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April 22, 2020

## VIA E-Tariff

Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, D.C. 20426

**Re: Silver Run Electric, LLC, Docket No. ER20-1633-000  
Order No. 864 Compliance Filing**

Dear Secretary Bose:

Pursuant to Section 206 of the Federal Power Act (“FPA”),<sup>1</sup> Part 35 of the Federal Energy Regulatory Commission (“Commission”) regulations,<sup>2</sup> and Order No. 864,<sup>3</sup> Silver Run Electric, LLC (“Silver Run”) submits<sup>4</sup> this compliance filing that includes revisions to Silver Run’s formula rate template (“Formula Rate”) contained in the PJM Open Access Transmission Tariff (“Tariff”), Attachment H-27A. This filing includes revisions to Silver Run’s Formula Rate to comply with Order No. 864, including revisions to add (1) a mechanism to adjust rate base for excess and deficient Accumulated Deferred Income Taxes (“ADIT”); (2) a mechanism to decrease or increase the income tax allowance component of the Formula Rate by any amortized excess or deficient ADIT; and (3) the required new permanent worksheet, Attachment

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<sup>1</sup> 16 U.S.C. § 824e (2018).

<sup>2</sup> 18 C.F.R. § Part 35 (2020).

<sup>3</sup> *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (2019).

<sup>4</sup> Pursuant to Order No. 714, *Electronic Tariff Filings*, 124 FERC ¶ 61,270 (2008), PJM Interconnection, L.L.C. (“PJM”) is submitting this filing on behalf of Silver Run as part of an XML filing package that conforms with the Commission’s regulations. PJM has agreed to make all filings on behalf of the PJM Transmission Owners in order to retain administrative control over the PJM Tariff. Thus, Silver Run has requested PJM to submit this filing in the eTariff system as part of PJM’s electronic Intra PJM Tariff.

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13, Annual Excess or Deficient Accumulated Deferred Income Taxes Worksheet (“ADIT Worksheet”) to annually track information related to excess or deficient ADIT.<sup>5</sup>

## **I. BACKGROUND**

### **A. Silver Run**

Silver Run is a transmission-only company whose initial business purpose is to develop, own, and operate transmission facilities within the PJM administered region, including the Artificial Island Project (“the Project”).<sup>6</sup> Silver Run is organized under the laws of the state of Delaware. Silver Run’s annual transmission revenue requirement (“ATRR”) is determined in accordance with its Formula Rate, which was ultimately accepted by the Commission in Docket No. ER16-453.<sup>7</sup> Silver Run is in the process of developing the Project, which will be the first transmission asset owned by Silver Run.

### **B. Order No. 864**

On November 21, 2019, the Commission issued Order No. 864 requiring public utilities with transmission formula rates under an OATT to revise those transmission formula rates to account for changes caused by the Tax Cuts and Jobs Act of 2017.<sup>8</sup> Specifically, the Commission ordered that public utilities submit changes to their transmission formula rates to include (1) a “Rate Base Adjustment Mechanism” to deduct any excess ADIT from or add any

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<sup>5</sup> This filing, including the proposed tariff revisions and populated version of the ADIT Worksheet, reflect in *italics* modifications to Silver Run’s formula rate and formula rate protocols proposed in Docket No. ER20-20-1387-000.

<sup>6</sup> In 2013, PJM selected, through an open proposal window, Northeast Transmission Development, LLC’s (“Northeast Transmission”) proposal to improve operational performance and reliability in the Artificial Island area. In 2018, Northeast Transmission merged with Silver Run. The Commission accepted Silver Run’s Notice of Succession and corresponding changes to the PJM Open Access Transmission Tariff (“PJM OATT”). *PJM Interconnection, L.L.C.*, Docket No. ER18-1983-000 (Aug. 24, 2018)(delegated letter order).

<sup>7</sup> *See PJM Interconnection, L.L.C.*, 155 FERC ¶ 61,097 (2016)(“April 26 Order”)(accepting and suspending Formula Rate, subject to refund); *PJM Interconnection, L.L.C.*, 157 FERC ¶ 61,107 (2016)(“Settlement Order”)(approving settlement agreement regarding Silver Run’s return on equity). The Commission accepted subsequent compliance filings related to the April 26 Order and Settlement Order. *See PJM Interconnection, L.L.C.*, 158 FERC ¶ 61,060 (2017); *PJM Interconnection, L.L.C.*, 158 FERC ¶ 61,091 (2017); *Northeast Transmission Development, LLC*, Docket No. ER16-453-006 (Apr. 6, 2017)(delegated letter order); *PJM Interconnection, L.L.C.*, Docket No. ER16-453-007 (June 16, 2017)(delegated letter order).

On May 25, 2020, Silver Run proposed modifications to its Formula Rate, including (1) clarifying how Silver Run will depreciate Contributions in Aid of Construction for transmission facilities; (2) correct certain errors in Silver Run’s Formula Rate; and (3) modify the posting requirements related to Silver Run’s Formula Rate Implementation Protocols to conform them with the practices of PJM. *Silver Run Electric, LLC*, Transmittal Letter, filed on March 25, 2020 in Docket No. ER20-1387-000 (“205 Filing”).

<sup>8</sup> Order No. 864, 169 FERC ¶ 61,139 at P 1.

deficient ADIT to rate base;<sup>9</sup> (2) an “Income Tax Allowance Adjustment Mechanism” that decreases or increases income tax allowances by excess or deficient ADIT amortization, respectively;<sup>10</sup> and (3) a new permanent “ADIT Worksheet” that annually tracks information related to excess or deficient ADIT and contains five categories of information.<sup>11</sup> In addition to the requirements listed directly above, Order No. 864 contains other requirements including a requirement that each public utility submit a populated version of the ADIT Worksheet.<sup>12</sup>

## **II. COMPLIANCE FILING**

### **A. Rate Base Adjustment Mechanism**

To comply with the requirement to include a Rate Base Adjustment Mechanism, which will deduct any excess ADIT from or add any deficient ADIT to rate base, Silver Run proposes to include a new line 22a (Deficient or (Excess) ADIT) on page 2 of Attachment H27-A as well as a new note, Note Y. As required by Order No. 864, Note Y ensures that the Rate Base Adjustment Mechanism must apply to any future changes to tax rates that give rise to excess or deficient ADIT, including any federal, state, or local tax rate changes.<sup>13</sup>

### **B. Income Tax Allowance Adjustment Mechanism**

The original version of Silver Run’s Attachment H-27A included the Income Tax Allowance Adjustment Mechanism on lines 40 and 44 of page 3. Silver Run proposes minor edits to lines 40 and 44 to incorporate the addition of ADIT Worksheet. Line 44 is now a manual entry supported by the tax gross up calculation performed in the ADIT Worksheet. Line 40 is now reserved with the gross excess or deficient ADIT calculated in and supported by the ADIT Worksheet. In addition, Note Y was created to reflect the requirements of Order No. 864,<sup>14</sup> and incorporate the ADIT Worksheet. These revisions, calculated consistent with new Note Y, will ensure that public utilities with transmission formula rates return excess ADIT to or recover deficient ADIT from ratepayers.

### **C. Description of ADIT Worksheet**

Order No. 864 requires that a public utility’s transmission formula rate include a new permanent ADIT Worksheet that will annually track information related to excess or deficient ADIT. The new ADIT Worksheet will provide transparency regarding the adjustment of rate base and income tax allowances to account for excess or deficient ADIT as well as for excess and deficient ADIT included in rates following future local, state, and federal income tax rate changes.

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<sup>9</sup> *Id.* at PP 3 and 28.

<sup>10</sup> *Id.* at PP 4 and 42.

<sup>11</sup> *Id.* at PP 5, 52, 62 and 65.

<sup>12</sup> *Id.* at PP 63, 104.

<sup>13</sup> *Id.* at P 29.

<sup>14</sup> *Id.* at P 43.

Order No. 864 does not include a *pro forma* worksheet.<sup>15</sup> Instead, it provides five categories of information that must be included in the ADIT Worksheet:

- 1) How any ADIT accounts were re-measured and the excess or deficient ADIT contained therein;
- 2) The accounting for any excess or deficient amounts in Accounts 182.3 (Other Regulatory Assets) and 254 (Other Regulatory Liabilities);
- 3) Whether the excess or deficient ADIT is protected or unprotected;
- 4) The accounts to which the excess or deficient ADIT are amortized; and
- 5) The amortization period of the excess or deficient ADIT being returned or recovered through rates.<sup>16</sup>

To address this requirement, Silver Run is proposing a new Attachment 13, the permanent ADIT Worksheet, that includes the five categories of information adopted by the Commission.<sup>17</sup> Below is a description of how the ADIT Worksheet satisfies the requirements of Order No. 864. In addition, Silver Run is including a populated version of the new ADIT Worksheet, shown in Tab C, to assist the Commission in assessing whether the worksheet provides sufficient transparency.

### **1. Rate Base Adjustment Mechanism**

The rate base adjustment amounts for the projected revenue requirement and, as applicable, the actual revenue requirement used to determine the true-up adjustment are provided on lines 2-8 of ADIT Worksheet. The rate base adjustment amount for the projected revenue requirement is computed beginning on line 16 of the ADIT Worksheet in the section of the worksheet titled “Rate Base Adjustment Mechanism-Reconciliation of Beginning and End of Test Period Balances-Projected.” The rate base adjustment amount for the actual revenue requirement is computed beginning on line 36 of the ADIT Worksheet in the section of the worksheet titled “Rate Base Adjustment Mechanism-Reconciliation of Beginning and End of Test Period Balances-Actual.”

The computation beginning on line 16 reconciles the forecasted beginning-of-year and end-of-year amounts of unrecovered deficient ADIT recorded in account 182.3 and unrefunded excess ADIT recorded in account 254 with respect to each change in tax law and separately for deficient or excess ADIT subject to normalization requirements (i.e., “protected”) and balances “unprotected” by normalization requirements. Anticipated reconciliation items are remeasurements of ADIT (column (e)) and annual amortization (i.e., recovery or refund) (column (f)). Column (g) accommodates other adjustments and, as applicable, will be explained in Note 5. Column (e) is further described in Notes 2 and 3, and column (f) is further described in Note 4. The amortization period and method for recovery or refund will be described for each component of deficient or excess ADIT in column (j).

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<sup>15</sup> *Id.* at P 64.

<sup>16</sup> *Id.* at PP 52, 62.

<sup>17</sup> *Id.* at PP 52, 62, 65.

For actual revenue requirement filings, the computation beginning on line 36 reconciles the recorded amounts of unrecovered deficient ADIT recorded in account 182.3 and unrefunded excess ADIT recorded in account 254 as of the beginning and end of the test year in the manner described above with respect to the projected revenue requirement.

When applicable, computations will be added to the ADIT Worksheet for deficient or excess ADIT amounts to reflect rate base averaging and, as necessary, to comply with the Internal Revenue Service (“IRS”) or other normalization requirements (e.g., the proration requirement). The extent to which such additional computations are necessary depends, in part, on the content of TCJA excess deferred tax normalization guidance expected to be issued by the IRS.

The regulatory assets for deficient ADIT and regulatory liabilities for excess ADIT will reflect the appropriate tax gross-up to the revenue requirement. In addition, rate base will reflect the deferred tax asset associated with regulatory liabilities for excess ADIT and the deferred tax liability associated with regulatory assets for deficient ADIT in lines 19-22 of Attachment H-27A. This approach will maintain rate base neutrality relative to the balances prior to ADIT remeasurement caused by a change in tax law or tax rate. Accordingly, the ADIT with respect to regulatory assets or liabilities for deficient or excess ADIT is not an example of ADIT excluded from rate base as described in Note D of Attachment H-27A.

## **2. Income Tax Allowance Mechanism**

The income tax allowance amounts for the projected revenue requirement and, as applicable, the actual revenue requirement used to determine the true-up adjustment are provided on lines 9-15 of ADIT Worksheet. These lines also compute the tax gross-up of the amortization to the revenue requirement level for amortization of deficient or excess ADIT for each tax jurisdiction. The income tax allowance amounts for the projected revenue requirement are computed beginning on line 56 of the ADIT Worksheet in the section of the worksheet titled “Income Tax Allowance Adjustment Mechanism-Projected.” The income tax allowance amounts for the actual revenue requirement are computed beginning on line 74 of the ADIT Worksheet in the section of the worksheet titled “Income Tax Allowance Adjustment Mechanism-Actual.”

The accounting for income tax allowance amount for the projected revenue requirement is detailed beginning on line 56. The projected amounts of amortization of deficient or excess ADIT reported in column (e) of this section agree with the projected amounts of amortization in the “Rate Base Adjustment Mechanism - Reconciliation of Beginning and End of Test Period Balances – Projected”, in column (f). Note 4 further explains the accounting for the amortization of the excess and/or deficient ADIT.

The accounting for income tax allowance amount for the actual revenue requirement is detailed beginning on line 74. The recorded amounts of amortization of deficient or excess ADIT reported in column (e) of this section agree with the recorded amounts of amortization in the “Rate Base Adjustment Mechanism - Reconciliation of Beginning and End of Test Period

Balances – Actual”, in column (f). Note 4 further explains the accounting for the amortization of the excess and/or deficient ADIT.

For both the projected and actual revenue requirements, amortization of deficient or excess ADIT is reported separately for unrecovered deficient ADIT recorded in account 182.3 and unrefunded excess ADIT recorded in account 254 with respect to each change in tax law, further separated for amounts subject to or not subject to normalization requirements.

When applicable, computations will be added to the ADIT Worksheet for amortization of deficient or excess ADIT amounts in order to comply with the IRS or other normalization requirements. The extent to which such additional computations are necessary depends, in part, on the content of TCJA excess deferred tax normalization guidance expected to be issued by the IRS.

Lines 94-118 of the ADIT Worksheet detail the effects of the change in tax rates resulting from the TCJA on the ADIT balances of Silver Run Electric. Silver Run Electric had not begun providing electric transmission service prior to the 2017 federal change in tax law and, thus, the resulting remeasurements of ADIT recorded in 2017 did not affect rate base or result in refundable excess ADIT amounts or recoverable deficient ADIT amounts. The decrease in tax rate reduced the regulatory asset in Account 182.3 and associated deferred tax liabilities in Accounts 282 and 283 related to accrued/capitalized AFUDC-equity. Accordingly, the decrease in federal income tax rate enacted in 2017 will reduce the revenue requirement associated with depreciation of AFUDC-equity after the associated plant is placed in service.

### **III. COMMUNICATIONS**

Communications and correspondence with respect to this filing should be directed to:

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Silver Run requests the individuals identified above be placed on the Commission’s official service list in this proceeding and be designated for service pursuant to Rule 2010.<sup>18</sup>

### **IV. CONTENTS OF THIS FILING**

In addition to this filing letter, Silver Run’s compliance filing consists of the following:

Tab A – Clean Tariff Sheets;

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<sup>18</sup> 18 C.F.R. 385.203(b)(3); 18 C.F.R. 385.2010. To the extent necessary, Silver Run requests waiver of Rule 2010(k) so as to allow the individuals indicated above to be placed on the official service list.

Tab B – Redline Tariff Sheets; and

Tab C – New ADIT Worksheet (populated).

## **V. EFFECTIVE DATE**

Order No. 864 requires compliance filings to be submitted by the later of (1) within 30 days of the effective date of the final rule, *i.e.* February 26, 2020, or (2) the date of public utility's next annual informational filing following the issuance of the final rule.<sup>19</sup> Silver Run's annual informational filing is due on April 15, 2020. On March 19, 2020, the Commission issued a notice granting until May 1, 2020 deadlines to make non-statutory filings required by the Commission including compliance filings.<sup>20</sup>

On March 25, 2020, Silver Run filed modifications to its Formula Rate and Formula Rate Implementation Protocols. Because those changes are pending in Docket No. ER20-1387-000, Silver Run requests that the Commission accept the changes proposed herein effective consistent with the effective date of the modification proposed in the pending 205 Filing, May 25, 2020.

## **VI. SERVICE**

PJM has served a copy of this filing on all PJM Members and on all state utility regulatory commissions in the PJM Region by posting this filing electronically. In accordance with the Commission's regulations,<sup>21</sup> PJM will post a copy of this filing to the FERC filings section of its internet site, located at the following link: <http://www.pjm.com/documents/ferc-manuals/ferc-filings.aspx> with a specific link to the newly-filed document, and will send an e-mail on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region<sup>22</sup> alerting them that this filing has been made by PJM and is available by following such link. If the document is not immediately available by using the referenced link, the document will be available through the referenced link within 24 hours of the filing. Also, a copy of this filing will be available on the Commission's eLibrary website located at the following link: <http://www.ferc.gov/docs-filing/elibrary.asp> in accordance with the Commission's regulations and Order No. 714.

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<sup>19</sup> Order No. 864, 169 FERC ¶ 61,139 at P 100.

<sup>20</sup> Notice Granting Extension of Time, Docket No. AD20-11-000 (March 29, 2020).

<sup>21</sup> See 18 C.F.R. §§ 35.2(e) and 385.2010(f)(3).

<sup>22</sup> PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state commissions.

## VII. CONCLUSION

For the reasons set forth above, Silver Run requests that the Commission find that Silver Run has complied with the requirements of Order No. 864 and accept the Formula Rate changes herein.

Regards,

By: /s/ Christina Switzer

Christina Switzer

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*Counsel for Silver Run Electric, LLC*

# **Tab A**

**Clean Version**

**Attachment H-27A**

For the 12 months  
ended  
12/31/\_\_\_\_

| Line No.                 | (1)                                                     | (2)<br>Source                              | (3)   | (4)           | (5)<br>Allocated Amount |
|--------------------------|---------------------------------------------------------|--------------------------------------------|-------|---------------|-------------------------|
| 1                        | GROSS REVENUE REQUIREMENT, without incentives           | (Page 3, Line 49)                          |       |               | \$ -                    |
| 2                        | REVENUE CREDITS<br>Account No. 454                      | (Note A)<br>(Page 4, Line 20)              | Total | Allocator (W) |                         |
| 3                        | Account No. 456.1                                       | (Page 4, Line 21)                          | -     | TP 1.0000     | -                       |
| 4                        | Revenues from Grandfathered Interzonal Transactions     | (Note B)                                   | -     | TP 1.0000     | -                       |
| 5                        | Revenues from service provided by the ISO at a discount |                                            | -     | TP 1.0000     | -                       |
| 6                        | TOTAL REVENUE CREDITS                                   | (Sum of Lines 2 through 5)                 | -     | TP 1.0000     | -                       |
| 7                        | Prior Period Adjustments                                | Attachment 11, Line 18, Col. B             | -     | DA 1.0000     | -                       |
| 8                        | True-up Adjustment with Interest                        | Attachment 3, Line 9 , Col. J              | -     | DA 1.0000     | -                       |
| 9                        | NET ANNUAL TRANSMISSION REVENUE REQUIREMENT             | (Line 1 less Line 6 plus Lines 7 and 8)    |       |               | \$ -                    |
| <u>Rate Calculations</u> |                                                         |                                            |       |               |                         |
| A.                       | <u>PJM Regional Service</u>                             |                                            |       |               |                         |
| 10                       | Schedule 12 ATRR Without Incentives                     | Attachment 1, Line 2, Col. 16 less Col. 12 | -     |               |                         |
| 11                       | FERC Approved Incentives on Schedule 12 projects        | Attachment 1, Line 2, Col. 12              | -     |               |                         |
| 12                       | Schedule 12 Revenue Requirement                         | ( Line 10 + Line 11)                       | -     |               |                         |

For the 12 months  
ended  
12/31/\_\_\_\_

| Line No. | (1)<br>RATE BASE: (Note R)                              | (2)<br>Source                                                | (3)<br>Company Total | (4)<br>Allocator (W) | (5)<br>Transmission<br>(Col 3 times Col 4) |
|----------|---------------------------------------------------------|--------------------------------------------------------------|----------------------|----------------------|--------------------------------------------|
| 1        | GROSS PLANT IN SERVICE<br>Production                    | Note C<br>205.46.g for end of year, records for other months | -                    | N/A                  | -                                          |
| 2        | Transmission                                            | Attachment 4, Line 14, Col. (b)                              | -                    | TP 1.0000            | -                                          |
| 3        | Distribution                                            | 207.75.g for end of year, records for other months           | -                    | N/A                  | -                                          |
| 4        | General & Intangible                                    | Attachment 4, Line 14, Col. (c)                              | -                    | WS 1.0000            | -                                          |
| 5        | TOTAL GROSS PLANT                                       | (Sum of Lines 1 through 4)                                   | -                    | GP = 1.0000          | -                                          |
| 6        | ACCUMULATED DEPRECIATION                                | Note C                                                       |                      |                      |                                            |
| 7        | Production                                              | 219.20-24.c for end of year, records for other months        | -                    | N/A                  | -                                          |
| 8        | Transmission                                            | Attachment 4, Line 14, Col. (h)                              | -                    | TP 1.0000            | -                                          |
| 9        | Distribution                                            | 219.26.c for end of year, records for other months           | -                    | N/A                  | -                                          |
| 10       | General & Intangible                                    | Attachment 4, Line 14, Col. (i)                              | -                    | WS 1.0000            | -                                          |
| 11       | TOTAL ACCUM. DEPRECIATION                               | (Sum of Lines 7 through 10)                                  | -                    |                      | -                                          |
| 12       | NET PLANT IN SERVICE                                    |                                                              |                      |                      |                                            |
| 13       | Production                                              | (Line 1 - Line 7)                                            | -                    |                      | -                                          |
| 14       | Transmission                                            | (Line 2 - Line 8)                                            | -                    |                      | -                                          |
| 15       | Distribution                                            | (Line 3 - Line 9)                                            | -                    |                      | -                                          |
| 16       | General & Intangible                                    | (Line 4 - Line 10)                                           | -                    |                      | -                                          |
| 17       | TOTAL NET PLANT                                         | ( Sum of Lines 13 through 16)                                | -                    | NP = 1.0000          | -                                          |
| 18       | ADJUSTMENTS TO RATE BASE                                |                                                              |                      |                      |                                            |
| 19       | Account No. 281 (enter negative)                        | Note D                                                       | -                    | N/A                  | -                                          |
| 20       | Account No. 282 (enter negative)                        | Note D                                                       | -                    | NP 1.0000            | -                                          |
| 21       | Account No. 283 (enter negative)                        | Note D                                                       | -                    | NP 1.0000            | -                                          |
| 22       | Account No. 190                                         | Note D                                                       | -                    | NP 1.0000            | -                                          |
| 22a      | Deficient or (Excess) Accumulated Deferred Income Taxes | Attachment 13, Line 7 (Note Y)                               | -                    | NP 1.0000            | -                                          |
| 23       | Account No. 255 (enter negative)                        | Note X                                                       | -                    | NP 1.0000            | -                                          |
| 24       | Unfunded Reserves (enter negative)                      | Attachment 4, Line 43, Col. (h)                              | -                    | DA 1.0000            | -                                          |
| 25       | CWIP                                                    | Attachment 4, Line 14, Col. (d)                              | -                    | DA 1.0000            | -                                          |
| 26       | Unamortized Regulatory Asset                            | Attachment 4, Line 28, Col. (b) (Note E)                     | -                    | DA 1.0000            | -                                          |
| 27       | Unamortized Abandoned Plant                             | Attachment 4, Line 28, Col. (c) (Note F)                     | -                    | DA 1.0000            | -                                          |
| 28       | TOTAL ADJUSTMENTS                                       | ( Sum of Lines 19 through 27)                                | -                    |                      | -                                          |
| 29       | LAND HELD FOR FUTURE USE                                | Attachment 4, Line 14, Col. (e) (Note G)                     | -                    | TP 1.0000            | -                                          |
| 30       | WORKING CAPITAL                                         | Note H                                                       |                      |                      |                                            |
| 31       | Cash Working Capital                                    | 1/8*(Page 3, Line 17 minus Page 3, Line 14)                  | -                    |                      | -                                          |
| 32       | Materials & Supplies                                    | Attachment 4, Line 14, Col. (f)                              | -                    | TP 1.0000            | -                                          |
| 33       | Prepayments (Account 165)                               | Attachment 4, Line 14, Col. (g)                              | -                    | GP 1.0000            | -                                          |
| 34       | TOTAL WORKING CAPITAL                                   | ( Sum of Lines 31 through 33)                                | -                    |                      | -                                          |
| 35       | RATE BASE<br>Formula Rate - Non-Levelized               | ( Sum of Lines 17, 28, 29, and 34)                           | -                    |                      | -                                          |

