42,068,000	-	90,000,000	79,975,927	-	618,334	(618,334)	230,661	230,661
2/17/2009	Q1		30,000,000	120,000,000	79,588,254	-	-	30,000,000	438,792	438,792
3/16/2009	Q1	75,475,000	40,000,000	160,000,000	110,027,046	933,988		39,066,013	389,580	(544,407)
3/25/2009	Q1		-	160,000,000	149,482,639			(1,100,000)	176,220	176,220
4/6/2009	Q2		-	160,000,000	148,558,859			(549,167)	233,554	233,554
5/15/2009	Q2		50,000,000	210,000,000	148,243,246			50,000,000	758,778	758,778
6/16/2009	Q2		40,000,000	250,000,000	199,002,023	1,405,039		38,594,961	835,379	(569,661)
6/30/2009	Q2		-	250,000,000	238,432,363			-	437,378	437,378
7/31/2009	Q3		-	250,000,000	238,869,741			(453,194)	971,338	971,338
8/3/2009	Q3		30,000,000	280,000,000	239,387,884			30,000,000	94,032	94,032
9/4/2009	Q3		50,000,000	330,000,000	269,481,916			50,000,000	1,131,242	1,131,242

(1)

Trans-Allegheny Interstate Line Company

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology

TRAILCo anticipates its financing will be a 7 year loan, where by TRAILCo pays Origination Fees of \$5.2 million and a Commitments Fee of 0.3% on the undrawn principle. Consistent with GAAP, TRAILCo will amortize the Origination Fees and Commitments Fees using the standard Internal Rate of Return formula below. Each year, TRAILCo will true up the amounts withdrawn, the interest paid in the year, Origination Fees, Commitments Fees, and total loan amount on this attachment.

Total Loan Amount	\$ 900,000,000
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Internal Rate of Return ¹	4.894132%
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Based on following Financial Formula²:

$$NPV = 0 = \sum_{t=1}^N \frac{C_t}{(1+IRR)^{pwr(t)}}$$

Origination Fees	7,780,954
Origination Fees	
Addition Origination Fees	15,125
Total Issuance Expense	7,796,079

Revolving Credit Commitment Fee	New Borrowing	Old Borrowing
Revolving Credit Commitment Fee	0.005	0.0050
Revolving Credit Commitment Fee		0.0037

