

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

For Twelve Months Ended

2018

AEP Ohio Transmission Company

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 113)				\$379,397,851
			Total	Allocator		
2	REVENUE CREDITS	(Worksheet E, In 8) (Note A)	5,544,447	DA	1.00000	\$ 5,544,447
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, In 9) (Note X)				\$ 319,233
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)				\$ 374,172,637

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)	41,536,564	DA	1.00000	\$	41,536,564
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)					
7	Annual Rate	((In 1- In 80)/((In 33) x 100))				16.61%
8	Monthly Rate	(In 7 / 12)				1.38%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)					
10	Annual Rate	((In 1- In 80 - In 83)/((In 33) x 100))				14.28%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)					
12	Annual Rate	((In 1 - In 80 - In 83 - In 108 - In 109) /((In 33) x 100))				6.75%
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				914,882
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)				914,882

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

AEP Ohio Transmission Company

	(1)	(2)	(3)	(4)	(5)
	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>
Line No.					
19	GROSS PLANT IN SERVICE				
19	Transmission	(Worksheet A In 14.(d) & Ln 117)	2,427,646,632	DA 1.00000	2,427,646,632
20	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP 1.00000	-
21	General Plant	(Worksheet A In 14.(h))	63,739,926	W/S 1.00000	63,739,926
22	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	-	W/S 1.00000	-
23	Intangible Plant	(Worksheet A In 14.(j))	22,310,847	W/S 1.00000	22,310,847
24	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	2,513,697,405	GP= 1.000000 GTD= 1.00000	2,513,697,405
25	ACCUMULATED DEPRECIATION AND AMORTIZATION				
26	Transmission	(Worksheet A In 28.(d) & Ln 43.(b))	144,104,241	TP1= 1.00000	144,104,241
27	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1= 1.00000	-
28	General Plant	(Worksheet A In 28.(h))	2,266,611	W/S 1.00000	2,266,611
29	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	-	W/S 1.00000	-
30	Intangible Plant	(Worksheet A In 28.(j))	7,458,410	W/S 1.00000	7,458,410.28
31	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	153,829,262		153,829,262
32	NET PLANT IN SERVICE				
33	Transmission	(In 19 + In 20 - In 26 - In 27)	2,283,542,392		2,283,542,392
34	General Plant	(In 21 + In 22 - In 28 - In 29)	61,473,315		61,473,315
35	Intangible Plant	(In 23 - In 30)	14,852,437		14,852,437
36	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	2,359,868,143	NP= 1.000000	2,359,868,143
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)	(450,441,087)	DA	(450,441,087)
40	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(1,142,814)	DA	(1,142,814)
41	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	4,236,663	DA	4,236,663
42	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA	-
43	TOTAL ADJUSTMENTS	(sum Ins 38 to 42)	(447,347,238)		(447,347,238)
44	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e)) In 45.(e))	5,173,908	DA	5,173,908
45	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA	-
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))		W/S 1.00000	
47	WORKING CAPITAL	(Note E)			
48	Cash Working Capital	(1/8 * In 66)	2,996,081		2,996,081
49	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	529,776	TP 1.00000	529,776
50	A&G Materials & Supplies	(Worksheet C, In 3.(F))	2,596	W/S 1.00000	2,596
51	Stores Expense	(Worksheet C, In 4.(F))	-	GP 1.00000	-
52	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.(G))	-	W/S 1.00000	-
53	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.(F))	2,210,785	GP 1.00000	2,210,785
54	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.(E))	-	DA 1.00000	-
55	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.(D))	-	NA 0.00000	-
56	TOTAL WORKING CAPITAL	(sum Ins 48 to 55)	5,739,237		5,739,237
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)		1,923,434,051		1,923,434,051

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

AEP Ohio Transmission Company

(1)		(2)	(3)	(4)		(5)
EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION		Data Sources (See "General Notes")	TO Total	Allocator		Total Transmission
Line	No.					
	59	OPERATION & MAINTENANCE EXPENSE				
	60	Customer Related Expense	322 & 323.164,171,178.b			
	61	Regional Marketing Expenses	322.131.b			
	62	Transmission	321.112.b			
	63	TOTAL O&M EXPENSES	(sum Ins 59 to 61)			
	64	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)			
	65	Less: Account 565	(Note H) 321.96.b			
	66	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)			
		Total O&M Allocable to Transmission	(Ins 61 - 63 - 64 - 65)	TP	1.00000	23,968,647
	67	Administrative and General	323.197.b (Notes J & M)			
	68	Less: Acct. 924, Property Insurance	323.185.b			
	69	Acct. 928, Reg. Com. Exp.	323.189.b			
	70	Acct. 930.1, Gen. Advert. Exp.	323.191.b			
	71	Acct. 930.2, Misc. Gen. Exp.	323.192.b			
	72	Balance of A & G	(In 67 - sum In 68 to In 71)			
	73	Plus: Acct. 924, Property Insurance	(In 68)	W/S	1.00000	11,758,930
	74	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	GP(h)	1.00000	484,486
	75	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	TP	1.00000	93,896
	76	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	TP	1.00000	-
	77	PBOP Adjustment	Worksheet O Ln 16.(B), (Note K & M)	DA	1.00000	3,509
	78	A & G Subtotal	(sum Ins 72 to 77)	W/S	1.00000	13,368,360
	79	O & M EXPENSE SUBTOTAL	(In 66 + In 78)			37,337,007
	80	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		DA	1.00000	-
	81	TOTAL O & M EXPENSE	(In 79 + In 80)			37,337,007
	82	DEPRECIATION AND AMORTIZATION EXPENSE				
	83	Transmission	336.7.f	TP1	1.00000	53,363,082
	84	General	336.10.f	W/S	1.00000	1,439,842
	85	Intangible	336.1.f	W/S	1.00000	3,163,569
	86	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)			57,966,493
	87	TAXES OTHER THAN INCOME	(Note N)			
	88	Labor Related				
	89	Payroll	Worksheet H In 23.(D)	W/S	1.00000	-
	90	Plant Related				
	91	Property	Worksheet H-p2 In 3.(C) & In 3.(G)	DA	1.00000	111,706,825
	92	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	NA	0.00000	-
	93	Other	Worksheet H In 23.(E)	GP	1.00000	584,361
	94	TOTAL OTHER TAXES	(sum Ins 89 to 93)			112,291,186
	95	INCOME TAXES	(Note O)			
	96	$T=1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p) =$	21.17%			
	97	$EIT=(T/[(1-T)] * (1-(WCLTD/WACC)) =$	20.18%			
	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)	1.2686			
	101	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)			
	102	Excess Deferred Income Tax	(Note T)	NP(h)	1.00000	151,852
	103	Tax Effect of Permanent and Flow-Through Differences	(Note T)	NP(h)	1.00000	468,510
	104	Income Tax Calculation	(In 97 * In 109)			28,716,975
	105	ITC adjustment	(In 100 * In 101)	NP(h)	1.00000	-
	106	Excess Deferred Income Tax	(In 100 * In 102)			192,642
	107	Tax Effect of Permanent and Flow-Through Differences	(In 100 * In 103)			594,358
	108	TOTAL INCOME TAXES	(sum Ins 104 to 107)			29,503,975
	109	RETURN ON RATE BASE (Rate Base*WACC)	(In 58 * In 139)			142,299,190
	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	379,399,296			379,397,851
		(sum Ins 81, 86, 94, 108, 109, 110, 111, 112)				