For the 12 months  
ended  
12/31/\_\_\_\_

| Line No. | (1)                                                                                   | (2)<br>Source                                                                   | (3)<br>Company Total | (4)<br>Allocator (W) |        | (5)<br>Transmission<br>(Col 3 times Col 4) |
|----------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------|----------------------|--------|--------------------------------------------|
|          | O&M                                                                                   |                                                                                 |                      |                      |        |                                            |
| 1        | Transmission                                                                          | 321.112.b                                                                       | -                    | TP                   | 1.0000 | -                                          |
| 2        | Less Account 566 (Misc Trans Expense)                                                 | 321.97.b                                                                        | -                    | TP                   | 1.0000 | -                                          |
| 3        | Less Account 565                                                                      | 321.96.b                                                                        | -                    | TP                   | 1.0000 | -                                          |
| 4        | A&G                                                                                   | 323.197.b                                                                       | -                    | WS                   | 1.0000 | -                                          |
| 5        | Less FERC Annual Fees                                                                 | 351.h (Note I)                                                                  | -                    | WS                   | 1.0000 | -                                          |
| 6        | Less EPRI and EEI Dues                                                                | Note J                                                                          | -                    | WS                   | 1.0000 | -                                          |
| 7        | Less Reg. Commission Expense Account 928                                              | Note J                                                                          | -                    | WS                   | 1.0000 | -                                          |
| 8        | Less: Non-safety Advertising account 930.1                                            | Note J                                                                          | -                    | WS                   | 1.0000 | -                                          |
| 9        |                                                                                       |                                                                                 |                      |                      |        |                                            |
| 10       | Plus Transmission Related Reg. Comm. Exp.                                             | Note K                                                                          | -                    | TP                   | 1.0000 | -                                          |
| 11       |                                                                                       |                                                                                 |                      |                      |        |                                            |
| 12       | Plus Transmission Lease Payments in Acct 565                                          | Note V                                                                          | -                    | DA                   | 1.0000 | -                                          |
| 13       | Account 566                                                                           |                                                                                 |                      |                      |        |                                            |
| 14       | Amortization of Regulatory Asset                                                      | Note E                                                                          | -                    | DA                   | 1.0000 | -                                          |
| 15       | Misc. Transmission Expense (less amort. of regulatory asset)                          | 321.97.b less line 14                                                           | -                    | TP                   | 1.0000 | -                                          |
| 16       | Total Account 566                                                                     | (Sum of Lines 14 through 15)" Ties to 321.97b                                   | -                    |                      |        | -                                          |
| 17       | TOTAL O&M                                                                             | (Sum of Lines 1, 4, 10, 11, 12, and 16 less Sum of Lines 2, 3, and 5 through 9) | -                    |                      |        | -                                          |
| 18       | DEPRECIATION EXPENSE                                                                  |                                                                                 |                      |                      |        |                                            |
| 19       | Transmission                                                                          | Note C<br>336.7.b&d                                                             | -                    | TP                   | 1.0000 | -                                          |
| 20       | General & Intangible                                                                  | 336.10.b&d, 336.1.b&d                                                           | -                    | WS                   | 1.0000 | -                                          |
| 21       | Amortization of Abandoned Plant                                                       | Note F                                                                          | -                    | DA                   | 1.0000 | -                                          |
| 22       | TOTAL DEPRECIATION                                                                    | (Sum of Lines 19 through 21)                                                    | -                    |                      |        | -                                          |
| 23       | TAXES OTHER THAN INCOME TAXES (Note M)                                                |                                                                                 |                      |                      |        |                                            |
| 24       | LABOR RELATED                                                                         |                                                                                 |                      |                      |        |                                            |
| 25       | Payroll                                                                               | 263.i                                                                           | -                    | WS                   | 1.0000 | -                                          |
| 26       | Highway and vehicle                                                                   | 263.i                                                                           | -                    | WS                   | 1.0000 | -                                          |
| 27       | PLANT RELATED                                                                         |                                                                                 |                      |                      |        |                                            |
| 28       | Property                                                                              | 263.i                                                                           | -                    | GP                   | 1.0000 | -                                          |
| 29       | Gross Receipts                                                                        | 263.i                                                                           | -                    | N/A                  | -      | -                                          |
| 30       | Other                                                                                 | 263.i                                                                           | -                    | GP                   | 1.0000 | -                                          |
| 31       | Payments in lieu of taxes                                                             | 263.i                                                                           | -                    | GP                   | 1.0000 | -                                          |
| 32       | TOTAL OTHER TAXES                                                                     | ( Sum of Lines 25 through 31)                                                   | -                    |                      |        | -                                          |
| 33       | INCOME TAXES                                                                          |                                                                                 |                      |                      |        |                                            |
| 34       | $T=1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)$                                 | Note N                                                                          | 0.00%                |                      |        |                                            |
| 35       | $CIT=(T/1-T) * (1-(WCLTD/R))=$                                                        |                                                                                 | 0.00%                |                      |        |                                            |
| 36       | $WCLTD = Page\ 4,\ Line\ 15,\ R = Page\ 4,\ Line\ 18,\ FIT\ \&\ SIT\ \&\ P = Note\ N$ |                                                                                 |                      |                      |        |                                            |
| 37       |                                                                                       |                                                                                 |                      |                      |        |                                            |
| 38       | $1 / (1 - T) = (from\ line\ 34)$                                                      |                                                                                 | -                    |                      |        |                                            |
| 39       | Reserved                                                                              |                                                                                 | -                    |                      |        |                                            |
| 40       | Reserved                                                                              |                                                                                 | -                    |                      |        |                                            |
| 41       | Reserved                                                                              |                                                                                 | -                    |                      |        |                                            |
| 42       | Income Tax Calculation                                                                | (Line 35 times Line 48)                                                         | -                    | N/A                  | 1.0000 | -                                          |
| 43       | ITC Amortization Tax Adjustment                                                       | Note X                                                                          | -                    | NP                   | 1.0000 | -                                          |
| 44       | Deficient or (Excess) Deferred Income Tax Adjustment                                  | Attachment 13, Line 13 (Note Y)                                                 | -                    | NP                   | 1.0000 | -                                          |
| 45       | Permanent Differences Tax Adjustment                                                  | Note O                                                                          | -                    | NP                   | 1.0000 | -                                          |
| 46       | Total Income Taxes                                                                    | ( Sum of Lines 42 through 45)                                                   | -                    |                      |        | -                                          |
| 47       | RETURN                                                                                |                                                                                 |                      |                      |        |                                            |
| 48       | Rate Base times Return                                                                | (Page 2, Line 35 times Page 4, Line 18)                                         | -                    | N/A                  | -      | -                                          |
| 48a      | Rev Requirement before Incentive Return                                               | (Sum of Lines 17, 22, 32, 46, and 48)                                           | -                    | N/A                  | -      | -                                          |
| 48b      | Incentive Retur, Income Tax, and Concessions                                          | (Attachment 1, Page 3, Col 12, Line 6)                                          | -                    | DA                   | 1.0000 | -                                          |
| 49       | GROSS REVENUE REQUIREMENT                                                             | ( Sum of Lines 17, 22, 32, 46, 48, and 48b)                                     | -                    |                      |        | -                                          |

For the 12 months  
ended  
12/31/\_\_\_\_

| Line No.                                 | (1)                                                              | (2)                                                     | (3) | (4)   | (5)            |                                    |
|------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------|-----|-------|----------------|------------------------------------|
| SUPPORTING CALCULATIONS AND NOTES        |                                                                  |                                                         |     |       |                |                                    |
| TRANSMISSION PLANT INCLUDED IN ISO RATES |                                                                  |                                                         |     |       |                |                                    |
| 1                                        | Total Transmission plant                                         | (Page 2, Line 2, Col. 3)                                |     |       | -              |                                    |
| 2                                        | Less Transmission plant excluded from ISO rates                  | (Note P)                                                |     |       | -              |                                    |
| 3                                        | Less Transmission plant included in OATT Ancillary Service rates | (Note S)                                                |     |       | -              |                                    |
| 4                                        | Transmission plant included in ISO rates                         | (Line 1 minus Lines 2 and 3)                            |     |       | -              |                                    |
| 5                                        | Percentage of Transmission plant included in ISO Rates           | (Line 4 divided by Line 1) (If line 1 is zero, enter 1) |     | TP =  | -              |                                    |
| 6                                        | WAGES & SALARY ALLOCATOR (W&S)                                   | Form 1 Reference                                        | \$  | TP    | Allocat<br>ion |                                    |
| 7                                        | Production                                                       | 354.20.b                                                | -   | -     | -              |                                    |
| 8                                        | Transmission                                                     | 354.21.b                                                | -   | -     | -              |                                    |
| 9                                        | Distribution                                                     | 354.23.b                                                | -   | -     | -              |                                    |
| 10                                       | Other                                                            | 354.24,25,26.b                                          | -   | -     | -              | W&S Allocator<br>(\$ / Allocation) |
| 11                                       | Total (W&S Allocator is 1 if lines 7-10 are zero)                | (Sum of Lines 7 through 10)                             | -   | -     | =              | 1.0000 = WS                        |
| 12                                       | RETURN (R)                                                       |                                                         |     |       |                |                                    |
| 13                                       |                                                                  |                                                         |     |       |                |                                    |
| 14                                       |                                                                  |                                                         |     |       |                |                                    |
| 15                                       | Long Term Debt                                                   | Attachment 5, (Notes Q & R)                             | \$  | %     | Cost           | Weighted                           |
| 16                                       | Preferred Stock (112.3.c)                                        | Attachment 5, (Notes Q & R)                             | -   | 0.00% | 0.00%          | 0.00% = WCLTD                      |
| 17                                       | Common Stock                                                     | Attachment 5, (Notes Q, R, and T)                       | -   | 0.00% | 9.85%          | 0.00%                              |
| 18                                       | Total                                                            | ( Sum of Lines 15 through 17)                           | -   |       |                | 0.00% = R                          |
| 19                                       | REVENUE CREDITS                                                  |                                                         |     |       |                |                                    |
| 20                                       | ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)                        | Attachment 12, Line 8 (Note U)                          |     |       |                | -                                  |
| 21                                       | ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)                          | Attachment 12, Line 18, Col. C (Note A)                 |     |       |                | -                                  |



To be completed in conjunction with Attachment H-27A.

| Line No.                                          | (1)                                                       | (2)<br>Attachment H-27A, Page, Line, Col.                           | (3)<br>Transmission | (4)<br>Allocator |
|---------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------|---------------------|------------------|
| 1                                                 | Gross Transmission Plant plus CWIP                        | Attach H-27A, p 2, line 2, col 5 plus line 25, col 5 (Note A)       | -                   |                  |
| 2                                                 | Net Transmission Plant plus CWIP and Abandoned Plant      | Attach H-27A, p 2, line 14, col 5 plus line 25 & 27, col 5 (Note B) | -                   |                  |
| O&M EXPENSE                                       |                                                           |                                                                     |                     |                  |
| 3                                                 | Total O&M Allocated to Transmission                       | Attach H-27A, p 3, line 17, col 5                                   | -                   |                  |
| 4                                                 | Annual Allocation Factor for O&M                          | (line 3 divided by line 1, col 3)                                   | 0.00%               | 0.00%            |
| GENERAL AND INTANGIBLE (G&I) DEPRECIATION EXPENSE |                                                           |                                                                     |                     |                  |
| 5                                                 | Total G&I Depreciation Expense                            | Attach H-27A, p 3, line 20, col 5 (Note C)                          | -                   |                  |
| 6                                                 | Annual Allocation Factor for G,I & C Depreciation Expense | (line 5 divided by line 1, col 3)                                   | 0.00%               | 0.00%            |
| TAXES OTHER THAN INCOME TAXES                     |                                                           |                                                                     |                     |                  |
| 7                                                 | Total Other Taxes                                         | Attach H-27A, p 3, line 32, col 5                                   | -                   |                  |
| 8                                                 | Annual Allocation Factor for Other Taxes                  | (line 7 divided by line 1, col 3)                                   | 0.00%               | 0.00%            |
| 9                                                 | Less Revenue Credits                                      | Attach H-27A, p 1, line 6 col 5                                     | -                   |                  |
| 10                                                | Annual Allocation Factor for Revenue Credits              | (line 9 divided by line 1, col 3)                                   | 0.00%               | 0.00%            |
| 11                                                | Annual Allocation Factor for Expense                      | Sum of lines 4, 6, 8, and 10                                        |                     | 0.00%            |
| INCOME TAXES                                      |                                                           |                                                                     |                     |                  |
| 12                                                | Total Income Taxes                                        | Attach H-27A, p 3, line 46, col 5                                   | -                   |                  |
| 13                                                | Annual Allocation Factor for Income Taxes                 | (line 12 divided by line 2, col 3)                                  | 0.00%               | 0.00%            |
| RETURN                                            |                                                           |                                                                     |                     |                  |
| 14                                                | Return on Rate Base                                       | Attach H-27A, p 3, line 48, col 5                                   | -                   |                  |
| 15                                                | Annual Allocation Factor for Return on Rate Base          | (line 14 divided by line 2, col 3)                                  | 0.00%               | 0.00%            |
| 16                                                | Annual Allocation Factor for Return                       | Sum of lines 13 and 15                                              |                     | 0.00%            |

This worksheet is used to compute project specific revenue requirements for any projects for which such calculation is required by PJM. Other projects which comprise the remaining revenue requirement on Attachment H-27A will not be entered on this schedule.

Any hypothetical amounts or project names in a filed template will be removed and replaced with actual amounts in the first year actual values are available without the need for a section 205 filing to modify the template.

| Line No. | (1)<br>Project Name | PJM Category | (2)<br>RTEP Project Number Or Other Identifier | (3)<br>Project Gross Plant | (4)<br>Annual Allocation Factor for Expense | (5)<br>Annual Expense Charge | (6)<br>Project Net Plant | (7)<br>Annual Allocation Factor for Return | (8)<br>Annual Return Charge |
|----------|---------------------|--------------|------------------------------------------------|----------------------------|---------------------------------------------|------------------------------|--------------------------|--------------------------------------------|-----------------------------|
|          |                     |              |                                                | (Note D)                   | (Page 1, line 11)                           | (Col. 3 * Col. 4)            | (Note E)                 | (Page 1, line 16)                          | (Col. 6 * Col. 7)           |
| 1a       | Project A           |              | AAAA                                           | -                          | 0.00%                                       | -                            | \$ -                     | 0.00%                                      | -                           |
| 1b       | Project B           |              | BBBB                                           | -                          | 0.00%                                       | -                            | \$ -                     | 0.00%                                      | -                           |
| 2        | Total Schedule 12   |              |                                                | -                          |                                             | -                            | \$ -                     |                                            | -                           |
| 3a       | Project C           |              | CCCC                                           | -                          | 0.00%                                       | -                            | \$ -                     | 0.00%                                      | -                           |
| 3b       | Project D           |              | DDDD                                           | -                          | 0.00%                                       | -                            | \$ -                     | 0.00%                                      | -                           |
| 4        | Total Zonal         |              |                                                | -                          |                                             | -                            | \$ -                     |                                            | -                           |
| 5        | Other               |              |                                                |                            | 0.00%                                       |                              |                          | 0.00%                                      |                             |
| 6        | Annual Totals       |              |                                                | -                          |                                             | -                            | -                        |                                            | -                           |

| Line No. | (9)<br>Project<br>Depreciation/Amortization<br>Expense<br><br>(Note F) | (10)<br>Annual Revenue<br>Requirement<br><br>(Sum Col. 5 + Col. 9<br>+ (Column 6 * Line<br>16 )) | (11)<br>Incentive Return in<br>Basis Points<br><br>(Note G) | (12)<br>Incentive Return<br><br>(Col. 11/100)*Col. 6*Att 2 Line 28)<br>(Note G) | (12a)<br>Ceiling Rate<br><br>(Sum Col. 10 &<br>12) | (13)<br>Competitive<br>Concession<br><br>(Note H) | (14)<br>Total Annual<br>Revenue<br>Requirement<br><br>(Sum Col. 10 &<br>12 Less Col. 13) | (15)<br>True-Up<br>Adjustment<br><br>(Note I) | (16)<br>Net Revenue<br>Requirement<br><br>(Sum Col. 14 &<br>15) |
|----------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------------------------------|---------------------------------------------------|------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------|
| 1a       |                                                                        |                                                                                                  |                                                             |                                                                                 | -                                                  |                                                   |                                                                                          |                                               |                                                                 |
| 1b       | -                                                                      | -                                                                                                | -                                                           |                                                                                 | -                                                  | -                                                 | -                                                                                        | -                                             | -                                                               |
| 2        | -                                                                      | -                                                                                                |                                                             |                                                                                 | -                                                  | -                                                 | -                                                                                        | -                                             |                                                                 |
| 3a       | -                                                                      | -                                                                                                |                                                             |                                                                                 | -                                                  |                                                   |                                                                                          |                                               |                                                                 |
| 3b       | -                                                                      | -                                                                                                | -                                                           |                                                                                 | -                                                  | -                                                 | -                                                                                        | -                                             | -                                                               |
| 4        | -                                                                      | -                                                                                                |                                                             |                                                                                 | -                                                  | -                                                 | -                                                                                        | -                                             | -                                                               |
| 5        |                                                                        |                                                                                                  |                                                             |                                                                                 |                                                    |                                                   |                                                                                          |                                               |                                                                 |
| 6        | -                                                                      | -                                                                                                |                                                             |                                                                                 | -                                                  | -                                                 | -                                                                                        | -                                             | -                                                               |

- Notes
- A

Gross Transmission Plant is that identified on page 2 line 2 of Attachment H-27A inclusive of any CWIP or unamortized abandoned plant included in rate base when authorized by FERC order.
- B

Net Plant is that identified on page 2 line 14 of Attachment H-27A inclusive of any CWIP or unamortized Abandoned Plant included in rate base when authorized by FERC order less any prefunded AFUDC, if applicable.
- C

General and Intangible Depreciation and Amortization Expense includes all expense not directly associated with a project, which is entered on page 3 , column 9.
- D

Project Gross Plant is the total capital investment including CWIP for the project calculated from Company books and records in the same method as the gross plant value in line 1. This value includes subsequent capital investments required to maintain the facilities to their original capabilities.
- E

Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation plus CWIP in rate base if applicable and Unamortized Abandoned Plant.
- F

Project Depreciation Expense is the actual value booked for the project (excluding General and Intangible depreciation) at Attachment H-27A, page 3, line 19, plus amortization of Abandoned Plant at Attachment H-27A, page 3, line 21.
- G

Requires approval by FERC of incentive return applicable to the specified project(s). Per the Commission’s order in 158 FERC ¶ 61,060 at PP 32-35, SRE shall not recover a 50 basis point ROE incentive for the risks and challenges associated with the Artificial Island Project facilities, PJM Upgrade Projects b2633.1 and b2633.2.
- H

The Competitive Concession is the reduction in revenue, if any, that the company agreed to, for instance, to be selected to build facilities as the result of a competitive process and equals the amount by which the annual revenue requirement is reduced from the ceiling rate.
- I

True-Up Adjustment is calculated on the Project True-up Schedule for the relevant true-up year.
- J

For each project listed on this Attachment 1 that is a Required Transmission Enhancement, the net revenue requirement shown in Column (16) is: (i) the annual transmission revenue requirement for purposes of determining the PJM OATT Schedule 12 Transmission Enhancement Charges associated with that Required Transmission Enhancement, and (ii) the Annual Revenue Requirement for purposes of Schedule 12, Appendix A for that Required Transmission Enhancement.

| Attachment 2<br>Incentive Return<br>Silver Run Electric, LLC |                                                                                              |                                         |                                                       |                                          |       |       |          |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------|------------------------------------------|-------|-------|----------|
| Line                                                         |                                                                                              |                                         |                                                       |                                          |       |       |          |
| 1                                                            | Rate Base                                                                                    |                                         |                                                       | Attachment H-27A, Page 2, Line 35, Col.5 |       |       | -        |
| 2                                                            | 100 Basis Point Incentive Return                                                             |                                         |                                                       |                                          |       | \$    |          |
|                                                              |                                                                                              |                                         |                                                       |                                          |       | Cost  |          |
| 3                                                            | Long Term Debt                                                                               | (Notes Q & R from Attachment H-27A)     |                                                       |                                          | \$    | %     | Weighted |
|                                                              |                                                                                              |                                         |                                                       |                                          | -     | 0.00% | 0.00%    |
| 4                                                            | Preferred Stock                                                                              | (Notes Q & R from Attachment H-27A)     |                                                       |                                          | -     | 0.00% | 0.00%    |
| 5                                                            | Common Stock                                                                                 | (Notes Q, R, & T from Attachment H-27A) | Cost = Attachment H-27A, Page 4, Line 17, plus 100 bp |                                          | -     | 0.00% | 0.00%    |
| 6                                                            | Total (sum lines 3-5)                                                                        |                                         |                                                       |                                          | -     |       | 0.00%    |
| 7                                                            | 100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 6)                   |                                         |                                                       |                                          |       |       | -        |
| 8                                                            | INCOME TAXES                                                                                 |                                         |                                                       |                                          |       |       |          |
| 9                                                            | T=1 - {[ (1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =                                     |                                         |                                                       |                                          | 0.00% |       |          |
| 10                                                           | CIT=(T/1-T) * (1-(WCLTD/R)) =                                                                |                                         |                                                       |                                          | 0.00% |       |          |
| 11                                                           | WCLTD                                                                                        |                                         | Line 3                                                |                                          | 1.18% |       |          |
| 12                                                           | FIT, SIT & p are as given in Attachment H-27A footnote N.                                    |                                         |                                                       |                                          |       |       |          |
| 13                                                           | 1 / (1 - T)                                                                                  |                                         | Line 9                                                |                                          | 0.00% |       |          |
| 14                                                           | Reserved                                                                                     |                                         | Attachment H-27A, Page 3, Line 39                     |                                          |       |       |          |
| 15                                                           | Reserved                                                                                     |                                         | Attachment H-27A, Page 3, Line 40                     |                                          |       |       |          |
| 16                                                           | Reserved                                                                                     |                                         | Attachment H-27A, Page 3, Line 41                     |                                          |       |       |          |
| 17                                                           | Income Tax Calculation                                                                       |                                         | Line 7 times Line 10                                  |                                          |       |       |          |
| 18                                                           | ITC Amortization Tax Adjustment                                                              |                                         | Attachment H-27A, Page 3, Line 43                     |                                          |       | NP    | -        |
| 19                                                           | Deficient or (Excess) Deferred Income Tax Adjustment                                         |                                         | Attachment H-27A, Page 3, Line 44                     | -                                        |       | NP    | 1.00 -   |
| 20                                                           | Permanent Differences Tax Adjustment                                                         |                                         | Attachment H-27A, Page 3, Line 45                     | -                                        |       | NP    | 1.00 -   |
| 21                                                           | Total Income Taxes                                                                           |                                         | Sum of Lines 17 through 20                            | -                                        |       | 1.00  | -        |
| 22                                                           | Return and Income Taxes with 100 basis point increase in ROE                                 |                                         |                                                       |                                          |       |       | -        |
| 23                                                           | Return                                                                                       |                                         | (Attachment H-27A, page 3, line 48, col 5)            |                                          |       |       | -        |
| 24                                                           | Income Tax                                                                                   |                                         | (Attachment H-27A, page 3, line 46, col 5)            |                                          |       |       | -        |
| 25                                                           | Return and Income Taxes without 100 basis point increase in ROE                              |                                         | Sum of Lines 23 and 24                                |                                          |       |       | -        |
| 26                                                           | Incremental Return and Income Taxes for 100 basis point increase in ROE                      |                                         | Line 22 less Line 25                                  |                                          |       |       | -        |
| 27                                                           | Net Transmission Plant                                                                       |                                         | Attachment H-27A, page 2, line 14, col 5              |                                          |       |       | -        |
| 28                                                           | Incremental Return and Income Taxes for 100 basis point increase in ROE divided by Rate Base |                                         | Line 26 divided by Line 27                            |                                          |       |       | -        |

Notes

A Line 5 includes a 100 basis point increase in ROE that is used only to determine the increase in return and income taxes associated with a 100 basis point increase in ROE. Any ROE actual incentive must be approved by the Commission. For example, if the Commission were to grant a 150 basis point ROE incentive, the increase in return and taxes for a 100 basis point increase in ROE would be multiplied by 1.5 on Attachment 1 column 12. Per the Commission's order in 158 FERC ¶ 61,060 at PP 32-35, SRE shall not recover a 50 basis point ROE incentive for the risks and challenges associated with the Artificial Island Project facilities, PJM Upgrade Projects b2633.1 and b2633.2.

B The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Attachment H-27A that are not the result of a timing difference.

This Attachment 3 is used to calculate the annual formula rate true-up. Any projects for which the RTO requires a true-up on an individual project basis, as shown on Attachment 1, will be computed separately. The remainder of the revenue requirement will also be trued up. The utility will individually enter the projected true-up year revenue requirements in Column C. A percentage of total will be calculated in Column D. Actual revenue received during the true-up year is entered into Column E, line 2 and allocated using the Column D percentage. The utility will prepare this formula rate template with the actual inputs for the true-up year, with the resulting revenue requirement for each line being separately entered in Column F. In Col. G, Col. F is subtracted from Col. E to calculate the true-up adjustment. Interest on the true-up is computed in Column H. Any adjustments to prior period true-ups are entered in Col. I. Col. J computes the total true-up as the sum of Col. G, H and I.