	2008	2008	2008	2008	2009	2010	2011	2012	2013	2014	2015
LIBOR Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Spread											
Interest Rate	6.13%	3.86%	4.05%	4.34%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Bond \$200M Interest Rate	\$ 450,000,000					4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revolver Interest Rate	\$ 350,000,000	Draw 1	DONE			3.249%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 2, 3, 4	DONE			3.247%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 5	DONE			3.251%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 6	DONE - Roll over Draw 1 and 4			3.316%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 7	DONE			3.361%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 8	DONE - Roll over Draw 2, 3 and 5			3.422%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 9	DONE			3.417%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 10	DONE			3.348%	4.50%	6.21%			
9/16/2009	Q3		-	330,000,000	320,613,158	1,596,826			(1,596,826)	504,045	(1,092,781)
10/5/2009	Q4		45,000,000	375,000,000	319,520,377	207,916			44,792,084	795,716	587,800
10/16/2009	Q4			375,000,000	365,108,177			321,250	(321,250)	526,130	526,130
11/5/2009	Q4		30,000,000	405,000,000	365,313,057				30,000,000	957,701	957,701
12/4/2009	Q4		50,000,000	455,000,000	396,270,758				50,000,000	1,507,233	1,507,233
12/16/2009	Q4	73,715,000	-	455,000,000	447,777,991	1,374,479			(1,374,479)	703,965	(670,514)
1/4/2010	Q1			455,000,000	447,107,477			138,490	(138,490)	1,113,452	1,113,452
1/5/2010	Q1		30,000,000	485,000,000	448,082,440	892,331			29,107,669	58,661	(833,670)
1/15/2010	Q1		-	485,000,000	477,248,770	440,625			(440,625)	625,165	184,540
1/25/2010	Q1		(485,000,000)	-	477,433,310	423,000		18,490	(485,441,490)	625,407	202,407
1/25/2010	Q1		450,000,000	450,000,000	(7,382,772)		4,533,000		445,467,000	-	-
1/25/2010	Q1		45,000,000	495,000,000	438,084,228		5,852,579		39,147,421	-	-
1/27/2010	Q1			495,000,000	477,231,649		6,980		(6,980)	124,963	124,963
2/3/2010	Q1			495,000,000	477,349,633		58,000		(58,000)	437,622	437,622
2/3/2010	Q1			495,000,000	477,729,255		5,500		(5,500)	-	-
2/5/2010	Q1			495,000,000	477,723,755		82,117		(82,117)	125,092	125,092
2/12/2010	Q1		20,000,000	515,000,000	477,766,731				20,000,000	438,005	438,005
2/24/2010	Q1			515,000,000	498,204,735		23,770		(23,770)	783,242	783,242
3/10/2010	Q1		30,000,000	545,000,000	498,964,208		90,000		29,910,000	915,296	915,296
3/17/2010	Q1		-	545,000,000	529,789,503		195,720		(195,720)	485,698	485,698
3/26/2010	Q1		20,000,000	565,000,000	530,079,481		17,821		19,982,179	624,892	624,892
4/1/2010	Q2			565,000,000	550,686,552			255,417	(255,417)	432,705	432,705
4/5/2010	Q2			565,000,000	550,863,841		123,661		(123,661)	288,525	288,525
4/7/2010	Q2			565,000,000	551,028,705		201,250		(201,250)	144,287	144,287
4/8/2010	Q2			565,000,000	550,971,742		224,588		(224,588)	72,131	72,131
4/12/2010	Q1		30,000,000	595,000,000	550,819,286				30,000,000	288,502	288,502
4/14/2010	Q2			595,000,000	581,107,788		194,135		(194,135)	152,163	152,163
4/21/2010	Q2			595,000,000	581,065,816		18,977		(18,977)	532,707	532,707
4/26/2010	Q2		(65,000,000)	530,000,000	581,579,545	369,574			(65,369,574)	380,791	11,218
4/26/2010	Q2		65,000,000	595,000,000	516,590,763	55,921			64,944,079	-	(55,921)
4/28/2010	Q2			595,000,000	581,534,842		2,301		(2,301)	152,275	149,974
4/30/2010	Q2			595,000,000	581,684,817			2,157	(2,157)	152,314	152,314
5/7/2010	Q2		30,000,000	625,000,000	581,834,974				30,000,000	533,412	533,412
5/12/2010	Q2		(80,000,000)	545,000,000	612,368,386				(80,000,000)	400,951	400,951
5/12/2010	Q2		80,000,000	625,000,000	532,769,337	160,694			79,839,306	-	(160,694)
5/12/2010	Q2			625,000,000	612,608,642	81,275			(81,275)	-	(81,275)
5/12/2010	Q2			625,000,000	612,527,367	170,100			(170,100)	-	(170,100)
5/20/2010	Q2			625,000,000	612,357,267		182,500		(182,500)	641,635	641,635
5/26/2010	Q2		20,000,000	645,000,000	612,816,402				20,000,000	481,524	481,524
6/14/2010	Q2			645,000,000	633,297,927		150,072		(150,072)	1,577,131	1,577,131
7/1/2010	Q3			645,000,000	634,724,986			230,764	(230,764)	1,414,112	1,414,112
7/2/2010	Q3			645,000,000	635,908,334				(1,169)	83,251	83,251
7/7/2010	Q3			680,000,000	635,990,416				35,000,000	416,417	416,417
7/15/2010	Q3		35,000,000	680,000,000	671,406,833	8,500,000			(8,500,000)	703,508	(7,796,492)
7/26/2010	Q3		(65,000,000)	615,000,000	663,610,341				(65,000,000)	956,279	956,279
7/26/2010	Q3		(20,000,000)	595,000,000	599,566,620				(20,000,000)	-	-
7/26/2010	Q3		115,000,000	710,000,000	579,566,620				115,000,000	-	-
7/26/2010	Q3			710,000,000	694,566,620	115,798			(115,798)	-	(115,798)
7/26/2010	Q2			710,000,000	694,450,822	544,837			(544,837)	-	(544,837)

Trans-Allegheny Interstate Line Company

Attachment 9 - Financing Costs for Long Term Debt using the Internal Rate of Return Methodology

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Total Loan Amount	\$ 900,000,000
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Internal Rate of Return ¹	4.894132%
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Based on following Financial Formula²:

$$NPV = 0 = \sum_{t=1}^N \frac{C_t}{(1+IRR)^{pwrt(t)}}$$

Origination Fees	7,780,954
Origination Fees	
Addition Origination Fees	15,125
Total Issuance Expense	7,796,079

Revolving Credit Commitment Fee	New Borrowing	Old Borrowing
Revolving Credit Commitment Fee	0.005	0.0050
Revolving Credit Commitment Fee		0.0037