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

AEP Ohio Transmission Company

SUPPORTING CALCULATIONS

No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
114	Total transmission plant	(In 19)	2,427,646,632					
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)	2,427,646,632					
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	-	10,854,909	10,854,909	TP	1.00000	10,854,909
122	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000	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)	-	10,854,909	10,854,909	10,854,909		
126	Transmission related amount		W/S= 1.00000					
<u>Actual (Uncapped) Capital Structure</u>								
127	WEIGHTED AVERAGE COST OF CAPITAL (WACC)		\$					
128	Long Term Interest	(Worksheet M, In 36, col.(d))	44,696,190					
129	Preferred Dividends	(Worksheet M, In 45, col.(d))	-					
130	<u>Development of Common Stock:</u>							
131	Proprietary Capital	(Worksheet M, In 14, col.(b))	1,304,506,543					
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)	1,304,506,543					
<u>Capital Structure Percentages</u>								
			\$	%	Cap Limit	Cost (Note S)	Weighted	
136	Long Term Debt (Note S) Worksheet M, In 28, col. (g), In 37, col. (d))		1,124,638,462	46.30%	46.30%	3.97%	0.0184	
137	Preferred Stock (In 132)			0.00%	0.00%	0.00%	0.0000	
138	Common Stock (In 135)		1,304,506,543	53.70%	53.70%	10.35%	0.0556	
139	Total (Sum Ins 136 to 138)		2,429,145,004	100.00%			WACC= 0.0740	
140	Capital Structure Equity Limit (Note Z)	55.00%						

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

AEP Ohio Transmission Company

Letter

Notes

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

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

The addbacks on line 80 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 line 80 is the AEP Ohio Transmission Company general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- N Includes only FICA, unemployment, highway, property and other assessments. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)
(in 101) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.

Inputs Required:	FIT =	21.00%
	SIT =	0.22% (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 balance 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 O, 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
- 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.
- Y Per the settlement in EL17-13, equity is limited to 55% 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.
- Z

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

Line No	Month (a)	Gross Plant In Service				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
	(Note A)					
1	December Prior to Rate Year	2,219,545,541	-	56,994,420	-	20,053,051
2	January	2,285,094,066		57,077,780		20,548,827
3	February	2,287,794,126		57,077,621		21,050,698
4	March	2,305,420,747		57,301,005		21,423,316
5	April	2,323,452,243		57,301,005		21,927,402
6	May	2,355,187,718		57,347,719		22,568,450
7	June	2,447,143,320		55,579,960		23,314,243
8	July	2,484,444,721		71,241,506		24,462,697
9	August	2,500,361,367		71,293,730		21,772,477
10	September	2,516,733,704		71,311,891		21,935,519
11	October	2,532,691,413		71,333,907		22,855,501
12	November	2,574,458,605		72,149,521		23,407,670
13	December of Rate Year	2,727,078,647		72,608,969		24,721,160
14	Average of the 13 Monthly Balances	2,427,646,632	-	63,739,926	-	22,310,847

Line No	Month (a)	Accumulated Depreciation				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
	(Note A)					
15	December Prior to Rate Year	118,683,707	-	1,589,360	-	6,152,109
16	January	122,433,220		1,695,261		6,469,213
17	February	126,460,832		1,801,327		6,794,579
18	March	130,652,698		1,907,391		6,885,048
19	April	134,802,670		2,014,260		7,224,990
20	May	139,072,083		2,124,112		7,573,333
21	June	143,383,925		2,233,629		7,847,713
22	July	147,961,171		2,339,088		8,219,170
23	August	152,605,975		2,476,433		7,556,702
24	September	157,358,274		2,614,402		7,663,050
25	October	162,022,493		2,751,943		8,011,528
26	November	166,725,036		2,889,533		8,375,339
27	December of Rate Year	171,193,045		3,029,203		8,186,561
28	Average of the 13 Monthly Balances	144,104,241	-	2,266,611	-	7,458,410

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

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

43 Transmission Accumulated Depreciation net of GSU 144,104,241

<u>Plant Held For Future Use</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2018</u>	<u>Balance @ December 31, 2017</u>	<u>Average Balance for 2018</u>
(a)	(b)	(c)	(d)	(e)
44 <u>Plant Held For Future Use</u>	FF1, page 214, ln 47, Col. (d)	5,173,908	5,173,908	5,173,908
45 <u>Transmission Plant Held For Future Use (Included in total on line 4 Company Records - Note 1)</u>		5,173,908	5,173,908	5,173,908

Regulatory Assets and Liabilities Approved for Recovery In Ratebase

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

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

Unfunded Reserves Summary (Company Records)

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

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

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

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2018</u>		<u>(D) Balance @ December 31, 2017</u>		<u>(E) Average Balance for 2018</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)	472,053,434	428,828,740			450,441,087
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)					-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)					-
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	472,053,434	428,828,740			450,441,087
11	<u>Account 283</u>						
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	295,005	1,990,622			1,142,814
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)					-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)					-
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	295,005	1,990,622			1,142,814
16	<u>Account 190</u>						
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	2,061,118	6,412,208			4,236,663
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)					-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)					-
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	2,061,118	6,412,208			4,236,663
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)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheet B.