Any hypothetical amounts or project names in a filed template will be removed and replaced with actual amounts in the first year actual values are available without the need for a section 205 filing to modify the template.

|        |                                   | Projected True-Up Year Revenue Requirement Calculation |                               |                                      | True-Up Year Revenue Received <sup>1</sup> | Actual True-Up Year Revenue Req.                 | Annual True-Up Calculation                   |                                          |                                                                   |                                                    |                               |
|--------|-----------------------------------|--------------------------------------------------------|-------------------------------|--------------------------------------|--------------------------------------------|--------------------------------------------------|----------------------------------------------|------------------------------------------|-------------------------------------------------------------------|----------------------------------------------------|-------------------------------|
| Line 1 | True-Up Year                      |                                                        |                               |                                      |                                            |                                                  |                                              |                                          |                                                                   |                                                    |                               |
| 2      |                                   |                                                        | C                             | D                                    | -                                          | F                                                | G                                            | H                                        | I                                                                 | J                                                  |                               |
|        | A                                 | B                                                      |                               |                                      | E                                          |                                                  |                                              |                                          |                                                                   |                                                    |                               |
|        | Project Name                      | PJM Category                                           | Project # Or Other Identifier | Net Revenue Requirement <sup>2</sup> | % of Total Revenue Requirement             | Allocation of Revenue Received (E, Line 2) x (D) | True-Up Net Revenue Requirement <sup>3</sup> | Net Under/(Over) Collection (F)-(E)      | True-Up Interest Income (Expense) <sup>4</sup> (D) x (H, line 10) | Prior Period Adjustment with Interest <sup>5</sup> | Total True-Up (G) + (H) + (I) |
| 3      | Remaining Attachment H-27A        |                                                        |                               | 0.0%                                 | -                                          |                                                  |                                              |                                          |                                                                   |                                                    |                               |
|        |                                   |                                                        |                               |                                      | -                                          |                                                  | -                                            | -                                        |                                                                   | -                                                  |                               |
| 4a     | Project A                         |                                                        | AAAA                          |                                      | 0.0%                                       |                                                  |                                              |                                          |                                                                   |                                                    |                               |
| 4b     | Project B                         |                                                        | BBBB                          | -                                    | 0.0%                                       | -                                                | -                                            | -                                        | -                                                                 | -                                                  |                               |
|        |                                   |                                                        |                               | -                                    |                                            | -                                                | -                                            | -                                        | -                                                                 | -                                                  |                               |
| 5      | Total Schedule 12                 |                                                        |                               | -                                    |                                            | -                                                | -                                            | -                                        | -                                                                 | -                                                  |                               |
|        |                                   |                                                        |                               | -                                    |                                            | -                                                | -                                            | -                                        | -                                                                 | -                                                  |                               |
| 6a     | Project C                         |                                                        | CCCC                          |                                      | 0.0%                                       |                                                  |                                              |                                          |                                                                   |                                                    |                               |
| 6b     | Project D                         |                                                        | DDDD                          | -                                    | 0.0%                                       | -                                                | -                                            | -                                        | -                                                                 | -                                                  |                               |
|        |                                   |                                                        |                               | -                                    |                                            | -                                                | -                                            | -                                        | -                                                                 | -                                                  |                               |
| 7      | Total Zonal                       |                                                        |                               | -                                    |                                            | -                                                | -                                            | -                                        | -                                                                 | -                                                  |                               |
|        |                                   |                                                        |                               | -                                    |                                            | -                                                | -                                            | -                                        | -                                                                 | -                                                  |                               |
| 8      | Other                             |                                                        |                               |                                      |                                            |                                                  |                                              |                                          |                                                                   |                                                    |                               |
| 9      | Total Annual Revenue Requirements |                                                        |                               |                                      | 0.0%                                       | -                                                | -                                            | -                                        | -                                                                 | -                                                  |                               |
|        |                                   |                                                        |                               | -                                    |                                            | -                                                | -                                            | -                                        | -                                                                 | -                                                  |                               |
| 10     |                                   |                                                        |                               |                                      |                                            |                                                  |                                              | Total Interest on True-Up - Attachment 6 | -                                                                 |                                                    |                               |

| Prior Period Adjustment          |                           |                   |
|----------------------------------|---------------------------|-------------------|
| A                                | B                         |                   |
| Prior Period Adjustment (Note 5) | Source                    | Adjustment Amount |
| 11                               | Description of Adjustment | Attachment 11     |
|                                  |                           | -                 |

- Notes
- 1)

The revenue received is the total amount of revenue distributed to company in the year as shown on pages 328-330 of the Form No 1. The Revenue Received is input on line 2, Col. E.
- 2)

From the Attachment 1, lines 1a through 6, col. 16 from the template in which the true-up year revenue requirement was initially projected.
- 3)

From True-Up revenue requirement template Attachment 1, lines 1a through 6, col. 14.
- 4)

Interest due on the true up is calculated for the 24 month period from the start of the true-up year until the end of the year following the true-up year when the true up will be included in rates. Total True up Interest calculate on Attachment 6 and allocated to projects based on the percentage in Column D.
- 5)

Corrections to true-ups for previous rate years including interest will be computed on Attachment 11 and entered on the appropriate line 3-8 above.

| Line No | Month                              | Gross Plant in Service                                    |                                                                     | CWIP                             | LHFFU                                                     | Working Capital                                                     | Prepayments | Accumulated Depreciation                                  |                                                                      |
|---------|------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------|----------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------|-------------|-----------------------------------------------------------|----------------------------------------------------------------------|
|         |                                    | Transmission                                              | General & Intangible                                                | CWIP in Rate Base                | Held for Future Use                                       | Materials & Supplies                                                |             | Transmission                                              | General & Intangible                                                 |
|         |                                    | (b)<br>207.58.g for end of year, records for other months | (c)<br>205.5.g & 207.99.g for end of year, records for other months | (d)<br>Note B - page 2, column C | (e)<br>214.47.d for end of year, records for other months | (f)<br>227.8.c & 227.16.c for end of year, records for other months |             | (h)<br>219.25.c for end of year, records for other months | (i)<br>219.28.c & 200.21.c for end of year, records for other months |
| 1       | December                           | Rate Year-1                                               | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 2       | January                            | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 3       | February                           | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 4       | March                              | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 5       | April                              | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 6       | May                                | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 7       | June                               | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 8       | July                               | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 9       | August                             | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 10      | September                          | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 11      | October                            | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 12      | November                           | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 13      | December                           | Rate Year                                                 | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |
| 14      | Average of the 13 Monthly Balances | -                                                         | -                                                                   | -                                | -                                                         | -                                                                   | -           | -                                                         | -                                                                    |

| Adjustments to Rate Base |                                    |                             |
|--------------------------|------------------------------------|-----------------------------|
| Month                    | Unamortized Regulatory Asset       | Unamortized Abandoned Plant |
| (a)<br>(Note A)          | (b)<br>Note C                      | (c)<br>Note D               |
| 15                       | December                           | Rate Year-1                 |
| 16                       | January                            | Rate Year                   |
| 17                       | February                           | Rate Year                   |
| 18                       | March                              | Rate Year                   |
| 19                       | April                              | Rate Year                   |
| 20                       | May                                | Rate Year                   |
| 21                       | June                               | Rate Year                   |
| 22                       | July                               | Rate Year                   |
| 23                       | August                             | Rate Year                   |
| 24                       | September                          | Rate Year                   |
| 25                       | October                            | Rate Year                   |
| 26                       | November                           | Rate Year                   |
| 27                       | December                           | Rate Year                   |
| 28                       | Average of the 13 Monthly Balances | -                           |

|                                    |                     | Total CWIP                                      | Less: CWIP and AFUDC Excluded from Rate Base | CWIP allowed in Rate Base |
|------------------------------------|---------------------|-------------------------------------------------|----------------------------------------------|---------------------------|
|                                    |                     | (a)                                             | (b)                                          | (c) = (a) - (b)           |
|                                    |                     | 216.b for end of year, records for other months | Company records                              |                           |
| 29                                 | December Prior 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            | -                                               | -                                            | -                         |
| Average of the 13 Monthly Balances |                     | -                                               | -                                            | -                         |

| Unfunded Reserves    |           | (Notes A and F and G)                                  |                                                           |        |                                                                                                          |                                                                                                                                      |                                                                                                                                   |                                       |                                                              |  |
|----------------------|-----------|--------------------------------------------------------|-----------------------------------------------------------|--------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------|--|
| (a)                  | (b)       | (b.i)                                                  | (b.ii)                                                    | (c)    | (d)                                                                                                      | (e)                                                                                                                                  | (f)                                                                                                                               | (g)                                   | (h)                                                          |  |
| List of all reserves |           | FERC balance sheet account where reserves are recorded | FERC income statement account where expenses are recorded | Amount | Enter 1 if NOT in a trust or reserved account, enter zero (0) if included in a trust or reserved account | Enter 1 if the accrual account is included in the formula rate, enter (0) if the accrual account is NOT included in the formula rate | Enter the percentage paid for by customers less the percent associated with an offsetting liability on the balance sheet (Note H) | Allocation (Plant or Labor Allocator) | Amount Allocated, col. c x col. d x col. e x col. f x col. g |  |
| 42a                  | Reserve 1 |                                                        |                                                           |        | -                                                                                                        | -                                                                                                                                    | -                                                                                                                                 | -                                     | -                                                            |  |
| 42b                  | Reserve 2 |                                                        |                                                           | -      | -                                                                                                        | -                                                                                                                                    | -                                                                                                                                 | -                                     | -                                                            |  |
| 43                   | Total     |                                                        |                                                           | -      |                                                                                                          |                                                                                                                                      |                                                                                                                                   | -                                     | -                                                            |  |

- Notes:
- A Calculate using 13 month average balance.
- B Recovery of CWIP in rate base must be approved by FERC. Lines 29-41 of page 2 provide a reconciliation of the Company's total CWIP to the CWIP allowed in rate base. The annual report filed pursuant to the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will also describe the reconciliation prepared on this Attachment.
- C Recovery of a Regulatory Asset is permitted only for pre-commercial and formation expenses, and is subject to FERC approval before the amortization of the Regulatory Asset can be included in rates. Recovery of any other regulatory assets requires authorization from the Commission.
- D Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.
- E *Reserved.*
- F The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet ac count (see Note H)). Each unfunded reserve will be included on lines 42 above. The allocator in Col. (g) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by creating an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.
- G Not all unfunded reserves are created only from contributions from customers. Many are created by creating an offsetting liability in whole or in part. Column (f) ensures only the portion of the unfunded reserve contributed by the customer (and not created by an offsetting liability) is a reduction to rate base.
- H The inputs in Column (f) are the percentage of the unfunded reserve that was created by an offsetting liability. The percentage shown in Column (f) is then equal to the percentage that customers have contributed to the unfunded reserve.
- I Balance of Account 255 will be reduced by prior flow throughs and excluded if the utility chooses to utilize amortization of tax credits against taxable income.

| Monthly Balances for Capital Structure |                       | (a)<br>Long Term Debt<br>(112.24.c) | (b)<br>Preferred Stock<br>(112.3.c) | (c)<br>Proprietary Capital<br>(112.16.c) | (d)<br>Undistributed Sub<br>Earnings 216.1 (112.12.c) | (e)<br>Accum Other Comp. Income 219 (112.15.c) |
|----------------------------------------|-----------------------|-------------------------------------|-------------------------------------|------------------------------------------|-------------------------------------------------------|------------------------------------------------|
| 12                                     | December (Prior Year) | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 13                                     | January               | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 14                                     | February              | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 15                                     | March                 | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 16                                     | April                 | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 17                                     | May                   | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 18                                     | June                  | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 19                                     | July                  | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 20                                     | August                | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 21                                     | September             | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 22                                     | October               | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 23                                     | November              | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 24                                     | December              | -                                   | -                                   | -                                        | -                                                     | -                                              |
| 25                                     | 13-Month Average      | -                                   | -                                   | -                                        | -                                                     | -                                              |

|   |                                                                                                                                                                                                                                                    |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A | Long Term debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c to 21.c in the Form No. 1, the cost is calculated by dividing line 1 by the Long Term Debt balance on line 8. |
| B | Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 line 3.c in the Form No. 1                                                                                              |
| C | Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on Form 1 page 112 line 16.c less lines 3.c , 12.c, and 15.c                                                                           |
| D | Long-term interest will exclude any short-term interest included in FERC Account 430, Interest on Debt to Associated Companies                                                                                                                     |



This Attachment is used to compute the interest rate to be applied to each year's revenue requirement true-up.

|                                         |                           |       |
|-----------------------------------------|---------------------------|-------|
| Applicable FERC Interest Rate (Note A): |                           |       |
| 1                                       | Rate Year January         | -     |
| 2                                       | Rate Year February        | -     |
| 3                                       | Rate Year March           | -     |
| 4                                       | Rate Year April           | -     |
| 5                                       | Rate Year May             | -     |
| 6                                       | Rate Year June            | -     |
| 7                                       | Rate Year July            | -     |
| 8                                       | Rate Year August          | -     |
| 9                                       | Rate Year September       | -     |
| 10                                      | Rate Year October         | -     |
| 11                                      | Rate Year November        | -     |
| 12                                      | Rate Year December        | -     |
| 13                                      | Rate Year Plus 1 January  | -     |
| 14                                      | Rate Year Plus 1 February | -     |
| 15                                      | Rate Year Plus 1 March    | -     |
| 16                                      | Rate Year Plus 1 April    | -     |
| 17                                      | Rate Year Plus 1 May      | -     |
| 18                                      | Average Rate              | 0.00% |
| 19                                      | Monthly Average Rate      | 0.00% |

Note A - Lines 1-17 are the FERC interest rates under section 35.19a of the regulations for the period shown. Line 18 is the average of lines 1-17.

Attachment 7

Weighted Average Federal and State Income Tax Rates

Silver Run Electric, LLC

| L<br>i<br>n<br>e | Description                                  | Source             | Subchapter C<br>Corporations | Individuals | Mutual<br>Funds | Pensions, IRAs<br>Keogh Plans | UBTI<br>Entities | Non-Taxpaying<br>Entities | Weighted<br>Average |
|------------------|----------------------------------------------|--------------------|------------------------------|-------------|-----------------|-------------------------------|------------------|---------------------------|---------------------|
|                  | (a)                                          | (b)                | (c)                          | (d)         | (e)             | (f)                           | (g)              | (h)                       | (i)                 |
| 1                | Weighted Marginal Federal<br>Income Tax Rate | Note A             | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 2                | Allocated Income<br>Percentage               | Note B             | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 3                | Weighted Average                             | Line 1 x<br>Line 2 | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 4                | Weighted Average Federal<br>Income Tax Rate  |                    | Sum of Line 3, Col. (c)-(h)  |             |                 |                               |                  |                           | 0.00%               |
| 5                | Weighted Marginal State<br>Income Tax Rate   | Note C             | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 6                | Allocated Income<br>Percentage               | Note B             | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 7                | Weighted Average                             | Line 5 x<br>Line 6 | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 8                | Weighted Average State<br>Income Tax Rate    |                    | Sum of Line 7, Col. (c)-(h)  |             |                 |                               |                  |                           | 0.00%               |

A For each Rate Year, SRE will develop a schedule calculating the weighted average federal income tax rate for each category of partners.

B This percentage is developed based on the distributive income allocated to each category of partners rather than their respective ownership percentages.

C For each Rate Year, SRE will develop a schedule calculating the weighted average state income tax rate for each category of partners.

This Attachment 8 is to be utilized to determine the cost of debt prior to issuing non-construction financing. Once non-construction financing is issued the cost of debt shall be determined using the methodology described in Note Q on Attachment H-27A.

If construction debt has not or will not be issued when construction starts, a proxy rate will be used for the cost of debt, which will be supported in the initial section 205 filing. The proxy rate will be entered on line 36 of this attachment.

If construction financing has been obtained, the cost of debt prior the issuance of non-construction financing shall be based on the terms of the construction financing and determined below. Up-front fees including origination fees will be amortized and included in the cost of debt.

If construction financing is obtained, all rates, fees and monthly debt balances will be subject to true up pursuant to Attachment 9.

Any hypothetical amounts in a filed template will be removed and replaced with actual amounts in the first year actual construction loans are borrowed or projected to be borrowed without the need for a section 205 filing to modify the template.

|         |                                                                                                                |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
|---------|----------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------------|-----------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| Line No |                                                                                                                |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 1       | Interest rate on Construction Debt for Rate Year - Line 19 (g)                                                 |                                  |                                         |                                        |                                                     | 0.00%                                                          |                                                         |                                                       |
| 2       | Rate Year Debt Fee expense - Line 35 (e)                                                                       |                                  |                                         |                                        |                                                     | 0.00%                                                          |                                                         |                                                       |
| 3       | <b>Total Cost of Debt – Sum of Lines 1 and 2</b>                                                               |                                  |                                         |                                        |                                                     | <b>0.00%</b>                                                   |                                                         |                                                       |
|         | <b>Interest Rate Information</b>                                                                               |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 4       | Commitment Fee Rate (%)                                                                                        |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 5       | Projected Average Drawn Rate for Rate Year (%) - Note A                                                        |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
|         | <b>Month During Rate Year</b>                                                                                  | <b>Total Loan Amount (\$000)</b> | <b>Principal Drawn (\$000)</b>          | <b>Unutilized Loan Balance (\$000)</b> | <b>Commitment Fee &amp; Utilization Fee (\$000)</b> | <b>Interest Expense (\$000)</b>                                | <b>Effective Annual Interest Rate (%)</b>               |                                                       |
|         | <b>(a)</b>                                                                                                     | <b>(b)</b>                       | <b>(c)</b>                              | <b>(d)</b>                             | <b>(e)</b>                                          | <b>(f)</b>                                                     | <b>(g)</b>                                              |                                                       |
| 6       | December Prior Year                                                                                            | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 7       | January                                                                                                        | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 8       | February                                                                                                       | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 9       | March                                                                                                          | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 10      | April                                                                                                          | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 11      | May                                                                                                            | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 12      | June                                                                                                           | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 13      | July                                                                                                           | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 14      | August                                                                                                         | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 15      | September                                                                                                      | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 16      | October                                                                                                        | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 17      | November                                                                                                       | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 18      | December                                                                                                       | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 19      | Average of the 13 Monthly Balances                                                                             |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
|         | Example Fee Calculation - All amounts represent actual rate year expenses.                                     |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
|         | <b>Origination Fees</b>                                                                                        | <b>(a)<br/>Rate/Fees</b>         | <b>(b)<br/>Gross Fee Amount (\$000)</b> | <b>(c)<br/>Year Fee Incurred</b>       | <b>(d)<br/>Fee Amortization Period (years)</b>      | <b>(e)<br/>Rate Year Amortized Fee Amount, col. b / col. d</b> | <b>(f)<br/>Prior Years Accumulated Fee Amortization</b> | <b>(g)<br/>Unamortized Balance - End of Rate Year</b> |
| 20      | Underwriting Discount                                                                                          | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 21      | Arrangement Fee                                                                                                | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 22      | Upfront Fee                                                                                                    | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 23      | Rating Agency Fee                                                                                              | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 24      | Legal Fees                                                                                                     | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 25      | Other                                                                                                          | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 26      | Total Issuance Expense / Origination Fees – Sum of Lines 20-25                                                 |                                  |                                         |                                        |                                                     |                                                                | -                                                       |                                                       |
| 27      |                                                                                                                |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 28      | <b>Annual Fees</b>                                                                                             |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 29      | Annual Rating Agency Fee                                                                                       | -                                | -                                       | -                                      | N/A                                                 |                                                                | N/A                                                     | N/A                                                   |
| 30      | Annual Bank Agency Fee                                                                                         | -                                | -                                       | -                                      | N/A                                                 |                                                                | N/A                                                     | N/A                                                   |
| 31      | Utilization Fee                                                                                                | -                                | -                                       | -                                      | N/A                                                 |                                                                | N/A                                                     | N/A                                                   |
| 32      | Other Fees                                                                                                     |                                  |                                         |                                        | N/A                                                 |                                                                | N/A                                                     | N/A                                                   |
| 33      | Total Fees                                                                                                     |                                  |                                         |                                        |                                                     |                                                                | -                                                       |                                                       |
| 34      | 13 Month Average Debt balance - Line 19 (c)                                                                    |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 35      | Rate Year cost of fees                                                                                         |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 36      | Proxy Debt rate. Used prior to issuance of construction financing and supported in initial section 205 filing. |                                  |                                         | 2.3641%                                |                                                     |                                                                |                                                         |                                                       |

|       |                                                                                                                                                                                                                                                                  |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Notes |                                                                                                                                                                                                                                                                  |
| A     | Projected rate will be Average LIBOR for rate year + spread. Spread will be supported in initial section 205 filing. LIBOR will be updated based on information in the Wall Street Journal as of the 15th day of the month prior to population of this template. |
|       | LIBOR 0.3641%                                                                                                                                                                                                                                                    |
|       | Spread 2.0000%                                                                                                                                                                                                                                                   |
|       | Total 2.3641%                                                                                                                                                                                                                                                    |

This Attachment 9 is to be utilized only in the event construction financing has been obtained to compute the actual cost of debt to be included in the return on rate base calculation for the true-up each year prior to the issuance of non-construction financing. Once non-construction financing has been obtained the cost of debt shall be determined using the methodology described in Note Q on Attachment H-27A.

One time up-front debt fees, including origination fees will be amortized and included in the cost of debt.  
Any hypothetical amounts in a filed template will be removed and replaced with actual amounts in the first year actual construction loans are borrowed or projected to be borrowed without the need for a section 205 filing to modify the template.

| Line No. |                                                                                                                                                                                                                                                     |                                    | \$             |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------|
| 1        | Long Term Interest and Fees (117, sum of 62.c through 67.c)                                                                                                                                                                                         |                                    | -              |
| 2        | Line of Credit Fees (68.c)                                                                                                                                                                                                                          |                                    | -              |
| 3        | Total Interest and Fees                                                                                                                                                                                                                             |                                    | -              |
|          |                                                                                                                                                                                                                                                     |                                    |                |
|          | 13 Month Average Long-Term Debt - Note A                                                                                                                                                                                                            |                                    |                |
|          |                                                                                                                                                                                                                                                     | Month During Rate Year             | Long Term Debt |
|          |                                                                                                                                                                                                                                                     | (a)                                | (d)            |
| 4        | December Prior Year                                                                                                                                                                                                                                 |                                    | -              |
| 5        | January                                                                                                                                                                                                                                             |                                    | -              |
| 6        | February                                                                                                                                                                                                                                            |                                    | -              |
| 7        | March                                                                                                                                                                                                                                               |                                    | -              |
| 8        | April                                                                                                                                                                                                                                               |                                    | -              |
| 9        | May                                                                                                                                                                                                                                                 |                                    | -              |
| 10       | June                                                                                                                                                                                                                                                |                                    | -              |
| 11       | July                                                                                                                                                                                                                                                |                                    | -              |
| 12       | August                                                                                                                                                                                                                                              |                                    | -              |
| 13       | September                                                                                                                                                                                                                                           |                                    | -              |
| 14       | October                                                                                                                                                                                                                                             |                                    | -              |
| 15       | November                                                                                                                                                                                                                                            |                                    | -              |
| 16       | December                                                                                                                                                                                                                                            |                                    | -              |
| 17       |                                                                                                                                                                                                                                                     | Average of the 13 Monthly Balances | -              |
| 18       | True-Up Cost of Debt (Line 3 / Line 17)                                                                                                                                                                                                             |                                    | -              |
|          |                                                                                                                                                                                                                                                     |                                    |                |
| Notes    |                                                                                                                                                                                                                                                     |                                    |                |
| A        | Long Term debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c to 21.c in the Form No. 1, the cost is calculated by dividing line 3 by the Long Term Debt balance on line 17. |                                    |                |

INITIAL PROPOSED TRANSMISSION AND GENERAL PLANT DEPRECIATION RATES

|                    |                  |                                      | Initial Annual Depreciation Rates<br>(Notes A and B) |
|--------------------|------------------|--------------------------------------|------------------------------------------------------|
| Line No.           | INTANGIBLE PLANT |                                      |                                                      |
| 1                  | 301.0            | Organization                         | 1.85% *                                              |
| 2                  | 302.0            | Franchises and Consents              | 1.85% *                                              |
| 3                  | 303.0            | Computer Software                    | 6.67% *                                              |
| 3a                 | 303.1            | Contributions in Aid of Construction | Note C                                               |
| TRANSMISSION PLANT |                  |                                      |                                                      |
| 4                  | 350.2            | Land Rights                          | 1.43% *                                              |
| 5                  | 352.0            | Structures & Improvements            | 2.82% *                                              |
| 6                  | 353.0            | Station Equipment                    | 2.69% *                                              |
| 7                  | 354.0            | Towers & Fixtures                    | 1.67% *                                              |
| 8                  | 355.0            | Poles & Fixtures                     | 2.28% *                                              |
| 9                  | 356.0            | Overhead Conductors & Devices        | 2.61% *                                              |
| 10                 | 357.0            | Underground Conduit                  | 1.95% **                                             |
| 11                 | 358.0            | Underground Conductor and Devices    | 2.61% *                                              |
| 12                 | 359.0            | Roads and Trails                     | 1.43% *                                              |
| GENERAL PLANT      |                  |                                      |                                                      |
| 13                 | 391.0            | Office Furniture & Equipment         | 12.50% *                                             |
| 14                 | 391.1            | Computer Hardware                    | 12.50% *                                             |
| 15                 | 392.0            | Transportation Equipment             | 10.00% *                                             |
| 16                 | 393.0            | Stores Equipment                     | 12.50% *                                             |
| 17                 | 397.0            | Communication Equipment              | 25.00% *                                             |

Notes

A      \* Taken directly from SRE affiliate Cross Texas Transmission, LLC as approved by the Public Utility Commission of Texas in Docket No. 43950 by order issued May 1, 2015.  
      \*\* Based on a proxy depreciation rate as supported in Section 205 filing.

B      These depreciation rates will not be changed absent a FERC order.