	2008	2008	2008	2008	2009	2010	2011	2012	2013	2014	2015
LIBOR Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Spread	-	-	-	-	-	-	-	-	-	-	-
Interest Rate	6.13%	3.86%	4.05%	4.34%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Bond \$200M Interest Rate	\$ 450,000,000					4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revolver Interest Rate	\$ 350,000,000	Draw 1	DONE			3.249%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 2, 3, 4	DONE			3.247%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 5	DONE			3.251%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 6	DONE - Roll over Draw 1 and 4			3.316%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 7	DONE			3.361%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 8	DONE - Roll over Draw 2, 3 and 5			3.422%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 9	DONE			3.417%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 10	DONE			3.348%	4.50%	6.21%			
8/9/2010	Q3	(35,000,000)	675,000,000	693,905,984	107,415				(35,107,415)	1,272,895	1,165,480
8/9/2010	Q3	35,000,000	710,000,000	660,071,464	-				35,000,000	-	-
8/12/2010	Q3	(30,000,000)	680,000,000	695,071,464	271,681				(30,271,681)	273,025	1,344
8/12/2010	Q3	(80,000,000)	600,000,000	665,072,808	699,609				(80,699,609)	-	(699,609)
8/12/2010	Q3	110,000,000	710,000,000	584,373,199	-				110,000,000	-	-
8/30/2010	Q3		710,000,000	694,373,199	-	407,816			(407,816)	1,638,110	1,638,110
9/7/2010	Q3	30,000,000	740,000,000	695,603,493	-	-			30,000,000	728,862	728,862
9/26/2010	Q3	-	740,000,000	726,332,355	-	-			-	1,808,819	1,808,819
10/1/2010	Q4		740,000,000	728,141,174	-	-		162,778	(162,778)	476,753	476,753
10/8/2010	Q4	30,000,000	770,000,000	728,455,149	-	-		-	30,000,000	667,830	667,830
10/26/2010	Q4	(115,000,000)	655,000,000	759,122,979	1,028,023	-		-	(116,028,023)	1,790,863	762,839
10/26/2010	Q4	115,000,000	770,000,000	644,885,818	-	-		-	115,000,000	-	-
11/5/2010	Q4	30,000,000	800,000,000	759,885,818	-	-		-	30,000,000	995,402	995,402
11/9/2010	Q4	(35,000,000)	765,000,000	790,881,220	305,721.11	-		-	(35,305,721)	414,239	108,518
11/9/2010	Q4	(30,000,000)	735,000,000	755,989,738	171,937.50	-		-	(30,171,938)	-	(171,938)
11/9/2010	Q4	(30,000,000)	705,000,000	725,817,801	86,853.33	-		-	(30,086,853)	-	(86,853)
11/9/2010	Q4	95,000,000	800,000,000	695,730,947	-	-		-	95,000,000	-	-
11/12/2010	Q4	(110,000,000)	690,000,000	790,730,947	955,215.56	-		-	(110,955,216)	310,600	(644,616)
11/12/2010	Q4	(30,000,000)	660,000,000	680,086,332	18,946.67	-		-	(30,018,947)	-	(18,947)
11/12/2010	Q4	140,000,000	800,000,000	650,067,385	5.83	-		-	139,999,994	-	(6)
12/6/2010	Q4	20,000,000	820,000,000	790,067,379	-	-		-	20,000,000	2,486,129	2,486,129
12/23/2010	Q4		820,000,000	812,553,508	-	-	8,281		(8,281)	1,810,298	1,810,298
1/3/2011	Q1		820,000,000	814,355,525	-	-	-	140,277.78	(140,278)	1,173,506	1,173,506
1/15/2011	Q1	-	820,000,000	815,388,753	9,000,000	-		-	(9,000,000)	1,281,897	(7,718,103)
1/26/2011	Q1	(115,000,000)	705,000,000	807,670,650	966,601	-		-	(115,966,601)	1,163,873	197,272
1/26/2011	Q1	115,000,000	820,000,000	692,867,922	-	-		-	115,000,000	-	-
2/9/2011	Q1	(20,000,000)	800,000,000	807,867,922	118,552.78	-		-	(20,118,553)	1,481,946	1,363,393
2/9/2011	Q1	(95,000,000)	705,000,000	789,231,315	797,767.78	-		-	(95,797,768)	-	(797,768)
2/9/2011	Q1	115,000,000	820,000,000	693,433,547	-	-		-	115,000,000	-	-
2/14/2011	Q1	(140,000,000)	680,000,000	808,433,547	1,201,216	-		-	(141,201,216)	529,325	(671,891)
2/14/2011	Q1	140,000,000	820,000,000	667,761,657	-	-		-	140,000,000	-	-
2/16/2011	Q1		820,000,000	807,761,657	-	-	3,099		(3,099)	211,512	211,512
4/1/2011	Q2	-	820,000,000	807,970,070	-	-	-	97,778	(97,778)	4,667,294	4,667,294
4/14/2011	Q2	10,000,000	830,000,000	812,539,587	-	-	-	-	10,000,000	1,383,959	1,383,959
4/26/2011	Q2	(115,000,000)	715,000,000	823,923,546	949,900	-		-	(115,949,900)	1,295,314	345,414
4/26/2011	Q2	115,000,000	830,000,000	709,268,961	-	-		-	115,000,000	-	-
5/9/2011	Q2	(115,000,000)	715,000,000	824,268,961	941,620	-		-	(115,941,620)	1,403,937	462,317
5/9/2011	Q2	(140,000,000)	575,000,000	709,731,278	1,081,920	-		-	(141,081,920)	-	(1,081,920)
5/9/2011	Q2	(10,000,000)	565,000,000	568,649,358	22,375	-		-	(10,022,375)	-	(22,375)
5/9/2011	Q2	235,000,000	800,000,000	558,626,983	-	-		-	235,000,000	-	-
5/16/2011	Q2	(235,000,000)	565,000,000	793,626,983	145,034	-		-	(235,145,034)	727,578	582,543
5/16/2011	Q2	235,000,000	800,000,000	559,209,527	-	-		-	235,000,000	-	-
5/23/2011	Q2	(235,000,000)	565,000,000	794,209,527	145,034	-		-	(235,145,034)	728,112	583,078
5/23/2011	Q2	235,000,000	800,000,000	559,792,604	-	-		-	235,000,000	-	-
5/26/2011	Q2	(115,000,000)	685,000,000	794,792,604	307,913	-		-	(115,307,913)	312,195	4,283
5/30/2011	Q2	(235,000,000)	450,000,000	679,796,887	145,034	-		-	(235,145,034)	356,056	211,022
7/1/2011	Q3	50,000,000	500,000,000	445,007,909	-	-		274,306	49,725,694	1,868,072	1,868,072
7/15/2011	Q3		500,000,000	496,601,675	9,000,000	-		-	(9,000,000)	910,962	(8,089,038)
10/1/2011	Q4		500,000,000	488,512,637	-	-		511,111	(511,111)	5,013,666	5,013,666