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

	COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O		
	PER BOOKS	NON-APPLICABLE/NON-UTILITY	AVERAGE ELECTRIC	FUNCTIONALIZATION AVERAGE	FUNCTIONALIZATION 12/31/2017	FUNCTIONALIZATION 12/31/2018	FUNCTIONALIZATION 12/31/2017	FUNCTIONALIZATION 12/31/2018	FUNCTIONALIZATION 12/31/2017	FUNCTIONALIZATION 12/31/2018	FUNCTIONALIZATION 12/31/2017	FUNCTIONALIZATION 12/31/2018	FUNCTIONALIZATION 12/31/2017	FUNCTIONALIZATION 12/31/2018	FUNCTIONALIZATION 12/31/2017	FUNCTIONALIZATION 12/31/2018	
	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2018	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2018	UTILITY (B+C+D+E+J)	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1.00 ACCOUNT 281:																	
2.01																	
2.02 TX AMORT POLLUTION CONT EQPT		0	0		0		0	0	0								
2.03																	
2.04 NON-UTILITY DEFERRED FIT 281.2		0	0	0	0	0											
2.05 SFAS 109 FLOW-THRU 281.3		0	0		0	0											
2.06 SFAS 109 EXCESS DFLT 281.4		0	0	0	0	0											
3 TOTAL ACCOUNT 281		0	0	0	0	0		0	0	0		0	0	0	0	0	0
4 ACCOUNT 281 - ARO-Related Deferrals		0	0	0	0	0		0	0	0		0	0	0	0	0	0
5 ACCOUNT 282:																	
5.01 BOOK VS. TAX DEPRECIATION	439,341,919	300,331,460			369,836,690	0	369,836,690	0	439,341,919					300,331,460			
5.02 R & D DEDUCTION - SECTION 174	76,918	46,151			61,535	0	61,535	0	76,918					46,151			
5.03 GAIN/LOSS ON ACQUISITIONS PROPERTY	74,175	137,241			105,708	0	105,708	0	74,175					137,241			
5.04 ABIFUDC	11,315,046	8,877,429			10,096,238	0	10,096,238	0	11,315,046					8,877,429			
5.05 INT EXP CAPITALIZED FOR TAX	(23,310,815)	(18,637,011)			(20,973,913)	0	(20,973,913)	0	(23,310,815)					(18,637,011)			
5.06 CAC - BOOK RECEIPTS	(3,123,168)	(2,134,743)			(2,628,956)	0	(2,628,956)	0	(3,123,168)					(2,134,743)			
5.07 BOOK/TAX UNIT OF PROPERTY ADJ	0	6,723,686			3,361,843	0	3,361,843	0						6,723,686			
5.08 BKTX UNIT OF PROPERTY ADJ-SEC 481 ADJ	66,150	30,167			48,159	0	48,159	0						30,167			
5.09 TX ACCEL AMORT - CAPITALIZED SOFTWARE	366,498	246,755			306,627	0	306,627	0	366,498					246,755			
5.10 CAPITALIZED SOFTWARE COST-BOOK	3,901,483	3,815,041			3,858,262	0	3,858,262	0	3,901,483					3,815,041			
5.11 REMOVAL COST	120,534	119,637			120,086	0	120,086	0						119,637			
5.12 EXCESS ADIT - PROTECTED	0	174,792,795			87,396,398	0	87,396,398	0						174,792,795			
5.13 EXCESS ADIT - UNPROTECTED	0	(2,295,174)			(1,147,587)	0	(1,147,587)	0						(2,295,174)			
5.14 NON-UTILITY DEFERRED FIT	-	-	0	0	0												
5.15 SFAS 109 FLOW-THRU 282.3	22,438,237	27,621,737	(22,438,237)	(27,621,737)	0												
5.16 SFAS 109 EXCESS DFLT 282.4	(171,531,496)	(172,497,522)	171,531,496	172,497,522	0												
6 TOTAL ACCOUNT 282	279,735,481	327,177,549	149,093,259	144,875,885	450,441,090		450,441,097	0			428,828,740			472,053,434			
7 ACCOUNT 282 - ARO-Related Deferrals							0	0			0			0			
8 ACCOUNT 283:																	
9.01 NOL STATE CARRYFORWARD	0	175,632			87,816	0	87,816	0						175,632			
9.02 NOL STATE CARRYFORWARD - VALUATION ALLOWANCE	0	(21,840)			(10,920)	0	(10,920)	0						(21,840)			
9.03 REG ASSET-TRANSCO PRE-FORMATION COSTS	0	0			0	0	0	0			-			-			
9.04 CAPITALIZED SOFTWARE COST-BOOK	0	0			0	0	0	0			-			-			
9.05 EXCESS ADIT - UNPROTECTED	0	(3,301,445)			(1,650,723)	0	(1,650,723)	0			-			-			
9.06 NON-UTILITY DEFERRED FIT 283.2	-	-	0	0	0										(3,301,445)		
9.07 SFAS 109 FLOW-THRU 283.3	5,964,595	7,342,487	(5,964,595)	(7,342,487)	0												
9.08 SFAS 109 EXCESS DFLT 283.4	2,463,331	3,134,076	(2,463,331)	(3,134,076)	0												
9.09 SFAS 133 ADIT FED - SFAS 133 NONAFFIL 2830006	-	-	0	0	0												
9.10 ADIT - FED-HDG-CF-INT RATE 2830015	-	-	0	0	0												
10	8,427,926	7,328,910	(8,427,926)	(10,476,563)	(1,573,827)		0	(1,573,827)	0		0	0		0	(3,147,653)	0	
11 DEF STATE INCOME TAXES	1,990,622	3,442,658			2,716,640	0	2,716,640	0			1,990,622			3,442,658			
11.01 SFAS 109 - DEF STATE INCOME TAXES			0	0	0		0										
12 TOTAL ACCOUNT 283	10,418,548	10,771,568	(8,427,926)	(10,476,563)	1,142,813		0	1,142,814	0		0	1,990,622		0	295,005	0	
13 ACCOUNT 283 - ARO-Related Deferrals							0		0		0			0			
14 JURISDICTIONAL AMOUNTS FUNCTIONALIZED																	
15 TOTAL COMPANY AMOUNTS FUNCTIONALIZED																	
16 REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT																	
17 NOTE: POST 1970 ACCUMULATED DEFERRED																	
18 INV TAX CRED. (JDTIC) IN A/C 255							0	0	0	0	0	0					
18.01	0	0			0		0	0	0	0	0	0					
18.02							0	0	0	0	0	0					
19																	
20 TOTAL ACCOUNT 255		0	0	0	0	0		0	0	0		0	0	0		0	0

1 ACCOUNT 190

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

(A)

(B)

(C)

(D)

(E)

(F)

(G)

(H)

(I)

Materials & Supplies

Line Number		Source	Balance @ December 31, 2018	Balance @ December 31, 2017	Average Balance for 2018	
1						
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	12,554	1,046,997		529,776
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	70	5,122		2,596
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)				-

Prepayment Balance Summary (Note 1)

	Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)
5						
6	Totals as of December 31, 2018	2,257,810	0	0	2,257,810	0
7	Totals as of December 31, 2017	2,163,760	0	0	2,163,760	0
8	Average Balance	2,210,785	-	-	2,210,785	-

Prepayments Account 165 - Balance @ 12/31/2018

Acc. No.	Description	2018 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001 Prepaid Insurance	220,059	-		220,059		220,059	Plant Related Insurance Policies
11	165000214 Prepaid Taxes	0	-		-		-	
12	1650006 Other Prepayments	1,600,000	-		1,600,000		1,600,000	Prepaid Transmission Projects
13	165001217 Prepaid Use Taxes	0	-		-		-	
14	165001218 Prepaid Insurance EIS	23,607	-		23,607		23,607	Prepaid Use Taxes
15	1650021 Prepaid Insurance EIS	136,654	-		136,654		136,654	Plant Related Insurance Policies
16	1650023 Prepaid Lease	277,490	-		277,490		277,490	Prepaid Lease
17	1650003 Prepaid Rents	0	-		-		-	
18	1650004 Prepaid Interest	0	-		-		-	
19	1650010 Prepaid Pension Benefits	0	-		-		-	
20	1650014 FAS 158 Qual Contra Asset	0	-		-		-	
21	1650016 FAS 112 ASSETS	0	-		-		-	
22								
23								
24								
25	Subtotal - Form 1, p 111.57.c	2,257,810	0	0	2,257,810	0	2,257,810	

Prepayments Account 165 - Balance @ 12/31/ 2017

Acc. No.	Description	2017 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
26								
27	1650001 Prepaid Insurance	217,950	-		217,950		217,950	Plant Related Insurance Policies
28	165000214 Prepaid Taxes	0	-		-		-	
29	1650006 Other Prepayments	1,600,000	-		1,600,000		1,600,000	Prepaid Transmission Projects
30	165001217 Prepaid Use Taxes	12,564	-		12,564		12,564	Prepaid Use Taxes
31	1650021 Prepaid Insurance EIS	72,698	-		72,698		72,698	Plant Related Insurance Policies
32	1650023 Prepaid Lease	260,548	-		260,548		260,548	Prepaid Lease
33	1650003 Prepaid Rents	0	-		-		-	
34	1650004 Prepaid Interest	0	-		-		-	
35	1650010 Prepaid Pension Benefits	0	-		-		-	
36	1650014 FAS 158 Qual Contra Asset	0	-		-		-	
37	1650016 FAS 112 ASSETS	0	-		-		-	
38								
39								
40	Subtotal - Form 1, p 111.57.d	2,163,760	0	0	2,163,760	0	2,163,760	

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 USoIA Account 236).