C      *In the event a Contribution in Aid of Construction (CIAC) is made for a transmission facility, the transmission depreciation rates above will be weighted based on the relative amount of underlying plant booked to the accounts shown in the lines above, and the resultant weighted average depreciation rate will be used to amortize the CIAC. The CIAC depreciation rate for each facility will be determined at the time the plant is placed into service, and will not change without FERC approval.*

|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   | (a)                          | (b)                 |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------|---------------------|
|          |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                              | Calendar Year       |
| Line No. | Description                                                                                                                                                                                                                                                                                                                                                                                                                                         | Source            | Revenue Impact of Correction | Revenue Requirement |
| 1        | Filing Name and Date                                                                                                                                                                                                                                                                                                                                                                                                                                |                   |                              | -                   |
| 2        | Original Revenue Requirement                                                                                                                                                                                                                                                                                                                                                                                                                        |                   |                              | -                   |
| 3        |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                              |                     |
| 4        | Description of Correction 1                                                                                                                                                                                                                                                                                                                                                                                                                         |                   |                              | -                   |
| 5        | Description of Correction 2                                                                                                                                                                                                                                                                                                                                                                                                                         |                   |                              | -                   |
| 6        |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                              |                     |
| 7        | Total Corrections                                                                                                                                                                                                                                                                                                                                                                                                                                   | Line 4 + 5        |                              | -                   |
| 8        |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                              | -                   |
| 9        | Corrected Revenue Requirement                                                                                                                                                                                                                                                                                                                                                                                                                       | Line 2 + 7        |                              | -                   |
| 10       |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                              |                     |
| 11       |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                              |                     |
| 12       | Total Corrections                                                                                                                                                                                                                                                                                                                                                                                                                                   | Line 7            |                              | -                   |
| 13       |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                              |                     |
| 14       | Average Monthly FERC Refund Rate                                                                                                                                                                                                                                                                                                                                                                                                                    | Note A            |                              | 0.00%               |
| 15       | Number of Months of Interest                                                                                                                                                                                                                                                                                                                                                                                                                        | Note B            |                              | 30                  |
| 16       | Interest on Correction                                                                                                                                                                                                                                                                                                                                                                                                                              | Line 12 x 14 x 15 |                              | -                   |
| 17       |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                              |                     |
| 18       | Total Annual Amount Due from / (to) Customers                                                                                                                                                                                                                                                                                                                                                                                                       | Line 12 + 16      |                              | -                   |
| Notes    |                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                   |                              |                     |
| A        | The interest rate on corrections will be the average monthly FERC interest rate for the period from the beginning of the year being corrected through the most recent month available as of the time the correction is computed and included in an annual filing.                                                                                                                                                                                   |                   |                              |                     |
| B        | The number of months interest due on the correction will be the number of months from the beginning of the year being corrected through June of the year in which the correction will be reflected in rates. In this manner the interest computed will reflect all years prior to when the correction is reflected in rates plus interest on the average unrefunded balance of the correction during the year the correction is reflected in rates. |                   |                              |                     |

| Line No. | (Note A)                                              | Source                        | (a)<br>Company Total | (b)<br>Less: Non Transmission | (c) = (a) - (b)<br>Transmission-related |
|----------|-------------------------------------------------------|-------------------------------|----------------------|-------------------------------|-----------------------------------------|
| 1        | <b>Account 454 - Rent from Electric Property</b>      |                               |                      |                               |                                         |
| 2        | Joint pole attachments - telephone                    | Company books                 | -                    | -                             | -                                       |
| 3        | Joint pole attachments - cable                        | Company books                 | -                    | -                             | -                                       |
| 4        | Underground rentals                                   | Company books                 | -                    | -                             | -                                       |
| 5        | Transmission tower wireless rentals                   | Company books                 | -                    | -                             | -                                       |
| 6        | Other rentals                                         | Company books                 | -                    | -                             | -                                       |
| 7        | Other rentals                                         | Company books                 | -                    | -                             | -                                       |
| 8        | <b>Account 454 Revenue Credit</b>                     | Form 1 300.19.b               | -                    | -                             | -                                       |
| 9        | <b>Account 456.1 Other Operating Revenues</b>         |                               |                      |                               |                                         |
| 10       | PJM NITS                                              | Company books                 | -                    | -                             | -                                       |
| 11       | PJM Point to Point                                    | Company books                 | -                    | -                             | -                                       |
| 12       | Over/Under recovery deferral                          | Company books                 | -                    | -                             | -                                       |
| 13       | Other PJM revenues                                    | Company books                 | -                    | -                             | -                                       |
| 14       | Other                                                 | Company books                 | -                    | -                             | -                                       |
| 15       | Total Per Books                                       | Form 1 330.n                  | -                    | -                             | -                                       |
| 16       | Less: revenues received pursuant to this Formula Rate |                               |                      |                               | -                                       |
| 17       | Less: Over/Under recovery deferral                    |                               |                      |                               | -                                       |
| 18       | <b>Account 456.1 Revenue Credit</b>                   | (Line 15 - line 16 - line 17) | -                    | -                             | -                                       |
| 19       | <b>Total Revenue Credits</b>                          | (Line 8 + line 18)            | -                    | -                             | -                                       |

Note A All 454 and 456.1 revenues will be detailed from Company books and records or FERC Form 1, and additional rows added if necessary. Non-transmission related amounts will be deducted to determine transmission-related amounts.

Attachment 13  
Deficient or (Excess) Accumulated Deferred Income Taxes  
Silver Run Electric, LLC  
For the 12 months ended 12/31/\_\_\_\_\_

Line No.

1

The primary purposes of this worksheet are to (1) reconcile the amounts of regulatory assets or liabilities comprising the rate base adjustment mechanism on Page 2, Line 22a (ADJUSTMENTS TO RATE BASE-Deficient or (Excess) Accumulated Deferred Income Taxes) as of the beginning and end of the current test period (summarized beginning at Line 2 below) and (2) to support the effect of excess deferred tax expense or benefit recognized due to enacted change(s) in tax rate(s) on the revenue requirement as reflected in the income tax allowance adjustment mechanism on Page 3, Line 44 (INCOME TAXES-Deficient or (Excess) Deferred Income Tax Adjustment) during the test period (summarized beginning on Line 9 below). This worksheet supports the computation of the projected revenue requirement and, as appropriate, the actual revenue requirement used to compute the true-up adjustment.

This worksheet addresses tax law changes resulting in the decrease in federal income tax rate pursuant to the Tax Cuts and Jobs Act ("TCJA") (see Note 1a) and will be updated for subsequent tax law changes. Subsequent tax law changes will be described in Note 1b.

2

Rate Base Adjustment Mechanism - Summary

3

Projected Revenue Requirement

Actual Revenue Requirement (True-Up)

4

Account

Amount

Amount

5

182.3 (debit or <credit>)

-

From line 24

-

From Line 44

6

254 (debit or <credit>)

-

From Line 31

-

From Line 51

7

Total Deficient or (Excess) ADIT (Sum of Lines 5-6)

-

To Attachment H-27A Page 2, Line 22a

-

To Attachment H-27A Page 2, Line 22a

8

The amounts summarized above are computed beginning on line 16 in the Rate Base Adjustment Mechanism-Reconciliation of Beginning and End of Test Period Balances-Projected section of the worksheet or on line 36 in the Rate Base Adjustment Mechanism-Reconciliation of Beginning and End of Test Period Balances-Actual section of the worksheet.

9

Income Tax Allowance Adjustment Mechanism - Summary

10

Projected Amortization of Deficient or <Excess> ADIT

Tax Gross-up Factor

Projected Amortization with Tax Gross-up

Actual Amortization of Deficient or <Excess> ADIT

Tax Gross-up Factor

Actual Amortization with Tax Gross-up

11

Amortization - federal rate decrease (2017)

-

-

-

-

-

-

12

Items related to subsequent tax law changes

-

-

-

-

-

-

13

Total (Sum of Lines 11-12)

-

-

-

14

To Attachment H-27A Page 3, Line 44

To Attachment H-27A Page 3, Line 44

15

The amounts summarized above are computed beginning on line 56 in the Income Tax Allowance Adjustment Mechanism-Projected section of the worksheet or on line 74 in the Income Tax Allowance Adjustment Mechanism-Actual section of the worksheet.

16

Rate Base Adjustment Mechanism - Reconciliation of Beginning and End of Test Period Balances - Projected

17

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(j)

18

Balance at Beginning of Year - Projected

Re-measurement of ADIT - Projected (Notes 2, 3)

Annual Amortization - Projected (Note 4)

Other Adjustments - Projected (Note 5)

Balance at End of Year - Projected (d)+(e)+(f)+(g)

Whether subject to normalization rules (Note 6)

Amortization period and method

19

Description (+ = debit, < = credit)

20

Federal rate decrease (2017) - affecting rate base

-

-

-

-

-

Protected

21

Federal rate decrease (2017) - affecting rate base

-

-

-

-

-

Unprotected

22

Federal rate decrease (2017) - not affecting rate base

-

-

-

-

-

Protected

23

Federal rate decrease (2017) - not affecting rate base

-

-

-

-

-

Unprotected

24

Items related to subsequent tax law changes

-

-

-

-

-

25

Total for account 182.3 (Sum of Lines 19-23)

-

-

-

-

-

26

Total portion of Account 182.3 affecting rate base (Sum of line 19-20)

27

Federal rate decrease (2017) - affecting rate base

-

-

-

-

-

Protected

28

Federal rate decrease (2017) - affecting rate base

-

-

-

-

-

Unprotected

29

Federal rate decrease (2017) - not affecting rate base

-

-

-

-

-

Protected

30

Federal rate decrease (2017) - not affecting rate base

-

-

-

-

-

Unprotected

31

Items related to subsequent tax law changes

-

-

-

-

-

32

Total for account 254 (Sum of Lines 26-30)

-

-

-

-

-

33

Portion of account 254 affecting rate base (Sum of Lines 26 -27)

34

Total excess or deficient ADIT (Line 24 + Line 31)

-

-

-

-

-

35

Total excess or deficient ADIT affecting rate base (Lines 25 + 32)

-

-

-

-

-

36

Rate Base Adjustment Mechanism - Reconciliation of Beginning and End of Test Period Balances - Actual

37

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(j)

38

Balance at Beginning of Year - Actual

Re-measurement of ADIT - Actual (Note 2, 7)

Annual Amortization - Actual (Note 4)

Other Adjustments - Actual (Note 8)

Balance at End of Year - Actual (d)+(e)+(f)+(g)

Whether subject to normalization rules (Note 6)

Amortization period and method

39

Description (+ = debit, < = credit)

40

Federal rate decrease (2017) - affecting rate base

-

-

-

-

-

Protected

41

Federal rate decrease (2017) - affecting rate base

-

-

-

-

-

Unprotected

42

Federal rate decrease (2017) - not affecting rate base

-

-

-

-

-

Protected

43

Federal rate decrease (2017) - not affecting rate base

-

-

-

-

-

Unprotected

44

Items related to subsequent tax law changes

-

-

-

-

-

45

Total for account 182.3 (Sum of Lines 39-43)

-

-

-

-

-

46

Portion of account 182.3 affecting rate base (Sum of Lines 39-40)

47

Federal rate decrease (2017) - affecting rate base

-

-

-

-

-

Protected

48

Federal rate decrease (2017) - affecting rate base

-

-

-

-

-

Unprotected

49

Federal rate decrease (2017) - not affecting rate base

-

-

-

-

-

Protected

50

Federal rate decrease (2017) - not affecting rate base

-

-

-

-

-

Unprotected

51

Items related to subsequent tax law changes

-

-

-

-

-

52

Total for account 254 (Sum of Lines 46-50)

-

-

-

-

-

53

Portion of account 254 affecting rate base (Sum of Lines 46-47)

54

Total excess or deficient ADIT (Line 44 + Line 51)

-

-

-

-

-

55

Total excess or deficient ADIT affecting rate base (Lines 45 + 52)

-

-

-

-

-

56

Analysis - This will be updated to support information above.

57

Income Tax Allowance Adjustment Mechanism - Projected

58

The income tax allowance adjustment mechanism may include amortization of excess or deficient ADIT pertaining to deferred tax expense or benefit reflected in rates at a historical tax rate when the underlying timing difference(s) originated.

59

Amortization of Excess or Deficient ADIT - Projected

60

(a)

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(j)

(i)

61

Projected Annual Amortization from Table Above Note 4

Debit or <Credit> to Account 410.1

Debit or <Credit> to Account 411.1

Debit or <Credit> to Account 410.2

Debit or <Credit> to Account 411.2

Debit or <Credit> to Account 190

Debit or <Credit> to Account 283

62

Description (+ = debit, < = credit)

63

Federal rate decrease (2017) - affecting rate base – protected

-

-

-

-

-

-

-

-

64

Federal rate decrease (2017) - affecting rate base – unprotected

-

-

-

-

-

-

-

-

|    |                                                                                                                                                                                                                                                   |     |     |     |                                                    |                                    |                                    |                                    |                                    |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|----------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| 63 | Federal rate decrease (2017) - not affecting rate base – protected                                                                                                                                                                                | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 64 | Federal rate decrease (2017) - not affecting rate base – unprotected                                                                                                                                                                              | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 65 | Items related to subsequent tax law changes                                                                                                                                                                                                       | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 66 | Total for account 182.3 (Sum of Lines 61-65)                                                                                                                                                                                                      | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 67 | Federal rate decrease (2017) - affecting rate base – protected                                                                                                                                                                                    | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 68 | Federal rate decrease (2017) - affecting rate base – unprotected                                                                                                                                                                                  | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 69 | Federal rate decrease (2017) - not affecting rate base – protected                                                                                                                                                                                | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 70 | Federal rate decrease (2017) - not affecting rate base – unprotected                                                                                                                                                                              | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 71 | Items related to subsequent tax law changes                                                                                                                                                                                                       | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 72 | Total for account 254 (Sum of Lines 67-71)                                                                                                                                                                                                        | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 73 | Total amortization and offsetting entries (Line 66 + Line 72)                                                                                                                                                                                     | -   | -   | -   | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 74 | <b>Income Tax Allowance Adjustment Mechanism - Actual</b>                                                                                                                                                                                         |     |     |     |                                                    |                                    |                                    |                                    |                                    |
| 75 | The income tax allowance adjustment mechanism may include amortization of excess or deficient ADIT pertaining to deferred tax expense or benefit reflected in rates at a historical tax rate when the underlying timing difference(s) originated. |     |     |     |                                                    |                                    |                                    |                                    |                                    |
| 76 | <b>Amortization of Excess or Deficient ADIT - Actual</b>                                                                                                                                                                                          |     |     |     |                                                    |                                    |                                    |                                    |                                    |
| 77 | (a)                                                                                                                                                                                                                                               | (b) | (c) | (d) | (e)                                                | (f)                                | (g)                                | (h)                                | (i)                                |
| 78 |                                                                                                                                                                                                                                                   |     |     |     | Actual Annual Amortization from Table Above Note 4 | Debit or <Credit> to Account 410.1 | Debit or <Credit> to Account 411.1 | Debit or <Credit> to Account 410.2 | Debit or <Credit> to Account 411.2 |
|    | <b>Description (+ = debit, &lt; = credit)</b>                                                                                                                                                                                                     |     |     |     |                                                    |                                    |                                    |                                    |                                    |
| 79 | Federal rate decrease (2017) - affecting rate base – protected                                                                                                                                                                                    |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 80 | Federal rate decrease (2017) - affecting rate base – unprotected                                                                                                                                                                                  |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 81 | Federal rate decrease (2017) - not affecting rate base – protected                                                                                                                                                                                |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 82 | Federal rate decrease (2017) - not affecting rate base – unprotected                                                                                                                                                                              |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 83 | Items related to subsequent tax law changes                                                                                                                                                                                                       |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 84 | Total for account 182.3 (Sum of Lines 79-83)                                                                                                                                                                                                      |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 85 | Federal rate decrease (2017) - affecting rate base – protected                                                                                                                                                                                    |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 86 | Federal rate decrease (2017) - affecting rate base – unprotected                                                                                                                                                                                  |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 87 | Federal rate decrease (2017) - not affecting rate base – protected                                                                                                                                                                                |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 88 | Federal rate decrease (2017) - not affecting rate base – unprotected                                                                                                                                                                              |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 89 | Items related to subsequent tax law changes                                                                                                                                                                                                       |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 90 | Total for account 254 (Sum of Lines 85-89)                                                                                                                                                                                                        |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |
| 91 | Total amortization and offsetting entries (Line 84 + Line 90)                                                                                                                                                                                     |     |     |     | -                                                  | -                                  | -                                  | -                                  | -                                  |

92 **Summary of re-measurement of ADIT resulting from tax law changes**

93 The purposes of this portion of the worksheet are, for each change in tax law, to explain:  
- how any ADIT accounts were re-measured,  
- the excess or deficient ADIT contained therein, and  
- the accounting for any excess or deficient amounts in Accounts 182.3 (Other Regulatory Assets) and 254 (Other Regulatory Liabilities).

Note 2 describes the accounting summarized below.

94 **Summary of re-measurement of ADIT resulting from the 2017 decrease in federal income tax rate (Note 1a)**

95 ADIT and tax-related regulatory assets and liabilities existing before the change in tax law - remeasurements and portions of each account reflected in rate base:

|     |                                    |                                |                                                               |                                         |                                                                        |                                                                                                                 |                                                                                                                   |
|-----|------------------------------------|--------------------------------|---------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 96  | (a)                                | (b)                            | (c)                                                           | (d)                                     | (e)                                                                    | (f)                                                                                                             | (g)                                                                                                               |
| 97  |                                    |                                |                                                               |                                         |                                                                        | Debit or <Credit> Entry to Total Pre-TCJA ADIT or Tax-related Regulatory Asset or Liability Affecting Rate Base | Debit or <Credit> Entry to Portion of Pre-TCJA ADIT or Pre-TCJA Regulatory Asset or Liability Affecting Rate Base |
|     | Account                            | Balance Prior to Change in Law | Portion of Balance Affecting Rate Base Prior to Change in Law | Balance Re-measured after Change in Law | Portion of Balance Affecting Rate Base Re-measured after Change in Law | Debit or <Credit> Balance                                                                                       | Debit or <Credit> Balance                                                                                         |
| 98  | 190                                | -                              | -                                                             | -                                       | -                                                                      | -                                                                                                               | -                                                                                                                 |
| 99  | 281 (enter negative)               | -                              | -                                                             | -                                       | -                                                                      | -                                                                                                               | -                                                                                                                 |
| 100 | 282 (enter negative)               | -                              | -                                                             | -                                       | -                                                                      | -                                                                                                               | -                                                                                                                 |
| 101 | 283 (enter negative)               | -                              | -                                                             | -                                       | -                                                                      | -                                                                                                               | -                                                                                                                 |
| 102 | 182.3 (tax-related)                | -                              | -                                                             | -                                       | -                                                                      | -                                                                                                               | -                                                                                                                 |
| 103 | 254 (tax-related) (enter negative) | -                              | -                                                             | -                                       | -                                                                      | -                                                                                                               | -                                                                                                                 |
| 104 | Total (Sum of Lines 98-103)        | -                              | -                                                             | -                                       | -                                                                      | -                                                                                                               | -                                                                                                                 |

105 Other accounts affected by remeasurements of ADIT and tax-related regulatory assets and liabilities existing before the change in tax law (Note 2):

|     |                                      |                   |
|-----|--------------------------------------|-------------------|
| 106 | (a)                                  | (b)               |
| 107 | Account                              | Debit or <Credit> |
| 108 | Account 410.1                        | -                 |
| 109 | Account 411.1                        | -                 |
| 110 | Account 410.2                        | -                 |
| 111 | Account 411.2                        | -                 |
| 112 | Account 182.3                        | -                 |
| 113 | Account 282 related to Account 182.3 | -                 |
| 114 | Account 283 related to Account 182.3 | -                 |
| 115 | Account 254                          | -                 |
| 116 | Account 190 related to Account 254   | -                 |
| 117 | Total (Sum of Lines 108-116)         | -                 |

118 **Analysis of 2017 decrease in federal income tax rate** - Silver Run Electric had not begun providing electric transmission service prior to the 2017 federal change in tax law and, thus, the resulting remeasurements of ADIT recorded in 2017 did not affect rate base or result in refundable excess ADIT amounts or recoverable deficient ADIT amounts. The decrease in tax rate reduced the regulatory asset in Account 182.3 and deferred tax liabilities in Accounts 282 and 283 related to accrued/capitalized AFUDC-equity. Accordingly, the decrease in tax rate will reduce the revenue requirement associated with depreciation of AFUDC-equity after the associated plant is placed in service.

119 **Notes**

120 **Note 1a** - The Tax Cuts and Jobs Act (Public Law No. 115-97) was enacted on December 22, 2017. The TCJA reduced the federal corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. Republic had not begun providing electric transmission service prior to this change in tax law and Republic has yet to recover federal income tax expense in rates. The construction period for Republic's depreciable plant began before this change in tax law. Thus, remeasurements of ADIT recorded through the end of 2017 by Republic did not result in refundable excess ADIT amounts or recoverable deficient ADIT amounts. The effects of the ADIT remeasurements as of December 31, 2017, the end of the year in which the change in tax rate was enacted, are described above. In addition, the effect of remeasurement of the tax-related regulatory asset existing prior to this change in tax rate is described above. As described below, the state income tax rate below is computed based on the projected timing of the reversals of the book/tax differences and the state tax rate(s) expected to apply. The composite tax rates used for the remeasurement of ADIT balances as a result of the TCJA are:

|     |                                                                  |                   |            |
|-----|------------------------------------------------------------------|-------------------|------------|
| 121 |                                                                  | <b>Historical</b> | <b>New</b> |
| 122 | Federal income tax rate                                          | 35.00%            | 21.00%     |
| 123 | State income tax rate                                            | 8.82%             | 8.82%      |
| 124 | Federal benefit of deduction for state income tax                | -3.09%            | -1.85%     |
| 125 | Composite federal/state income tax rate (Sum of Lines 122 – 124) | 40.73%            | 27.97%     |
| 126 | Composite federal/state tax gross-up factor (1/(1 – Line 125))   | 1.68728           | 1.38827    |

127 **Note 1b** - Note 1 will be expanded, as necessary, to describe subsequent tax law changes.

128 **Note 2 - Explanation of how ADIT accounts are re-measured upon a change in income tax law**

Deferred tax assets and liabilities are adjusted (re-measured) for the effect of the changes in tax law (including tax rates) in the period that the change is enacted. Adjustments are recorded in the appropriate deferred tax balance sheet accounts (Accounts 190, 281, 282 and 283) based on the nature of the temporary difference and the related classification requirements of the accounts. If as a result of action or expected action by a regulator, it is probable that the future increase or decrease in taxes payable due to the change in tax law or rates will be recovered from or returned to

customers through future rates, a regulatory asset or liability is recognized in Account 182.3 (Other Regulatory Assets), or Account 254 (Other Regulatory Liabilities), as appropriate, for that probable future revenue or reduction in future revenue. Re-measurements of deferred tax balance sheet accounts may also result in re-measurements of tax-related regulatory assets or liabilities that had been recorded prior to the change in tax law. If it is not probable that the future increase or decrease in taxes payable due to the change in tax law or rates will be recovered from or returned to customers through future rates, tax expense is recognized in Account 410.2 (Provision for Deferred Income Taxes, Other Income or Deductions) or tax benefit is recognized in Account 411.2 (Provision for Deferred Income Taxes-Credit, Other Income or Deductions), as appropriate.