Trans-Allegheny Interstate Line Company

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Total Loan Amount	\$ 900,000,000
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Internal Rate of Return¹	4.894132%
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Based on following Financial Formula²:

$$NPV = 0 = \sum_{t=1}^N \frac{C_t}{(1+IRR)^{pwr(t)}}$$

Origination Fees	
Origination Fees	7,780,954
Addition Origination Fees	15,125
Total Issuance Expense	7,796,079

	New Borrowing	Old Borrowing
Revolving Credit Commitment Fee	0.005	0.0050
Revolving Credit Commitment Fee		0.0037

	2008	2008	2008	2008	2009	2010	2011	2012	2013	2014	2015
LIBOR Rate	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Spread											
Interest Rate	6.13%	3.86%	4.05%	4.34%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%	2.12%
Bond \$200M Interest Rate						4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Revolver Interest Rate	\$ 450,000,000					3.249%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 1	DONE			3.247%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 2, 3, 4	DONE								
Revolver Interest Rate	\$ 350,000,000	Draw 5	DONE			3.251%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 6	DONE - Roll over Draw 1 and 4			3.316%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 7	DONE			3.361%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 8	DONE - Roll over Draw 2, 3 and 5			3.422%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 9	DONE			3.417%	4.50%	6.21%			
Revolver Interest Rate	\$ 350,000,000	Draw 10	DONE			3.348%	4.50%	6.21%			
12/31/2011	Q4		(50,000,000)	450,000,000	493,015,192	806,725			(50,806,725)	5,908,224	5,101,499
1/1/2012	Q1			450,000,000	448,116,691			511,806	(511,806)	58,666	58,666
1/15/2012	Q1			450,000,000	447,663,551	9,000,000			(9,000,000)	821,190	(8,178,810)
7/15/2012	Q3			450,000,000	439,484,741	9,000,000			(9,000,000)	10,596,561	1,596,561
1/15/2013	Q1			450,000,000	441,081,302	9,000,000			(9,000,000)	10,753,338	1,753,338
7/15/2013	Q3			450,000,000	442,834,640	9,000,000			(9,000,000)	10,617,967	1,617,967
1/15/2014	Q1			450,000,000	444,452,607	9,000,000			(9,000,000)	10,835,528	1,835,528
7/15/2014	Q3			450,000,000	446,288,135	9,000,000			(9,000,000)	10,700,772	1,700,772
1/15/2015	Q1			450,000,000	447,988,907	9,000,000			(9,000,000)	10,921,742	1,921,742
1/25/2015	Q1		(450,000,000)		449,910,649	500,000			(450,500,000)	589,354	89,354

(1) Commitment fees for 4th quarter 2008