

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

AEP Indiana Michigan Transmission Company

For Twelve Months Ended 2019

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 113)				\$254,215,000
			Total		Allocator	
2	REVENUE CREDITS	(Worksheet E, ln 8) (Note A)	-	DA	1.00000	\$ -
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, ln 9) (Note X)				0
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				\$ 254,215,000

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

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)	47,297,504	DA	1.00000	\$ 47,297,504
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	((ln 1- ln 80)/((ln 33) x 100))			12.71%
8	Monthly Rate	(ln 7 / 12)			1.06%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	((ln 1- ln 80 - ln 83)/((ln 33) x 100))			10.58%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	((ln 1 - ln 80 - ln 83 - ln 108 - ln 109) /((ln 33) x 100))			2.44%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				-
14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
15	Total Load Dispatch & Scheduling (Account 561)	Line 63 Below			1,294,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			1,294,000

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(1)		(2)	(3)	(4)		(5)
RATE BASE CALCULATION		Data Sources (See "General Notes")	TO Total NOTE C	Allocator		Total Transmission
Line No.						
19	GROSS PLANT IN SERVICE					
19	Transmission	(Worksheet A In 14.(d) & Ln 117)	2,083,208,000	DA	1.00000	2,083,208,000
20	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP	1.00000	-
21	General Plant	(Worksheet A In 14.(h))	15,800,154	W/S	1.00000	15,800,154
22	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	-	W/S	1.00000	-
23	Intangible Plant	(Worksheet A In 14.(j))	16,282,154	W/S	1.00000	16,282,154
24	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	2,115,290,308	GP= GTD=	1.000000 1.00000	2,115,290,308
25	ACCUMULATED DEPRECIATION AND AMORTIZATION					
26	Transmission	(Worksheet A In 28.(d) & Ln 43.(b))	83,321,846	TP1=	1.00000	83,321,846
27	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1=	1.00000	-
28	General Plant	(Worksheet A In 28.(h))	428,692	W/S	1.00000	428,692
29	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	-	W/S	1.00000	-
30	Intangible Plant	(Worksheet A In 28.(j))	6,532,615	W/S	1.00000	6,532,615.38
31	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	90,283,154			90,283,154
32	NET PLANT IN SERVICE					
33	Transmission	(In 19 + In 20 - In 26 - In 27)	1,999,886,154			1,999,886,154
34	General Plant	(In 21 + In 22 - In 28 - In 29)	15,371,462			15,371,462
35	Intangible Plant	(In 23 - In 30)	9,749,538			9,749,538
36	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	2,025,007,154	NP=	1.000000	2,025,007,154
37	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
38	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA		-
39	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(209,581,251)	DA		(290,885,643)
40	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(26,168,595)	DA		(17,771,665)
41	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	31,505,000	DA		4,807,616
42	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA		-
43	TOTAL ADJUSTMENTS	(sum Ins 38 to 42)	(204,244,846)			(303,849,691)
44	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e)) In 45.(e))	-	DA		-
45	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA		-
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))		W/S	1.00000	
47	WORKING CAPITAL	(Note E)				
48	Cash Working Capital	(1/8 * In 66)	2,671,125			2,671,125
49	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	-	TP	1.00000	-
50	A&G Materials & Supplies	(Worksheet C, In 3.(F))	-	W/S	1.00000	-
51	Stores Expense	(Worksheet C, In 4.(F))	-	GP	1.00000	-
52	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.(G))	-	W/S	1.00000	-
53	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.(F))	563,738	GP	1.00000	563,738
54	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.(E))	-	DA	1.00000	-
55	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.(D))	-	NA	0.00000	-
56	TOTAL WORKING CAPITAL	(sum Ins 48 to 55)	3,234,863			3,234,863
57	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA	1.00000	-
58	RATE BASE (sum Ins 36, 43, 44, 45, 46, 56, 57)		1,823,997,171			1,724,392,325

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	(1)	(2)	(3)		(4)	(5)
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator		Total Transmission
Line No.	OPERATION & MAINTENANCE EXPENSE					
59	Customer Related Expense	322 & 323.164,171,178.b	-			
60	Regional Marketing Expenses	322.131.b	-			
61	Transmission	321.112.b	22,663,000			
62	TOTAL O&M EXPENSES	(sum Ins 59 to 61)	22,663,000			
63	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	1,294,000			
64	Less: Account 565	(Note H) 321.96.b				
65	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-			
66	Total O&M Allocable to Transmission	(Ins 61 - 63 - 64 - 65)	21,369,000	TP	1.00000	21,369,000
67	Administrative and General	323.197.b (Notes J & M)	5,884,000			
68	Less: Acct. 924, Property Insurance	323.185.b	-			
69	Acct. 928, Reg. Com. Exp.	323.189.b	-			
70	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-			
71	Acct. 930.2, Misc. Gen. Exp.	323.192.b	60,000			
72	Balance of A & G	(In 67 - sum In 68 to In 71)	5,824,000	W/S	1.00000	5,824,000
73	Plus: Acct. 924, Property Insurance	(In 68)	-	GP(h)	1.00000	-
74	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	-	TP	1.00000	-
75	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	-	TP	1.00000	-
76	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	9,000	DA	1.00000	9,000
77	PBOP Adjustment	Worksheet O Ln 16.(B), (Note K & M)	247,048	W/S	1.00000	247,048
78	A & G Subtotal	(sum Ins 72 to 77)	6,080,048			6,080,048
79	O & M EXPENSE SUBTOTAL	(In 66 + In 78)	27,449,048			27,449,048
80	Plus: Transmission Lease Payments To Affiliates To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	1.00000	-
81	TOTAL O & M EXPENSE	(In 79 + In 80)	27,449,048			27,449,048
82	DEPRECIATION AND AMORTIZATION EXPENSE					
83	Transmission	336.7.f	42,723,000	TP1	1.00000	42,723,000
84	General	336.10.f	353,000	W/S	1.00000	353,000
85	Intangible	336.1.f	3,085,000	W/S	1.00000	3,085,000
86	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)	46,161,000			46,161,000
87	TAXES OTHER THAN INCOME	(Note N)				
88	Labor Related					
89	Payroll	Worksheet H In 23.(D)	-	W/S	1.00000	-
90	Plant Related					
91	Property	Worksheet H-p2 In 3.(C) & In 3.(G)	18,007,000	DA	1.00000	18,007,000
92	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	-	NA	0.00000	-
93	Other	Worksheet H In 23.(E)	-	GP	1.00000	-
94	TOTAL OTHER TAXES	(sum Ins 89 to 93)	18,007,000			18,007,000
95	INCOME TAXES	(Note O)				
96	T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =		25.73%			
97	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		26.20%			
98	where WCLTD=(In 136) and WACC = (In 139)					
99	and FIT, SIT & p are as given in Note O.					
100	GRCF=1 / (1 - T) = (from In 96)		1.3465			
101	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-			
102	Excess Deferred Income Tax	(Note T)	613,985	NP(h)	1.00000	613,985
103	Tax Effect of Permanent and Flow-Through Differences	(Note T)	249,690	NP(h)	1.00000	249,690
104	Income Tax Calculation	(In 97 * In 109)	35,450,437			33,514,559
105	ITC adjustment	(In 100 * In 101)	-	NP(h)	1.00000	-
106	Excess Deferred Income Tax	(In 100 * In 102)	826,717			826,717
107	Tax Effect of Permanent and Flow-Through Differences	(In 100 * In 103)	336,202			336,202
108	TOTAL INCOME TAXES	(sum Ins 104 to 107)	36,613,355			34,677,477
109	RETURN ON RATE BASE (Rate Base*WACC)	(In 58 * In 139)	135,309,454			127,920,475
110	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	1.00000	-
111	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-			-
112	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 111 * In97)		-			-
113	TOTAL REVENUE REQUIREMENT (sum Ins 81, 86, 94, 108, 109, 110, 111, 112)		263,539,857			254,215,000

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
114	Total transmission plant	(In 19)							2,083,208,000	
115	Less transmission plant excluded from PJM Tariff	(Worksheet A, In 42.(d)) (Note P)								
116	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 42, Col. (b)) (Note Q)							-	
117	Transmission plant included in PJM Tariff	(In 114 - In 115 - In 116)							2,083,208,000	
118	Percent of transmission plant in PJM Tariff	(In 117 / In 114)						TP=	1.00000	
119	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total					
120	Line Deliberately Left Blank									
121	Transmission	354.21.b	-	3,309,919	3,309,919	TP	1.00000		3,309,919	
122	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000		-	
123	Line Deliberately Left Blank									
124	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000		-	
125	Total	(sum Ins 121, 122, & 124)	-	3,309,919	3,309,919				3,309,919	
126	Transmission related amount							W/S=	1.00000	
127	Actual (Uncapped) Capital Structure									
128	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$	
128	Long Term Interest	(Worksheet M, In.36, col.(d))							35,266,000	
129	Preferred Dividends	(Worksheet M, In. 45, col.(d))							-	
130	Development of Common Stock:									
131	Proprietary Capital	(Worksheet M, In. 14, col.(b))							1,056,690,538	
132	Less: Preferred Stock	(Worksheet M, In. 14, col.(c))							-	
133	Less: Account 216.1	(Worksheet M, In. 14, col.(d))							-	
134	Less: Account 219	(Worksheet M, In. 14, col.(e))							-	
135	Common Stock	(In 131 - In 132 - In 133 - In 134)							1,056,690,538	
136	Long Term Debt (Note S) Worksheet M, In 28, col. (g), In 37, col. (d))									
137	Preferred Stock (In 132)									
138	Common Stock (In 135)									
139	Total (Sum Ins 136 to 138)									
140	Capital Structure Equity Limit (Note Z)		55.00%							

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Letter

Notes

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

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
7) If AEP Transmission Companies have any directly assigned transmission facilities, the revenue credits in the formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. See Worksheet E for details.
- B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet R and any over under recovery will be filed and posted as part of the informational filing.
- C Transmission Plant Balances in this study are projected or actual average 13 month balances.
- D The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 66. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 63.
2) Costs of Transmission of Electricity by Others, as described in Note H.
3) The impact of state regulatory deferrals and amortizations, as shown on line 65
4) All A&G Expenses, as shown on line 78.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 110.
- G
- H Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.
- The addbacks on line80 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.
- The company records referenced on line80 is the AEP Indiana Michigan Transmission Company general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- J
- K General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- N Includes only FICA, unemployment, highway, property and other assessments. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)
(In 101) multiplied by (1/(1-T)) . If the applicable tax rates are zero enter 0.
- | | | | |
|------------------|-------|--------|---|
| Inputs Required: | FIT = | 21.00% | |
| | SIT= | 5.99% | (State Income Tax Rate or Composite SIT, Worksheet G) |
| | p = | 0.00% | (percent of federal income tax deductible for state purposes) |
- The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable. If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (Ln 128)/average long term debt (Ln 136). Preferred Stock cost rate = preferred dividends (Ln 129)/preferred outstanding (Ln 137).
Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER10-355. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual 13 month average balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.
- Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
- T
- U Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other
- V The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- W AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.
- Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
- X The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.
- Z Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP Indiana Michigan Transmission Company