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 129 | <b>Note 3</b> – This will be updated to support information above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 130 | <b>Note 4</b> - The amortization of the excess and/or deficient ADIT recorded in Account 254 (Other Regulatory Liabilities) and/or Account 182.3 (Other Regulatory Assets) is recorded with offsetting entries to Account 410.1 (Provision for Deferred Income Taxes, Utility Operating Income) or Account 411.1 (Provision for Deferred Income Taxes – Credit, Utility Operating Income), as appropriate. In addition, the deferred tax asset related to Account 254 or the deferred tax liability related to Account 182.3 is adjusted, as appropriate. This activity is summarized in the table "Income Tax Allowance Mechanism - Projected" or the table "Income Tax Allowance Mechanism - Actual," as appropriate. The annual amortization in the tables above reflects tax gross-up and is stated at the revenue requirement level. |
| 131 | <b>Note 5</b> – This will be updated to support information above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 132 | <b>Note 6</b> - The worksheet indicates whether each excess or deficient ADIT amount is protected (i.e., subject to normalization rules of a taxing jurisdiction) or unprotected (i.e., not subject to normalization rules of a taxing jurisdiction). Certain excess deferred taxes pertaining to the TCJA are subject to (protected by) the normalization requirements of TCJA Section 13001(d). None of the ADIT remeasurements by Silver Run Electric are subject to such normalization requirements. To the extent that normalization requirements apply to ADIT remeasurements, additional computations (e.g., proration of excess deferred tax activity related to future test periods) may be necessary.                                                                                                                           |
| 133 | <b>Note 7</b> – This will be updated to support information above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 134 | <b>Note 8</b> – This will be updated to support information above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

# **Tab B**

**Redline Version**

**Attachment H-27A**

For the 12 months  
ended  
12/31/\_\_\_\_

| Line No.          | (1)                                                     | (2)<br>Source                              | (3)   | (4)           |        | (5)<br>Allocated Amount |
|-------------------|---------------------------------------------------------|--------------------------------------------|-------|---------------|--------|-------------------------|
| 1                 | GROSS REVENUE REQUIREMENT, without incentives           | (Page 3, Line 49)                          |       |               |        | \$ -                    |
| 2                 | REVENUE CREDITS<br>Account No. 454                      | (Note A)<br>(Page 4, Line 20)              | Total | Allocator (W) |        |                         |
| 3                 | Account No. 456.1                                       | (Page 4, Line 21)                          | -     | TP            | 1.0000 | -                       |
| 4                 | Revenues from Grandfathered Interzonal Transactions     | (Note B)                                   | -     | TP            | 1.0000 | -                       |
| 5                 | Revenues from service provided by the ISO at a discount |                                            | -     | TP            | 1.0000 | -                       |
| 6                 | TOTAL REVENUE CREDITS                                   | (Sum of Lines 2 through 5)                 | -     | TP            | 1.0000 | -                       |
| 7                 | Prior Period Adjustments                                | Attachment 11, Line 18, Col. B             | -     | DA            | 1.0000 | -                       |
| 8                 | True-up Adjustment with Interest                        | Attachment 3, Line 9 , Col. J              | -     | DA            | 1.0000 | -                       |
| 9                 | NET ANNUAL TRANSMISSION REVENUE REQUIREMENT             | (Line 1 less Line 6 plus Lines 7 and 8)    |       |               |        | \$ -                    |
| Rate Calculations |                                                         |                                            |       |               |        |                         |
| A.                | PJM Regional Service                                    |                                            |       |               |        |                         |
| 10                | Schedule 12 ATRR Without Incentives                     | Attachment 1, Line 2, Col. 16 less Col. 12 | -     |               |        |                         |
| 11                | FERC Approved Incentives on Schedule 12 projects        | Attachment 1, Line 2, Col. 12              | -     |               |        |                         |
| 12                | Schedule 12 Revenue Requirement                         | ( Line 10 + Line 11)                       | -     |               |        |                         |

For the 12 months  
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| Line No. | (1)<br>RATE BASE: (Note R)<br>GROSS PLANT IN SERVICE           | (2)<br>Source                                                | (3)<br>Company Total | (4)<br>Allocator (W) | (5)<br>Transmission<br>(Col 3 times Col 4) |
|----------|----------------------------------------------------------------|--------------------------------------------------------------|----------------------|----------------------|--------------------------------------------|
| 1        | Production                                                     | Note C<br>205.46.g for end of year, records for other months | -                    | N/A                  | -                                          |
| 2        | Transmission                                                   | Attachment 4, Line 14, Col. (b)                              | -                    | TP 1.0000            | -                                          |
| 3        | Distribution                                                   | 207.75.g for end of year, records for other months           | -                    | N/A                  | -                                          |
| 4        | General & Intangible                                           | Attachment 4, Line 14, Col. (c)                              | -                    | WS 1.0000            | -                                          |
| 5        | TOTAL GROSS PLANT                                              | (Sum of Lines 1 through 4)                                   | -                    | GP = 1.0000          | -                                          |
| 6        | ACCUMULATED DEPRECIATION                                       | Note C                                                       |                      |                      |                                            |
| 7        | Production                                                     | 219.20-24.c for end of year, records for other months        | -                    | N/A                  | -                                          |
| 8        | Transmission                                                   | Attachment 4, Line 14, Col. (h)                              | -                    | TP 1.0000            | -                                          |
| 9        | Distribution                                                   | 219.26.c for end of year, records for other months           | -                    | N/A                  | -                                          |
| 10       | General & Intangible                                           | Attachment 4, Line 14, Col. (i)                              | -                    | WS 1.0000            | -                                          |
| 11       | TOTAL ACCUM. DEPRECIATION                                      | (Sum of Lines 7 through 10)                                  | -                    |                      | -                                          |
| 12       | NET PLANT IN SERVICE                                           |                                                              |                      |                      |                                            |
| 13       | Production                                                     | (Line 1 - Line 7)                                            | -                    |                      | -                                          |
| 14       | Transmission                                                   | (Line 2 - Line 8)                                            | -                    |                      | -                                          |
| 15       | Distribution                                                   | (Line 3 - Line 9)                                            | -                    |                      | -                                          |
| 16       | General & Intangible                                           | (Line 4 - Line 10)                                           | -                    |                      | -                                          |
| 17       | TOTAL NET PLANT                                                | ( Sum of Lines 13 through 16)                                | -                    | NP = 1.0000          | -                                          |
| 18       | ADJUSTMENTS TO RATE BASE                                       |                                                              |                      |                      |                                            |
| 19       | Account No. 281 (enter negative)                               | Note D                                                       | -                    | N/A                  | -                                          |
| 20       | Account No. 282 (enter negative)                               | Note D                                                       | -                    | NP 1.0000            | -                                          |
| 21       | Account No. 283 (enter negative)                               | Note D                                                       | -                    | NP 1.0000            | -                                          |
| 22       | Account No. 190                                                | Note D                                                       | -                    | NP 1.0000            | -                                          |
| 22a      | <u>Deficient or (Excess) Accumulated Deferred Income Taxes</u> | <u>Attachment 13, Line 7 (Note Y)</u>                        | -                    | <u>NP 1.0000</u>     | -                                          |
| 23       | Account No. 255 (enter negative)                               | Note X                                                       | -                    | NP 1.0000            | -                                          |
| 24       | Unfunded Reserves (enter negative)                             | Attachment 4, Line 43, Col. (h)                              | -                    | DA 1.0000            | -                                          |
| 25       | CWIP                                                           | Attachment 4, Line 14, Col. (d)                              | -                    | DA 1.0000            | -                                          |
| 26       | Unamortized Regulatory Asset                                   | Attachment 4, Line 28, Col. (b) (Note E)                     | -                    | DA 1.0000            | -                                          |
| 27       | Unamortized Abandoned Plant                                    | Attachment 4, Line 28, Col. (c) (Note F)                     | -                    | DA 1.0000            | -                                          |
| 28       | TOTAL ADJUSTMENTS                                              | ( Sum of Lines 19 through 27)                                | -                    |                      | -                                          |
| 29       | LAND HELD FOR FUTURE USE                                       | Attachment 4, Line 14, Col. (e) (Note G)                     | -                    | TP 1.0000            | -                                          |
| 30       | WORKING CAPITAL                                                | Note H                                                       |                      |                      |                                            |
| 31       | Cash Working Capital                                           | 1/8*(Page 3, Line 17 minus Page 3, Line 14)                  | -                    |                      | -                                          |
| 32       | Materials & Supplies                                           | Attachment 4, Line 14, Col. (f)                              | -                    | TP 1.0000            | -                                          |
| 33       | Prepayments (Account 165)                                      | Attachment 4, Line 14, Col. (g)                              | -                    | GP 1.0000            | -                                          |
| 34       | TOTAL WORKING CAPITAL                                          | ( Sum of Lines 31 through 33)                                | -                    |                      | -                                          |
| 35       | RATE BASE<br>Formula Rate - Non-Levelized                      | ( Sum of Lines 17, 28, 29, and 34)                           | -                    |                      | -                                          |

| Line No. | (1)                                                                                   | (2)<br>Source                                                                   | (3)<br>Company Total | (4)<br>Allocator (W) |        | (5)<br>Transmission<br>(Col 3 times Col 4) |
|----------|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------|----------------------|--------|--------------------------------------------|
|          | O&M                                                                                   |                                                                                 |                      |                      |        |                                            |
| 1        | Transmission                                                                          | 321.112.b                                                                       | -                    | TP                   | 1.0000 | -                                          |
| 2        | Less Account 566 (Misc Trans Expense)                                                 | 321.97.b                                                                        | -                    | TP                   | 1.0000 | -                                          |
| 3        | Less Account 565                                                                      | 321.96.b                                                                        | -                    | TP                   | 1.0000 | -                                          |
| 4        | A&G                                                                                   | 323.197.b                                                                       | -                    | WS                   | 1.0000 | -                                          |
| 5        | Less FERC Annual Fees                                                                 | 351.h (Note I)                                                                  | -                    | WS                   | 1.0000 | -                                          |
| 6        | Less EPRI and EEI Dues                                                                | Note J                                                                          | -                    | WS                   | 1.0000 | -                                          |
| 7        | Less Reg. Commission Expense Account 928                                              | Note J                                                                          | -                    | WS                   | 1.0000 | -                                          |
| 8        | Less: Non-safety Advertising account 930.1                                            | Note J                                                                          | -                    | WS                   | 1.0000 | -                                          |
| 9        |                                                                                       |                                                                                 |                      |                      |        |                                            |
| 10       | Plus Transmission Related Reg. Comm. Exp.                                             | Note K                                                                          | -                    | TP                   | 1.0000 | -                                          |
| 11       |                                                                                       |                                                                                 |                      |                      |        |                                            |
| 12       | Plus Transmission Lease Payments in Acct 565                                          | Note V                                                                          | -                    | DA                   | 1.0000 | -                                          |
| 13       | Account 566                                                                           |                                                                                 |                      |                      |        |                                            |
| 14       | Amortization of Regulatory Asset                                                      | Note E                                                                          | -                    | DA                   | 1.0000 | -                                          |
| 15       | Misc. Transmission Expense (less amort. of regulatory asset)                          | 321.97.b less line 14                                                           | -                    | TP                   | 1.0000 | -                                          |
| 16       | Total Account 566                                                                     | (Sum of Lines 14 through 15)" Ties to 321.97b                                   | -                    |                      |        | -                                          |
| 17       | TOTAL O&M                                                                             | (Sum of Lines 1, 4, 10, 11, 12, and 16 less Sum of Lines 2, 3, and 5 through 9) | -                    |                      |        | -                                          |
| 18       | DEPRECIATION EXPENSE                                                                  | Note C                                                                          |                      |                      |        |                                            |
| 19       | Transmission                                                                          | 336.7.b&d                                                                       | -                    | TP                   | 1.0000 | -                                          |
| 20       | General & Intangible                                                                  | 336.10.b&d, 336.1.b&d                                                           | -                    | WS                   | 1.0000 | -                                          |
| 21       | Amortization of Abandoned Plant                                                       | Note F                                                                          | -                    | DA                   | 1.0000 | -                                          |
| 22       | TOTAL DEPRECIATION                                                                    | (Sum of Lines 19 through 21)                                                    | -                    |                      |        | -                                          |
| 23       | TAXES OTHER THAN INCOME TAXES (Note M)                                                |                                                                                 |                      |                      |        |                                            |
| 24       | LABOR RELATED                                                                         |                                                                                 |                      |                      |        |                                            |
| 25       | Payroll                                                                               | 263.i                                                                           | -                    | WS                   | 1.0000 | -                                          |
| 26       | Highway and vehicle                                                                   | 263.i                                                                           | -                    | WS                   | 1.0000 | -                                          |
| 27       | PLANT RELATED                                                                         |                                                                                 |                      |                      |        |                                            |
| 28       | Property                                                                              | 263.i                                                                           | -                    | GP                   | 1.0000 | -                                          |
| 29       | Gross Receipts                                                                        | 263.i                                                                           | -                    | N/A                  | -      | -                                          |
| 30       | Other                                                                                 | 263.i                                                                           | -                    | GP                   | 1.0000 | -                                          |
| 31       | Payments in lieu of taxes                                                             | 263.i                                                                           | -                    | GP                   | 1.0000 | -                                          |
| 32       | TOTAL OTHER TAXES                                                                     | ( Sum of Lines 25 through 31)                                                   | -                    |                      |        | -                                          |
| 33       | INCOME TAXES                                                                          | Note N                                                                          |                      |                      |        |                                            |
| 34       | $T=1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)$                                 |                                                                                 | 0.00%                |                      |        |                                            |
| 35       | $CIT=(T/1-T) * (1-(WCLTD/R))=$                                                        |                                                                                 | 0.00%                |                      |        |                                            |
| 36       | $WCLTD = Page\ 4,\ Line\ 15,\ R = Page\ 4,\ Line\ 18,\ FIT\ \&\ SIT\ \&\ P = Note\ N$ |                                                                                 |                      |                      |        |                                            |
| 37       |                                                                                       |                                                                                 |                      |                      |        |                                            |
| 38       | $1 / (1 - T) = (from\ line\ 34)$                                                      |                                                                                 | -                    |                      |        |                                            |
| 39       | Reserved                                                                              |                                                                                 | -                    |                      |        |                                            |
| 40       | Reserved                                                                              |                                                                                 | -                    |                      |        |                                            |
| 41       | Reserved                                                                              |                                                                                 | -                    |                      |        |                                            |
| 42       | Income Tax Calculation                                                                | (Line 35 times Line 48)                                                         | -                    | N/A                  | 1.0000 | -                                          |
| 43       | ITC Amortization Tax Adjustment                                                       | Note X                                                                          | -                    | NP                   | 1.0000 | -                                          |
| 44       | Deficient or (Excess) Deferred Income Tax Adjustment                                  | Attachment 13, Line 13 (Note Y)                                                 | -                    | NP                   | 1.0000 | -                                          |
| 45       | Permanent Differences Tax Adjustment                                                  | Note O                                                                          | -                    | NP                   | 1.0000 | -                                          |
| 46       | Total Income Taxes                                                                    | ( Sum of Lines 42 through 45)                                                   | -                    |                      |        | -                                          |
| 47       | RETURN                                                                                |                                                                                 |                      |                      |        |                                            |
| 48       | Rate Base times Return                                                                | (Page 2, Line 35 times Page 4, Line 18)                                         | -                    | N/A                  | -      | -                                          |
| 48a      | Rev Requirement before Incentive Return                                               | (Sum of Lines 17, 22, 32, 46, and 48)                                           | -                    | N/A                  | -      | -                                          |
| 48b      | Incentive Retur, Income Tax, and Concessions                                          | (Attachment 1, Page 3, Col 12, Line 6)                                          | -                    | DA                   | 1.0000 | -                                          |
| 49       | GROSS REVENUE REQUIREMENT                                                             | ( Sum of Lines 17, 22, 32, 46, 48, and 48b)                                     | -                    |                      |        | -                                          |

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| Line No.                                 | (1)                                                              | (2)                                                     | (3) | (4)   | (5)        |                                 |
|------------------------------------------|------------------------------------------------------------------|---------------------------------------------------------|-----|-------|------------|---------------------------------|
| SUPPORTING CALCULATIONS AND NOTES        |                                                                  |                                                         |     |       |            |                                 |
| TRANSMISSION PLANT INCLUDED IN ISO RATES |                                                                  |                                                         |     |       |            |                                 |
| 1                                        | Total Transmission plant                                         | (Page 2, Line 2, Col. 3)                                |     |       | -          |                                 |
| 2                                        | Less Transmission plant excluded from ISO rates                  | (Note P)                                                |     |       | -          |                                 |
| 3                                        | Less Transmission plant included in OATT Ancillary Service rates | (Note S)                                                |     |       | -          |                                 |
| 4                                        | Transmission plant included in ISO rates                         | (Line 1 minus Lines 2 and 3)                            |     |       | -          |                                 |
| 5                                        | Percentage of Transmission plant included in ISO Rates           | (Line 4 divided by Line 1) (If line 1 is zero, enter 1) |     | TP =  | -          |                                 |
| 6                                        | WAGES & SALARY ALLOCATOR (W&S)                                   | Form 1 Reference                                        | \$  | TP    | Allocation |                                 |
| 7                                        | Production                                                       | 354.20.b                                                | -   | -     | -          |                                 |
| 8                                        | Transmission                                                     | 354.21.b                                                | -   | -     | -          |                                 |
| 9                                        | Distribution                                                     | 354.23.b                                                | -   | -     | -          |                                 |
| 10                                       | Other                                                            | 354.24,25,26.b                                          | -   | -     | -          | W&S Allocator (\$ / Allocation) |
| 11                                       | Total (W&S Allocator is 1 if lines 7-10 are zero)                | (Sum of Lines 7 through 10)                             | -   | -     | =          | 1.0000 = WS                     |
| 12                                       | RETURN (R)                                                       |                                                         |     |       |            |                                 |
| 13                                       |                                                                  |                                                         |     |       |            |                                 |
| 14                                       |                                                                  |                                                         |     |       |            |                                 |
| 15                                       | Long Term Debt                                                   | Attachment 5, (Notes Q & R)                             | \$  | %     | Cost       | Weighted                        |
| 16                                       | Preferred Stock (112.3.c)                                        | Attachment 5, (Notes Q & R)                             | -   | 0.00% | 0.00%      | 0.00% = WCLTD                   |
| 17                                       | Common Stock                                                     | Attachment 5, (Notes Q, R, and T)                       | -   | 0.00% | 9.85%      | 0.00%                           |
| 18                                       | Total                                                            | ( Sum of Lines 15 through 17)                           | -   |       |            | 0.00% = R                       |
| 19                                       | REVENUE CREDITS                                                  |                                                         |     |       |            |                                 |
| 20                                       | ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)                        | Attachment 12, Line 8 (Note U)                          |     |       |            | -                               |
| 21                                       | ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)                          | Attachment 12, Line 18, Col. C (Note A)                 |     |       |            | -                               |

General Note: References to pages in this formula rate template are indicated as: (Page #, Line #, Col. #)  
References to data from FERC Form 1 are indicated as: #.y.x (page, line, column)

- Notes
- A The revenues credited on page 1 lines 2-6 shall include only the amounts received by SRE for service rendered using facilities for which recovery is provided under this tariff. They do not include revenues associated with FERC annual charges, gross receipts taxes, or facilities not included in this template (e.g., direct assignment facilities and GSUs) which are not recovered under this Rate Formula Template.
- B Company will not have any grandfathered agreements. Therefore, this line shall remain zero.
- C Plant In Service, Accumulated Depreciation, and Depreciation Expenses shall exclude Asset Retirement Obligation amounts.
- D *The balances in Accounts 190, 281, 282 and 283 are allocated to transmission plant included in rate base based on Company accounting records. Accumulated deferred income tax amounts associated with asset or liability accounts excluded from rate base (such as ADIT related to asset retirement obligations and certain tax-related regulatory assets or liabilities) do not affect rate base. To the extent that the normalization requirements apply to ADIT activity in the projected net revenue requirement calculation or the true-up adjustment calculation, the ADIT amounts are computed in accordance with the proration formula of Treasury regulation Section 1.167(l)-1(h)(6). The remaining ADIT activity is averaged. Work papers supporting the ADIT calculations will be posted with each projected net revenue requirement and/or Annual True-Up and included in the annual Informational Filing submitted to the Commission. Account 281 is not allocated to Transmission.*
- E Recovery of Regulatory Asset permitted only for pre-commercial and formation expenses as authorized by the Commission. Recovery of any other regulatory assets requires authorization from the Commission. A carrying charge will be applied to the Regulatory Asset prior to the rate year when costs are first recovered. This carrying charge shall not result in a higher amount of interest than is allowed for construction expenditures that accrue an AFUDC, and interest will be compounded no more than on a semi-annual basis.
- F Unamortized Abandoned Plant and Amortization of Abandoned Plant will be zero until the Commission accepts or approves recovery of the cost of Abandoned Plant. Utility must submit a Section 205 filing to recover the cost of abandoned plant.
- G Identified in FERC Form 1, or Company records if not so indicated on the FERC Form 1, as being transmission related.
- H Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission at page 3, line 17, column 5 minus amortization of Regulatory Asset at page 3, line 14, column 5. Prepayments are the electric related prepayments booked to Account No. 165 and reported on page 111, line 57 in the Form 1.
- I The FERC's annual charges for the year assessed the Transmission Owner for service under this tariff. To the extent the charges are separately identified on the FERC Form 1, page 350, column 1, the line number will be added to the source in Column 2 for reference. Line item references can change from year to year. Items not specifically identified in the FERC Form 1, page 350 will be obtained from Company books and records.
- J Page 3, Line 6 - Subtract all EPRI and EEI Annual Membership Dues listed in Form 1 at 353.f, all Regulatory Commission Expenses in account 928 itemized at 351.h, and non-safety related advertising included in Account 930.1. Any lobbying expenses incurred by SRE shall be booked to Account 426.4 in accordance with the Uniform System of Accounts and, as a result, are not recoverable under the Formula Rate.
- K Page 3, Line 8-Add back Regulatory Commission Expenses directly related to transmission service, ISO filings, or transmission siting itemized at 351.h.
- M Includes only FICA, unemployment, highway, property, and other assessments charged in the current year. Taxes related to income are excluded. Gross receipts taxes are not included in transmission revenue requirement in the Rate Formula Template, since they are recovered elsewhere. Enter the line number on page 262-63 upon which each item is identified. To the extent individual types of taxes are separately identified on the FERC Form 1, page 262, column a, the line number will be added to the source in Column 2 for reference. Line item references can change from year to year. Items not specifically identified in the FERC Form 1, page 262-63 will be obtained from Company books and records.
- N *The currently effective income tax rate (T), where FIT is the federal income tax rate, SIT is the state income tax rate, and p is the percentage of federal income tax deductible for state income taxes. If the utility is taxed in more than one state, it must attach a work paper showing the name of each state and how the blended or composite SIT was computed.*

|                  |       |      |                                                               |
|------------------|-------|------|---------------------------------------------------------------|
| Inputs Required: | FIT = | 0.0% | (Federal Income Tax Rate)                                     |
|                  | SIT = | 0.0% | (State Income Tax Rate or Composite SIT)                      |
|                  | p =   | 0.0% | (percent of federal income tax deductible for state purposes) |

- O *Includes the annual income tax cost or benefit due to permanent differences between the amounts of expenses or revenues for ratemaking purposes and the amounts recognized for income tax purposes, including the effects of regulatory depreciation of plant basis attributable to Allowance for Other Funds Used During Construction (AFUDC-equity). The tax adjustment related to these items is computed by multiplying the tax effect of each item by the applicable tax gross-up factor and will be supported by a work paper.*
- P Removes transmission plant determined by Commission order to be state-jurisdictional according to the seven-factor test (until Form 1 balances are adjusted to reflect application of seven-factor test).
- Q The cost of debt will be determined based on the financing in place during each stage of project development. Before debt is obtained, a proxy interest rate which will be supported in the original Section 205 filing will be used. This rate is provided on Attachment 8 line 36. If construction debt (wherein principal is drawn down over time) is issued, the rate plus an amortization of fees projected to be incurred on the construction debt during the rate year will be the cost of debt. This construction debt rate (inclusive of fees) will be reset and trued-up every year using the method on Attachment 9 for multi-year construction projects. Once non-construction debt is obtained, the actual interest rate and fees on the debt in place at the end of the year such non-construction debt is obtained will become the cost of debt. In the first full year after non-construction debt is obtained, the cost of debt will be the actual cost of debt determined using the method on Attachment 5.
- R A hypothetical capital structure of 50% Equity and 50% debt will be used until the first transmission asset is placed in service, or until otherwise authorized by the Commission. Calculate rate base using 13 month average balance, except ADIT. The calculation of ADIT is covered in Note D.
- S Removes dollar amount of transmission plant to be included in the development of OATT ancillary services rates and generation step-up facilities, which are deemed to be included in OATT ancillary services. For these purposes, generation step-up facilities are those facilities at a generator substation on which there is no through-flow when the generator is shut down.
- T The cost of common stock includes both SRE's base return on equity ("ROE") and the 50 basis point ROE adder for RTO participation granted to SRE in 155 FERC ¶ 61,097 at P 94 (2016). Pursuant to the Settlement Agreement in FERC Docket No. ER16-453, SRE's base ROE shall be 9.85% and the equity portion of its capital structure shall not exceed 54.75% ("Equity Cap"). With respect to SRE's capital structure, per the Commission's order in 155 FERC ¶ 61,097 at PP 50-52, SRE will use a hypothetical capital structure of 50 percent debt and 50 percent equity for the period prior to the date on which PJM assumes operational control of the Artificial Island Project facilities ("In-Service Date") and will use its actual capital structure thereafter, subject to the Equity Cap. Both SRE's base ROE and the Equity Cap shall be subject to a moratorium that will last until the date that is three years after the In-Service Date. During the moratorium period, no Party to the Settlement Agreement shall be permitted to file unilaterally to modify the base ROE or Equity Cap under FPA Sections 205 or 206, as the case may be, and nor may any Party support such a request by another entity. After the expiration of the moratorium period, SRE's base ROE and Equity Cap shall remain in effect until SRE makes a filing under FPA Section 205 to change said value and the revised base ROE or Equity Cap becomes effective by operation of law or by a Commission order, or until a complaint filed pursuant to FPA Section 206 or action taken pursuant to FPA Section 206 by the Commission acting sua sponte results in a Commission order directing a change to the base ROE or Equity Cap.
- U Includes only income related to transmission facilities, such as pole attachments, rentals and special use from general ledger.
- V Add back any lease expense of transmission assets used to provide service under this tariff included in account 565. Amount to be obtained from company books and records.
- W DA = Direct Assignment; GP = Gross Plant Allocator (page 2, line 5); N/A = Not Applicable; NP = Net Plant Allocator (page 2, line 17); TP = Transmission Plant Allocator (page 4, line 5); WS = Wage and Salary Allocator (page 4, line 11).
- X *Investment tax credit (ITC) is recorded in accordance with the deferral method of accounting and any normalization requirements that relate to the eligibility to claim the credit or the recapture of the credit. The revenue requirement impact of any ITC will be supported by a work paper.*
- Y *Upon enactment of changes in tax law, ADIT balances are re-measured and adjusted in Company's books of account, resulting in excess or deficient accumulated deferred income tax assets and liabilities. Excess or deficient ADIT attributable to timing differences between the amounts of expenses or revenues recognized for income tax purposes and amounts of expenses or revenues recognized for ratemaking purposes as well as subsequent recoverable or refundable amortization of such amounts will be based upon Company records and be calculated and recorded in accordance with ASC 740 and any applicable normalization requirements of the taxing jurisdiction. The Deficient or (Excess) Deferred Income Tax Adjustment (page 3, line 44) is computed by multiplying each component of deficient or (excess) deferred income taxes by the applicable tax gross-up factor. For each re-measurement of ADIT, the amounts entered as the Deficient or (Excess) Accumulated Deferred Income Taxes component of ADJUSTMENTS TO RATE BASE (page 2, line 22a) or as the Deficient or (Excess) Deferred Income Tax Adjustment component of INCOME TAXES (page 3, line 44) will be supported by Attachment 13 (Deficient or Excess Accumulated Deferred Income Taxes) providing the balance for each taxing jurisdiction at the beginning and end of the year, amortization for the year, calculation of the gross-up to the revenue requirement level and any other information required to support compliance with any applicable normalization requirements.*

To be completed in conjunction with Attachment H-27A.

| Line No.                                          | (1)                                                       | (2)<br>Attachment H-27A, Page, Line, Col.                           | (3)<br>Transmission | (4)<br>Allocator |
|---------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------|---------------------|------------------|
| 1                                                 | Gross Transmission Plant plus CWIP                        | Attach H-27A, p 2, line 2, col 5 plus line 25, col 5 (Note A)       | -                   |                  |
| 2                                                 | Net Transmission Plant plus CWIP and Abandoned Plant      | Attach H-27A, p 2, line 14, col 5 plus line 25 & 27, col 5 (Note B) | -                   |                  |
|                                                   |                                                           |                                                                     |                     |                  |
| O&M EXPENSE                                       |                                                           |                                                                     |                     |                  |
| 3                                                 | Total O&M Allocated to Transmission                       | Attach H-27A, p 3, line 17, col 5                                   | -                   |                  |
| 4                                                 | Annual Allocation Factor for O&M                          | (line 3 divided by line 1, col 3)                                   | 0.00%               | 0.00%            |
|                                                   |                                                           |                                                                     |                     |                  |
| GENERAL AND INTANGIBLE (G&I) DEPRECIATION EXPENSE |                                                           |                                                                     |                     |                  |
| 5                                                 | Total G&I Depreciation Expense                            | Attach H-27A, p 3, line 20, col 5 (Note C)                          | -                   |                  |
| 6                                                 | Annual Allocation Factor for G,I & C Depreciation Expense | (line 5 divided by line 1, col 3)                                   | 0.00%               | 0.00%            |
|                                                   |                                                           |                                                                     |                     |                  |
| TAXES OTHER THAN INCOME TAXES                     |                                                           |                                                                     |                     |                  |
| 7                                                 | Total Other Taxes                                         | Attach H-27A, p 3, line 32, col 5                                   | -                   |                  |
| 8                                                 | Annual Allocation Factor for Other Taxes                  | (line 7 divided by line 1, col 3)                                   | 0.00%               | 0.00%            |
|                                                   |                                                           |                                                                     |                     |                  |
| 9                                                 | Less Revenue Credits                                      | Attach H-27A, p 1, line 6 col 5                                     | -                   |                  |
| 10                                                | Annual Allocation Factor for Revenue Credits              | (line 9 divided by line 1, col 3)                                   | 0.00%               | 0.00%            |
| 11                                                | Annual Allocation Factor for Expense                      | Sum of lines 4, 6, 8, and 10                                        |                     | 0.00%            |
|                                                   |                                                           |                                                                     |                     |                  |
| INCOME TAXES                                      |                                                           |                                                                     |                     |                  |
| 12                                                | Total Income Taxes                                        | Attach H-27A, p 3, line 46, col 5                                   | -                   |                  |
| 13                                                | Annual Allocation Factor for Income Taxes                 | (line 12 divided by line 2, col 3)                                  | 0.00%               | 0.00%            |
|                                                   |                                                           |                                                                     |                     |                  |
| RETURN                                            |                                                           |                                                                     |                     |                  |
| 14                                                | Return on Rate Base                                       | Attach H-27A, p 3, line 48, col 5                                   | -                   |                  |
| 15                                                | Annual Allocation Factor for Return on Rate Base          | (line 14 divided by line 2, col 3)                                  | 0.00%               | 0.00%            |
| 16                                                | Annual Allocation Factor for Return                       | Sum of lines 13 and 15                                              |                     | 0.00%            |

This worksheet is used to compute project specific revenue requirements for any projects for which such calculation is required by PJM. Other projects which comprise the remaining revenue requirement on Attachment H-27A will not be entered on this schedule.