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2018</u>
1	Net Funds from IPP Customers 12/31/2017 (2018 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 12/31/2018 (2018 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column $((\text{Ln } 1 + \text{Ln } 7)/2)$	-

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

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

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	5,544,447	-	5,544,447
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)		-	
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	380,949,490	380,949,490	
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))	386,493,937	380,949,490	5,544,447
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	386,493,937	380,949,490	5,544,447
9	Facility Credits under PJM OATT Section 30.9			319,233

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

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

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

Formula Rate
WS F Misc Exp
Page 15 of 52

	(A)	(B)	(C)	(D)	(E)	(F)
Line			2018	100%	100%	
Number	Item No.	Description	Expense	Non-Transmission	Transmission Specific	Explanation
<u>Regulatory O&M Deferrals & Amortizations</u>						
1						
2						
3						
4		Total	-			
<u>Detail of Account 561 Per FERC Form 1</u>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	123			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	624,406			
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	290,339			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	14			
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	914,882			
<u>Account 928</u>						
15	9280000	Regulatory Commission Exp	1,494	1,494	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	15,218	15,218	-	
18	9280005	Reg Com Exp-FERC Trans Cases	93,896	-	93,896	
19				-	-	
20				-	-	
21		Total (FERC Form 1 p.323.189.b)	110,608	16,712	93,896	
<u>Account 930.1</u>						
22	9301000	General Advertising Expenses	0	0	-	
23	9301001	Newspaper Advertising Space	120	120	-	
24	9301010	Publicity	777	777	-	
25	9301012	Public Opinion Surveys	111	111	-	
26	9301015	Other Corporate Comm Exp	1,285	1,285	-	
27				-	-	
28				-	-	
29				-	-	
30				-	-	
31				-	-	
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37				-	-	
38		Total (FERC Form 1 p.323.191.b)	2,293	2,293	-	
<u>Account 930.2</u>						
39	9302000	Misc General Expenses	175,355	175,355	-	
40	9302003	Corporate & Fiscal Expenses	56,433	56,433	-	
41	9302006	Assoc Bus Dev - Materials Sold	-	-	-	
42	9302007	Assoc Business Development Exp	3,509	-	3,509	
43		Total (FERC Form 1 p.323.192.b)	235,297	231,788	3,509	

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

1	Ohio State Tax Rate	0.22%	
	Apportionment Factor - Note 1	100.00%	
	Effective State Tax Rate		0.22%
2	Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
3	Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
4	Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
5	Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		<u>0.22%</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 Ohio Transmission Company

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
		NOTE 1				
1	Revenue Taxes					
2	Gross Receipts Tax	1,370				1,370
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Ohio	111,706,825	111,706,825			
5	Real and Personal Property -	-	-			
6	Real and Personal Property -	-	-			
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	584,361			584,361	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	75				75
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis	112,292,631	111,706,825	-	584,361	1,445

(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)	-	2,283,542,392	-	2,345,015,706
	OHIO JURISDICTION				
25	Percentage of Plant in OHIO JURISDICTION	100%		100.00%	
26	Net Plant in OHIO JURISDICTION (Ln 24 * Ln 25)	-	2,283,542,392	-	2,345,015,706
27	Less: Net Value of Exempted Generation Plant				
28	Taxable Property Basis (Ln 26 - Ln 27)	-	2,283,542,392	-	2,345,015,706
29	Relative Valuation Factor				-
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-
33	Weighted OHIO JURISDICTION Plant (Ln 30 + 32)	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%	
	JURISDICTION				
35	Net Plant in JURISDICTION (Ln 24 - Ln 26)	-	-	-	-
36	Less: Net Value Exempted Generation Plant				
37	Taxable Property Basis	-	-	-	-
38	Relative Valuation Factor				
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-
40	General Plant Allocator (Ln 39 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%
41	Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-
42	Weighted JURISDICTION Plant (Ln 39 + 41)	-	-	-	-
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%	

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 Ohio Transmission Company

Reserved for Future Use

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
AEP Ohio Transmission Company

Page 1 of 22

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 Adde			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 True-Up TCOS, lns 136 through 138)			
	%	Cost	Weighted cost
Long Term Debt	46.30%	3.97%	1.840%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	53.70%	10.35%	5.558%
		R =	7.398%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR		Rev Require	W Incentives	Incentive Amounts
As Projected in Prior Year WS J		\$ 42,794,656	\$ 42,794,656	\$ -
Actual After True-up		\$ 41,536,564	\$ 41,536,564	\$ -
True-up of ARR For 2018		(1,258,092)	(1,258,092)	-

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

Rate Base (True-Up TCOS, ln 58)	1,923,434,051
R (from A. above)	7.398%
Return (Rate Base x R)	142,299,190

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

Return (from B. above)	142,299,190
Effective Tax Rate (TCOS, ln 97)	20.18%
Income Tax Calculation (Return x CIT)	28,716,975
ITC Adjustment	-
Excess Deferred Income Tax	192,642
Tax Affect of Permanent Differences	594,358
Income Taxes	29,503,975

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)	379,397,851
Lease Payments (TCOS, Lns 80)	-
Return (TCOS, ln 109)	142,299,190
Income Taxes (TCOS, ln 108)	29,503,975
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	207,594,686

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	207,594,686
Return (from I.B. above)	142,299,190
Income Taxes (from I.C. above)	29,503,975
Annual Revenue Requirement, with 0 Basis Point ROE increase	379,397,851
Depreciation (TCOS, ln 83)	53,363,082
Annual Rev. Req, w/ 0 Basis Point ROE increase, less Depreciation	326,034,769

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

Net Transmission Plant (Projected TCOS, ln 33)	2,283,542,392
Annual Revenue Requirement, with 0 Basis Point ROE increase	379,397,851
FCR with 0 Basis Point Increase in ROE	16.61%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	326,034,769
FCR with 0 Basis Point ROE increase, less Depreciation	14.28%
FCR less Depreciation (TCOS, ln 10)	14.28%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2018 TCOS, ln 19	2,427,646,632
Annual Depreciation and Amortization Expense (TCOS, ln 83)	53,363,082
Composite Depreciation Rate	2.20%
Depreciable Life for Composite Depreciation Rate	45.49
Average Life in Whole Years	45

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

A. Base Plan Facilities

(e.g. ER05-925-000)

Details			
Investment	3,473,922	Current Year	2018
Service Year (yyyy)	2011	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	14.28%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28%
CIAC (Yes or No)	No	Annual Depreciation Expense	77,198

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

[illegible]

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

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

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: b1034.1 (South Canton - West Canton 138kV line and Wagenhals – Wayview 138kV

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,247,990	1,247,990	-
Prior Yr True-Up	1,255,658	1,255,658	-
True-Up Adjustment	7,668	7,668	-

Details			
Investment	8,345,675	Current Year	2018
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	14.28
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28
CIAC (Yes or No)	No	Annual Depreciation Expense	185.45

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

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

LIFE OF THE PROJECT.