		Gross Plant In Service				
Line No	Month (a)	Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5
1	December Prior to Rate Year	1,879,676,000	-	15,687,000	-	14,711,000
2	January	1,895,626,000	-	15,706,000	-	15,191,000
3	February	1,909,499,000	-	15,722,000	-	15,532,000
4	March	1,931,949,000	-	15,685,000	-	15,732,000
5	April	1,964,298,000	-	15,697,000	-	15,931,000
6	May	2,036,593,000	-	15,710,000	-	16,128,000
7	June	2,120,669,000	-	15,723,000	-	16,323,000
8	July	2,128,648,000	-	15,736,000	-	16,515,000
9	August	2,193,697,000	-	15,768,000	-	16,708,000
10	September	2,218,430,000	-	15,799,000	-	16,902,000
11	October	2,229,961,000	-	15,822,000	-	17,109,000
12	November	2,261,460,000	-	15,845,000	-	17,328,000
13	December of Rate Year	2,311,198,000	-	16,502,000	-	17,558,000
14	Average of the 13 Monthly Balances	2,083,208,000	-	15,800,154	-	16,282,154

		Accumulated Depreciation				
Line No	Month (a)	Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, ln 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, ln 21, Col. (b)
15	December Prior to Rate Year	63,315,000	-	253,000	-	5,028,000
16	January	66,646,000	-	282,000	-	5,262,000
17	February	69,781,000	-	311,000	-	5,503,000
18	March	72,940,000	-	341,000	-	5,750,000
19	April	76,136,000	-	370,000	-	6,000,000
20	May	79,387,000	-	399,000	-	6,254,000
21	June	82,763,000	-	428,000	-	6,510,000
22	July	86,284,000	-	458,000	-	6,769,000
23	August	89,819,000	-	487,000	-	7,032,000
24	September	93,466,000	-	517,000	-	7,298,000
25	October	97,156,000	-	546,000	-	7,566,000
26	November	100,864,000	-	576,000	-	7,838,000
27	December of Rate Year	104,627,000	-	605,000	-	8,114,000
28	Average of the 13 Monthly Balances	83,321,846	-	428,692	-	6,532,615

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP Indiana Michigan Transmission Company

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (d) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year	-	-	-	-
30	January	-	-	-	-
31	February	-	-	-	-
32	March	-	-	-	-
33	April	-	-	-	-
34	May	-	-	-	-
35	June	-	-	-	-
36	July	-	-	-	-
37	August	-	-	-	-
38	September	-	-	-	-
39	October	-	-	-	-
40	November	-	-	-	-
41	December of Rate Year	-	-	-	-
42	Average of the 13 Monthly Balances	-	-	-	-

43 Transmission Accumulated Depreciation net of GSU 83,321,846

<u>Plant Held For Future Use</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2019</u>	<u>Balance @ December 31, 2018</u>	<u>Average Balance for 2019</u>
(a)	(b)	(c)	(d)	(e)
44 <u>Plant Held For Future Use</u>	FF1, page 214, ln 47, Col. (d)	-	-	-
45 <u>Transmission Plant Held For Future Use (Included in total on line 4</u>	Company Records - Note 1	-	-	-

Regulatory Assets and Liabilities Approved for Recovery In Ratebase

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

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

Unfunded Reserves Summary (Company Records)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
AEP Indiana Michigan Transmission Company

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

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
AEP Indiana Michigan Transmission Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2019</u>	<u>(D) Balance @ December 31, 2018</u>	<u>(E) Average Balance for 2019</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	-	-	-
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	219,210,460	199,952,042	209,581,251
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	-	-	-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	(76,135,837)	(86,472,947)	(81,304,392)
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	295,346,297	286,424,989	290,885,643
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	25,968,540	26,368,651	26,168,595
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	-	-	-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	8,326,085	8,467,777	8,396,931
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	17,642,456	17,900,874	17,771,665
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	31,505,000	31,505,000	31,505,000
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	-	-	-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	26,697,384	26,697,384	26,697,384
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	4,807,616	4,807,616	4,807,616
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.167(l)-l(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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

18.01

18.02

DEBIT (CREDIT)

[illegible]

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
AEP Indiana Michigan Transmission Company

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number		Source	Balance @ December 31, 2019	Balance @ December 31, 2018	Average Balance for 2019			
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	-	-	-			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)			-			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)			-			
Prepayment Balance Summary (Note 1)								
5		Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	
6	Totals as of December 31, 2019	563,738	0	0	563,738	0	563,738	
7	Totals as of December 31, 2018	563,738	0	0	563,738	0	563,738	
8	Average Balance	563,738	-	-	563,738	-	563,738	

Prepayments Account 165 - Balance @ 12/31/2019								
	2019 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)		
9	Acc. No.	Description					Explanation	
10	1650001	Prepaid Insurance	379,255	-	379,255	379,255		
11	1650021	Prepaid Insurance - EIS	105,534	-	105,534	105,534		
12	1650023	Prepaid Lease	78,950	-	78,950	78,950		
13			-	-	-	-		
14			-	-	-	-		
15			-	-	-	-		
16			-	-	-	-		
17			-	-	-	-		
18			-	-	-	-		
19			-	-	-	-		
20			-	-	-	-		
21			-	-	-	-		
22			-	-	-	-		
23			-	-	-	-		
24			-	-	-	-		
25			-	-	-	-		
Subtotal - Form 1, p 111.57.c			563,738	0	0	563,738	0	563,738

Prepayments Account 165 - Balance @ 12/31/ 2018								
	2018 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)		
26	Acc. No.	Description					Explanation	
27	1650001	Prepaid Insurance	379,255	-	379,255	379,255		
28	1650021	Prepaid Insurance - EIS	105,534	-	105,534	105,534		
29	1650023	Prepaid Lease	78,950	-	78,950	78,950		
30			-	-	-	-		
31			-	-	-	-		
32			-	-	-	-		
33			-	-	-	-		
34			-	-	-	-		
35			-	-	-	-		
36			-	-	-	-		
37			-	-	-	-		
38			-	-	-	-		
39			-	-	-	-		
40			-	-	-	-		
Subtotal - Form 1, p 111.57.d			563,738	0	0	563,738	0	563,738

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
AEP Indiana Michigan Transmission Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2019</u>
1	Net Funds from IPP Customers 12/31/2018 (2019 FORM 1, P269)	-
2	Interest Expense (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2019 (2019 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column $((\text{Ln } 1 + \text{Ln } 7)/2)$	-

Note 1 On this worksheet Company Records refers to AEP Indiana Michigan Transmission Company's general ledger.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
AEP Indiana Michigan Transmission Company

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)		-	
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)		-	
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	256,903,000	256,903,000	
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	256,903,000	256,903,000	-
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	256,903,000	256,903,000	-
9	Facility Credits under PJM OATT Section 30.9			

- Note 1 The total company data on this worksheet comes from the indicated FF1 source, or AEP Indiana Michigan Transmission Company's general ledger.
The functional amounts identified as transmission revenue also come from the general ledger.
- Note 2 The total of line 4 and line 5 will equal total Account 456 as listed on FF1 p.300.21-22.(b)

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

Formula Rate
WS F Misc Exp
Page 15 of 39

	(A)	(B)	(C)	(D)	(E)	(F)
Line Number	Item No.	Description	2019 Expense	100% Non-Transmission	100% Transmission Specific	Explanation
Regulatory O&M Deferrals & Amortizations						
1						
2						
3						
4						
4	Total		-			
Detail of Account 561 Per FERC Form 1						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	12,000			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	974,000			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	-			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	308,000			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies				
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies				
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services				
14	Total of Account 561		1,294,000			
Account 928						
15				-	-	
16				-	-	
17				-	-	
18				-	-	
19				-	-	
20				-	-	
21	Total (FERC Form 1 p.323.189.b)		-	-	-	
Account 930.1						
22				-	-	
23				-	-	
24				-	-	
25				-	-	
26				-		
27				-	-	
28				-	-	
29				-	-	
30				-	-	
31				-	-	
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37	-	-				
38	Total (FERC Form 1 p.323.191.b)		-	-	-	
Account 930.2						
39	9302000	Misc General Expenses	51,000	51,000	-	
40	9302003	Corporate & Fiscal Expenses	-	-	-	
41	9302004	Research, Develop&Demonstr Exp	-	-	-	
42	9302007	Assoc Business Development Exp	9,000	-	9,000	
43	Total (FERC Form 1 p.323.192.b)		60,000	51,000	9,000	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
AEP Indiana Michigan Transmission Company

1	Indiana State Tax Rate	5.63%	
	Apportionment Factor - Note 1	0.05%	
	Effective State Tax Rate		0.00%
2	Michigan Tax Rate	6.00%	
	Apportionment Factor - Note 1	99.79%	
	Effective State Tax Rate		5.99%
3	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
4	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
5	_____ Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		<u>5.99%</u>

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H page 1 Supporting Taxes Other than Income
AEP Indiana Michigan Transmission Company

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	Gross Receipts Tax	-				-
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Michigan	-	-			
5	Real and Personal Property - Indiana	18,007,000	18,007,000			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis	18,007,000	18,007,000	-	-	-

(Total Company Amount Ties to FFI p.114, Ln 14,(c))

NOTE 1: The detail of each total company number and its source in the FERC Form 1 is shown on WS H-1.