Any hypothetical amounts or project names in a filed template will be removed and replaced with actual amounts in the first year actual values are available without the need for a section 205 filing to modify the template.

| Line No. | (1)<br>Project Name | PJM Category | (2)<br>RTEP Project Number Or Other Identifier | (3)<br>Project Gross Plant | (4)<br>Annual Allocation Factor for Expense | (5)<br>Annual Expense Charge | (6)<br>Project Net Plant | (7)<br>Annual Allocation Factor for Return | (8)<br>Annual Return Charge |
|----------|---------------------|--------------|------------------------------------------------|----------------------------|---------------------------------------------|------------------------------|--------------------------|--------------------------------------------|-----------------------------|
|          |                     |              |                                                | (Note D)                   | (Page 1, line 11)                           | (Col. 3 * Col. 4)            | (Note E)                 | (Page 1, line 16)                          | (Col. 6 * Col. 7)           |
| 1a       | Project A           |              | AAAA                                           | -                          | 0.00%                                       | -                            | \$ -                     | 0.00%                                      | -                           |
| 1b       | Project B           |              | BBBB                                           | -                          | 0.00%                                       | -                            | \$ -                     | 0.00%                                      | -                           |
| 2        | Total Schedule 12   |              |                                                | -                          |                                             | -                            | \$ -                     |                                            | -                           |
| 3a       | Project C           |              | CCCC                                           | -                          | 0.00%                                       | -                            | \$ -                     | 0.00%                                      | -                           |
| 3b       | Project D           |              | DDDD                                           | -                          | 0.00%                                       | -                            | \$ -                     | 0.00%                                      | -                           |
| 4        | Total Zonal         |              |                                                | -                          |                                             | -                            | \$ -                     |                                            | -                           |
| 5        | Other               |              |                                                |                            | 0.00%                                       |                              |                          | 0.00%                                      |                             |
| 6        | Annual Totals       |              |                                                | -                          |                                             | -                            | -                        |                                            | -                           |

| Line No. | (9)<br>Project Depreciation/Amortization Expense<br>(Note F) | (10)<br>Annual Revenue Requirement<br>(Sum Col. 5 + Col. 9 + (Column 6 * Line 16 )) | (11)<br>Incentive Return in Basis Points<br>(Note G) | (12)<br>Incentive Return<br>(Col. 11/100)*Col. 6*Att 2 Line 28)<br>(Note G) | (12a)<br>Ceiling Rate<br>(Sum Col. 10 & 12) | (13)<br>Competitive Concession<br>(Note H) | (14)<br>Total Annual Revenue Requirement<br>(Sum Col. 10 & 12 Less Col. 13) | (15)<br>True-Up Adjustment<br>(Note I) | (16)<br>Net Revenue Requirement<br>(Sum Col. 14 & 15) |
|----------|--------------------------------------------------------------|-------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------------|--------------------------------------------|-----------------------------------------------------------------------------|----------------------------------------|-------------------------------------------------------|
| 1a       | -                                                            | -                                                                                   | -                                                    |                                                                             | -                                           | -                                          | -                                                                           | -                                      | -                                                     |
| 1b       | -                                                            | -                                                                                   | -                                                    |                                                                             | -                                           | -                                          | -                                                                           | -                                      | -                                                     |
| 2        | -                                                            | -                                                                                   |                                                      |                                                                             | -                                           | -                                          | -                                                                           | -                                      | -                                                     |
| 3a       | -                                                            | -                                                                                   | -                                                    |                                                                             | -                                           | -                                          | -                                                                           | -                                      | -                                                     |
| 3b       | -                                                            | -                                                                                   | -                                                    |                                                                             | -                                           | -                                          | -                                                                           | -                                      | -                                                     |
| 4        | -                                                            | -                                                                                   |                                                      |                                                                             | -                                           | -                                          | -                                                                           | -                                      | -                                                     |
| 5        |                                                              |                                                                                     |                                                      |                                                                             |                                             |                                            |                                                                             |                                        |                                                       |
| 6        | -                                                            | -                                                                                   |                                                      |                                                                             | -                                           | -                                          | -                                                                           | -                                      | -                                                     |

- Notes
- A

Gross Transmission Plant is that identified on page 2 line 2 of Attachment H-27A inclusive of any CWIP or unamortized abandoned plant included in rate base when authorized by FERC order.
- B

Net Plant is that identified on page 2 line 14 of Attachment H-27A inclusive of any CWIP or unamortized Abandoned Plant included in rate base when authorized by FERC order less any prefunded AFUDC, if applicable.
- C

General and Intangible Depreciation and Amortization Expense includes all expense not directly associated with a project, which is entered on page 3 , column 9.
- D

Project Gross Plant is the total capital investment including CWIP for the project calculated from Company books and records in the same method as the gross plant value in line 1. This value includes subsequent capital investments required to maintain the facilities to their original capabilities.
- E

Project Net Plant is the Project Gross Plant Identified in Column 3 less the associated Accumulated Depreciation plus CWIP in rate base if applicable and Unamortized Abandoned Plant.
- F

Project Depreciation Expense is the actual value booked for the project (excluding General and Intangible depreciation) at Attachment H-27A, page 3, line 19, plus amortization of Abandoned Plant at Attachment H-27A, page 3, line 21.
- G

Requires approval by FERC of incentive return applicable to the specified project(s). Per the Commission’s order in 158 FERC ¶ 61,060 at PP 32-35, SRE shall not recover a 50 basis point ROE incentive for the risks and challenges associated with the Artificial Island Project facilities, PJM Upgrade Projects b2633.1 and b2633.2.
- H

The Competitive Concession is the reduction in revenue, if any, that the company agreed to, for instance, to be selected to build facilities as the result of a competitive process and equals the amount by which the annual revenue requirement is reduced from the ceiling rate.
- I

True-Up Adjustment is calculated on the Project True-up Schedule for the relevant true-up year.
- J

For each project listed on this Attachment 1 that is a Required Transmission Enhancement, the net revenue requirement shown in Column (16) is: (i) the annual transmission revenue requirement for purposes of determining the PJM OATT Schedule 12 Transmission Enhancement Charges associated with that Required Transmission Enhancement, and (ii) the Annual Revenue Requirement for purposes of Schedule 12, Appendix A for that Required Transmission Enhancement.

| Attachment 2<br>Incentive Return<br>Silver Run Electric, LLC |                                                                                              |                                         |  |  |                                                       |    |       |       |          |
|--------------------------------------------------------------|----------------------------------------------------------------------------------------------|-----------------------------------------|--|--|-------------------------------------------------------|----|-------|-------|----------|
| Line                                                         |                                                                                              |                                         |  |  |                                                       |    |       |       |          |
| 1                                                            | Rate Base                                                                                    |                                         |  |  | Attachment H-27A, Page 2, Line 35, Col.5              |    |       |       | -        |
| 2                                                            | 100 Basis Point Incentive Return                                                             |                                         |  |  |                                                       |    |       | \$    |          |
|                                                              |                                                                                              |                                         |  |  |                                                       |    |       | Cost  |          |
| 3                                                            | Long Term Debt                                                                               | (Notes Q & R from Attachment H-27A)     |  |  |                                                       | \$ | %     |       | Weighted |
|                                                              |                                                                                              |                                         |  |  |                                                       | -  | 0.00% | 0.00% | 0.00%    |
| 4                                                            | Preferred Stock                                                                              | (Notes Q & R from Attachment H-27A)     |  |  |                                                       | -  | 0.00% | 0.00% | 0.00%    |
| 5                                                            | Common Stock                                                                                 | (Notes Q, R, & T from Attachment H-27A) |  |  | Cost = Attachment H-27A, Page 4, Line 17, plus 100 bp | -  | 0.00% | 0.00% | 0.00%    |
| 6                                                            | Total (sum lines 3-5)                                                                        |                                         |  |  |                                                       | -  |       |       | 0.00%    |
| 7                                                            | 100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 6)                   |                                         |  |  |                                                       |    |       |       | -        |
| 8                                                            | INCOME TAXES                                                                                 |                                         |  |  |                                                       |    |       |       |          |
| 9                                                            | T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =                                      |                                         |  |  |                                                       |    | 0.00% |       |          |
| 10                                                           | CIT=(T/1-T) * (1-(WCLTD/R)) =                                                                |                                         |  |  |                                                       |    | 0.00% |       |          |
| 11                                                           | WCLTD                                                                                        |                                         |  |  | Line 3                                                |    | 1.18% |       |          |
| 12                                                           | FIT, SIT & p are as given in Attachment H-27A footnote N.                                    |                                         |  |  |                                                       |    |       |       |          |
| 13                                                           | 1 / (1 - T)                                                                                  |                                         |  |  | Line 9                                                |    | 0.00% |       |          |
| 14                                                           | Reserved                                                                                     |                                         |  |  | Attachment H-27A, Page 3, Line 39                     |    |       |       |          |
| 15                                                           | Reserved                                                                                     |                                         |  |  | Attachment H-27A, Page 3, Line 40                     |    |       |       |          |
| 16                                                           | Reserved                                                                                     |                                         |  |  | Attachment H-27A, Page 3, Line 41                     |    |       |       |          |
| 17                                                           | Income Tax Calculation                                                                       |                                         |  |  | Line 7 times Line 10                                  |    |       |       |          |
| 18                                                           | ITC Amortization Tax Adjustment                                                              |                                         |  |  | Attachment H-27A, Page 3, Line 43                     |    |       | NP    | -        |
| 19                                                           | Deficient or (Excess) Deferred Income Tax Adjustment                                         |                                         |  |  | Attachment H-27A, Page 3, Line 44                     | -  |       | NP    | 1.00 -   |
| 20                                                           | Permanent Differences Tax Adjustment                                                         |                                         |  |  | Attachment H-27A, Page 3, Line 45                     | -  |       | NP    | 1.00 -   |
| 21                                                           | Total Income Taxes                                                                           |                                         |  |  | Sum of Lines 17 through 20                            | -  |       | 1.00  | -        |
| 22                                                           | Return and Income Taxes with 100 basis point increase in ROE                                 |                                         |  |  |                                                       |    |       |       | -        |
| 23                                                           | Return                                                                                       |                                         |  |  | (Attachment H-27A, page 3, line 48, col 5)            |    |       |       | -        |
| 24                                                           | Income Tax                                                                                   |                                         |  |  | (Attachment H-27A, page 3, line 46, col 5)            |    |       |       | -        |
| 25                                                           | Return and Income Taxes without 100 basis point increase in ROE                              |                                         |  |  | Sum of Lines 23 and 24                                |    |       |       | -        |
| 26                                                           | Incremental Return and Income Taxes for 100 basis point increase in ROE                      |                                         |  |  | Line 22 less Line 25                                  |    |       |       | -        |
| 27                                                           | Net Transmission Plant                                                                       |                                         |  |  | Attachment H-27A, page 2, line 14, col 5              |    |       |       | -        |
| 28                                                           | Incremental Return and Income Taxes for 100 basis point increase in ROE divided by Rate Base |                                         |  |  | Line 26 divided by Line 27                            |    |       |       | -        |

- Notes
- A

Line 5 includes a 100 basis point increase in ROE that is used only to determine the increase in return and income taxes associated with a 100 basis point increase in ROE. Any ROE actual incentive must be approved by the Commission. For example, if the Commission were to grant a 150 basis point ROE incentive, the increase in return and taxes for a 100 basis point increase in ROE would be multiplied by 1.5 on Attachment 1 column 12. Per the Commission's order in 158 FERC ¶ 61,060 at PP 32-35, SRE shall not recover a 50 basis point ROE incentive for the risks and challenges associated with the Artificial Island Project facilities, PJM Upgrade Projects b2633.1 and b2633.2.
- B

The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State calculations and the income taxes calculated in Attachment H-27A that are not the result of a timing difference.

This Attachment 3 is used to calculate the annual formula rate true-up. Any projects for which the RTO requires a true-up on an individual project basis, as shown on Attachment 1, will be computed separately. The remainder of the revenue requirement will also be trued up. The utility will individually enter the projected true-up year revenue requirements in Column C. A percentage of total will be calculated in Column D. Actual revenue received during the true-up year is entered into Column E, line 2 and allocated using the Column D percentage. The utility will prepare this formula rate template with the actual inputs for the true-up year, with the resulting revenue requirement for each line being separately entered in Column F. In Col. G, Col. F is subtracted from Col. E to calculate the true-up adjustment. Interest on the true-up is computed in Column H. Any adjustments to prior period true-ups are entered in Col. I. Col. J computes the total true-up as the sum of Col. G, H and I.

Any hypothetical amounts or project names in a filed template will be removed and replaced with actual amounts in the first year actual values are available without the need for a section 205 filing to modify the template.

|        |                                   | Projected True-Up Year Revenue Requirement Calculation |                               |                                      | True-Up Year Revenue Received <sup>1</sup> | Actual True-Up Year Revenue Req.                 | Annual True-Up Calculation                   |                                     |                                                                   |                                                    |                               |
|--------|-----------------------------------|--------------------------------------------------------|-------------------------------|--------------------------------------|--------------------------------------------|--------------------------------------------------|----------------------------------------------|-------------------------------------|-------------------------------------------------------------------|----------------------------------------------------|-------------------------------|
| Line 1 | True-Up Year                      |                                                        |                               |                                      |                                            |                                                  |                                              |                                     |                                                                   |                                                    |                               |
| 2      |                                   |                                                        | C                             | D                                    | -                                          | F                                                | G                                            | H                                   | I                                                                 | J                                                  |                               |
|        | A                                 | B                                                      |                               |                                      | E                                          |                                                  |                                              |                                     |                                                                   |                                                    |                               |
|        | Project Name                      | PJM Category                                           | Project # Or Other Identifier | Net Revenue Requirement <sup>2</sup> | % of Total Revenue Requirement             | Allocation of Revenue Received (E, Line 2) x (D) | True-Up Net Revenue Requirement <sup>3</sup> | Net Under/(Over) Collection (F)-(E) | True-Up Interest Income (Expense) <sup>4</sup> (D) x (H, line 10) | Prior Period Adjustment with Interest <sup>5</sup> | Total True-Up (G) + (H) + (I) |
| 3      | Remaining Attachment H-27A        |                                                        |                               | 0.0%                                 | -                                          |                                                  |                                              |                                     |                                                                   |                                                    |                               |
|        |                                   |                                                        |                               |                                      | -                                          |                                                  | -                                            | -                                   |                                                                   | -                                                  |                               |
| 4a     | Project A                         |                                                        | AAAA                          | 0.0%                                 | -                                          |                                                  |                                              |                                     |                                                                   |                                                    |                               |
| 4b     | Project B                         |                                                        | BBBB                          | 0.0%                                 | -                                          | -                                                | -                                            | -                                   | -                                                                 | -                                                  |                               |
|        |                                   |                                                        |                               |                                      | -                                          | -                                                | -                                            | -                                   | -                                                                 | -                                                  |                               |
| 5      | Total Schedule 12                 |                                                        |                               |                                      | -                                          | -                                                | -                                            | -                                   | -                                                                 | -                                                  |                               |
|        |                                   |                                                        |                               |                                      | -                                          | -                                                | -                                            | -                                   | -                                                                 | -                                                  |                               |
| 6a     | Project C                         |                                                        | CCCC                          | 0.0%                                 | -                                          |                                                  |                                              |                                     |                                                                   |                                                    |                               |
| 6b     | Project D                         |                                                        | DDDD                          | 0.0%                                 | -                                          | -                                                | -                                            | -                                   | -                                                                 | -                                                  |                               |
|        |                                   |                                                        |                               |                                      | -                                          | -                                                | -                                            | -                                   | -                                                                 | -                                                  |                               |
| 7      | Total Zonal                       |                                                        |                               |                                      | -                                          | -                                                | -                                            | -                                   | -                                                                 | -                                                  |                               |
|        |                                   |                                                        |                               |                                      | -                                          | -                                                | -                                            | -                                   | -                                                                 | -                                                  |                               |
| 8      | Other                             |                                                        |                               |                                      |                                            |                                                  |                                              |                                     |                                                                   |                                                    |                               |
|        |                                   |                                                        |                               |                                      |                                            |                                                  |                                              |                                     |                                                                   |                                                    |                               |
| 9      | Total Annual Revenue Requirements |                                                        |                               | 0.0%                                 | -                                          | -                                                | -                                            | -                                   | -                                                                 | -                                                  |                               |
|        |                                   |                                                        |                               |                                      | -                                          | -                                                | -                                            | -                                   | -                                                                 | -                                                  |                               |
| 10     |                                   |                                                        |                               |                                      |                                            |                                                  | Total Interest on True-Up - Attachment 6     | -                                   |                                                                   |                                                    |                               |

| Prior Period Adjustment          |                           |                   |
|----------------------------------|---------------------------|-------------------|
| A                                | B                         |                   |
| Prior Period Adjustment (Note 5) | Source                    | Adjustment Amount |
| 11                               | Description of Adjustment | Attachment 11     |
|                                  |                           | -                 |

- Notes
- 1)

The revenue received is the total amount of revenue distributed to company in the year as shown on pages 328-330 of the Form No 1. The Revenue Received is input on line 2, Col. E.
- 2)

From the Attachment 1, lines 1a through 6, col. 16 from the template in which the true-up year revenue requirement was initially projected.
- 3)

From True-Up revenue requirement template Attachment 1, lines 1a through 6, col. 14.
- 4)

Interest due on the true up is calculated for the 24 month period from the start of the true-up year until the end of the year following the true-up year when the true up will be included in rates. Total True up Interest calculate on Attachment 6 and allocated to projects based on the percentage in Column D.
- 5)

Corrections to true-ups for previous rate years including interest will be computed on Attachment 11 and entered on the appropriate line 3-8 above.

| Line No | Month                                 | Gross Plant in Service                                             |                                                                              | CWIP<br>CWIP in Rate<br>Base<br>(d)<br>Note B - page 2,<br>column C | LHFFU<br>Held for Future Use<br>(e)<br>214.47.d for end of<br>year, records for other<br>months | Working Capital<br>Materials & Supplies<br>(f)<br>227.8.c & 227.16.c for<br>end of year, records for<br>other months | Prepayments<br>(g)<br>111.57.c for end of<br>year, records for other<br>months | Accumulated Depreciation                                        |                                                                               |
|---------|---------------------------------------|--------------------------------------------------------------------|------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------------------------|
|         |                                       | Transmission                                                       | General &<br>Intangible                                                      |                                                                     |                                                                                                 |                                                                                                                      |                                                                                | Transmission                                                    | General &<br>Intangible                                                       |
|         |                                       | (b)<br>207.58.g for<br>end of year,<br>records for<br>other months | (c)<br>205.5.g &<br>207.99.g for end<br>of year, records<br>for other months |                                                                     |                                                                                                 |                                                                                                                      |                                                                                | (h)<br>219.25.c for end of<br>year, records for other<br>months | (i)<br>219.28.c & 200.21.c<br>for end of year,<br>records for other<br>months |
| 1       | December                              | Rate Year-1                                                        | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 2       | January                               | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 3       | February                              | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 4       | March                                 | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 5       | April                                 | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 6       | May                                   | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 7       | June                                  | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 8       | July                                  | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 9       | August                                | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 10      | September                             | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 11      | October                               | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 12      | November                              | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 13      | December                              | Rate Year                                                          | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |
| 14      | Average of the 13 Monthly<br>Balances | -                                                                  | -                                                                            | -                                                                   | -                                                                                               | -                                                                                                                    | -                                                                              | -                                                               | -                                                                             |

| Adjustments to Rate Base |                                       |                                   |
|--------------------------|---------------------------------------|-----------------------------------|
| Month                    | Unamortized<br>Regulatory<br>Asset    | Unamortized<br>Abandoned<br>Plant |
| (a)<br>(Note A)          | (b)<br>Note C                         | (c)<br>Note D                     |
| 15                       | December                              | Rate Year-1                       |
| 16                       | January                               | Rate Year                         |
| 17                       | February                              | Rate Year                         |
| 18                       | March                                 | Rate Year                         |
| 19                       | April                                 | Rate Year                         |
| 20                       | May                                   | Rate Year                         |
| 21                       | June                                  | Rate Year                         |
| 22                       | July                                  | Rate Year                         |
| 23                       | August                                | Rate Year                         |
| 24                       | September                             | Rate Year                         |
| 25                       | October                               | Rate Year                         |
| 26                       | November                              | Rate Year                         |
| 27                       | December                              | Rate Year                         |
| 28                       | Average of the 13 Monthly<br>Balances | -                                 |

|                                    |                     | Total CWIP                                      | Less: CWIP and AFUDC Excluded from Rate Base | CWIP allowed in Rate Base |
|------------------------------------|---------------------|-------------------------------------------------|----------------------------------------------|---------------------------|
|                                    |                     | (a)                                             | (b)                                          | (c) = (a) - (b)           |
|                                    |                     | 216.b for end of year, records for other months | Company records                              |                           |
| 29                                 | December Prior 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            | -                                               | -                                            | -                         |
| Average of the 13 Monthly Balances |                     | -                                               | -                                            | -                         |

| Unfunded Reserves (Notes A and F and G) |           |                                                        |                                                           |        |                                                                                                          |                                                                                                                                      |                                                                                                                                   |                                       |                                                              |
|-----------------------------------------|-----------|--------------------------------------------------------|-----------------------------------------------------------|--------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|--------------------------------------------------------------|
| (a)                                     | (b)       | (b.i)                                                  | (b.ii)                                                    | (c)    | (d)                                                                                                      | (e)                                                                                                                                  | (f)                                                                                                                               | (g)                                   | (h)                                                          |
| List of all reserves                    |           | FERC balance sheet account where reserves are recorded | FERC income statement account where expenses are recorded | Amount | Enter 1 if NOT in a trust or reserved account, enter zero (0) if included in a trust or reserved account | Enter 1 if the accrual account is included in the formula rate, enter (0) if the accrual account is NOT included in the formula rate | Enter the percentage paid for by customers less the percent associated with an offsetting liability on the balance sheet (Note H) | Allocation (Plant or Labor Allocator) | Amount Allocated, col. c x col. d x col. e x col. f x col. g |
| 42a                                     | Reserve 1 |                                                        |                                                           |        | -                                                                                                        | -                                                                                                                                    | -                                                                                                                                 | -                                     | -                                                            |
| 42b                                     | Reserve 2 |                                                        |                                                           |        | -                                                                                                        | -                                                                                                                                    | -                                                                                                                                 | -                                     | -                                                            |
| 43                                      | Total     |                                                        |                                                           | -      |                                                                                                          |                                                                                                                                      |                                                                                                                                   | -                                     | -                                                            |

- Notes:
- A Calculate using 13 month average balance.
- B Recovery of CWIP in rate base must be approved by FERC. Lines 29-41 of page 2 provide a reconciliation of the Company's total CWIP to the CWIP allowed in rate base. The annual report filed pursuant to the Protocols will include for each project under construction (i) the CWIP balance eligible for inclusion in rate base; (ii) the CWIP balance ineligible for inclusion in rate base; and (iii) a demonstration that AFUDC is only applied to the CWIP balance that is not included in rate base. The annual report will also describe the reconciliation prepared on this Attachment.
- C Recovery of a Regulatory Asset is permitted only for pre-commercial and formation expenses, and is subject to FERC approval before the amortization of the Regulatory Asset can be included in rates. Recovery of any other regulatory assets requires authorization from the Commission.
- D Recovery of abandoned plant is limited to any abandoned plant recovery authorized by FERC.
- E *Reserved.*
- F The Formula Rate shall include a credit to rate base for all unfunded reserves (funds collected from customers that (1) have not been set aside in a trust, escrow or restricted account; (2) whose balance are collected from customers through cost accruals to accounts that are recovered under the Formula Rate; and (3) exclude the portion of any balance offset by a balance sheet ac count (see Note H)). Each unfunded reserve will be included on lines 42 above. The allocator in Col. (g) will be the same allocator used in the formula for the cost accruals to the account that is recovered under the Formula Rate. Since reserves can be created by creating an offsetting balance sheet account, rather than through cost accruals, the amount to be deducted from rate base should exclude the portion offset by another balance sheet account.
- G Not all unfunded reserves are created only from contributions from customers. Many are created by creating an offsetting liability in whole or in part. Column (f) ensures only the portion of the unfunded reserve contributed by the customer (and not created by an offsetting liability) is a reduction to rate base.
- H The inputs in Column (f) are the percentage of the unfunded reserve that was created by an offsetting liability. The percentage shown in Column (f) is then equal to the percentage that customers have contributed to the unfunded reserve.
- I Balance of Account 255 will be reduced by prior flow throughs and excluded if the utility chooses to utilize amortization of tax credits against taxable income.