[illegible]

Project Totals	8,345,675	36,248,063	36,248,063	-
----------------	-----------	------------	------------	---

** 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.

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	644,841	644,841	-
Prior Yr True-Up	648,871	648,871	-
True-Up Adjustment	4,030	4,030	-

Details			
Investment	4,305,129	Current Year	2018
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	
Service Month (1-12)	12	FCR w/o incentives, less depreciation	14.28
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28
CIAC (Yes or No)	No	Annual Depreciation Expense	95.67

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUE-UP ARRS OVER THE

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

[illegible]

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

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

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: b1864.2 (West Bellaire-Brues 138 kV Circuit)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	160,698	160,698	-
Prior Yr True-Up	161,669	161,669	-
True-Up Adjustment	971	971	-

Details			
Investment	1,076,416	Current Year	2018
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	
Service Month (1-12)	10	FCR w/o incentives, less depreciation	14.28
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28
CIAC (Yes or No)	No	Annual Depreciation Expense	23.92

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

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

LIFE OF THE PROJECT.

[illegible]

Project Totals	1,076,416	4,662,428	4,662,428	-
----------------	-----------	-----------	-----------	---

** 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.

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,025,972	1,025,972	-
Prior Yr True-Up	1,032,384	1,032,384	-
True-Up Adjustment	6,412	6,412	-

Details				
Investment	6,849,657	Current Year		2018
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)		-
Service Month (1-12)	12	FCR w/o incentives, less depreciation		14.28%
Useful life	45	FCR w/incentives approved for these facilities, less dep.		14.28%
CIAC (Yes or No)	No	Annual Depreciation Expense		152.21%

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

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

LIFE OF THE PROJECT.

[illegible]

Project Totals	6,849,657	29,831,853	29,831,853
----------------	-----------	------------	------------

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

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

A. Base Plan Facilities

(e.g. ER05-925-000)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	3,315,908	3,315,908	-
Prior Yr True-Up	1,837,117	1,837,117	-
True-Up Adjustment	(1,478,791)	(1,478,791)	-

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

[illegible]

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

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: b1034.2 (Loop the existing South Canton - Wayview 138kV circuit in-and-out of West Canton)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	983,699	983,699	-
Prior Yr True-Up	984,908	984,908	-
True-Up Adjustment	1,209	1,209	-

Details			
Investment	6,422,010	Current Year	2018
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	14.28%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28%
CIAC (Yes or No)	No	Annual Depreciation Expense	142.71

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

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

[illegible]

Project Totals	6,422,010	27,816,533	27,816,533
----------------	-----------	------------	------------

** 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.

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	2,058,911	2,058,911	-
Prior Yr True-Up	2,074,454	2,074,454	-
True-Up Adjustment	15,543	15,543	-

Details			
Investment	13,479,817	Current Year	2018
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	14.28
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28
CIAC (Yes or No)	No	Annual Depreciation Expense	299.55

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

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

LIFE OF THE PROJECT.

[illegible]

Project Totals	13,479,817	58,707,746	58,707,746
----------------	------------	------------	------------

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

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

A. Base Plan Facilities

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

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

[illegible]

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

Formula Rate
WS K TRUE-UP RTEP RR
Page 31 of 52

A. Base Plan Facilities

(e.g. ER05-925-000)

Details				
Investment	13,744,474	Current Year		2018
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation	14.28%	
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28%	
CIAC (Yes or No)	No	Annual Depreciation Expense	305,433	

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	2,058,707	2,058,707	-
Prior Yr True-Up	2,071,574	2,071,574	-
True-Up Adjustment	12,867	12,867	-

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives
2013	13,744,474	-	13,744,474	13,744,474	1,962,379	1,962,379	\$ -	\$ -	-	\$ -	-	\$ -
2014	13,744,474	305,433	13,439,041	13,591,758	2,249,008	2,246,008	\$ -	\$ 294,473	1,951,535	\$ 294,473	\$ 1,951,535	\$ -
2015	13,439,041	305,433	13,133,608	13,286,325	2,202,399	2,202,399	\$ -	\$ 1,769,452	432,947	\$ 1,769,452	\$ 432,947	\$ -
2016	13,133,608	305,433	12,828,176	12,980,892	2,158,791	2,158,791	\$ -	\$ 1,930,442	228,349	\$ 1,930,442	\$ 228,349	\$ -
2017	12,828,176	305,433	12,522,743	12,675,459	2,115,183	2,115,183	\$ -	\$ 2,311,328	(196,145)	\$ 2,311,328	\$ (196,145)	\$ -
2018	12,522,743	305,433	12,217,310	12,370,027	2,071,574	2,071,574	\$ -	\$ 2,058,707	12,867	\$ 2,058,707	\$ 12,867	\$ -
2019	12,217,310	305,433	11,911,877	12,064,594	2,027,966	2,027,966	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	11,911,877	305,433	11,606,445	11,759,161	1,984,357	1,984,357	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	11,606,445	305,433	11,301,012	11,453,728	1,940,749	1,940,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	11,301,012	305,433	10,995,579	11,148,295	1,897,140	1,897,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	10,995,579	305,433	10,690,146	10,842,863	1,853,532	1,853,532	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	10,690,146	305,433	10,384,714	10,537,430	1,809,924	1,809,924	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	10,384,714	305,433	10,079,281	10,231,997	1,766,315	1,766,315	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	10,079,281	305,433	9,773,848	9,926,565	1,722,707	1,722,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	9,773,848	305,433	9,468,415	9,621,132	1,679,098	1,679,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	9,468,415	305,433	9,162,983	9,315,699	1,635,490	1,635,490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	9,162,983	305,433	8,857,550	9,010,266	1,591,881	1,591,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	8,857,550	305,433	8,552,117	8,704,834	1,548,273	1,548,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	8,552,117	305,433	8,246,684	8,399,401	1,504,665	1,504,665	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	8,246,684	305,433	7,941,252	8,093,968	1,461,056	1,461,056	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	7,941,252	305,433	7,635,819	7,788,535	1,417,448	1,417,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	7,635,819	305,433	7,330,386	7,483,103	1,373,839	1,373,839	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	7,330,386	305,433	7,024,953	7,177,670	1,330,231	1,330,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	7,024,953	305,433	6,719,521	6,872,237	1,286,622	1,286,622	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	6,719,521	305,433	6,414,088	6,566,804	1,243,014	1,243,014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	6,414,088	305,433	6,108,655	6,261,371	1,199,406	1,199,406	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	6,108,655	305,433	5,803,222	5,955,939	1,155,797	1,155,797	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	5,803,222	305,433	5,497,790	5,650,506	1,112,189	1,112,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	5,497,790	305,433	5,192,357	5,345,073	1,068,580	1,068,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	5,192,357	305,433	4,886,924	5,039,640	1,024,972	1,024,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	4,886,924	305,433	4,581,491	4,734,208	981,363	981,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	4,581,491	305,433	4,276,059	4,428,775	937,755	937,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	4,276,059	305,433	3,970,626	4,123,342	894,147	894,147	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	3,970,626	305,433	3,665,193	3,817,909	850,538	850,538	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	3,665,193	305,433	3,359,760	3,512,477	806,930	806,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	3,359,760	305,433	3,054,328	3,207,044	763,321	763,321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	3,054,328	305,433	2,748,895	2,901,611	719,713	719,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	2,748,895	305,433	2,443,462	2,596,178	676,104	676,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	2,443,462	305,433	2,138,029	2,290,746	632,496	632,496	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	2,138,029	305,433	1,832,597	1,985,313	588,888	588,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	1,832,597	305,433	1,527,164	1,679,880	545,279	545,279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	1,527,164	305,433	1,221,731	1,374,447	501,671	501,671	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	1,221,731	305,433	916,298	1,069,015	458,062	458,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	916,298	305,433	610,866	763,582	414,454	414,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	610,866	305,433	305,433	370,845	370,845	370,845	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	305,433	305,433	0	152,716	327,237	327,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	0	0	-	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals		13,744,474			59,860,388	59,860,388	-					

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

Formula Rate
WS K TRUE-UP RTEP RR
Page 32 of 52

A. Base Plan Facilities

(e.g. ER05-925-000)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	3,216,698	3,216,698	-
Prior Yr True-Up	3,240,801	3,240,801	-
True-Up Adjustment	24,103	24,103	-

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

[illegible]

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

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: b2032 (Rebuild 138 kV Elliott Tap-Poston line)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	574,858	574,858	-
Prior Yr True-Up	578,990	578,990	-
True-Up Adjustment	4,132	4,132	-

Details			
Investment	3,781,771	Current Year	2018
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	9	FCR w/o incentives, less depreciation	14.28
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28
CIAC (Yes or No)	No	Annual Depreciation Expense	84.03

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

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

LIFE OF THE PROJECT.

[illegible]

Project Totals	3,781,771	16,335,508	16,335,508
----------------	-----------	------------	------------

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

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

Formula Rate
WS K TRUE-UP RTEP RR
Page 34 of 52

A. Base Plan Facilities

(e.g. ER05-925-000)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	4,098,498	4,098,498	-
Prior Yr True-Up	4,133,719	4,133,719	-
True-Up Adjustment	35,221	35,221	-

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

[illegible]

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

Worksheet K - ATRR TRUE-UP 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: b1032.4 (Install 138/69kV transformer at new station and connect in the Ross - Highland 69kV line)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	958,607	958,607	-
Prior Yr True-Up	966,368	966,368	-
True-Up Adjustment	7,761	7,761	-

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

Details							
Investment	6,215,398	Current Year					2018
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	6	FCR w/o incentives, less depreciation					14.28%
Useful life	45	FCR w/incentives approved for these facilities, less dep.					14.28%
CIAC (Yes or No)	No	Annual Depreciation Expense					138,120
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't w/o Incentives	RTEP Rev. Req't with Incentives **	Incentive Rev. Requirement #
2015	6,215,398	69,060	6,146,338	6,180,868	951,539	951,539	\$ -
2016	6,146,338	138,120	6,008,218	6,077,278	1,005,809	1,005,809	\$ -
2017	6,008,218	138,120	5,870,098	5,939,158	986,088	986,088	\$ -
2018	5,870,098	138,120	5,731,978	5,801,038	966,368	966,368	\$ -
2019	5,731,978	138,120	5,593,858	5,662,918	946,648	946,648	\$ -
2020	5,593,858	138,120	5,455,738	5,524,798	926,928	926,928	\$ -
2021	5,455,738	138,120	5,317,618	5,386,678	907,208	907,208	\$ -
2022	5,317,618	138,120	5,179,498	5,248,558	887,487	887,487	\$ -
2023	5,179,498	138,120	5,041,378	5,110,438	867,767	867,767	\$ -
2024	5,041,378	138,120	4,903,258	4,972,318	848,047	848,047	\$ -
2025	4,903,258	138,120	4,765,138	4,834,198	828,327	828,327	\$ -
2026	4,765,138	138,120	4,627,019	4,696,078	808,607	808,607	\$ -
2027	4,627,019	138,120	4,488,899	4,557,959	788,886	788,886	\$ -
2028	4,488,899	138,120	4,350,779	4,419,839	769,166	769,166	\$ -
2029	4,350,779	138,120	4,212,659	4,281,719	749,446	749,446	\$ -
2030	4,212,659	138,120	4,074,539	4,143,599	729,726	729,726	\$ -
2031	4,074,539	138,120	3,936,419	4,005,479	710,006	710,006	\$ -
2032	3,936,419	138,120	3,798,299	3,867,359	690,285	690,285	\$ -
2033	3,798,299	138,120	3,660,179	3,729,239	670,565	670,565	\$ -
2034	3,660,179	138,120	3,522,059	3,591,119	650,845	650,845	\$ -
2035	3,522,059	138,120	3,383,939	3,452,999	631,125	631,125	\$ -
2036	3,383,939	138,120	3,245,819	3,314,879	611,405	611,405	\$ -
2037	3,245,819	138,120	3,107,699	3,176,759	591,685	591,685	\$ -
2038	3,107,699	138,120	2,969,579	3,038,639	571,964	571,964	\$ -
2039	2,969,579	138,120	2,831,459	2,900,519	552,244	552,244	\$ -
2040	2,831,459	138,120	2,693,339	2,762,399	532,524	532,524	\$ -
2041	2,693,339	138,120	2,555,219	2,624,279	512,804	512,804	\$ -
2042	2,555,219	138,120	2,417,099	2,486,159	493,084	493,084	\$ -
2043	2,417,099	138,120	2,278,979	2,348,039	473,363	473,363	\$ -
2044	2,278,979	138,120	2,140,859	2,209,919	453,643	453,643	\$ -
2045	2,140,859	138,120	2,002,739	2,071,799	433,923	433,923	\$ -
2046	2,002,739	138,120	1,864,619	1,933,679	414,203	414,203	\$ -
2047	1,864,619	138,120	1,726,499	1,795,559	394,483	394,483	\$ -
2048	1,726,499	138,120	1,588,379	1,657,439	374,762	374,762	\$ -
2049	1,588,379	138,120	1,450,259	1,519,320	355,042	355,042	\$ -
2050	1,450,259	138,120	1,312,140	1,381,200	335,322	335,322	\$ -
2051	1,312,140	138,120	1,174,020	1,243,080	315,602	315,602	\$ -
2052	1,174,020	138,120	1,035,900	1,104,960	295,882	295,882	\$ -
2053	1,035,900	138,120	897,780	966,840	276,161	276,161	\$ -
2054	897,780	138,120	759,660	828,720	256,441	256,441	\$ -
2055	759,660	138,120	621,540	690,600	236,721	236,721	\$ -
2056	621,540	138,120	483,420	552,480	217,001	217,001	\$ -
2057	483,420	138,120	345,300	414,360	197,281	197,281	\$ -
2058	345,300	138,120	207,180	276,240	177,560	177,560	\$ -
2059	207,180	138,120	69,060	138,120	157,840	157,840	\$ -
2060	69,060	69,060	-	34,530	73,990	73,990	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals	6,215,398				26,625,803	26,625,803	-

** 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.

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	930,781	930,781	-
Prior Yr True-Up	2,867,572	2,867,572	-
True-Up Adjustment	1,936,791	1,936,791	-

Details			
Investment	18,412,075	Current Year	2018
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	7	FCR w/o incentives, less depreciation	14.28
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28
CIAC (Yes or No)	No	Annual Depreciation Expense	409.15

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

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

LIFE OF THE PROJECT.

[illegible]

Project Totals	18,412,075	79,093,546	79,093,546
----------------	------------	------------	------------

** 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.

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)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details			
Investment	-	Current Year	2018
Service Year (yyyy)		ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)		FCR w/o incentives, less depreciation	14.28%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28%
CIAC (Yes or No)	No	Annual Depreciation Expense	-

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

INPUT TRUE-UP ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR
TEMPLATE BELOW TO MAINTAIN HISTORY OF TRUE-UP ARRS OVER THE

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

[illegible]

Project Totals

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

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

Formula Rate
WS K TRUE-UP RTEP RR
Page 39 of 52

A. Base Plan Facilities

(e.g. ER05-925-000)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	7,830,032	7,830,032	-
Prior Yr True-Up	7,924,878	7,924,878	-
True-Up Adjustment	94,846	94,846	-

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

[illegible]

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

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: b2017 (Reconductor or rebuild Sporn - Waterford - Muskingum River 345 kV line)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	8,068,347	8,068,347	-
Prior Yr True-Up	8,132,868	8,132,868	-
True-Up Adjustment	64,521	64,521	-

Details			
Investment	52,397,331	Current Year	2018
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	5	FCR w/o incentives, less depreciation	14.28
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28
CIAC (Yes or No)	No	Annual Depreciation Expense	1,164.38

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

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

LIFE OF THE PROJECT.

[illegible]

Project Totals	52,397,331	223,838,631	223,838,631
----------------	------------	-------------	-------------

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

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

A. Base Plan Facilities

(e.g. ER05-925-000)

Details			
Investment	2,645,198	Current Year	2018
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	14.28%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	14.28%
CIAC (Yes or No)	No	Annual Depreciation Expense	58,782

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

** 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.

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

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

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 AOI (Acct 219.1) (e)	
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	1,100,135,399				1,100,135,399
2	January	1,131,822,070				1,131,822,070
3	February	1,143,733,376				1,143,733,376
4	March	1,158,996,247				1,158,996,247
5	April	1,210,240,314				1,210,240,314
6	May	1,280,335,304				1,280,335,304
7	June	1,329,342,501				1,329,342,501
8	July	1,340,722,864				1,340,722,864
9	August	1,386,162,391				1,386,162,391
10	September	1,417,037,783				1,417,037,783
11	October	1,476,004,307				1,476,004,307
12	November	1,487,378,168				1,487,378,168
13	December of Rate Year	1,496,674,334				1,496,674,334
14	Average of the 13 Monthly Balances	1,304,506,543	-	-	-	1,304,506,543

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)	LT Advances from Assoc. Companies (d)	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				1,094,100,000		1,094,100,000
16	January				1,094,100,000		1,094,100,000
17	February				1,094,100,000		1,094,100,000
18	March				1,094,100,000		1,094,100,000
19	April				1,094,100,000		1,094,100,000
20	May				1,094,100,000		1,094,100,000
21	June				1,094,100,000		1,094,100,000
22	July				1,094,100,000		1,094,100,000
23	August				1,094,100,000		1,094,100,000
24	September				1,209,100,000		1,209,100,000
25	October				1,209,100,000		1,209,100,000
26	November				1,177,600,000		1,177,600,000
27	December of Rate Year				1,177,600,000		1,177,600,000
28	Average of the 13 Monthly Balances	-	-	-	1,124,638,462	-	1,124,638,462

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

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

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2018						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			44,111,276			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			627,573			
33	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			-			
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			42,659			
35	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)			-			
36	Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)			44,696,190			
37	Average Cost of Debt for 2018 (Ln 36/ Ln 28 (g))			3.97%			

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

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

					Amortization Period	
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2018	Remaining Unamortized Balance		Beginning	Ending
39						
40						
41						
42						
43	Net (Gain)/Loss Hedge Amortization To Be Removed	-	-	-	-	-

Development of Cost of Preferred Stock

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

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

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

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

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

PBOP	(A)	(B)
1	<u>Calculation of PBOP Expenses</u>	
2	<u>AEP System PBOP Rate</u>	
3	Total AEP System PBOP expenses	-\$101,323,000
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$101,323,000
6	Total AEP System Direct Labor Expense	\$1,411,118,585
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.072
8	Currently Approved PBOP Rate	-\$0.043
9	Base PBOP TransCo labor expensed in current year	10,458,768
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$449,727
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)	-\$1,477,266
15	Actual PBOP Expense (Sum Lines 11-14)	-\$1,477,266
16	PBOP Adjustment Line 10 less Line 15	\$1,027,539

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 7/1/2018

AEP Ohio Transmission Company

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Land Rights	350.1	0.97%
Structures & Improvements	352.0	1.72%
Station Equipment	353.0	1.89%
Towers & Fixtures	354.0	1.95%
Poles & Fixtures	355.0	3.15%
Overhead Conductor	356.0	2.03%
Underground Conduit	357.0	2.10%
Underground Conductors	358.0	3.85%

Note: Per the Settlement in Docket No. ER10-355, Appendix A.1.2, AEP OHIO 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>CSP</u>	<u>OPCo</u>	<u>TOTAL</u>
1 T-Plant (FF1 206.58.g)	619,883,849	1,164,351,684	1,784,235,533
2 T-Plant (FF1 206.58.b)	570,478,232	1,109,431,387	1,679,909,619
3 Average (Ln 1+ Ln 2)/2	595,181,041	1,136,891,536	1,732,072,576
4 Depreciation (FF1 336.7.f)	12,769,913	25,505,773	38,275,686
5 Composite Depreciation (Ln 3 / Ln 4)			2.21%

Note: AEP Ohio Transmission Company shall initially use the composite depreciation rate for APCo, I&M and KPCo 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 Ohio Transmission Company for its own transmission facilities can be calculated in AEP Ohio Transmission Company's the first Annual Update including a True-up TCOS.

[illegible]

	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
Line							
<u>Development of Long Term Debt Balances at Year End</u>							
60 Bonds (112.18.c&d)							-
61 Less: Reacquired Bonds (112.19.c&d)							-
62 LT Advances from Assoc. Companies (112.20.c&d)							-
63 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund							-
64 Less: Fair Value Hedges (See Note on Ln 66 below)							-
65 Total Long Term Debt Balance	-	-	-	-	-	-	-
66 NOTE: 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. (p. 257 , Column H of the FF1)							
<u>Development of Long Term Debt Interest Expense</u>							
67 Interest on Long Term Debt (256-257.33.i)							-
68 Amort of Debt Discount & Expense (117.63.c)							-
69 Amort of Loss on Reacquired Debt (117.64.c)							-
70 Less: Amort of Premium on Debt (117.65.c)							-
71 Less: Amort of Gain on Reacquired Debt (117.66.c)							-
72 Less: Hedge Interest on pp 256-257(i)							-
73 LTD Interest Expense	-	-	-	-	-	-	-
<u>Development of Cost of Preferred Stock and Preferred Dividends</u>							
74 Dividend Rate (p. 250-251. 7.a)							
75 Par Value (p. 250-251. 8.c)							
76 Shares Outstanding (p.250-251. 8.e)							
77 Monetary Value (Ln 75 * Ln 76)	-	-	-	-	-	-	-
78 Dividend Amount (Ln 74 * Ln 77)	-	-	-	-	-	-	-
79 Dividend Rate (p. 250-251. 7.a)							
80 Par Value (p. 250-251. 8.c)							
81 Shares Outstanding (p.250-251. 8.e)							
82 Monetary Value (Ln 80 * Ln 81)	-	-	-	-	-	-	-
83 Dividend Amount (Ln 79 * Ln 82)	-	-	-	-	-	-	-
84 Dividend Rate (p. 250-251. 7.a)							
85 Par Value (p. 250-251. 8.c)							
86 Shares Outstanding (p.250-251. 8.e)							
87 Monetary Value (Ln 85 * Ln 86)	-	-	-	-	-	-	-
88 Dividend Amount (Ln 84 * Ln 87)	-	-	-	-	-	-	-
89 Dividend Rate (p. 250-251. 7.a)							
90 Par Value (p. 250-251. 8.c)							
91 Shares Outstanding (p.250-251. 8.e)							
92 Monetary Value (Ln 90 * Ln 91)	-	-	-	-	-	-	-
93 Dividend Amount (Ln 89 * Ln 92)	-	-	-	-	-	-	-
94 Preferred Stock (Lns 77, 82, 87,92)	-	-	-	-	-	-	-
95 Preferred Dividends (Lns 78, 83, 88,93)	-	-	-	-	-	-	-
<u>Development of Common Equity</u>							
96 Proprietary Capital (112.16.c)							-
97 Less: Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
98 Less: Account 216.1 (112.12.c)							-
99 Less: Account 219.1 (112.15.c)							-
100 Balance of Common Equity	-	-	-	-	-	-	-
<u>Calculation of Capital Shares</u>							
101 Long Term Debt (Ln 65 Above)	-	-	-	-	-	-	-
102 Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
103 Common Equity (Ln 100 Above)	-	-	-	-	-	-	-
104 Total Company Structure	-	-	-	-	-	-	-
105 LTD Capital Shares (Ln 101 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
106 Preferred Stock Capital Shares (Ln 102 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
107 Common Equity Capital Shares (Ln 103 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
108 Reserved							
109 Reserved							
110 Reserved							
111 Reserved							
<u>Calculation of Capital Cost Rate</u>							
112 LTD Capital Cost Rate (Ln 73 / Ln 65)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
113 Preferred Stock Capital Cost Rate (Ln 95 / Ln 94)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
114 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
<u>Calculation of Weighted Capital Cost Rate</u>							
115 LTD Weighted Capital Cost Rate (Ln 105 * Ln 112)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
116 Preferred Stock Capital Cost Rate (Ln 106 * Ln 113)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
117 Common Equity Capital Cost Rate (Ln 107 * Ln 114)	#DIV/0!	#DIV/0!	#DIV/				

[illegible]

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
\$0		\$0		\$0

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

Calculation of Interest					Monthly		
January	Year 2017	-	0.3420%	12	-	-	
February	Year 2017	-	0.3420%	11	-	-	
March	Year 2017	-	0.3420%	10	-	-	
April	Year 2017	-	0.3420%	9	-	-	
May	Year 2017	-	0.3420%	8	-	-	
June	Year 2017	-	0.3420%	7	-	-	
July	Year 2017	-	0.3420%	6	-	-	
August	Year 2017	-	0.3420%	5	-	-	
September	Year 2017	-	0.3420%	4	-	-	
October	Year 2017	-	0.3420%	3	-	-	
November	Year 2017	-	0.3420%	2	-	-	
December	Year 2017	-	0.3420%	1	-	-	
					-	-	

				Annual	
January through December	Year 2018	-	0.3420%	12	-

Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2019	-	0.3420%	-	-	-
February	Year 2019	-	0.3420%	-	-	-
March	Year 2019	-	0.3420%	-	-	-
April	Year 2019	-	0.3420%	-	-	-
May	Year 2019	-	0.3420%	-	-	-
June	Year 2019	-	0.3420%	-	-	-
July	Year 2019	-	0.3420%	-	-	-
August	Year 2019	-	0.3420%	-	-	-
September	Year 2019	-	0.3420%	-	-	-
October	Year 2019	-	0.3420%	-	-	-
November	Year 2019	-	0.3420%	-	-	-
December	Year 2019	-	0.3420%	-	-	-

True-Up Adjustment with Interest	-
Less Over (Under) Recovery	-
Total Interest	-

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 true-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
\$0		\$0		\$0

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	-	0.3420%	12	-	-
February	Year 2017	-	0.3420%	11	-	-
March	Year 2017	-	0.3420%	10	-	-
April	Year 2017	-	0.3420%	9	-	-
May	Year 2017	-	0.3420%	8	-	-
June	Year 2017	-	0.3420%	7	-	-
July	Year 2017	-	0.3420%	6	-	-
August	Year 2017	-	0.3420%	5	-	-
September	Year 2017	-	0.3420%	4	-	-
October	Year 2017	-	0.3420%	3	-	-
November	Year 2017	-	0.3420%	2	-	-
December	Year 2017	-	0.3420%	1	-	-
					-	-
				Annual		
January through December	Year 2018	-	0.3420%	12	-	-
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2019	-	0.3420%		-	-
February	Year 2019	-	0.3420%		-	-
March	Year 2019	-	0.3420%		-	-
April	Year 2019	-	0.3420%		-	-
May	Year 2019	-	0.3420%		-	-
June	Year 2019	-	0.3420%		-	-
July	Year 2019	-	0.3420%		-	-
August	Year 2019	-	0.3420%		-	-
September	Year 2019	-	0.3420%		-	-
October	Year 2019	-	0.3420%		-	-
November	Year 2019	-	0.3420%		-	-
December	Year 2019	-	0.3420%		-	-
					-	-
True-Up Adjustment with Interest					-	
Less Over (Under) Recovery					-	
Total Interest					-	

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 true-up through August 31 of the following year.