		Functional Property Tax Allocation				
		Lines 24-58 Column (B) Deliberately Left Blank	Transmission	Lines 24-58 Column (D) Deliberately Left Blank	General	Total
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	1,999,886,154	-	15,371,462	2,015,257,615
MICHIGAN JURISDICTION						
25	Percentage of Plant in MICHIGAN JURISDICTION					
26	Net Plant in MICHIGAN JURISDICTION (Ln 24 * Ln 25)	-	-	-	-	-
27	Less: Net Value of Exempted Generation Plant					
28	Taxable Property Basis (Ln 26 - Ln 27)	-	-	-	-	-
29	Relative Valuation Factor					-
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-	-
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33	Weighted MICHIGAN JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%		
INDIANA JURISDICTION						
35	Net Plant in INDIANA JURISDICTION (Ln 24 - Ln 26)	-	1,999,886,154	-	15,371,462	2,015,257,615
36	Less: Net Value Exempted Generation Plant					
37	Taxable Property Basis	-	1,999,886,154	-	15,371,462	2,015,257,615
38	Relative Valuation Factor					
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-	-
40	General Plant Allocator (Ln 39 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
41	Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-	-
42	Weighted INDIANA JURISDICTION Plant (Ln 39 + 41)	-	-	-	-	-
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%		

(A)		(B)	(C)	(D)			
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference			
1	Revenue Taxes						
2	Gross Receipts Tax	-	-	P.263.1 ln 7 (i)			
			-	P.263.2 ln 3 (i)			
			-	P.263.2 ln 4 (i)			
(A)		(B)	(C)	(D)	(E)	(F)	(G)
"Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)"		Tax Year	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Tax Year Factor (Note 2)	Transmission Function (Note 2)
Real Estate and Personal Property Taxes Total							
3	(Ln 4 + Ln 5 + Ln 6 + Ln 7)		18,007,000				18,007,000
4	Real and Personal Property - Michigan		-				-
							-
							-
							-
							-
5	Real and Personal Property - Indiana		18,007,000	18,007,000		100%	18,007,000
							-
							-
							-
							-
6	Real and Personal Property - Tennessee		-				-
							-
7	Real and Personal Property - Other Jurisdictions		-				-
							-

(A)		(B)	(C)	(D)	
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	
8	Payroll Taxes				
9	Federal Insurance Contribution (FICA)	-		P.263 ln 6 (i)	
10	Federal Unemployment Tax	-		P.263 ln 9 (i)	
11	State Unemployment Insurance	-		P.263.1 ln 23 (i)	
				P.263.2 ln 33 (i)	
				P.263.3 ln 16 (i)	
12	<i>Line Left Deliberately Blank</i>				
13	State Severance Taxes	-			
14	Miscellaneous Taxes				
15	State Business & Occupation Tax	-		P.263 ln 21 (i)	
				P.263 ln 22 (i)	
16	State Public Service Commission Fees	-		P.263 ln 26 (i)	
				P.263 ln 27 (i)	
				P.263.3 ln 20 (i)	
17	State Franchise Taxes	-		P.263 ln 12 (i)	
				P.263 ln 13 (i)	
				P.263.1 ln 34 (i)	
				P.263.2 ln 10 (i)	
				P.263.2 ln 11 (i)	
				P.263.2 ln 38 (i)	
				P.263.2 ln 39 (i)	
				P.263.3 ln 27 (i)	
				P.263.3 ln 28 (i)	
				P.263.4 ln 20 (i)	
				P.263.4 ln 27 (i)	
18	State Lic/Registration Fee	-		P.263.1 ln 15 (i)	
				P.263.2 ln 13 (i)	
				P.263.3 ln 8 (i)	
				P.263.4 ln 21 (i)	
19	Misc. State and Local Tax	-		P.263.1 ln 12 (i)	
20	Sales & Use	-	-	P.263 ln 16 (i)	
				P.263 ln 31(i)	
				P.263.2 ln 16 (i)	
				P.263.2 ln 17 (i)	
				P.263.3 ln 21 (i)	
21	Federal Excise Tax	-		P.263 ln 13 (i)	
				P.263 ln 14 (i)	
22	Michigan Single Business Tax	-			
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	18,007,000	18,007,000		

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

Note 2: The transmission functional amounts for any Real Estate and Property taxes listed on pages 263 of the FERC Form 1 will be allocated using the transmission functional allocator calculated for each state in Worksheet H of the applicable year that the taxes were assessed. Real and Personal Property - Other Jurisdictions will be allocated using the Gross Plant Allocator from the applicable year..

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet I RESERVED
AEP Indiana Michigan Transmission Company

Reserved for Future Use

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
AEP Indiana Michigan Transmission Company

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

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

ROE w/o incentives (TCOS, ln 138)			10.35%
Project ROE Incentive Adder			0
ROE with additional 0 basis point incentive			10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 136 through 138)			
	%	Cost	Weighted cost
Long Term Debt	45.80%	3.95%	1.809%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	54.20%	10.35%	5.609%
R =			7.418%

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

Rate Base (TCOS, ln 58)	1,724,392,325
R (from A. above)	7.418%
Return (Rate Base x R)	127,920,475

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

Return (from B. above)	127,920,475
Effective Tax Rate (TCOS, ln 97)	26.20%
Income Tax Calculation (Return x CIT)	33,514,559
ITC Adjustment	-
Excess Deferred Income Tax	826,717
Tax Affect of Permanent Differences	336,202
Income Taxes	34,677,477

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS				
	Rev Require	W Incentives	Incentive Amounts	
PROJECTED YEAR	2019	47,297,504	47,297,504	\$ -

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

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

Annual Revenue Requirement (TCOS, ln 1)	254,215,000
Lease Payments (TCOS, Ln 80)	-
Return (TCOS, ln 109)	127,920,475
Income Taxes (TCOS, ln 108)	34,677,477
Annual Revenue Requirement, Less Return and Taxes	91,617,048

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

Annual Revenue Requirement, Less Return and Taxes	91,617,048
Return (from I.B. above)	127,920,475
Income Taxes (from I.C. above)	34,677,477
Annual Revenue Requirement, with 0 Basis Point ROE increase	254,215,000
Depreciation & Amortization (TCOS, ln 83)	42,723,000
Annual Rev. Req, w/0 Basis Point ROE increase, less Depreciation	211,492,000

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

Net Transmission Plant (Projected TCOS, ln 33)	1,999,886,154
Annual Revenue Requirement, with 0 Basis Point ROE increase	254,215,000
FCR with 0 Basis Point increase in ROE	12.71%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	211,492,000
FCR with 0 Basis Point ROE increase, less Depreciation	10.58%
FCR less Depreciation (TCOS, ln 10)	10.58%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2019 TCOS, ln 19	2,083,208,000
Annual Depreciation and Amortization Expense (TCOS, ln 83)	42,723,000
Composite Depreciation Rate	2.05%
Depreciable Life for Composite Depreciation Rate	48.76
Average Life in Whole Years	49

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

AEP Indiana Michigan Transmission Company Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

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

Current Projected Year ARR	744,108
Current Projected Year ARR w/ Incentive	744,108
Current Projected Year Incentive ARR	-

Project Description: RTEP ID: b1465.4 (Make switching improvements at Sullivan and Jefferson 765 kV stations)

Details						
Investment	6,636,011	Current Year				2019
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				10.58%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				10.58%
CIAC (Yes or No)	No	Annual Depreciation Expense				135,429
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2012	6,636,011	-	6,636,011	701,772	701,772	\$ -
2013	6,636,011	135,429	6,500,582	830,039	830,039	\$ -
2014	6,500,582	135,429	6,365,153	815,718	815,718	\$ -
2015	6,365,153	135,429	6,229,725	801,396	801,396	\$ -
2016	6,229,725	135,429	6,094,296	787,074	787,074	\$ -
2017	6,094,296	135,429	5,958,867	772,752	772,752	\$ -
2018	5,958,867	135,429	5,823,438	758,430	758,430	\$ -
2019	5,823,438	135,429	5,688,009	744,108	744,108	\$ -
2020	5,688,009	135,429	5,552,581	729,786	729,786	\$ -
2021	5,552,581	135,429	5,417,152	715,464	715,464	\$ -
2022	5,417,152	135,429	5,281,723	701,143	701,143	\$ -
2023	5,281,723	135,429	5,146,294	686,821	686,821	\$ -
2024	5,146,294	135,429	5,010,865	672,499	672,499	\$ -
2025	5,010,865	135,429	4,875,437	658,177	658,177	\$ -
2026	4,875,437	135,429	4,740,008	643,855	643,855	\$ -
2027	4,740,008	135,429	4,604,579	629,533	629,533	\$ -
2028	4,604,579	135,429	4,469,150	615,211	615,211	\$ -
2029	4,469,150	135,429	4,333,721	600,890	600,890	\$ -
2030	4,333,721	135,429	4,198,293	586,568	586,568	\$ -
2031	4,198,293	135,429	4,062,864	572,246	572,246	\$ -
2032	4,062,864	135,429	3,927,435	557,924	557,924	\$ -
2033	3,927,435	135,429	3,792,006	543,602	543,602	\$ -
2034	3,792,006	135,429	3,656,577	529,280	529,280	\$ -
2035	3,656,577	135,429	3,521,149	514,958	514,958	\$ -
2036	3,521,149	135,429	3,385,720	500,636	500,636	\$ -
2037	3,385,720	135,429	3,250,291	486,315	486,315	\$ -
2038	3,250,291	135,429	3,114,862	471,993	471,993	\$ -
2039	3,114,862	135,429	2,979,434	457,671	457,671	\$ -
2040	2,979,434	135,429	2,844,005	443,349	443,349	\$ -
2041	2,844,005	135,429	2,708,576	429,027	429,027	\$ -
2042	2,708,576	135,429	2,573,147	414,705	414,705	\$ -
2043	2,573,147	135,429	2,437,718	400,383	400,383	\$ -
2044	2,437,718	135,429	2,302,290	386,061	386,061	\$ -
2045	2,302,290	135,429	2,166,861	371,740	371,740	\$ -
2046	2,166,861	135,429	2,031,432	357,418	357,418	\$ -
2047	2,031,432	135,429	1,896,003	343,096	343,096	\$ -
2048	1,896,003	135,429	1,760,574	328,774	328,774	\$ -
2049	1,760,574	135,429	1,625,146	314,452	314,452	\$ -
2050	1,625,146	135,429	1,489,717	300,130	300,130	\$ -
2051	1,489,717	135,429	1,354,288	285,808	285,808	\$ -
2052	1,354,288	135,429	1,218,859	271,487	271,487	\$ -
2053	1,218,859	135,429	1,083,430	257,165	257,165	\$ -
2054	1,083,430	135,429	948,002	242,843	242,843	\$ -
2055	948,002	135,429	812,573	228,521	228,521	\$ -
2056	812,573	135,429	677,144	214,199	214,199	\$ -
2057	677,144	135,429	541,715	199,877	199,877	\$ -
2058	541,715	135,429	406,286	185,555	185,555	\$ -
2059	406,286	135,429	270,858	171,233	171,233	\$ -
2060	270,858	135,429	135,429	156,912	156,912	\$ -
2061	135,429	135,429	-	142,590	142,590	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -

[illegible]

Project Totals	6,636,011	24,531,186	24,531,186
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** This is the total amount that needs to be reported to PJM for billing to all regions.