RETURN ON RATE BASE ( R )

|   |                                                                    | \$ |
|---|--------------------------------------------------------------------|----|
| 1 | Long Term Interest (117, sum of 62.c through 67.c) (Note D)        | -  |
| 2 | Preferred Dividends (118.29c) (positive number)                    | -  |
| 3 | Proprietary Capital (Line 25 (c))                                  | -  |
| 4 | Less Preferred Stock (Line 9)                                      | -  |
| 5 | Less Account 216.1 Undistributed Subsidiary Earnings (Line 25 (d)) | -  |
| 6 | Less Account 219 Accum. Other Comprehensive Income (Line 25 (e))   | -  |
| 7 | Common Stock (Sum of Lines 3 through 6)                            | -  |

|    |                 | \$                                                | %     | Cost  | Weighted |      |
|----|-----------------|---------------------------------------------------|-------|-------|----------|------|
| 8  | Long Term Debt  | Line 25 (a), Note A and Attachment H-27A Note Q   | 0.00% | 0.00% | 0.00%    | =WCL |
| 9  | Preferred Stock | Line 25 (b), Note B and Attachment H-27A Note Q   | 0.00% | 0.00% | 0.00%    | TD   |
| 10 | Common Stock    | Line 7, Note C and Attachment H-27A Notes Q and T | 0.00% | 9.85% | 0.00%    |      |
| 11 | Total           | (Sum of Lines 8 through 10)                       |       |       | 0.00%    | =R   |

|    | Monthly Balances for Capital Structure | (a)<br>Long Term Debt<br>(112.24.c) | (b)<br>Preferred Stock<br>(112.3.c) | ( c )<br>Proprietary Capital<br>(112.16.c) | (d)<br>Undistributed Sub<br>Earnings 216.1 (112.12.c) | ( e )<br>Accum Other Comp. Income 219 (112.15.c) |
|----|----------------------------------------|-------------------------------------|-------------------------------------|--------------------------------------------|-------------------------------------------------------|--------------------------------------------------|
| 12 | December (Prior Year)                  | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 13 | January                                | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 14 | February                               | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 15 | March                                  | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 16 | April                                  | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 17 | May                                    | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 18 | June                                   | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 19 | July                                   | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 20 | August                                 | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 21 | September                              | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 22 | October                                | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 23 | November                               | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 24 | December                               | -                                   | -                                   | -                                          | -                                                     | -                                                |
| 25 | 13-Month Average                       | -                                   | -                                   | -                                          | -                                                     | -                                                |

Notes

- A
- Long Term debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c to 21.c in the Form No. 1, the cost is calculated by dividing line 1 by the Long Term Debt balance on line 8.
- B
- Preferred Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 line 3.c in the Form No. 1
- C
- Common Stock balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on Form 1 page 112 line 16.c less lines 3.c , 12.c, and 15.c
- D
- Long-term interest will exclude any short-term interest included in FERC Account 430, Interest on Debt to Associated Companies

|      |                                        |      |                                         |        |                       |
|------|----------------------------------------|------|-----------------------------------------|--------|-----------------------|
| Line | Rate Year                              |      | Rate Year                               |        |                       |
| 1    | Projected Revenue Requirement (Note A) |      | Actual Net Revenue Requirement (Note B) |        | Over (Under) Recovery |
|      |                                        |      |                                         |        |                       |
|      | \$ -                                   | Less | \$ -                                    | Equals | \$ -                  |

| 2 | Interest Rate on Amount of Refunds or Surcharges | Over (Under) Recovery Plus Interest | Monthly Interest Rate on Attachment 6a | Months | Calculated Interest | Amortization | Surcharge (Refund) Owed |
|---|--------------------------------------------------|-------------------------------------|----------------------------------------|--------|---------------------|--------------|-------------------------|
|   |                                                  |                                     | 0.000%                                 |        |                     |              |                         |

| <u>Calculation of Interest</u>                                                    |                                    |                 | Monthly |    |   |   |
|-----------------------------------------------------------------------------------|------------------------------------|-----------------|---------|----|---|---|
| 3                                                                                 | January                            | Rate Year       |         | 12 |   |   |
| 4                                                                                 | February                           | Rate Year       | -       | 11 | - | - |
| 5                                                                                 | March                              | Rate Year       | -       | 10 | - | - |
| 6                                                                                 | April                              | Rate Year       | -       | 9  | - | - |
| 7                                                                                 | May                                | Rate Year       | -       | 8  | - | - |
| 8                                                                                 | June                               | Rate Year       | -       | 7  | - | - |
| 9                                                                                 | July                               | Rate Year       | -       | 6  | - | - |
| 10                                                                                | August                             | Rate Year       | -       | 5  | - | - |
| 11                                                                                | September                          | Rate Year       | -       | 4  | - | - |
| 12                                                                                | October                            | Rate Year       | -       | 3  | - | - |
| 13                                                                                | November                           | Rate Year       | -       | 2  | - | - |
| 14                                                                                | December                           | Rate Year       | -       | 1  | - | - |
| 15                                                                                |                                    |                 |         |    |   |   |
| 16                                                                                | January through December           | Rate Yr.<br>+ 1 | -       | 12 | - | - |
| <u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u> |                                    |                 |         |    |   |   |
| 17                                                                                | January                            | Rate Yr.<br>+ 2 | -       |    | - | - |
| 18                                                                                | February                           | Rate Yr.<br>+ 2 | -       |    | - | - |
| 19                                                                                | March                              | Rate Yr.<br>+ 2 | -       |    | - | - |
| 20                                                                                | April                              | Rate Yr.<br>+ 2 | -       |    | - | - |
| 21                                                                                | May                                | Rate Yr.<br>+ 2 | -       |    | - | - |
| 22                                                                                | June                               | Rate Yr.<br>+ 2 | -       |    | - | - |
| 23                                                                                | July                               | Rate Yr.<br>+ 2 | -       |    | - | - |
| 24                                                                                | August                             | Rate Yr.<br>+ 2 | -       |    | - | - |
| 25                                                                                | September                          | Rate Yr.<br>+ 2 | -       |    | - | - |
| 26                                                                                | October                            | Rate Yr.<br>+ 2 | -       |    | - | - |
| 27                                                                                | November                           | Rate Yr.<br>+ 2 | -       |    | - | - |
| 28                                                                                | December                           | Rate Yr.<br>+ 2 | -       |    | - | - |
| 29                                                                                |                                    |                 |         |    |   |   |
| 30                                                                                | Total Amount of True-Up Adjustment |                 |         |    |   | - |
| 31                                                                                | Less Over (Under) Recovery         |                 |         |    |   | - |
| 32                                                                                | Total Interest                     |                 |         |    |   |   |

This Attachment is used to compute the interest rate to be applied to each year's revenue requirement true-up.

|                                         |                           |       |
|-----------------------------------------|---------------------------|-------|
| Applicable FERC Interest Rate (Note A): |                           |       |
| 1                                       | Rate Year January         | -     |
| 2                                       | Rate Year February        | -     |
| 3                                       | Rate Year March           | -     |
| 4                                       | Rate Year April           | -     |
| 5                                       | Rate Year May             | -     |
| 6                                       | Rate Year June            | -     |
| 7                                       | Rate Year July            | -     |
| 8                                       | Rate Year August          | -     |
| 9                                       | Rate Year September       | -     |
| 10                                      | Rate Year October         | -     |
| 11                                      | Rate Year November        | -     |
| 12                                      | Rate Year December        | -     |
| 13                                      | Rate Year Plus 1 January  | -     |
| 14                                      | Rate Year Plus 1 February | -     |
| 15                                      | Rate Year Plus 1 March    | -     |
| 16                                      | Rate Year Plus 1 April    | -     |
| 17                                      | Rate Year Plus 1 May      | -     |
| 18                                      | Average Rate              | 0.00% |
| 19                                      | Monthly Average Rate      | 0.00% |

Note A - Lines 1-17 are the FERC interest rates under section 35.19a of the regulations for the period shown. Line 18 is the average of lines 1-17.

Attachment 7  
Weighted Average Federal and State Income Tax Rates  
Silver Run Electric, LLC

| L<br>i<br>n<br>e | Description                                  | Source             | Subchapter C<br>Corporations | Individuals | Mutual<br>Funds | Pensions, IRAs<br>Keogh Plans | UBTI<br>Entities | Non-Taxpaying<br>Entities | Weighted<br>Average |
|------------------|----------------------------------------------|--------------------|------------------------------|-------------|-----------------|-------------------------------|------------------|---------------------------|---------------------|
|                  | (a)                                          | (b)                | (c)                          | (d)         | (e)             | (f)                           | (g)              | (h)                       | (i)                 |
| 1                | Weighted Marginal Federal<br>Income Tax Rate | Note A             | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 2                | Allocated Income<br>Percentage               | Note B             | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 3                | Weighted Average                             | Line 1 x<br>Line 2 | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 4                | Weighted Average Federal<br>Income Tax Rate  |                    | Sum of Line 3, Col. (c)-(h)  |             |                 |                               |                  |                           | 0.00%               |
| 5                | Weighted Marginal State<br>Income Tax Rate   | Note C             | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 6                | Allocated Income<br>Percentage               | Note B             | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 7                | Weighted Average                             | Line 5 x<br>Line 6 | 0.00%                        | 0.00%       | 0.00%           | 0.00%                         | 0.00%            | 0.00%                     |                     |
| 8                | Weighted Average State<br>Income Tax Rate    |                    | Sum of Line 7, Col. (c)-(h)  |             |                 |                               |                  |                           | 0.00%               |

A For each Rate Year, SRE will develop a schedule calculating the weighted average federal income tax rate for each category of partners.  
B This percentage is developed based on the distributive income allocated to each category of partners rather than their respective ownership percentages.  
C For each Rate Year, SRE will develop a schedule calculating the weighted average state income tax rate for each category of partners.

This Attachment 8 is to be utilized to determine the cost of debt prior to issuing non-construction financing. Once non-construction financing is issued the cost of debt shall be determined using the methodology described in Note Q on Attachment H-27A.

If construction debt has not or will not be issued when construction starts, a proxy rate will be used for the cost of debt, which will be supported in the initial section 205 filing. The proxy rate will be entered on line 36 of this attachment.

If construction financing has been obtained, the cost of debt prior the issuance of non-construction financing shall be based on the terms of the construction financing and determined below. Up-front fees including origination fees will be amortized and included in the cost of debt.

If construction financing is obtained, all rates, fees and monthly debt balances will be subject to true up pursuant to Attachment 9.

Any hypothetical amounts in a filed template will be removed and replaced with actual amounts in the first year actual construction loans are borrowed or projected to be borrowed without the need for a section 205 filing to modify the template.

Line No

|                                                                            |                                                                                                                |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------------|----------------------------------------|-----------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------|-------------------------------------------------------|
| 1                                                                          | Interest rate on Construction Debt for Rate Year - Line 19 (g)                                                 | 0.00%                            |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 2                                                                          | Rate Year Debt Fee expense - Line 35 (e)                                                                       | 0.00%                            |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 3                                                                          | <b>Total Cost of Debt – Sum of Lines 1 and 2</b>                                                               | <b>0.00%</b>                     |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| <b>Interest Rate Information</b>                                           |                                                                                                                |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 4                                                                          | Commitment Fee Rate (%)                                                                                        |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 5                                                                          | Projected Average Drawn Rate for Rate Year (%) - Note A                                                        |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| <hr/>                                                                      |                                                                                                                |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
|                                                                            | <b>Month During Rate Year</b>                                                                                  | <b>Total Loan Amount (\$000)</b> | <b>Principal Drawn (\$000)</b>          | <b>Unutilized Loan Balance (\$000)</b> | <b>Commitment Fee &amp; Utilization Fee (\$000)</b> | <b>Interest Expense (\$000)</b>                                | <b>Effective Annual Interest Rate (%)</b>               |                                                       |
|                                                                            | <b>(a)</b>                                                                                                     | <b>(b)</b>                       | <b>(c)</b>                              | <b>(d)</b>                             | <b>(e)</b>                                          | <b>(f)</b>                                                     | <b>(g)</b>                                              |                                                       |
| 6                                                                          | December Prior Year                                                                                            | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 7                                                                          | January                                                                                                        | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 8                                                                          | February                                                                                                       | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 9                                                                          | March                                                                                                          | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 10                                                                         | April                                                                                                          | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 11                                                                         | May                                                                                                            | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 12                                                                         | June                                                                                                           | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 13                                                                         | July                                                                                                           | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 14                                                                         | August                                                                                                         | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 15                                                                         | September                                                                                                      | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 16                                                                         | October                                                                                                        | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 17                                                                         | November                                                                                                       | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 18                                                                         | December                                                                                                       | -                                | -                                       |                                        |                                                     |                                                                |                                                         |                                                       |
| 19                                                                         | Average of the 13 Monthly Balances                                                                             |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| <hr/>                                                                      |                                                                                                                |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| Example Fee Calculation - All amounts represent actual rate year expenses. |                                                                                                                |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
|                                                                            | <b>Origination Fees</b>                                                                                        | <b>(a)<br/>Rate/Fees</b>         | <b>(b)<br/>Gross Fee Amount (\$000)</b> | <b>(c)<br/>Year Fee Incurred</b>       | <b>(d)<br/>Fee Amortization Period (years)</b>      | <b>(e)<br/>Rate Year Amortized Fee Amount, col. b / col. d</b> | <b>(f)<br/>Prior Years Accumulated Fee Amortization</b> | <b>(g)<br/>Unamortized Balance - End of Rate Year</b> |
| 20                                                                         | Underwriting Discount                                                                                          | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 21                                                                         | Arrangement Fee                                                                                                | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 22                                                                         | Upfront Fee                                                                                                    | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 23                                                                         | Rating Agency Fee                                                                                              | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 24                                                                         | Legal Fees                                                                                                     | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 25                                                                         | Other                                                                                                          | -                                | -                                       | -                                      | -                                                   |                                                                | -                                                       |                                                       |
| 26                                                                         | Total Issuance Expense / Origination Fees – Sum of Lines 20-25                                                 |                                  |                                         |                                        |                                                     |                                                                | -                                                       |                                                       |
| 27                                                                         |                                                                                                                |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 28                                                                         | <b>Annual Fees</b>                                                                                             |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 29                                                                         | Annual Rating Agency Fee                                                                                       | -                                | -                                       | -                                      | N/A                                                 |                                                                | N/A                                                     | N/A                                                   |
| 30                                                                         | Annual Bank Agency Fee                                                                                         | -                                | -                                       | -                                      | N/A                                                 |                                                                | N/A                                                     | N/A                                                   |
| 31                                                                         | Utilization Fee                                                                                                | -                                | -                                       | -                                      | N/A                                                 |                                                                | N/A                                                     | N/A                                                   |
| 32                                                                         | Other Fees                                                                                                     |                                  |                                         |                                        | N/A                                                 |                                                                | N/A                                                     | N/A                                                   |
| 33                                                                         | Total Fees                                                                                                     |                                  |                                         |                                        |                                                     |                                                                | -                                                       |                                                       |
| 34                                                                         | 13 Month Average Debt balance - Line 19 (c)                                                                    |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 35                                                                         | Rate Year cost of fees                                                                                         |                                  |                                         |                                        |                                                     |                                                                |                                                         |                                                       |
| 36                                                                         | Proxy Debt rate. Used prior to issuance of construction financing and supported in initial section 205 filing. |                                  |                                         | 2.3641%                                |                                                     |                                                                |                                                         |                                                       |

|       |                                                                                                                                                                                                                                                                  |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Notes |                                                                                                                                                                                                                                                                  |
| A     | Projected rate will be Average LIBOR for rate year + spread. Spread will be supported in initial section 205 filing. LIBOR will be updated based on information in the Wall Street Journal as of the 15th day of the month prior to population of this template. |
|       | LIBOR 0.3641%                                                                                                                                                                                                                                                    |
|       | Spread 2.0000%                                                                                                                                                                                                                                                   |
|       | Total 2.3641%                                                                                                                                                                                                                                                    |

This Attachment 9 is to be utilized only in the event construction financing has been obtained to compute the actual cost of debt to be included in the return on rate base calculation for the true-up each year prior to the issuance of non-construction financing. Once non-construction financing has been obtained the cost of debt shall be determined using the methodology described in Note Q on Attachment H-27A.

One time up-front debt fees, including origination fees will be amortized and included in the cost of debt.  
Any hypothetical amounts in a filed template will be removed and replaced with actual amounts in the first year actual construction loans are borrowed or projected to be borrowed without the need for a section 205 filing to modify the template.

| Line No. |                                                             |                                    | \$                 |
|----------|-------------------------------------------------------------|------------------------------------|--------------------|
| 1        | Long Term Interest and Fees (117, sum of 62.c through 67.c) |                                    | -                  |
| 2        | Line of Credit Fees (68.c)                                  |                                    | -                  |
| 3        | Total Interest and Fees                                     |                                    | -                  |
|          |                                                             |                                    |                    |
|          | 13 Month Average Long-Term Debt - Note A                    |                                    |                    |
|          |                                                             | Month During Rate Year (a)         | Long Term Debt (d) |
| 4        | December Prior Year                                         |                                    | -                  |
| 5        | January                                                     |                                    | -                  |
| 6        | February                                                    |                                    | -                  |
| 7        | March                                                       |                                    | -                  |
| 8        | April                                                       |                                    | -                  |
| 9        | May                                                         |                                    | -                  |
| 10       | June                                                        |                                    | -                  |
| 11       | July                                                        |                                    | -                  |
| 12       | August                                                      |                                    | -                  |
| 13       | September                                                   |                                    | -                  |
| 14       | October                                                     |                                    | -                  |
| 15       | November                                                    |                                    | -                  |
| 16       | December                                                    |                                    | -                  |
| 17       |                                                             | Average of the 13 Monthly Balances | -                  |
| 18       | True-Up Cost of Debt (Line 3 / Line 17)                     |                                    | -                  |

Notes  
A Long Term debt balance will reflect the 13 month average of the balances, of which the 1st and 13th are found on page 112 lines 18.c to 21.c in the Form No. 1, the cost is calculated by dividing line 3 by the Long Term Debt balance on line 17.

INITIAL PROPOSED TRANSMISSION AND GENERAL PLANT DEPRECIATION RATES

|                    |                  |                                      | Initial Annual Depreciation Rates<br>(Notes A and B) |
|--------------------|------------------|--------------------------------------|------------------------------------------------------|
| Line No.           | INTANGIBLE PLANT |                                      |                                                      |
| 1                  | 301.0            | Organization                         | 1.85% *                                              |
| 2                  | 302.0            | Franchises and Consents              | 1.85% *                                              |
| 3                  | 303.0            | Computer Software                    | 6.67% *                                              |
| 3a                 | 303.1            | Contributions in Aid of Construction | Note C                                               |
| TRANSMISSION PLANT |                  |                                      |                                                      |
| 4                  | 350.2            | Land Rights                          | 1.43% *                                              |
| 5                  | 352.0            | Structures & Improvements            | 2.82% *                                              |
| 6                  | 353.0            | Station Equipment                    | 2.69% *                                              |
| 7                  | 354.0            | Towers & Fixtures                    | 1.67% *                                              |
| 8                  | 355.0            | Poles & Fixtures                     | 2.28% *                                              |
| 9                  | 356.0            | Overhead Conductors & Devices        | 2.61% *                                              |
| 10                 | 357.0            | Underground Conduit                  | 1.95% **                                             |
| 11                 | 358.0            | Underground Conductor and Devices    | 2.61% *                                              |
| 12                 | 359.0            | Roads and Trails                     | 1.43% *                                              |
| GENERAL PLANT      |                  |                                      |                                                      |
| 13                 | 391.0            | Office Furniture & Equipment         | 12.50% *                                             |
| 14                 | 391.1            | Computer Hardware                    | 12.50% *                                             |
| 15                 | 392.0            | Transportation Equipment             | 10.00% *                                             |
| 16                 | 393.0            | Stores Equipment                     | 12.50% *                                             |
| 17                 | 397.0            | Communication Equipment              | 25.00% *                                             |

Notes

A      \* Taken directly from SRE affiliate Cross Texas Transmission, LLC as approved by the Public Utility Commission of Texas in Docket No. 43950 by order issued May 1, 2015.  
      \*\* Based on a proxy depreciation rate as supported in Section 205 filing.

B      These depreciation rates will not be changed absent a FERC order.

C      *In the event a Contribution in Aid of Construction (CIAC) is made for a transmission facility, the transmission depreciation rates above will be weighted based on the relative amount of underlying plant booked to the accounts shown in the lines above, and the resultant weighted average depreciation rate will be used to amortize the CIAC. The CIAC depreciation rate for each facility will be determined at the time the plant is placed into service, and will not change without FERC approval.*

Attachment 11

Prior Period Adjustments

Silver Run Electric, LLC

Page 1 of 1

For the twelve months ended 12/31/\_\_\_

|          |                                               |                   | (a)                          | (b)                 |
|----------|-----------------------------------------------|-------------------|------------------------------|---------------------|
|          |                                               |                   |                              | Calendar Year       |
| Line No. | Description                                   | Source            | Revenue Impact of Correction | Revenue Requirement |
| 1        | Filing Name and Date                          |                   |                              | -                   |
| 2        | Original Revenue Requirement                  |                   |                              | -                   |
| 3        |                                               |                   |                              |                     |
| 4        | Description of Correction 1                   |                   |                              | -                   |
| 5        | Description of Correction 2                   |                   |                              | -                   |
| 6        |                                               |                   |                              |                     |
| 7        | Total Corrections                             | Line 4 + 5        |                              | -                   |
| 8        |                                               |                   |                              |                     |
| 9        | Corrected Revenue Requirement                 | Line 2 + 7        |                              | -                   |
| 10       |                                               |                   |                              |                     |
| 11       |                                               |                   |                              |                     |
| 12       | Total Corrections                             | Line 7            |                              | -                   |
| 13       |                                               |                   |                              |                     |
| 14       | Average Monthly FERC Refund Rate              | Note A            |                              | 0.00%               |
| 15       | Number of Months of Interest                  | Note B            |                              | 30                  |
| 16       | Interest on Correction                        | Line 12 x 14 x 15 |                              | -                   |
| 17       |                                               |                   |                              |                     |
| 18       | Total Annual Amount Due from / (to) Customers | Line 12 + 16      |                              | -                   |

Notes

A

The interest rate on corrections will be the average monthly FERC interest rate for the period from the beginning of the year being corrected through the most recent month available as of the time the correction is computed and included in an annual filing.

B

The number of months interest due on the correction will be the number of months from the beginning of the year being corrected through June of the year in which the correction will be reflected in rates. In this manner the interest computed will reflect all years prior to when the correction is reflected in rates plus interest on the average unrefunded balance of the correction during the year the correction is reflected in rates.

| Line No. | (Note A)                                              | Source                                | (a)<br>Company Total | (b)<br>Less: Non Transmission | (c) = (a) - (b)<br>Transmission-related |
|----------|-------------------------------------------------------|---------------------------------------|----------------------|-------------------------------|-----------------------------------------|
| 1        | <b>Account 454 - Rent from Electric Property</b>      |                                       |                      |                               |                                         |
| 2        | Joint pole attachments - telephone                    | Company books                         | -                    | -                             | -                                       |
| 3        | Joint pole attachments - cable                        | Company books                         | -                    | -                             | -                                       |
| 4        | Underground rentals                                   | Company books                         | -                    | -                             | -                                       |
| 5        | Transmission tower wireless rentals                   | Company books                         | -                    | -                             | -                                       |
| 6        | Other rentals                                         | Company books                         | -                    | -                             | -                                       |
| 7        | Other rentals                                         | Company books                         | -                    | -                             | -                                       |
| 8        | <b>Account 454 Revenue Credit</b>                     | Form 1 300.19.b                       | -                    | -                             | -                                       |
| 9        | <b>Account 456.1 Other Operating Revenues</b>         |                                       |                      |                               |                                         |
| 10       | PJM NITS                                              | Company books                         | -                    | -                             | -                                       |
| 11       | PJM Point to Point                                    | Company books                         | -                    | -                             | -                                       |
| 12       | Over/Under recovery deferral                          | Company books                         | -                    | -                             | -                                       |
| 13       | Other PJM revenues                                    | Company books                         | -                    | -                             | -                                       |
| 14       | Other                                                 | Company books                         | -                    | -                             | -                                       |
| 15       | Total Per Books                                       | Form 1 330.n                          | -                    | -                             | -                                       |
| 16       | Less: revenues received pursuant to this Formula Rate |                                       |                      |                               | -                                       |
| 17       | Less: Over/Under recovery deferral                    |                                       |                      |                               | -                                       |
| 18       | <b>Account 456.1 Revenue Credit</b>                   | (Line 15 - line 16 - <i>line 17</i> ) | -                    | -                             | -                                       |
| 19       | <b>Total Revenue Credits</b>                          | (Line 8 + line 18)                    | -                    | -                             | -                                       |

Note A All 454 and 456.1 revenues will be detailed from Company books and records or FERC Form 1, and additional rows added if necessary. Non-transmission related amounts will be deducted to determine transmission-related amounts.