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

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

Project Description: RTEP ID: b1465.2 (Replace the 100 MVAR 765 kV shunt reactor bank on Rockport - Jefferson 765 kV line with a 300 MVAR bank at Rockport Station)

Current Projected Year ARR	1,728,141
Current Projected Year ARR w/ Incentive	1,728,141
Current Projected Year Incentive ARR	-

Details						
Investment	15,264,784	Current Year				2019
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				10.58%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				10.58%
CIAC (Yes or No)	No	Annual Depreciation Expense				311,526
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	15,264,784	155,763	15,109,021	1,761,809	1,761,809	\$ -
2014	15,109,021	311,526	14,797,495	1,892,863	1,892,863	\$ -
2015	14,797,495	311,526	14,485,968	1,859,919	1,859,919	\$ -
2016	14,485,968	311,526	14,174,442	1,826,974	1,826,974	\$ -
2017	14,174,442	311,526	13,862,916	1,794,030	1,794,030	\$ -
2018	13,862,916	311,526	13,551,390	1,761,085	1,761,085	\$ -
2019	13,551,390	311,526	13,239,864	1,728,141	1,728,141	\$ -
2020	13,239,864	311,526	12,928,337	1,695,196	1,695,196	\$ -
2021	12,928,337	311,526	12,616,811	1,662,252	1,662,252	\$ -
2022	12,616,811	311,526	12,305,285	1,629,307	1,629,307	\$ -
2023	12,305,285	311,526	11,993,759	1,596,363	1,596,363	\$ -
2024	11,993,759	311,526	11,682,233	1,563,418	1,563,418	\$ -
2025	11,682,233	311,526	11,370,706	1,530,474	1,530,474	\$ -
2026	11,370,706	311,526	11,059,180	1,497,529	1,497,529	\$ -
2027	11,059,180	311,526	10,747,654	1,464,585	1,464,585	\$ -
2028	10,747,654	311,526	10,436,128	1,431,640	1,431,640	\$ -
2029	10,436,128	311,526	10,124,602	1,398,696	1,398,696	\$ -
2030	10,124,602	311,526	9,813,075	1,365,751	1,365,751	\$ -
2031	9,813,075	311,526	9,501,549	1,332,806	1,332,806	\$ -
2032	9,501,549	311,526	9,190,023	1,299,862	1,299,862	\$ -
2033	9,190,023	311,526	8,878,497	1,266,917	1,266,917	\$ -
2034	8,878,497	311,526	8,566,971	1,233,973	1,233,973	\$ -
2035	8,566,971	311,526	8,255,444	1,201,028	1,201,028	\$ -
2036	8,255,444	311,526	7,943,918	1,168,084	1,168,084	\$ -
2037	7,943,918	311,526	7,632,392	1,135,139	1,135,139	\$ -
2038	7,632,392	311,526	7,320,866	1,102,195	1,102,195	\$ -
2039	7,320,866	311,526	7,009,340	1,069,250	1,069,250	\$ -
2040	7,009,340	311,526	6,697,813	1,036,306	1,036,306	\$ -
2041	6,697,813	311,526	6,386,287	1,003,361	1,003,361	\$ -
2042	6,386,287	311,526	6,074,761	970,417	970,417	\$ -
2043	6,074,761	311,526	5,763,235	937,472	937,472	\$ -
2044	5,763,235	311,526	5,451,709	904,528	904,528	\$ -
2045	5,451,709	311,526	5,140,182	871,583	871,583	\$ -
2046	5,140,182	311,526	4,828,656	838,639	838,639	\$ -
2047	4,828,656	311,526	4,517,130	805,694	805,694	\$ -
2048	4,517,130	311,526	4,205,604	772,750	772,750	\$ -
2049	4,205,604	311,526	3,894,078	739,805	739,805	\$ -
2050	3,894,078	311,526	3,582,551	706,861	706,861	\$ -
2051	3,582,551	311,526	3,271,025	673,916	673,916	\$ -
2052	3,271,025	311,526	2,959,499	640,971	640,971	\$ -
2053	2,959,499	311,526	2,647,973	608,027	608,027	\$ -
2054	2,647,973	311,526	2,336,447	575,082	575,082	\$ -
2055	2,336,447	311,526	2,024,920	542,138	542,138	\$ -
2056	2,024,920	311,526	1,713,394	509,193	509,193	\$ -
2057	1,713,394	311,526	1,401,868	476,249	476,249	\$ -
2058	1,401,868	311,526	1,090,342	443,304	443,304	\$ -
2059	1,090,342	311,526	778,816	410,360	410,360	\$ -
2060	778,816	311,526	467,289	377,415	377,415	\$ -
2061	467,289	311,526	155,763	344,471	344,471	\$ -
2062	155,763	155,763	-	163,999	163,999	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals		15,264,784		55,621,828	55,621,828	

[illegible]

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

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

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

Project Description: RTEP ID: b2048 (Replace both Tanners Creek 345/138 kV transformers with one bigger transformer)

Current Projected Year ARR	663,516
Current Projected Year ARR w/ Incentive	663,516
Current Projected Year Incentive ARR	-

Details			
Investment	5,805,543	Current Year	2019
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	10.58%
Useful life	49	FCR w/incentives approved for these facilities, less dep.	10.58%
CIAC (Yes or No)	No	Annual Depreciation Expense	118,480

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	5,805,543	-	5,805,543	613,948	613,948	\$ -
2014	5,805,543	118,480	5,687,063	726,164	726,164	\$ -
2015	5,687,063	118,480	5,568,582	713,634	713,634	\$ -
2016	5,568,582	118,480	5,450,102	701,104	701,104	\$ -
2017	5,450,102	118,480	5,331,621	688,575	688,575	\$ -
2018	5,331,621	118,480	5,213,141	676,045	676,045	\$ -
2019	5,213,141	118,480	5,094,660	663,516	663,516	\$ -
2020	5,094,660	118,480	4,976,180	650,986	650,986	\$ -
2021	4,976,180	118,480	4,857,699	638,457	638,457	\$ -
2022	4,857,699	118,480	4,739,219	625,927	625,927	\$ -
2023	4,739,219	118,480	4,620,738	613,398	613,398	\$ -
2024	4,620,738	118,480	4,502,258	600,868	600,868	\$ -
2025	4,502,258	118,480	4,383,777	588,339	588,339	\$ -
2026	4,383,777	118,480	4,265,297	575,809	575,809	\$ -
2027	4,265,297	118,480	4,146,816	563,279	563,279	\$ -
2028	4,146,816	118,480	4,028,336	550,750	550,750	\$ -
2029	4,028,336	118,480	3,909,855	538,220	538,220	\$ -
2030	3,909,855	118,480	3,791,375	525,691	525,691	\$ -
2031	3,791,375	118,480	3,672,895	513,161	513,161	\$ -
2032	3,672,895	118,480	3,554,414	500,632	500,632	\$ -
2033	3,554,414	118,480	3,435,934	488,102	488,102	\$ -
2034	3,435,934	118,480	3,317,453	475,573	475,573	\$ -
2035	3,317,453	118,480	3,198,973	463,043	463,043	\$ -
2036	3,198,973	118,480	3,080,492	450,514	450,514	\$ -
2037	3,080,492	118,480	2,962,012	437,984	437,984	\$ -
2038	2,962,012	118,480	2,843,531	425,454	425,454	\$ -
2039	2,843,531	118,480	2,725,051	412,925	412,925	\$ -
2040	2,725,051	118,480	2,606,570	400,395	400,395	\$ -
2041	2,606,570	118,480	2,488,090	387,866	387,866	\$ -
2042	2,488,090	118,480	2,369,609	375,336	375,336	\$ -
2043	2,369,609	118,480	2,251,129	362,807	362,807	\$ -
2044	2,251,129	118,480	2,132,648	350,277	350,277	\$ -
2045	2,132,648	118,480	2,014,168	337,748	337,748	\$ -
2046	2,014,168	118,480	1,895,688	325,218	325,218	\$ -
2047	1,895,688	118,480	1,777,207	312,688	312,688	\$ -
2048	1,777,207	118,480	1,658,727	300,159	300,159	\$ -
2049	1,658,727	118,480	1,540,246	287,629	287,629	\$ -
2050	1,540,246	118,480	1,421,766	275,100	275,100	\$ -
2051	1,421,766	118,480	1,303,285	262,570	262,570	\$ -
2052	1,303,285	118,480	1,184,805	250,041	250,041	\$ -
2053	1,184,805	118,480	1,066,324	237,511	237,511	\$ -
2054	1,066,324	118,480	947,844	224,982	224,982	\$ -
2055	947,844	118,480	829,363	212,452	212,452	\$ -
2056	829,363	118,480	710,883	199,923	199,923	\$ -
2057	710,883	118,480	592,402	187,393	187,393	\$ -
2058	592,402	118,480	473,922	174,863	174,863	\$ -
2059	473,922	118,480	355,441	162,334	162,334	\$ -
2060	355,441	118,480	236,961	149,804	149,804	\$ -
2061	236,961	118,480	118,480	137,275	137,275	\$ -
2062	118,480	118,480	0	124,745	124,745	\$ -
2063	0	0	-	0	0	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals	5,805,543			21,461,214	21,461,214	-

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

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

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

Project Description: RTEP ID: b1818 (Expand the Allen station by installing a second 345/138 kV transformer and adding four exits by cutting in the Lincoln-Sterling and Timber Switch-Milan 138 kV double circuit tower line)

Current Projected Year ARR	7,470,796
Current Projected Year ARR w/ Incentive	7,470,796
Current Projected Year Incentive ARR	-

Investment		Details				
		64,354,283	Current Year			2019
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	10	FCR w/o incentives, less depreciation				10.58%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				10.58%
CIAC (Yes or No)	No	Annual Depreciation Expense				1,313,353
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	64,354,283	218,892	64,135,391	7,012,913	7,012,913	\$ -
2015	64,135,391	1,313,353	62,822,038	8,026,355	8,026,355	\$ -
2016	62,822,038	1,313,353	61,508,685	7,887,465	7,887,465	\$ -
2017	61,508,685	1,313,353	60,195,333	7,748,576	7,748,576	\$ -
2018	60,195,333	1,313,353	58,881,980	7,609,686	7,609,686	\$ -
2019	58,881,980	1,313,353	57,568,627	7,470,796	7,470,796	\$ -
2020	57,568,627	1,313,353	56,255,275	7,331,906	7,331,906	\$ -
2021	56,255,275	1,313,353	54,941,922	7,193,017	7,193,017	\$ -
2022	54,941,922	1,313,353	53,628,569	7,054,127	7,054,127	\$ -
2023	53,628,569	1,313,353	52,315,216	6,915,237	6,915,237	\$ -
2024	52,315,216	1,313,353	51,001,864	6,776,348	6,776,348	\$ -
2025	51,001,864	1,313,353	49,688,511	6,637,458	6,637,458	\$ -
2026	49,688,511	1,313,353	48,375,158	6,498,568	6,498,568	\$ -
2027	48,375,158	1,313,353	47,061,806	6,359,679	6,359,679	\$ -
2028	47,061,806	1,313,353	45,748,453	6,220,789	6,220,789	\$ -
2029	45,748,453	1,313,353	44,435,100	6,081,899	6,081,899	\$ -
2030	44,435,100	1,313,353	43,121,747	5,943,009	5,943,009	\$ -
2031	43,121,747	1,313,353	41,808,395	5,804,120	5,804,120	\$ -
2032	41,808,395	1,313,353	40,495,042	5,665,230	5,665,230	\$ -
2033	40,495,042	1,313,353	39,181,689	5,526,340	5,526,340	\$ -
2034	39,181,689	1,313,353	37,868,337	5,387,451	5,387,451	\$ -
2035	37,868,337	1,313,353	36,554,984	5,248,561	5,248,561	\$ -
2036	36,554,984	1,313,353	35,241,631	5,109,671	5,109,671	\$ -
2037	35,241,631	1,313,353	33,928,278	4,970,782	4,970,782	\$ -
2038	33,928,278	1,313,353	32,614,926	4,831,892	4,831,892	\$ -
2039	32,614,926	1,313,353	31,301,573	4,693,002	4,693,002	\$ -
2040	31,301,573	1,313,353	29,988,220	4,554,112	4,554,112	\$ -
2041	29,988,220	1,313,353	28,674,868	4,415,223	4,415,223	\$ -
2042	28,674,868	1,313,353	27,361,515	4,276,333	4,276,333	\$ -
2043	27,361,515	1,313,353	26,048,162	4,137,443	4,137,443	\$ -
2044	26,048,162	1,313,353	24,734,809	3,998,554	3,998,554	\$ -
2045	24,734,809	1,313,353	23,421,457	3,859,664	3,859,664	\$ -
2046	23,421,457	1,313,353	22,108,104	3,720,774	3,720,774	\$ -
2047	22,108,104	1,313,353	20,794,751	3,581,885	3,581,885	\$ -
2048	20,794,751	1,313,353	19,481,399	3,442,995	3,442,995	\$ -
2049	19,481,399	1,313,353	18,168,046	3,304,105	3,304,105	\$ -
2050	18,168,046	1,313,353	16,854,693	3,165,215	3,165,215	\$ -
2051	16,854,693	1,313,353	15,541,340	3,026,326	3,026,326	\$ -
2052	15,541,340	1,313,353	14,227,988	2,887,436	2,887,436	\$ -
2053	14,227,988	1,313,353	12,914,635	2,748,546	2,748,546	\$ -
2054	12,914,635	1,313,353	11,601,282	2,609,657	2,609,657	\$ -
2055	11,601,282	1,313,353	10,287,930	2,470,767	2,470,767	\$ -
2056	10,287,930	1,313,353	8,974,577	2,331,877	2,331,877	\$ -
2057	8,974,577	1,313,353	7,661,224	2,192,987	2,192,987	\$ -
2058	7,661,224	1,313,353	6,347,871	2,054,098	2,054,098	\$ -
2059	6,347,871	1,313,353	5,034,519	1,915,208	1,915,208	\$ -
2060	5,034,519	1,313,353	3,721,166	1,776,318	1,776,318	\$ -
2061	3,721,166	1,313,353	2,407,813	1,637,429	1,637,429	\$ -
2062	2,407,813	1,313,353	1,094,461	1,498,539	1,498,539	\$ -
2063	1,094,461	1,094,461	-	1,152,331	1,152,331	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals		64,354,283		236,762,700	236,762,700	

[illegible]

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

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

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

Project Description: RTEP ID: b1819 (Rebuild the Robinson Park-Sorneson 138 kV line corridor as a 345 kV double circuit line with one side operated at 345 kV and one side at 138 kV)

Current Projected Year ARR	11,864,825
Current Projected Year ARR w/ Incentive	11,864,825
Current Projected Year Incentive ARR	-

Details			
Investment	99,133,292	Current Year	2019
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	10.58%
Useful life	49	FCR w/incentives approved for these facilities, less dep.	10.58%
CIAC (Yes or No)	No	Annual Depreciation Expense	2,023,128

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	99,133,292	1,011,564	98,121,728	11,441,623	11,441,623	\$ -
2017	98,121,728	2,023,128	96,098,599	12,292,724	12,292,724	\$ -
2018	96,098,599	2,023,128	94,075,471	12,078,774	12,078,774	\$ -
2019	94,075,471	2,023,128	92,052,343	11,864,825	11,864,825	\$ -
2020	92,052,343	2,023,128	90,029,214	11,650,875	11,650,875	\$ -
2021	90,029,214	2,023,128	88,006,086	11,436,925	11,436,925	\$ -
2022	88,006,086	2,023,128	85,982,957	11,222,975	11,222,975	\$ -
2023	85,982,957	2,023,128	83,959,829	11,009,025	11,009,025	\$ -
2024	83,959,829	2,023,128	81,936,701	10,795,075	10,795,075	\$ -
2025	81,936,701	2,023,128	79,913,572	10,581,125	10,581,125	\$ -
2026	79,913,572	2,023,128	77,890,444	10,367,175	10,367,175	\$ -
2027	77,890,444	2,023,128	75,867,315	10,153,225	10,153,225	\$ -
2028	75,867,315	2,023,128	73,844,187	9,939,275	9,939,275	\$ -
2029	73,844,187	2,023,128	71,821,058	9,725,325	9,725,325	\$ -
2030	71,821,058	2,023,128	69,797,930	9,511,375	9,511,375	\$ -
2031	69,797,930	2,023,128	67,774,802	9,297,426	9,297,426	\$ -
2032	67,774,802	2,023,128	65,751,673	9,083,476	9,083,476	\$ -
2033	65,751,673	2,023,128	63,728,545	8,869,526	8,869,526	\$ -
2034	63,728,545	2,023,128	61,705,416	8,655,576	8,655,576	\$ -
2035	61,705,416	2,023,128	59,682,288	8,441,626	8,441,626	\$ -
2036	59,682,288	2,023,128	57,659,160	8,227,676	8,227,676	\$ -
2037	57,659,160	2,023,128	55,636,031	8,013,726	8,013,726	\$ -
2038	55,636,031	2,023,128	53,612,903	7,799,776	7,799,776	\$ -
2039	53,612,903	2,023,128	51,589,774	7,585,826	7,585,826	\$ -
2040	51,589,774	2,023,128	49,566,646	7,371,876	7,371,876	\$ -
2041	49,566,646	2,023,128	47,543,518	7,157,926	7,157,926	\$ -
2042	47,543,518	2,023,128	45,520,389	6,943,976	6,943,976	\$ -
2043	45,520,389	2,023,128	43,497,261	6,730,027	6,730,027	\$ -
2044	43,497,261	2,023,128	41,474,132	6,516,077	6,516,077	\$ -
2045	41,474,132	2,023,128	39,451,004	6,302,127	6,302,127	\$ -
2046	39,451,004	2,023,128	37,427,876	6,088,177	6,088,177	\$ -
2047	37,427,876	2,023,128	35,404,747	5,874,227	5,874,227	\$ -
2048	35,404,747	2,023,128	33,381,619	5,660,277	5,660,277	\$ -
2049	33,381,619	2,023,128	31,358,490	5,446,327	5,446,327	\$ -
2050	31,358,490	2,023,128	29,335,362	5,232,377	5,232,377	\$ -
2051	29,335,362	2,023,128	27,312,234	5,018,427	5,018,427	\$ -
2052	27,312,234	2,023,128	25,289,105	4,804,477	4,804,477	\$ -
2053	25,289,105	2,023,128	23,265,977	4,590,527	4,590,527	\$ -
2054	23,265,977	2,023,128	21,242,848	4,376,577	4,376,577	\$ -
2055	21,242,848	2,023,128	19,219,720	4,162,628	4,162,628	\$ -
2056	19,219,720	2,023,128	17,196,591	3,948,678	3,948,678	\$ -
2057	17,196,591	2,023,128	15,173,463	3,734,728	3,734,728	\$ -
2058	15,173,463	2,023,128	13,150,335	3,520,778	3,520,778	\$ -
2059	13,150,335	2,023,128	11,127,206	3,306,828	3,306,828	\$ -
2060	11,127,206	2,023,128	9,104,078	3,092,878	3,092,878	\$ -
2061	9,104,078	2,023,128	7,080,949	2,878,928	2,878,928	\$ -
2062	7,080,949	2,023,128	5,057,821	2,664,978	2,664,978	\$ -
2063	5,057,821	2,023,128	3,034,693	2,451,028	2,451,028	\$ -
2064	3,034,693	2,023,128	1,011,564	2,237,078	2,237,078	\$ -
2065	1,011,564	1,011,564	-	1,065,052	1,065,052	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals	99,133,292			361,221,939	361,221,939	-

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

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

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

Project Description: RTEP ID: b1659 (Sorenson: Add 765/345 kV transformer and all connection work)

Current Projected Year ARR	6,293,605
Current Projected Year ARR w/ Incentive	6,293,605
Current Projected Year Incentive ARR	-

Details			
Investment	52,114,617	Current Year	2019
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	10.58%
Useful life	49	FCR w/incentives approved for these facilities, less dep.	10.58%
CIAC (Yes or No)	No	Annual Depreciation Expense	1,063,564

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	52,114,617	-	52,114,617	5,511,226	5,511,226	\$ -
2017	52,114,617	1,063,564	51,051,053	6,518,553	6,518,553	\$ -
2018	51,051,053	1,063,564	49,987,490	6,406,079	6,406,079	\$ -
2019	49,987,490	1,063,564	48,923,926	6,293,605	6,293,605	\$ -
2020	48,923,926	1,063,564	47,860,363	6,181,131	6,181,131	\$ -
2021	47,860,363	1,063,564	46,796,799	6,068,657	6,068,657	\$ -
2022	46,796,799	1,063,564	45,733,235	5,956,183	5,956,183	\$ -
2023	45,733,235	1,063,564	44,669,672	5,843,709	5,843,709	\$ -
2024	44,669,672	1,063,564	43,606,108	5,731,235	5,731,235	\$ -
2025	43,606,108	1,063,564	42,542,544	5,618,761	5,618,761	\$ -
2026	42,542,544	1,063,564	41,478,981	5,506,287	5,506,287	\$ -
2027	41,478,981	1,063,564	40,415,417	5,393,813	5,393,813	\$ -
2028	40,415,417	1,063,564	39,351,854	5,281,339	5,281,339	\$ -
2029	39,351,854	1,063,564	38,288,290	5,168,865	5,168,865	\$ -
2030	38,288,290	1,063,564	37,224,726	5,056,391	5,056,391	\$ -
2031	37,224,726	1,063,564	36,161,163	4,943,917	4,943,917	\$ -
2032	36,161,163	1,063,564	35,097,599	4,831,443	4,831,443	\$ -
2033	35,097,599	1,063,564	34,034,036	4,718,969	4,718,969	\$ -
2034	34,034,036	1,063,564	32,970,472	4,606,495	4,606,495	\$ -
2035	32,970,472	1,063,564	31,906,908	4,494,021	4,494,021	\$ -
2036	31,906,908	1,063,564	30,843,345	4,381,547	4,381,547	\$ -
2037	30,843,345	1,063,564	29,779,781	4,269,073	4,269,073	\$ -
2038	29,779,781	1,063,564	28,716,218	4,156,599	4,156,599	\$ -
2039	28,716,218	1,063,564	27,652,654	4,044,125	4,044,125	\$ -
2040	27,652,654	1,063,564	26,589,090	3,931,651	3,931,651	\$ -
2041	26,589,090	1,063,564	25,525,527	3,819,177	3,819,177	\$ -
2042	25,525,527	1,063,564	24,461,963	3,706,703	3,706,703	\$ -
2043	24,461,963	1,063,564	23,398,399	3,594,229	3,594,229	\$ -
2044	23,398,399	1,063,564	22,334,836	3,481,755	3,481,755	\$ -
2045	22,334,836	1,063,564	21,271,272	3,369,281	3,369,281	\$ -
2046	21,271,272	1,063,564	20,207,709	3,256,807	3,256,807	\$ -
2047	20,207,709	1,063,564	19,144,145	3,144,333	3,144,333	\$ -
2048	19,144,145	1,063,564	18,080,581	3,031,859	3,031,859	\$ -
2049	18,080,581	1,063,564	17,017,018	2,919,385	2,919,385	\$ -
2050	17,017,018	1,063,564	15,953,454	2,806,911	2,806,911	\$ -
2051	15,953,454	1,063,564	14,889,891	2,694,437	2,694,437	\$ -
2052	14,889,891	1,063,564	13,826,327	2,581,963	2,581,963	\$ -
2053	13,826,327	1,063,564	12,762,763	2,469,489	2,469,489	\$ -
2054	12,762,763	1,063,564	11,699,200	2,357,015	2,357,015	\$ -
2055	11,699,200	1,063,564	10,635,636	2,244,541	2,244,541	\$ -
2056	10,635,636	1,063,564	9,572,073	2,132,067	2,132,067	\$ -
2057	9,572,073	1,063,564	8,508,509	2,019,593	2,019,593	\$ -
2058	8,508,509	1,063,564	7,444,945	1,907,119	1,907,119	\$ -
2059	7,444,945	1,063,564	6,381,382	1,794,645	1,794,645	\$ -
2060	6,381,382	1,063,564	5,317,818	1,682,171	1,682,171	\$ -
2061	5,317,818	1,063,564	4,254,254	1,569,697	1,569,697	\$ -
2062	4,254,254	1,063,564	3,190,691	1,457,223	1,457,223	\$ -
2063	3,190,691	1,063,564	2,127,127	1,344,749	1,344,749	\$ -
2064	2,127,127	1,063,564	1,063,564	1,232,275	1,232,275	\$ -
2065	1,063,564	1,063,564	0	1,119,801	1,119,801	\$ -
2066	0	0	-	0	0	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals	52,114,617			192,650,880	192,650,880	-

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

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

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

Project Description: RTEP ID: b1659.13 (Sorenson: Expansion work to establish 765 kV site)

Current Projected Year ARR	6,058,461
Current Projected Year ARR w/ Incentive	6,058,461
Current Projected Year Incentive ARR	-

Details						
Investment	50,167,493	Current Year				2019
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				10.58%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				10.58%
CIAC (Yes or No)	No	Annual Depreciation Expense				1,023,826
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	50,167,493	-	50,167,493	5,305,314	5,305,314	\$ -
2017	50,167,493	1,023,826	49,143,667	6,275,004	6,275,004	\$ -
2018	49,143,667	1,023,826	48,119,840	6,166,733	6,166,733	\$ -
2019	48,119,840	1,023,826	47,096,014	6,058,461	6,058,461	\$ -
2020	47,096,014	1,023,826	46,072,187	5,950,189	5,950,189	\$ -
2021	46,072,187	1,023,826	45,048,361	5,841,917	5,841,917	\$ -
2022	45,048,361	1,023,826	44,024,535	5,733,646	5,733,646	\$ -
2023	44,024,535	1,023,826	43,000,708	5,625,374	5,625,374	\$ -
2024	43,000,708	1,023,826	41,976,882	5,517,102	5,517,102	\$ -
2025	41,976,882	1,023,826	40,953,056	5,408,831	5,408,831	\$ -
2026	40,953,056	1,023,826	39,929,229	5,300,559	5,300,559	\$ -
2027	39,929,229	1,023,826	38,905,403	5,192,287	5,192,287	\$ -
2028	38,905,403	1,023,826	37,881,576	5,084,015	5,084,015	\$ -
2029	37,881,576	1,023,826	36,857,750	4,975,744	4,975,744	\$ -
2030	36,857,750	1,023,826	35,833,924	4,867,472	4,867,472	\$ -
2031	35,833,924	1,023,826	34,810,097	4,759,200	4,759,200	\$ -
2032	34,810,097	1,023,826	33,786,271	4,650,929	4,650,929	\$ -
2033	33,786,271	1,023,826	32,762,444	4,542,657	4,542,657	\$ -
2034	32,762,444	1,023,826	31,738,618	4,434,385	4,434,385	\$ -
2035	31,738,618	1,023,826	30,714,792	4,326,113	4,326,113	\$ -
2036	30,714,792	1,023,826	29,690,965	4,217,842	4,217,842	\$ -
2037	29,690,965	1,023,826	28,667,139	4,109,570	4,109,570	\$ -
2038	28,667,139	1,023,826	27,643,312	4,001,298	4,001,298	\$ -
2039	27,643,312	1,023,826	26,619,486	3,893,027	3,893,027	\$ -
2040	26,619,486	1,023,826	25,595,660	3,784,755	3,784,755	\$ -
2041	25,595,660	1,023,826	24,571,833	3,676,483	3,676,483	\$ -
2042	24,571,833	1,023,826	23,548,007	3,568,212	3,568,212	\$ -
2043	23,548,007	1,023,826	22,524,181	3,459,940	3,459,940	\$ -
2044	22,524,181	1,023,826	21,500,354	3,351,668	3,351,668	\$ -
2045	21,500,354	1,023,826	20,476,528	3,243,396	3,243,396	\$ -
2046	20,476,528	1,023,826	19,452,701	3,135,125	3,135,125	\$ -
2047	19,452,701	1,023,826	18,428,875	3,026,853	3,026,853	\$ -
2048	18,428,875	1,023,826	17,405,049	2,918,581	2,918,581	\$ -
2049	17,405,049	1,023,826	16,381,222	2,810,310	2,810,310	\$ -
2050	16,381,222	1,023,826	15,357,396	2,702,038	2,702,038	\$ -
2051	15,357,396	1,023,826	14,333,569	2,593,766	2,593,766	\$ -
2052	14,333,569	1,023,826	13,309,743	2,485,494	2,485,494	\$ -
2053	13,309,743	1,023,826	12,285,917	2,377,223	2,377,223	\$ -
2054	12,285,917	1,023,826	11,262,090	2,268,951	2,268,951	\$ -
2055	11,262,090	1,023,826	10,238,264	2,160,679	2,160,679	\$ -
2056	10,238,264	1,023,826	9,214,437	2,052,408	2,052,408	\$ -
2057	9,214,437	1,023,826	8,190,611	1,944,136	1,944,136	\$ -
2058	8,190,611	1,023,826	7,166,785	1,835,864	1,835,864	\$ -
2059	7,166,785	1,023,826	6,142,958	1,727,592	1,727,592	\$ -
2060	6,142,958	1,023,826	5,119,132	1,619,321	1,619,321	\$ -
2061	5,119,132	1,023,826	4,095,306	1,511,049	1,511,049	\$ -
2062	4,095,306	1,023,826	3,071,479	1,402,777	1,402,777	\$ -
2063	3,071,479	1,023,826	2,047,653	1,294,506	1,294,506	\$ -
2064	2,047,653	1,023,826	1,023,826	1,186,234	1,186,234	\$ -
2065	1,023,826	1,023,826	-	1,077,962	1,077,962	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -

[illegible]

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

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

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

Project Description: RTEP ID: b1659.14 (Sorenson: Approx. 14 miles of 765 kV line from existing Dumont-Marysville line)

Current Projected Year ARR	7,533,264
Current Projected Year ARR w/ Incentive	7,533,264
Current Projected Year Incentive ARR	-

Details			
Investment	62,379,701	Current Year	2019
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	10.58%
Useful life	49	FCR w/incentives approved for these facilities, less dep.	10.58%
CIAC (Yes or No)	No	Annual Depreciation Expense	1,273,055

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	62,379,701	-	62,379,701	6,596,779	6,596,779	\$ -
2017	62,379,701	1,273,055	61,106,646	7,802,520	7,802,520	\$ -
2018	61,106,646	1,273,055	59,833,591	7,667,892	7,667,892	\$ -
2019	59,833,591	1,273,055	58,560,536	7,533,264	7,533,264	\$ -
2020	58,560,536	1,273,055	57,287,481	7,398,636	7,398,636	\$ -
2021	57,287,481	1,273,055	56,014,425	7,264,008	7,264,008	\$ -
2022	56,014,425	1,273,055	54,741,370	7,129,380	7,129,380	\$ -
2023	54,741,370	1,273,055	53,468,315	6,994,752	6,994,752	\$ -
2024	53,468,315	1,273,055	52,195,260	6,860,123	6,860,123	\$ -
2025	52,195,260	1,273,055	50,922,205	6,725,495	6,725,495	\$ -
2026	50,922,205	1,273,055	49,649,150	6,590,867	6,590,867	\$ -
2027	49,649,150	1,273,055	48,376,095	6,456,239	6,456,239	\$ -
2028	48,376,095	1,273,055	47,103,040	6,321,611	6,321,611	\$ -
2029	47,103,040	1,273,055	45,829,984	6,186,983	6,186,983	\$ -
2030	45,829,984	1,273,055	44,556,929	6,052,354	6,052,354	\$ -
2031	44,556,929	1,273,055	43,283,874	5,917,726	5,917,726	\$ -
2032	43,283,874	1,273,055	42,010,819	5,783,098	5,783,098	\$ -
2033	42,010,819	1,273,055	40,737,764	5,648,470	5,648,470	\$ -
2034	40,737,764	1,273,055	39,464,709	5,513,842	5,513,842	\$ -
2035	39,464,709	1,273,055	38,191,654	5,379,214	5,379,214	\$ -
2036	38,191,654	1,273,055	36,918,599	5,244,586	5,244,586	\$ -
2037	36,918,599	1,273,055	35,645,543	5,109,957	5,109,957	\$ -
2038	35,645,543	1,273,055	34,372,488	4,975,329	4,975,329	\$ -
2039	34,372,488	1,273,055	33,099,433	4,840,701	4,840,701	\$ -
2040	33,099,433	1,273,055	31,826,378	4,706,073	4,706,073	\$ -
2041	31,826,378	1,273,055	30,553,323	4,571,445	4,571,445	\$ -
2042	30,553,323	1,273,055	29,280,268	4,436,817	4,436,817	\$ -
2043	29,280,268	1,273,055	28,007,213	4,302,189	4,302,189	\$ -
2044	28,007,213	1,273,055	26,734,158	4,167,560	4,167,560	\$ -
2045	26,734,158	1,273,055	25,461,102	4,032,932	4,032,932	\$ -
2046	25,461,102	1,273,055	24,188,047	3,898,304	3,898,304	\$ -
2047	24,188,047	1,273,055	22,914,992	3,763,676	3,763,676	\$ -
2048	22,914,992	1,273,055	21,641,937	3,629,048	3,629,048	\$ -
2049	21,641,937	1,273,055	20,368,882	3,494,420	3,494,420	\$ -
2050	20,368,882	1,273,055	19,095,827	3,359,791	3,359,791	\$ -
2051	19,095,827	1,273,055	17,822,772	3,225,163	3,225,163	\$ -
2052	17,822,772	1,273,055	16,549,717	3,090,535	3,090,535	\$ -
2053	16,549,717	1,273,055	15,276,661	2,955,907	2,955,907	\$ -
2054	15,276,661	1,273,055	14,003,606	2,821,279	2,821,279	\$ -
2055	14,003,606	1,273,055	12,730,551	2,686,651	2,686,651	\$ -
2056	12,730,551	1,273,055	11,457,496	2,552,023	2,552,023	\$ -
2057	11,457,496	1,273,055	10,184,441	2,417,394	2,417,394	\$ -
2058	10,184,441	1,273,055	8,911,386	2,282,766	2,282,766	\$ -
2059	8,911,386	1,273,055	7,638,331	2,148,138	2,148,138	\$ -
2060	7,638,331	1,273,055	6,365,276	2,013,510	2,013,510	\$ -
2061	6,365,276	1,273,055	5,092,220	1,878,882	1,878,882	\$ -
2062	5,092,220	1,273,055	3,819,165	1,744,254	1,744,254	\$ -
2063	3,819,165	1,273,055	2,546,110	1,609,625	1,609,625	\$ -
2064	2,546,110	1,273,055	1,273,055	1,474,997	1,474,997	\$ -
2065	1,273,055	1,273,055	-	1,340,369	1,340,369	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals	62,379,701			230,597,575	230,597,575	-

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

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

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

Project Description: RTEP ID: b1465.1 (Add a 3rd 2250 MVA 765/345 kV transformer at Sullivan station)

Current Projected Year ARR	3,932,147
Current Projected Year ARR w/ Incentive	3,932,147
Current Projected Year Incentive ARR	-

Details			
Investment	32,177,046	Current Year	2019
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	8	FCR w/o incentives, less depreciation	10.58%
Useful life	49	FCR w/incentives approved for these facilities, less dep.	10.58%
CIAC (Yes or No)	No	Annual Depreciation Expense	656,674

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2017	32,177,046	218,891	31,958,155	3,610,105	3,610,105	\$ -
2018	31,958,155	656,674	31,301,480	4,001,591	4,001,591	\$ -
2019	31,301,480	656,674	30,644,806	3,932,147	3,932,147	\$ -
2020	30,644,806	656,674	29,988,131	3,862,702	3,862,702	\$ -
2021	29,988,131	656,674	29,331,457	3,793,258	3,793,258	\$ -
2022	29,331,457	656,674	28,674,782	3,723,813	3,723,813	\$ -
2023	28,674,782	656,674	28,018,108	3,654,368	3,654,368	\$ -
2024	28,018,108	656,674	27,361,434	3,584,924	3,584,924	\$ -
2025	27,361,434	656,674	26,704,759	3,515,479	3,515,479	\$ -
2026	26,704,759	656,674	26,048,085	3,446,034	3,446,034	\$ -
2027	26,048,085	656,674	25,391,410	3,376,590	3,376,590	\$ -
2028	25,391,410	656,674	24,734,736	3,307,145	3,307,145	\$ -
2029	24,734,736	656,674	24,078,062	3,237,700	3,237,700	\$ -
2030	24,078,062	656,674	23,421,387	3,168,256	3,168,256	\$ -
2031	23,421,387	656,674	22,764,713	3,098,811	3,098,811	\$ -
2032	22,764,713	656,674	22,108,038	3,029,366	3,029,366	\$ -
2033	22,108,038	656,674	21,451,364	2,959,922	2,959,922	\$ -
2034	21,451,364	656,674	20,794,690	2,890,477	2,890,477	\$ -
2035	20,794,690	656,674	20,138,015	2,821,033	2,821,033	\$ -
2036	20,138,015	656,674	19,481,341	2,751,588	2,751,588	\$ -
2037	19,481,341	656,674	18,824,666	2,682,143	2,682,143	\$ -
2038	18,824,666	656,674	18,167,992	2,612,699	2,612,699	\$ -
2039	18,167,992	656,674	17,511,318	2,543,254	2,543,254	\$ -
2040	17,511,318	656,674	16,854,643	2,473,809	2,473,809	\$ -
2041	16,854,643	656,674	16,197,969	2,404,365	2,404,365	\$ -
2042	16,197,969	656,674	15,541,294	2,334,920	2,334,920	\$ -
2043	15,541,294	656,674	14,884,620	2,265,475	2,265,475	\$ -
2044	14,884,620	656,674	14,227,946	2,196,031	2,196,031	\$ -
2045	14,227,946	656,674	13,571,271	2,126,586	2,126,586	\$ -
2046	13,571,271	656,674	12,914,597	2,057,141	2,057,141	\$ -
2047	12,914,597	656,674	12,257,922	1,987,697	1,987,697	\$ -
2048	12,257,922	656,674	11,601,248	1,918,252	1,918,252	\$ -
2049	11,601,248	656,674	10,944,573	1,848,807	1,848,807	\$ -
2050	10,944,573	656,674	10,287,899	1,779,363	1,779,363	\$ -
2051	10,287,899	656,674	9,631,225	1,709,918	1,709,918	\$ -
2052	9,631,225	656,674	8,974,550	1,640,474	1,640,474	\$ -
2053	8,974,550	656,674	8,317,876	1,571,029	1,571,029	\$ -
2054	8,317,876	656,674	7,661,201	1,501,584	1,501,584	\$ -
2055	7,661,201	656,674	7,004,527	1,432,140	1,432,140	\$ -
2056	7,004,527	656,674	6,347,853	1,362,695	1,362,695	\$ -
2057	6,347,853	656,674	5,691,178	1,293,250	1,293,250	\$ -
2058	5,691,178	656,674	5,034,504	1,223,806	1,223,806	\$ -
2059	5,034,504	656,674	4,377,829	1,154,361	1,154,361	\$ -
2060	4,377,829	656,674	3,721,155	1,084,916	1,084,916	\$ -
2061	3,721,155	656,674	3,064,481	1,015,472	1,015,472	\$ -
2062	3,064,481	656,674	2,407,806	946,027	946,027	\$ -
2063	2,407,806	656,674	1,751,132	876,582	876,582	\$ -
2064	1,751,132	656,674	1,094,457	807,138	807,138	\$ -
2065	1,094,457	656,674	437,783	737,693	737,693	\$ -
2066	437,783	437,783	-	460,931	460,931	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
2076	-	-	-	-	-	\$ -
Project Totals	32,177,046			117,813,867	117,813,867	-

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

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

IV. Determine the Revenue Requirement, and Additional Revenue Requirement for facilities receiving incentives.

A. Base Plan Facilities

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

Current Projected Year ARR	1,008,642
Current Projected Year ARR w/ Incentive	1,008,642
Current Projected Year Incentive ARR	-

Project Description: RTEP ID: b1465.5 (Sullivan Inst Baker 765 kV trf.)

Details						
Investment	8,427,428	Current Year	2019			
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-			
Service Month (1-12)	6	FCR w/o incentives, less depreciation	10.58%			
Useful life	49	FCR w/incentives approved for these facilities, less dep.	10.58%			
CIAC (Yes or No)	No	Annual Depreciation Expense	171,988			
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	8,427,428	85,994	8,341,434	972,665	972,665	\$ -
2017	8,341,434	171,988	8,169,446	1,045,018	1,045,018	\$ -
2018	8,169,446	171,988	7,997,457	1,026,830	1,026,830	\$ -
2019	7,997,457	171,988	7,825,469	1,008,642	1,008,642	\$ -
2020	7,825,469	171,988	7,653,481	990,453	990,453	\$ -
2021	7,653,481	171,988	7,481,492	972,265	972,265	\$ -
2022	7,481,492	171,988	7,309,504	954,077	954,077	\$ -
2023	7,309,504	171,988	7,137,516	935,889	935,889	\$ -
2024	7,137,516	171,988	6,965,527	917,701	917,701	\$ -
2025	6,965,527	171,988	6,793,539	899,513	899,513	\$ -
2026	6,793,539	171,988	6,621,551	881,325	881,325	\$ -
2027	6,621,551	171,988	6,449,562	863,137	863,137	\$ -
2028	6,449,562	171,988	6,277,574	844,949	844,949	\$ -
2029	6,277,574	171,988	6,105,586	826,760	826,760	\$ -
2030	6,105,586	171,988	5,933,597	808,572	808,572	\$ -
2031	5,933,597	171,988	5,761,609	790,384	790,384	\$ -
2032	5,761,609	171,988	5,589,621	772,196	772,196	\$ -
2033	5,589,621	171,988	5,417,632	754,008	754,008	\$ -
2034	5,417,632	171,988	5,245,644	735,820	735,820	\$ -
2035	5,245,644	171,988	5,073,656	717,632	717,632	\$ -
2036	5,073,656	171,988	4,901,667	699,444	699,444	\$ -
2037	4,901,667	171,988	4,729,679	681,255	681,255	\$ -
2038	4,729,679	171,988	4,557,691	663,067	663,067	\$ -
2039	4,557,691	171,988	4,385,702	644,879	644,879	\$ -
2040	4,385,702	171,988	4,213,714	626,691	626,691	\$ -
2041	4,213,714	171,988	4,041,726	608,503	608,503	\$ -
2042	4,041,726	171,988	3,869,737	590,315	590,315	\$ -
2043	3,869,737	171,988	3,697,749	572,127	572,127	\$ -
2044	3,697,749	171,988	3,525,761	553,939	553,939	\$ -
2045	3,525,761	171,988	3,353,772	535,751	535,751	\$ -
2046	3,353,772	171,988	3,181,784	517,562	517,562	\$ -
2047	3,181,784	171,988	3,009,796	499,374	499,374	\$ -
2048	3,009,796	171,988	2,837,807	481,186	481,186	\$ -
2049	2,837,807	171,988	2,665,819	462,998	462,998	\$ -
2050	2,665,819	171,988	2,493,831	444,810	444,810	\$ -
2051	2,493,831	171,988	2,321,842	426,622	426,622	\$ -
2052	2,321,842	171,988	2,149,854	408,434	408,434	\$ -
2053	2,149,854	171,988	1,977,866	390,246	390,246	\$ -
2054	1,977,866	171,988	1,805,877	372,058	372,058	\$ -
2055	1,805,877	171,988	1,633,889	353,869	353,869	\$ -
2056	1,633,889	171,988	1,461,901	335,681	335,681	\$ -
2057	1,461,901	171,988	1,289,912	317,493	317,493	\$ -
2058	1,289,912	171,988	1,117,924	299,305	299,305	\$ -
2059	1,117,924	171,988	945,936	281,117	281,117	\$ -
2060	945,936	171,988	773,947	262,929	262,929	\$ -
2061	773,947	171,988	601,959	244,741	244,741	\$ -
2062	601,959	171,988	429,971	226,553	226,553	\$ -
2063	429,971	171,988	257,982	208,365	208,365	\$ -
2064	257,982	171,988	85,994	190,176	190,176	\$ -
2065	85,994	85,994	-	90,541	90,541	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals		8,427,428		30,707,866	30,707,866	

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

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

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
		\$ 3,283,917 \$ 3,670,194		

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet L RESERVED
AEP Indiana Michigan Transmission Company

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
AEP Indiana Michigan Transmission Company

Line No	Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	949,638,000	-	-	-	949,638,000
2	January	959,203,000	-	-	-	959,203,000
3	February	992,515,000	-	-	-	992,515,000
4	March	1,002,153,000	-	-	-	1,002,153,000
5	April	1,026,314,000	-	-	-	1,026,314,000
6	May	1,055,974,000	-	-	-	1,055,974,000
7	June	1,067,993,000	-	-	-	1,067,993,000
8	July	1,076,790,000	-	-	-	1,076,790,000
9	August	1,090,555,000	-	-	-	1,090,555,000
10	September	1,098,736,000	-	-	-	1,098,736,000
11	October	1,107,342,000	-	-	-	1,107,342,000
12	November	1,150,595,000	-	-	-	1,150,595,000
13	December of Rate Year	1,159,169,000	-	-	-	1,159,169,000
14	Average of the 13 Monthly Balances	1,056,690,538	-	-	-	1,056,690,538

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Bonds (b)	Less: Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year	-	-	671,550,000	106,000,000	-	777,550,000
16	January	-	-	671,550,000	106,000,000	-	777,550,000
17	February	-	-	671,550,000	106,000,000	-	777,550,000
18	March	-	-	671,550,000	106,000,000	-	777,550,000
19	April	-	-	671,550,000	106,000,000	-	777,550,000
20	May	-	-	671,550,000	299,000,000	-	970,550,000
21	June	-	-	671,550,000	299,000,000	-	970,550,000
22	July	-	-	671,550,000	299,000,000	-	970,550,000
23	August	-	-	671,550,000	299,000,000	-	970,550,000
24	September	-	-	671,550,000	299,000,000	-	970,550,000
25	October	-	-	671,550,000	299,000,000	-	970,550,000
26	November	-	-	649,950,000	299,000,000	-	948,950,000
27	December of Rate Year	-	-	649,950,000	299,000,000	-	948,950,000
28	Average of the 13 Monthly Balances	-	-	668,226,923	224,769,231	-	892,996,154

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
AEP Indiana Michigan Transmission Company

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2019						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			35,266,000			
	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1						
31	included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)						
33	Amort of Loss on Recquired Debt - Acct 428.1 (117.64.c)						
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
35	Less: Amort of Gain on Recquired Debt - Acct 429.1 (117.66.c)						
36	Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)			35,266,000			
37	Average Cost of Debt for 2019 (Ln 36/ In 28 (g))			3.95%			

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

38 AEP Indiana Michigan Transmission Company may not include costs (or gains) related to interest hedging activities.

			Amortization Period		
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2019	Remaining Unamortized Balance	Beginning	Ending
39					
40					
41					
42					
43	Net (Gain)/Loss Hedge Amortization To Be Removed	-	-	-	-

Development of Cost of Preferred Stock

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

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

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

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

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

PBOP	(A)	(B)
1	<u>Calculation of PBOP Expenses</u>	
2	<u>AEP System PBOP Rate</u>	
3	Total AEP System PBOP expenses	-\$62,529,765
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$62,529,765
6	Total AEP System Direct Labor Expense	\$1,368,849,981
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.046
8	Currently Approved PBOP Rate	-\$0.058
9	Base PBOP TransCo labor expensed in current year	4,700,147
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$272,609
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$519,657
15	Actual PBOP Expense (Sum Lines 11-14)	-\$519,657
16	PBOP Adjustment Line 10 less Line 15	\$247,048

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

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

AEPTCo subsidiaries in PJM
Worksheet - P
DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNTS
EFFECTIVE AS OF July 1, 2018

AEP Indiana Michigan Transmission Company

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Land Rights	350.1	1.48%
Structures & Improvements	352.0	1.55%
Station Equipment	353.0	1.86%
Towers & Fixtures	354.0	1.69%
Poles & Fixtures	355.0	2.85%
Overhead Conductor	356.0	1.97%
Underground Conduit	357.0	1.86%
Underground Conductors	358.0	1.70%

Note: Per the Settlement in Docket No. ER10-355, Appendix A.1.2, AEP INDIANA MICHIGAN TRANSMISSION COMPANY shall use the depreciation rates shown above by FERC Account until such time as the FERC approves new depreciation rates pursuant to a Section 205 or 206 filing to change rates.

<u>Composite Depreciation Rate</u>	<u>I & M</u>	<u>TOTAL</u>	
T-Plant (FF1 206.58.g)	1,153,823,876	1,153,823,876	
T-Plant (FF1 206.58.b)	1,115,559,969	1,115,559,969	
Average (Ln 1+ Ln 2)/2	1,134,691,923	1,134,691,923	
Depreciation (FF1 336.7.f)	16,178,988	16,178,988	
Composite Depreciation (Ln 3 / Ln 4)		1.43%	

Note: AEP INDIANA MICHIGAN TRANSMISSION COMPANY shall initially use the composite depreciation rate FOR INDIANA AND MICHIGAN shown above to estimate depreciation expense for transmission projects in Worksheets J and K until a composite depreciation rate based on transmission plant in service and depreciation expenses recorded by AEP INDIANA MICHIGAN TRANSMISSION COMPANY for its own transmission facilities can be calculated in AEP INDIANA MICHIGAN TRANSMISSION COMPANY's the first Annual Update including a True-up TCOS.

AEPTCo Subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet R - True-up With Interest

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018		2017 Forecasted Revenue Requirement For Year 2017		True-up Adjustment - Over (Under) Recovery
\$95,548,326	-	\$103,284,386	=	\$7,736,060

Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3420%				

An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorata over 2019

Calculation of Interest				Monthly		
January	Year 2017	644,672	0.3420%	12	(26,457)	(671,129)
February	Year 2017	644,672	0.3420%	11	(24,253)	(668,924)
March	Year 2017	644,672	0.3420%	10	(22,048)	(666,719)
April	Year 2017	644,672	0.3420%	9	(19,843)	(664,515)
May	Year 2017	644,672	0.3420%	8	(17,638)	(662,310)
June	Year 2017	644,672	0.3420%	7	(15,433)	(660,105)
July	Year 2017	644,672	0.3420%	6	(13,229)	(657,900)
August	Year 2017	644,672	0.3420%	5	(11,024)	(655,696)
September	Year 2017	644,672	0.3420%	4	(8,819)	(653,491)
October	Year 2017	644,672	0.3420%	3	(6,614)	(651,286)
November	Year 2017	644,672	0.3420%	2	(4,410)	(649,081)
December	Year 2017	644,672	0.3420%	1	(2,205)	(646,876)
					(171,973)	(7,908,033)

Annual						
January through December	Year 2018	(7,908,033)	0.3420%	12	(324,546)	(8,232,578)

Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months				Monthly		
January	Year 2019	8,232,578	0.3420%		(28,155)	701,394
February	Year 2019	7,559,339	0.3420%		(25,853)	701,394
March	Year 2019	6,883,798	0.3420%		(23,543)	701,394
April	Year 2019	6,205,946	0.3420%		(21,224)	701,394
May	Year 2019	5,525,776	0.3420%		(18,898)	701,394
June	Year 2019	4,843,279	0.3420%		(16,564)	701,394
July	Year 2019	4,158,449	0.3420%		(14,222)	701,394
August	Year 2019	3,471,276	0.3420%		(11,872)	701,394
September	Year 2019	2,781,753	0.3420%		(9,514)	701,394
October	Year 2019	2,089,872	0.3420%		(7,147)	701,394
November	Year 2019	1,395,625	0.3420%		(4,773)	701,394
December	Year 2019	699,004	0.3420%		(2,391)	701,394
					(184,156)	0

True-Up Adjustment with Interest	(8,416,734)
Less Over (Under) Recovery	7,736,060
Total Interest	(680,674)

Note 1: The interest rate to be applied to the over recovery or under recovery amounts will be determined using the average monthly FERC interest rate (as determined pursuant to 18 C.F.R. Section 35.19a) for the twenty (20) months from the beginning of the rate year being trued-up through August 31 of the following year.

AEPTCo Subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet R - True-up With Interest

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018	-	2017 Forecasted Revenue Requirement For Year 2017	=	True-up Adjustment - Over (Under) Recovery
\$49,817,761		\$46,887,455		(\$2,930,306)

Interest Rate on Amount of Refunds or Surcharges (Note 1)		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
			0.3420%				
An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorata over 2019							
<u>Calculation of Interest</u>					Monthly		
January	Year 2017	(244,192)	0.3420%	12	10,022		254,214
February	Year 2017	(244,192)	0.3420%	11	9,187		253,379
March	Year 2017	(244,192)	0.3420%	10	8,351		252,544
April	Year 2017	(244,192)	0.3420%	9	7,516		251,708
May	Year 2017	(244,192)	0.3420%	8	6,681		250,873
June	Year 2017	(244,192)	0.3420%	7	5,846		250,038
July	Year 2017	(244,192)	0.3420%	6	5,011		249,203
August	Year 2017	(244,192)	0.3420%	5	4,176		248,368
September	Year 2017	(244,192)	0.3420%	4	3,341		247,533
October	Year 2017	(244,192)	0.3420%	3	2,505		246,698
November	Year 2017	(244,192)	0.3420%	2	1,670		245,862
December	Year 2017	(244,192)	0.3420%	1	835		245,027
					65,141		2,995,447
					Annual		
January through December	Year 2018	2,995,447	0.3420%	12	122,933		3,118,380
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>					Monthly		
January	Year 2019	(3,118,380)	0.3420%		10,665	(265,678)	2,863,367
February	Year 2019	(2,863,367)	0.3420%		9,793	(265,678)	2,607,482
March	Year 2019	(2,607,482)	0.3420%		8,918	(265,678)	2,350,721
April	Year 2019	(2,350,721)	0.3420%		8,039	(265,678)	2,093,083
May	Year 2019	(2,093,083)	0.3420%		7,158	(265,678)	1,834,563
June	Year 2019	(1,834,563)	0.3420%		6,274	(265,678)	1,575,159
July	Year 2019	(1,575,159)	0.3420%		5,387	(265,678)	1,314,868
August	Year 2019	(1,314,868)	0.3420%		4,497	(265,678)	1,053,687
September	Year 2019	(1,053,687)	0.3420%		3,604	(265,678)	791,613
October	Year 2019	(791,613)	0.3420%		2,707	(265,678)	528,642
November	Year 2019	(528,642)	0.3420%		1,808	(265,678)	264,772
December	Year 2019	(264,772)	0.3420%		906	(265,678)	(0)
					69,755		
True-Up Adjustment with Interest						3,188,135	
Less Over (Under) Recovery						(2,930,306)	
Total Interest						257,829	

Note 1: The interest rate to be applied to the over recovery or under recovery amounts will be determined using the average monthly FERC interest rate (as determined pursuant to 18 C.F.R. Section 35.19a) for the twenty (20) months from the beginning of the rate year being trued-up through August 31 of the following year.