Attachment 13  
Deficient or (Excess) Accumulated Deferred Income Taxes  
Silver Run Electric, LLC  
For the 12 months ended 12/31/

The primary purposes of this worksheet are to (1) reconcile the amounts of regulatory assets or liabilities comprising the rate base adjustment mechanism on Page 2, Line 22a (ADJUSTMENTS TO RATE BASE-Deficient or (Excess) Accumulated Deferred Income Taxes) as of the beginning and end of the current test period (summarized beginning at Line 2 below) and (2) to support the effect of excess deferred tax expense or benefit recognized due to enacted change(s) in tax rate(s) on the revenue requirement as reflected in the income tax allowance adjustment mechanism on Page 3, Line 44 (INCOME TAXES-Deficient or (Excess) Deferred Income Tax Adjustment) during the test period (summarized beginning on Line 9 below). This worksheet supports the computation of the projected revenue requirement and, as appropriate, the actual revenue requirement used to compute the true-up adjustment.

This worksheet addresses tax law changes resulting in the decrease in federal income tax rate pursuant to the Tax Cuts and Jobs Act ("TCJA") (see Note 1a) and will be updated for subsequent tax law changes. Subsequent tax law changes will be described in Note 1b.

|   |                                                                                                                                                                                                                                                                                                                                                      |                               |                                      |                                      |                                      |  |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| 2 | Rate Base Adjustment Mechanism - Summary                                                                                                                                                                                                                                                                                                             |                               |                                      |                                      |                                      |  |
| 3 |                                                                                                                                                                                                                                                                                                                                                      | Projected Revenue Requirement |                                      | Actual Revenue Requirement (True-Up) |                                      |  |
| 4 | Account                                                                                                                                                                                                                                                                                                                                              | Amount                        |                                      | Amount                               |                                      |  |
| 5 | 182.3 (debit or <credit>)                                                                                                                                                                                                                                                                                                                            | =                             | From line 24                         | =                                    | From Line 44                         |  |
| 6 | 254 (debit or <credit>)                                                                                                                                                                                                                                                                                                                              | =                             | From Line 31                         | =                                    | From Line 51                         |  |
| 7 | Total Deficient or (Excess) ADIT (Sum of Lines 5-6)                                                                                                                                                                                                                                                                                                  | =                             | To Attachment H-27A Page 2, Line 22a | =                                    | To Attachment H-27A Page 2, Line 22a |  |
| 8 | The amounts summarized above are computed beginning on line 16 in the Rate Base Adjustment Mechanism-Reconciliation of Beginning and End of Test Period Balances-Projected section of the worksheet or on line 36 in the Rate Base Adjustment Mechanism-Reconciliation of Beginning and End of Test Period Balances-Actual section of the worksheet. |                               |                                      |                                      |                                      |  |

|    |                                                                                                                                                                                                                                                    |                                                      |                     |                                          |                                                   |                                       |
|----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------------|------------------------------------------|---------------------------------------------------|---------------------------------------|
| 9  | Income Tax Allowance Adjustment Mechanism - Summary                                                                                                                                                                                                |                                                      |                     |                                          |                                                   |                                       |
| 10 |                                                                                                                                                                                                                                                    | Projected Amortization of Deficient or <Excess> ADIT | Tax Gross-up Factor | Projected Amortization with Tax Gross-up | Actual Amortization of Deficient or <Excess> ADIT | Actual Amortization with Tax Gross-up |
| 11 | Amortization - federal rate decrease (2017)                                                                                                                                                                                                        | =                                                    | =                   | =                                        | =                                                 | =                                     |
| 12 | Items related to subsequent tax law changes                                                                                                                                                                                                        | =                                                    | =                   | =                                        | =                                                 | =                                     |
| 13 | Total (Sum of Lines 11-12)                                                                                                                                                                                                                         | =                                                    |                     |                                          | =                                                 | =                                     |
| 14 |                                                                                                                                                                                                                                                    |                                                      |                     | To Attachment H-27A Page 3, Line 44      |                                                   | To Attachment H-27A Page 3, Line 44   |
| 15 | The amounts summarized above are computed beginning on line 56 in the Income Tax Allowance Adjustment Mechanism-Projected section of the worksheet or on line 74 in the Income Tax Allowance Adjustment Mechanism-Actual section of the worksheet. |                                                      |                     |                                          |                                                   |                                       |

|    |                                                                                                          |     |     |                                                   |                                                              |                                                   |                                                    |                                                                    |                                                             |     |
|----|----------------------------------------------------------------------------------------------------------|-----|-----|---------------------------------------------------|--------------------------------------------------------------|---------------------------------------------------|----------------------------------------------------|--------------------------------------------------------------------|-------------------------------------------------------------|-----|
| 16 | Rate Base Adjustment Mechanism - Reconciliation of Beginning and End of Test Period Balances - Projected |     |     |                                                   |                                                              |                                                   |                                                    |                                                                    |                                                             |     |
| 17 | (a)                                                                                                      | (b) | (c) | (d)                                               | (e)                                                          | (f)                                               | (g)                                                | (h)                                                                | (i)                                                         |     |
| 18 |                                                                                                          |     |     | Balance at<br>Beginning of<br>Year -<br>Projected | Re-<br>measurement<br>of ADIT -<br>Projected<br>(Notes 2, 3) | Annual<br>Amortization -<br>Projected<br>(Note 4) | Other<br>Adjustments<br>=<br>Projected<br>(Note 5) | Balance at<br>End of Year<br>=<br>Projected<br>(d)+(e)+(f)+<br>(g) | Whether<br>subject to<br>normalization<br>rules<br>(Note 6) | (i) |
|    | Description (+ = debit, <= credit)                                                                       |     |     |                                                   |                                                              |                                                   |                                                    |                                                                    |                                                             |     |
| 19 | Federal rate decrease (2017) - affecting rate base                                                       |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  | Protected                                                   |     |
| 20 | Federal rate decrease (2017) - affecting rate base                                                       |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  | Unprotected                                                 |     |
| 21 | Federal rate decrease (2017) - not affecting rate base                                                   |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  | Protected                                                   |     |
| 22 | Federal rate decrease (2017) - not affecting rate base                                                   |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  | Unprotected                                                 |     |
| 23 | Items related to subsequent tax law changes                                                              |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  |                                                             |     |
| 24 | Total for account 182.3 (Sum of Lines 19-23)                                                             |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  |                                                             |     |
| 25 | Total portion of Account 182.3 affecting rate base (Sum of line 19-20)                                   |     |     |                                                   |                                                              |                                                   |                                                    |                                                                    |                                                             |     |
| 26 | Federal rate decrease (2017) - affecting rate base                                                       |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  | Protected                                                   |     |
| 27 | Federal rate decrease (2017) - affecting rate base                                                       |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  | Unprotected                                                 |     |
| 28 | Federal rate decrease (2017) - not affecting rate base                                                   |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  | Protected                                                   |     |
| 29 | Federal rate decrease (2017) - not affecting rate base                                                   |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  | Unprotected                                                 |     |
| 30 | Items related to subsequent tax law changes                                                              |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  |                                                             |     |
| 31 | Total for account 254 (Sum of Lines 26-30)                                                               |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  |                                                             |     |
| 32 | Portion of account 254 affecting rate base (Sum of Lines 26 -27)                                         |     |     |                                                   |                                                              |                                                   |                                                    |                                                                    |                                                             |     |
| 33 | Total excess or deficient ADIT (Line 24 + Line 31)                                                       |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  |                                                             |     |
| 34 | Total excess or deficient ADIT affecting rate base (Lines 25 + 32)                                       |     |     | =                                                 | =                                                            | =                                                 | =                                                  | =                                                                  |                                                             |     |
| 35 | Analysis - This will be updated to support information above.                                            |     |     |                                                   |                                                              |                                                   |                                                    |                                                                    |                                                             |     |

|    |                                                                                                                                                                                                                                                   |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|------------------------------------------------|----------------------------------------------------------------------|------------------------------------------------|-------------------------------------------------|-----------------------------------------------------------------|-------------------------------------------------------------|----------------------------------------------|----------------------------------------------|
| 36 | Rate Base Adjustment Mechanism - Reconciliation of Beginning and End of Test Period Balances - Actual                                                                                                                                             |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 37 | (a)                                                                                                                                                                                                                                               | (b) | (c) | (d)                                            | (e)                                                                  | (f)                                            | (g)                                             | (h)                                                             | (i)                                                         | (i)                                          |                                              |
| 38 |                                                                                                                                                                                                                                                   |     |     | Balance at<br>Beginning of<br>Year -<br>Actual | Re-<br>measurement<br>of ADIT -<br>Actual<br>(Note 2, 7)             | Annual<br>Amortization -<br>Actual<br>(Note 4) | Other<br>Adjustments<br>=<br>Actual<br>(Note 8) | Balance at<br>End of Year<br>=<br>Actual<br>(d)+(e)+(f)+<br>(g) | Whether<br>subject to<br>normalization<br>rules<br>(Note 6) | Amortization period and<br>method            |                                              |
|    | Description (+ = debit, <= credit)                                                                                                                                                                                                                |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 39 | Federal rate decrease (2017) - affecting rate base                                                                                                                                                                                                |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               | Protected                                                   |                                              |                                              |
| 40 | Federal rate decrease (2017) - affecting rate base                                                                                                                                                                                                |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               | Unprotected                                                 |                                              |                                              |
| 41 | Federal rate decrease (2017) - not affecting rate base                                                                                                                                                                                            |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               | Protected                                                   |                                              |                                              |
| 42 | Federal rate decrease (2017) - not affecting rate base                                                                                                                                                                                            |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               | Unprotected                                                 |                                              |                                              |
| 43 | Items related to subsequent tax law changes                                                                                                                                                                                                       |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               |                                                             |                                              |                                              |
| 44 | Total for account 182.3 (Sum of Lines 39-43)                                                                                                                                                                                                      |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               |                                                             |                                              |                                              |
| 45 | Portion of account<br>182.3 affecting rate<br>base (Sum of Lines 39-<br>40)                                                                                                                                                                       |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 46 | Federal rate decrease (2017) - affecting rate base                                                                                                                                                                                                |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               | Protected                                                   |                                              |                                              |
| 47 | Federal rate decrease (2017) - affecting rate base                                                                                                                                                                                                |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               | Unprotected                                                 |                                              |                                              |
| 48 | Federal rate decrease (2017) - not affecting rate base                                                                                                                                                                                            |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               | Protected                                                   |                                              |                                              |
| 49 | Federal rate decrease (2017) - not affecting rate base                                                                                                                                                                                            |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               | Unprotected                                                 |                                              |                                              |
| 50 | Items related to subsequent tax law changes                                                                                                                                                                                                       |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               |                                                             |                                              |                                              |
| 51 | Total for account 254 (Sum of Lines 46-50)                                                                                                                                                                                                        |     |     | -                                              | -                                                                    | -                                              | -                                               | -                                                               |                                                             |                                              |                                              |
| 52 | Portion of account 254 affecting rate base (Sum of Lines<br>46-47)                                                                                                                                                                                |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 53 | Total excess or deficient ADIT (Line 44 + Line 51)                                                                                                                                                                                                |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 54 | Total excess or deficient ADIT affecting rate base (Lines<br>45 + 52)                                                                                                                                                                             |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 55 | Analysis - This will be updated to support information above.                                                                                                                                                                                     |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 56 | Income Tax Allowance Adjustment Mechanism - Projected                                                                                                                                                                                             |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 57 | The income tax allowance adjustment mechanism may include amortization of excess or deficient ADIT pertaining to deferred tax expense or benefit reflected in rates at a historical tax rate when the underlying timing difference(s) originated. |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 58 | Amortization of Excess or Deficient ADIT - Projected                                                                                                                                                                                              |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 59 | (a)                                                                                                                                                                                                                                               | (b) | (c) | (d)                                            | (e)                                                                  | (f)                                            | (g)                                             | (h)                                                             | (i)                                                         | (i)                                          |                                              |
| 60 |                                                                                                                                                                                                                                                   |     |     |                                                | Projected<br>Annual<br>Amortization<br>from Table<br>Above<br>Note 4 | Debit or<br><Credit> to<br>Account 410.1       | Debit or<br><Credit> to<br>Account 411.1        | Debit or<br><Credit> to<br>Account 410.2                        | Debit or<br><Credit> to<br>Account 411.2                    | Debit or<br><Credit><br>to<br>Account<br>190 | Debit or<br><Credit><br>to<br>Account<br>283 |
|    | Description (+ = debit, <= credit)                                                                                                                                                                                                                |     |     |                                                |                                                                      |                                                |                                                 |                                                                 |                                                             |                                              |                                              |
| 61 | Federal rate decrease (2017) - affecting rate base – protected                                                                                                                                                                                    |     |     |                                                | -                                                                    | -                                              | -                                               | -                                                               | -                                                           | -                                            | -                                            |
| 62 | Federal rate decrease (2017) - affecting rate base – unprotected                                                                                                                                                                                  |     |     |                                                | -                                                                    | -                                              | -                                               | -                                                               | -                                                           | -                                            | -                                            |

|    |                                                                                                                                                                                                                                                   |     |     |     |                                                    |                                    |                                    |                                    |
|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|----------------------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| 63 | Federal rate decrease (2017) - not affecting rate base – protected                                                                                                                                                                                | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 64 | Federal rate decrease (2017) - not affecting rate base – unprotected                                                                                                                                                                              | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 65 | Items related to subsequent tax law changes                                                                                                                                                                                                       | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 66 | Total for account 182.3 (Sum of Lines 61-65)                                                                                                                                                                                                      | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 67 | Federal rate decrease (2017) - affecting rate base – protected                                                                                                                                                                                    | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 68 | Federal rate decrease (2017) - affecting rate base – unprotected                                                                                                                                                                                  | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 69 | Federal rate decrease (2017) - not affecting rate base – protected                                                                                                                                                                                | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 70 | Federal rate decrease (2017) - not affecting rate base – unprotected                                                                                                                                                                              | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 71 | Items related to subsequent tax law changes                                                                                                                                                                                                       | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 72 | Total for account 254 (Sum of Lines 67-71)                                                                                                                                                                                                        | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 73 | Total amortization and offsetting entries (Line 66 + Line 72)                                                                                                                                                                                     | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 74 | <b>Income Tax Allowance Adjustment Mechanism - Actual</b>                                                                                                                                                                                         |     |     |     |                                                    |                                    |                                    |                                    |
| 75 | The income tax allowance adjustment mechanism may include amortization of excess or deficient ADIT pertaining to deferred tax expense or benefit reflected in rates at a historical tax rate when the underlying timing difference(s) originated. |     |     |     |                                                    |                                    |                                    |                                    |
| 76 | <b>Amortization of Excess or Deficient ADIT - Actual</b>                                                                                                                                                                                          |     |     |     |                                                    |                                    |                                    |                                    |
| 77 | (a)                                                                                                                                                                                                                                               | (b) | (c) | (d) | (e)                                                | (f)                                | (g)                                | (h)                                |
| 78 |                                                                                                                                                                                                                                                   |     |     |     | Actual Annual Amortization from Table Above Note 4 | Debit or <Credit> to Account 410.1 | Debit or <Credit> to Account 411.1 | Debit or <Credit> to Account 410.2 |
|    | Description (+ = debit, <= credit)                                                                                                                                                                                                                |     |     |     |                                                    |                                    |                                    |                                    |
| 79 | Federal rate decrease (2017) - affecting rate base – protected                                                                                                                                                                                    | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 80 | Federal rate decrease (2017) - affecting rate base – unprotected                                                                                                                                                                                  | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 81 | Federal rate decrease (2017) - not affecting rate base – protected                                                                                                                                                                                | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 82 | Federal rate decrease (2017) - not affecting rate base – unprotected                                                                                                                                                                              | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 83 | Items related to subsequent tax law changes                                                                                                                                                                                                       | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 84 | Total for account 182.3 (Sum of Lines 79-83)                                                                                                                                                                                                      | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 85 | Federal rate decrease (2017) - affecting rate base – protected                                                                                                                                                                                    | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 86 | Federal rate decrease (2017) - affecting rate base – unprotected                                                                                                                                                                                  | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 87 | Federal rate decrease (2017) - not affecting rate base – protected                                                                                                                                                                                | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 88 | Federal rate decrease (2017) - not affecting rate base – unprotected                                                                                                                                                                              | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 89 | Items related to subsequent tax law changes                                                                                                                                                                                                       | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 90 | Total for account 254 (Sum of Lines 85-89)                                                                                                                                                                                                        | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |
| 91 | Total amortization and offsetting entries (Line 84 + Line 90)                                                                                                                                                                                     | =   | =   | =   | =                                                  | =                                  | =                                  | =                                  |

**Summary of re-measurement of ADIT resulting from tax law changes**  
The purposes of this portion of the worksheet are, for each change in tax law, to explain:  
- how any ADIT accounts were re-measured,  
- the excess or deficient ADIT contained therein, and  
- the accounting for any excess or deficient amounts in Accounts 182.3 (Other Regulatory Assets) and 254 (Other Regulatory Liabilities).

Note 2 describes the accounting summarized below.

**Summary of re-measurement of ADIT resulting from the 2017 decrease in federal income tax rate (Note 1a)**  
ADIT and tax-related regulatory assets and liabilities existing before the change in tax law - remeasurements and portions of each account reflected in rate base:

| (a)                                | (b)                            | (c)                                                           | (d)                                     | (e)                                                                    | (f)                                                                                                                      | (g)                                                                                                               |
|------------------------------------|--------------------------------|---------------------------------------------------------------|-----------------------------------------|------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| Account                            | Balance Prior to Change in Law | Portion of Balance Affecting Rate Base Prior to Change in Law | Balance Re-measured after Change in Law | Portion of Balance Affecting Rate Base Re-measured after Change in Law | Debit or <Credit> Entry to Total Pre-TCJA ADIT or Pre-TCJA Tax-related Regulatory Asset or Liability Affecting Rate Base | Debit or <Credit> Entry to Portion of Pre-TCJA ADIT or Pre-TCJA Regulatory Asset or Liability Affecting Rate Base |
| 190                                | =                              | =                                                             | =                                       | =                                                                      | =                                                                                                                        | =                                                                                                                 |
| 281 (enter negative)               | =                              | =                                                             | =                                       | =                                                                      | =                                                                                                                        | =                                                                                                                 |
| 282 (enter negative)               | =                              | =                                                             | =                                       | =                                                                      | =                                                                                                                        | =                                                                                                                 |
| 283 (enter negative)               | =                              | =                                                             | =                                       | =                                                                      | =                                                                                                                        | =                                                                                                                 |
| 182.3 (tax-related)                | =                              | =                                                             | =                                       | =                                                                      | =                                                                                                                        | =                                                                                                                 |
| 254 (tax-related) (enter negative) | =                              | =                                                             | =                                       | =                                                                      | =                                                                                                                        | =                                                                                                                 |
| Total (Sum of Lines 98-103)        | =                              | =                                                             | =                                       | =                                                                      | =                                                                                                                        | =                                                                                                                 |

Other accounts affected by remeasurements of ADIT and tax-related regulatory assets and liabilities existing before the change in tax law (Note 2):

| (a)                                  | (b)               |
|--------------------------------------|-------------------|
| Account                              | Debit or <Credit> |
| Account 410.1                        | =                 |
| Account 411.1                        | =                 |
| Account 410.2                        | =                 |
| Account 411.2                        | =                 |
| Account 182.3                        | =                 |
| Account 282 related to Account 182.3 | =                 |
| Account 283 related to Account 182.3 | =                 |
| Account 254                          | =                 |
| Account 190 related to Account 254   | =                 |
| Total (Sum of Lines 108-116)         | =                 |

**Analysis of 2017 decrease in federal income tax rate** - Silver Run Electric had not begun providing electric transmission service prior to the 2017 federal change in tax law and, thus, the resulting remeasurements of ADIT recorded in 2017 did not affect rate base or result in refundable excess ADIT amounts or recoverable deficient ADIT amounts. The decrease in tax rate reduced the regulatory asset in Account 182.3 and deferred tax liabilities in Accounts 282 and 283 related to accrued/capitalized AFUDC-equity. Accordingly, the decrease in tax rate will reduce the revenue requirement associated with depreciation of AFUDC-equity after the associated plant is placed in service.

**Notes**

**Note 1a** - The Tax Cuts and Jobs Act (Public Law No. 115-97) was enacted on December 22, 2017. The TCJA reduced the federal corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. Republic had not begun providing electric transmission service prior to this change in tax law and Republic has yet to recover federal income tax expense in rates. The construction period for Republic's depreciable plant began before this change in tax law. Thus, remeasurements of ADIT recorded through the end of 2017 by Republic did not result in refundable excess ADIT amounts or recoverable deficient ADIT amounts. The effects of the ADIT remeasurements as of December 31, 2017, the end of the year in which the change in tax rate was enacted, are described above. In addition, the effect of remeasurement of the tax-related regulatory asset existing prior to this change in tax rate is described above. As described below, the state income tax rate below is computed based on the projected timing of the reversals of the book/tax differences and the state tax rate(s) expected to apply. The composite tax rates used for the remeasurement of ADIT balances as a result of the TCJA are:

|                                                                  | Historical | New     |
|------------------------------------------------------------------|------------|---------|
| Federal income tax rate                                          | 35.00%     | 21.00%  |
| State income tax rate                                            | 8.82%      | 8.82%   |
| Federal benefit of deduction for state income tax                | -3.09%     | -1.85%  |
| Composite federal/state income tax rate (Sum of Lines 122 – 124) | 40.73%     | 27.97%  |
| Composite federal/state tax gross-up factor (1/(1 – Line 125))   | 1.68728    | 1.38827 |

**Note 1b** - Note 1 will be expanded, as necessary, to describe subsequent tax law changes.

**Note 2 - Explanation of how ADIT accounts are re-measured upon a change in income tax law**

Deferred tax assets and liabilities are adjusted (re-measured) for the effect of the changes in tax law (including tax rates) in the period that the change is enacted. Adjustments are recorded in the appropriate deferred tax balance sheet accounts (Accounts 190, 281, 282 and 283) based on the nature of the temporary difference and the related classification requirements of the accounts. If as a result of action or expected action by a regulator, it is probable that the future increase or decrease in taxes payable due to the change in tax law or rates will be recovered from or returned to

customers through future rates, a regulatory asset or liability is recognized in Account 182.3 (Other Regulatory Assets), or Account 254 (Other Regulatory Liabilities), as appropriate, for that probable future revenue or reduction in future revenue. Re-measurements of deferred tax balance sheet accounts may also result in re-measurements of tax-related regulatory assets or liabilities that had been recorded prior to the change in tax law. If it is not probable that the future increase or decrease in taxes payable due to the change in tax law or rates will be recovered from or returned to customers through future rates, tax expense is recognized in Account 410.2 (Provision for Deferred Income Taxes, Other Income or Deductions) or tax benefit is recognized in Account 411.2 (Provision for Deferred Income Taxes-Credit, Other Income or Deductions), as appropriate.

|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 129 | <b>Note 3</b> – This will be updated to support information above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 130 | <b>Note 4</b> - The amortization of the excess and/or deficient ADIT recorded in Account 254 (Other Regulatory Liabilities) and/or Account 182.3 (Other Regulatory Assets) is recorded with offsetting entries to Account 410.1 (Provision for Deferred Income Taxes, Utility Operating Income) or Account 411.1 (Provision for Deferred Income Taxes – Credit, Utility Operating Income), as appropriate. In addition, the deferred tax asset related to Account 254 or the deferred tax liability related to Account 182.3 is adjusted, as appropriate. This activity is summarized in the table "Income Tax Allowance Mechanism - Projected" or the table "Income Tax Allowance Mechanism - Actual," as appropriate. The annual amortization in the tables above reflects tax gross-up and is stated at the revenue requirement level. |
| 131 | <b>Note 5</b> – This will be updated to support information above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 132 | <b>Note 6</b> - The worksheet indicates whether each excess or deficient ADIT amount is protected (i.e., subject to normalization rules of a taxing jurisdiction) or unprotected (i.e., not subject to normalization rules of a taxing jurisdiction). Certain excess deferred taxes pertaining to the TCJA are subject to (protected by) the normalization requirements of TCJA Section 13001(d). None of the ADIT remeasurements by Silver Run Electric are subject to such normalization requirements. To the extent that normalization requirements apply to ADIT remeasurements, additional computations (e.g., proration of excess deferred tax activity related to future test periods) may be necessary.                                                                                                                           |
| 133 | <b>Note 7</b> – This will be updated to support information above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 134 | <b>Note 8</b> – This will be updated to support information above.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |