



November 18, 2022

Kimberly D. Bose
Secretary
Federal Energy Regulatory Commission
888 First Street, NE, Room 1A
Washington, DC 20426

Re: *American Electric Power Service Corporation on behalf of its affiliate Transource West Virginia, LLC*, Docket No. ER20-2582-001
Revised Order No. 864 Compliance Filing Revising Transmission Formula Rate
Superseding July 31, 2020 Filing

Dear Secretary Bose:

On July 31, 2020 in compliance with Order No. 864,¹ American Electric Power Service Corporation,² on behalf of its affiliate Transource West Virginia, LLC ("TWV"), (collectively "the Company" or "AEP") submitted to the Federal Energy Regulatory Commission ("Commission" or "FERC") proposed revisions to Attachment H-26³ of the PJM Open Access Transmission Tariff ("OATT" or "the Tariff"), in order to comply with the requirements of Order No. 864 ("July 20 Filing").

Based on an updated understanding of supporting information preferred by Commission Staff, TWV respectfully submits revisions herein that supersede the July 20 Filing. Consistent with Order No. 864, TWV respectfully requests an effective date of January 27, 2020, for these Tariff changes.⁴

¹ *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, Order No. 864, 169 FERC ¶ 61,139 (2019).

² Pursuant to Order No. 714, this filing is submitted by PJM Interconnection, L.L.C. ("PJM") on behalf of Transource West Virginia, LLC, 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, TWV has requested PJM submit this compliance filing in the eTariff system as part of PJM's electronic Intra PJM Tariff.

³ TWV provides service under Attachment H-26 which refers to the formula rate portion of this attachment (Attachment A).

⁴ See Order No. 864 at P 100; *Public Utility Transmission Rate Changes to Address Accumulated Deferred Income Taxes*, 84 Fed. Reg. 65281 (Nov. 27, 2019).

I. BACKGROUND

A. PJM, TWV and Relevant Tariff Provisions

PJM is a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia.

TWV is a transmission-owning utility operating in the State of West Virginia and is wholly-owned subsidiary of Transource Energy, LLC (Transource). Transource is a joint venture company of AEP Transmission Holding Company, LLC, a wholly-owned subsidiary of American Electric Power Company, Inc., and Evergy Transmission Company, LLC, a wholly-owned subsidiary of Evergy, Inc. (Evergy). AEP is headquartered in Columbus, Ohio and serves customers in 11 states. Evergy is an electric utility, formed from a merger between Kansas City Power & Light and Westar Energy, is based in Kansas City, Missouri and serves customers in Kansas and Missouri.

TWV provides transmission service under the requirements defined in Attachment H-26 of the PJM OATT. The charges for such service are calculated under the formula rate found in Attachment H-26 of the OATT.

B. Order No. 864

On November 21, 2019 the Commission issued Order No. 864 and set forth a number of requirements related to how transmission formula rates should account for changes arising from the TCJA. Specifically, the requirements are designed to address the effects of the TCJA on the accumulated deferred income taxes (“ADIT”) reflected in transmission formula rates. The Commission directed utilities with transmission formula rates to revise those rates to include: (i) a mechanism that will deduct any excess ADIT from, or add any deficient ADIT to, rate base (the “Rate Base Adjustment Mechanism”);⁵ (ii) a mechanism that will decrease or increase the income tax components of their transmission formula rates by any amortized excess or deficient ADIT, respectively (the “Income Tax Allowance Adjustment Mechanism”);⁶ (iii) a new permanent worksheet that will annually track information related to excess or deficient ADIT and will contain five categories of information (the “ADIT Worksheet”).

In addition to the items listed above, Order No. 864 contains other requirements including that each public utility with transmission formula rates must submit a populated version of the ADIT Worksheet.⁷ The Commission made it clear that, rather than impose specific standards, it will evaluate proposed changes to a public utility’s transmission formula rates intended to comply with Order No. 864 on a case-by-case basis, and that “public utilities may

⁵ *Id.* at P 28.

⁶ *Id.* at P 42.

⁷ *Id.* at P 63.

also demonstrate that their formula rates already meet the Rate Base Adjustment Mechanism requirements” of Order No. 864.⁸

While the revised tariff sheets submitted in response to Order No. 864 will become effective January 27, 2020, the date Order No. 864 was published in the Federal Register,⁹ the compliance filings required by Order No. 864 are due the later of thirty days after Order No. 864’s effective date, or the date of the public utility’s next annual informational filing following Order No. 864’s issuance. For TWV as a PJM TO, that “later of” date is June 30, 2020, the date the annual informational filing is due.¹⁰ Additionally, TWV submitted a motion for extension of time until July 31, 2020 to comply with Order No. 864 in Docket No. RM19-5-000, which was granted by the Commission on July 1, 2020.

II. COMPLIANCE FILING

In compliance with Order No. 864, TWV hereby submits this revised filing demonstrating that the proposed tariff revisions including the new permanent worksheet¹¹ and populated templates filed herein satisfy Order No. 864’s requirements. Prior to Order No. 864 TWV had no existing ADIT worksheets. The new permanent ADIT worksheets can be found on worksheets 4a, 4b, 4d and 4e of the Populated ADIT Worksheet and provides greater transparency into TWV’s ADIT. TWV respectfully requests that the Commission find the proposed revisions described below fully comply with the Commission’s Order No. 864 requirements.

A. Rate Base Adjustment Mechanism

Order No. 864 requires that a transmission formula rate include a Rate Base Adjustment Mechanism to deduct any excess ADIT from, or add any deficient ADIT to, its rate base.¹² The Commission indicated that without this mechanism, transmission formula rates could overstate or understate rate base. This mechanism will ensure that such public utilities offset their rate base by any unamortized excess or deficient ADIT and maintain rate base neutrality.¹³ The Commission added that the Rate Base Adjustment Mechanism must apply to future changes in federal, state, or local tax laws that result in excess or deficient ADIT.¹⁴

TWV is not proposing any changes to Attachment H-26 to reflect the adjustments to TWV’s rate base associated with excess or deficient ADIT because TWV’s transmission formula rate already reflects the Commission’s Rate Base Adjustment Mechanism requirements. Specifically, as explained in Note D of Attachment H-26, the balances of Accounts 281, 282, 283 and 190 are “adjusted by any amounts in contra accounts identified as regulatory assets or

⁸ *Id.* at P 30.

⁹ *Id.* at P 100.

¹⁰ Per the protocols governing AEP’s Attachment H-26, the filing deadline for annual informational filings for a calendar year is June 30th of the succeeding year.

¹¹ *Id.* at P 63.

¹² *Id.* at P 28.

¹³ *Id.* at P 28.

¹⁴ *Id.* at P 29.

liabilities related to FASB 106 or 109.” The balances for Accounts 281, 282, 283 and 190 are included on Page 2, Lines 19-22 of Attachment H-26, respectively, as adjustments to rate base. However, TWV is changing the reference in column (5) to directly reference the Transmission total for each ADIT account from the “ADIT Average Balances” worksheet 4a instead of calculating this amount on Attachment H-26. Additionally, on the “Rate Base” worksheet 4, TWV has removed the beginning and ending balances for Accounts 281, 282, 283 and 190, Lines 15 and 27 respectively, because these are now displayed with greater transparency on the “ADIT Beginning Ending” worksheet 4b. The average balances for Accounts 281, 282, 283 and 190 on Line 28 of the “Rate Base” worksheet 4 now reference the Total Company average balance calculated for each ADIT Account on the “ADIT Average Balances” worksheet 4a, Lines 28, 56, 88 and 119 respectively.

As part of the annual update process, TWV reflects any balances in deferred tax assets and liabilities as “960F-XS Excess ADFIT” in the breakdown of Accounts 281, 282, 283 and 190 in the “ADIT Average Balances” worksheet 4a included as part of this filing in the Populated ADIT Worksheet. Furthermore, balances identified as “960F-XS Excess ADFIT” on worksheet 4a are recorded in two separate offsetting subaccounts denoted by a .1 or a .4 within the line description. The lines with a .1 represent the protected or unprotected excess/deficient ADIT caused by the change in ADIT balances related to the new tax rate. These .1 accounts, combined with any ADIT amounts on the worksheet that are not designated as “960F-XS Excess ADFIT” balances, reflect the ADIT obligation prior to the change in tax rate. The lines with a .4 track regulatory accounting requirements, are contra to the .1 line items, and are offset by balances in the 254 or 182.3 accounts. These .4 contra accounts are then removed from the balances of Accounts 281, 282, 283 and 190 on worksheet 4a through the line labeled “Less FASB 109 above not separately removed”, Lines 25, 53, 85 and 116 respectively. Removal of the .4 contra accounts while leaving the balance of the re-measured ADIT represented by the .1 subaccounts preserves rate base neutrality of the account totals because they are reflective of deferrals recorded at the previous tax rate, thus constituting TWV’s Rate Base Adjustment Mechanism. Note that while TWV appropriately accounts for Excess and Deficient ADIT in accounts 254 and 182.3, respectively, there is no need to include them to the rate base calculation due to the accounting within the ADIT accounts described above.

B. Income Tax Allowance Adjustment Mechanism

Order No. 864 further directs each public utility with transmission formula rates to include an Income Tax Allowance Adjustment Mechanism in its formula rates that decreases or increases the income tax components of its rates by amortized excess or deficient ADIT.¹⁵ This requirement ensures that utilities with transmission formula rates return excess ADIT to or recover deficient ADIT from ratepayers. The Income Tax Adjustment Mechanisms must also be applicable to any future changes to tax rates that give rise to excess or deficient ADIT, including any federal, state or local tax rate changes.¹⁶

¹⁵ *Id.* at P 42.

¹⁶ *Id.* at P 42-43

TWV is not proposing any changes to Attachment H-26 to reflect the adjustments to TWV's income taxes associated with any amortized excess or deficient ADIT because TWV's transmission formula rate already reflects the Commission's Income Tax Allowance Adjustment Mechanism requirements. Specifically, TWV already incorporates this requirement in the "Income Taxes" section on page 3 of Attachment H-26, on the following Lines:

- Line 40, which reflects the annual amortization of excess or deficient ADIT for both protected and unprotected ADIT balances. Any amortization of excess or deficient ADIT balances reflected in Line 40 will be sourced directly from Lines 14 and 46 of the new permanent "ADIT Amortization" worksheet 4d. The source displayed on Line 40 has been updated to reflect this change.
- Line 44, which reflect the annual gross-up calculation for any amortization of excess or deficient ADIT balances included in Line 40. The gross-up values of Line 44 in turn act as an adjustment to the Total Income Taxes reflected in Line 46 of the "Income Taxes" section of TWV's Attachment H-26.

Due to the design of the Income Tax Allowance Adjustment Mechanism and the ADIT Worksheet discussed below, TWV will be able to incorporate the ADIT impacts of future tax rate changes in the Attachment H-26 formula rate without the need for additional filings.¹⁷

C. ADIT Worksheet

Order No. 864 requires that the transmission formula rate include a new permanent ADIT Worksheet that will annually track information related to excess or deficient ADIT. This requirement provides transparency regarding the adjustment of rate base and income tax allowances to account for excess or deficient ADIT, including excess and deficient ADIT included in rates following future federal, state, and local tax rate changes.¹⁸

In Order No. 864, the Commission declined to establish a *pro forma* ADIT Worksheet. However, Order No. 864 requires the ADIT Worksheet to include the following five categories of information:

1. How 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.¹⁹

In complying with the first requirement, TWV included worksheet "4e – Tax Remeasurement" for greater transparency. In worksheet 4e – Tax Remeasurement, Transource West Virginia re-measured Accounts 190, 282, and 283 showing the re-measurement percentage

¹⁷ *Id.* at P 43.

¹⁸ *Id.* at P 62.

¹⁹ *Id.* at P 52 and 62.

and re-measurement amount in column (d) and (e) respectively. As part of the re-measurement calculation, the re-measured ADIT balance in account 190.1 was re-classified to account 283.1 to group non-property utility deferrals together as one timing difference. The result, in column (g), established a total re-measurement amount of \$(14,853); \$(761) in 282.1 and \$(14,092) in 283.1. These re-measured account balances support the total of the “960F-XS Excess ADFIT” lines with a .1 in their description in the breakdown of Accounts 281, 282, 283 and 190 on the “ADIT Beginning Ending Balances” worksheet 4b included as part of the annual update of the TWV formula rate. Additionally, column (h) shows the final Post- Remeasurement Balance for each of the ADIT accounts.

Second, as described in the Rate Base Adjustment Mechanism section above, TWV preserves rate base neutrality by separately identifying and removing the .4 contra accounts from rate base while leaving the balance of the re-measured ADIT represented by the .1 subaccounts. Thus, while there is no need to include accounts 254 and 182.3 in the rate base calculation, as the .1 balances represent these amounts in rate base, the final balances of excess ADIT are still recorded as an offset to the .4 contra accounts through a net entry in the 254 or 182.3 account. Additionally, explained in Note 1 to the “ADIT Beginning Ending Balances” worksheet 4b, excess or deficient ADIT balances resulting from corporate income tax rate changes, including future federal, state, and local tax rate changes, are to be recorded to Accounts 254 or 182.3, respectively.

Third, as described in the Rate Base Adjustment Mechanism section above, TWV reflects any balances in deferred tax assets and liabilities as “960F-XS Excess ADFIT” in the breakdown of Accounts 281, 282, 283 and 190 in the “ADIT Average Balances” worksheet 4a included as part of this filing in the Populated ADIT Worksheet. Furthermore, balances identified as “960F-XS Excess ADFIT” on worksheet 4a are recorded in two separate offsetting subaccounts denoted by a .1 or a .4 within the line description. The lines with a .1 identify the protected or unprotected excess/deficient ADIT caused by the change in ADIT balances related to the new tax rate.

Fourth, as explained in Note 1 to the “ADIT Amortization” worksheet 4d of the Populated ADIT Worksheet, “the amortization of the excess and deficient ADIT is recorded to accounts 411.1 and 410.1 respectively.” The amortization account will be denoted in column (i) of the Protected and Unprotected sections.

Finally, as explained in Note 1 to the “ADIT Amortization” worksheet 4d of the Populated ADIT Worksheet, worksheet 4d presents total company amortization for excess and deficient amounts. Worksheet 4d of the Populated ADIT Worksheet provides additional detail by categorizing the amortization under either the Protected or Unprotected section. Note 2 corresponds to column (j) of the protected amortization section and states that “the amortization of Tax Cuts and Jobs Act (“TCJA”) related Excess and Deficient Protected ADIT balances starts January 1, 2018 over the remaining life of Transource West Virginia LLC's assets consistent the “Average Rate Assumption Method” (ARAM).” TWV’s use of ARAM to amortize protected

ADIT is just and reasonable because it's required by the TCJA²⁰ and consistent with Order No. 864.²¹ Note 3 corresponds to column (j) of the unprotected amortization section and states that "This amortization of TCJA-related Excess and Deficient Unprotected ADIT balances starts January 1, 2020 using a straight-line amortization period of one (1) year. Unprotected amortization is not generally booked or tracked by item. Excess and deficient unprotected amortization primarily relates to the following deferred tax items: Federal & State NOL Carryovers and Regulatory Assets & Liabilities." Any future tax rate change explanatory notes will be described in Note 4 on the provided blank lines. Because of the relatively small magnitude of the unprotected amount (less than 1% of total annual transmission revenue requirement), TWV is proposing to use a one (1) year amortization period beginning on January 1, 2023.

As described above, TWV has provided sufficient detail needed to verify excess and deficient ADIT resulting from the TCJA and any future tax rate changes. Therefore, TWV's proposal is consistent with the requirements of Order No. 864.

D. Additional Revisions

In addition to the tariff changes outlined above to comply with Order No. 864, TWV has included a new permanent worksheet to calculate an ADIT proration adjustment consistent with FERC and IRS guidelines.²² This permanent worksheet can be found on Worksheet 4c of the Populated ADIT Worksheet and calculates the proration adjustment for each ADIT account. The amount of the proration adjustment is then subtracted from the average ADIT balance for each account on worksheet 6 in Lines 27, 55, 87 and 118.

III. EFFECTIVE DATE

Consistent with Order No. 864, the Filing Parties request an effective date of January 27, 2020 for the Tariff revisions contained herein.

IV. DOCUMENTS SUBMITTED WITH THIS FILING

In addition to this transmittal letter, the documents submitted in this filing are:

Attachment A – Populated ADIT Worksheet as part of Attachment H-26 (in Excel)

Attachment B – Revised Attachment H-26 Tariff Sheets (clean);

Attachment B-1 – Revised Attachment H-26 Tariff Sheets (redline).

²⁰ Tax Cuts and Jobs Act, Pub. L. No. 115-97, § 13001(b)(6)(A), 131 Stat. 2054, 2099 (2017), 26 U.S.C. § 1561)

²¹ *Id.* at P 33.

²² *Midcontinent Independent System Operator, Inc., et al.*, 167 FERC ¶ 61,128 (2019).

V. COMMUNICATIONS

The Filing Parties request that the Commission place the following individuals on the official service for this proceeding:

Stacey Burbure
Senior Counsel
American Electric Power Service
Corporation
801 Pennsylvania Avenue N.W.
Suite 735
Washington, DC 20004-2615
202-383-3452
slburbure@aep.com

Doug Larson
Regulatory Consultant
American Electric Power Service
Corporation
1 Riverside Plaza
23rd Floor
Columbus, OH 43215
614-716-6138
drlarson@aep.com

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,²³ 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/fercmanuals/ferc-filings.aspx> with a specific link to the newly-filed document, and will send an email on the same date as this filing to all PJM Members and all state utility regulatory commissions in the PJM Region²⁴ 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.

²³ See 18 C.F.R §§ 35.2(e) and 385.2010(f)(3).

²⁴ PJM already maintains, updates and regularly uses e-mail lists for all PJM members and affected state commissions.

VII. CONCLUSION

For the reasons stated above, the Filing Parties request that the Commission accept the proposed Tariff sheets being filed herein to be effective January 27, 2020, and find that TWV is in compliance with Order No. 864.

Respectfully submitted,

/s/ Stacey Burbure

Stacey Burbure

American Electric Power Service Corporation

801 Pennsylvania Avenue N.W.

Suite 735

Washington, DC 20004-2615

202-383-3452

slburbure@aep.com

Counsel for American Electric Power Service Corporation

ATTACHMENT A
Populated ADIT Worksheet

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

For the 12 months ended 12/31/2018

Line No.	(1)	(2)	(3)	(4)	(5)
		Source			Allocated Amount
1	GROSS REVENUE REQUIREMENT, without incentives	(page 3, line 49)			\$ 3,027,187
	REVENUE CREDITS	(Note A)	Total	Allocator	
2	Account No. 454	(page 4, line 20)	-	TP 1.0000	-
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)	-		-
7	Prior Period Adjustments	Attachment 11	-	DA 1.0000	-
8	True-up Adjustment with Interest	Attachment 3, line 4, Col. G+H	(224,278)	DA 1.0000	(224,278)
9	NET ANNUAL TRANSMISSION REVENUE REQUIREMENT	(Line 1 less line 6 plus lines 7 and 8)			\$ 2,802,909
Rate Calculations					
A.	<u>Network Service (NTS)</u>	Source			
10	Current Year Annual Transmission Revenue Requirement, including true-up	Line 9	2,802,909		
11	Less: Revenue Requirements Included in Line 10 For Schedule 12 Projects	Attachment 1, line 2, Col. 16	2,802,909		
12	Zonal ATRR Without Incentives	(Line 10 - line 11)	-		
13	Incremental Approved Incentives for non-Schedule 12 projects	Attachment 1, line 4, Col. 12	-		
14	Zonal ATRR With Incentives	(Line 12 + line 13)	-		
B.	<u>Point-to-Point Service</u>				
15	#VALUE!		21,647		
16	Line 15 is provided from PJM records				
17	Annual Point-to-Point Rate in \$/MW - Year	(Line 14 / line 15)	\$0.0000		
18	Monthly Point-to-Point Rate in \$/MW - Month	(Line 17 / 12)	\$0.0000		
19	Weekly Point-to-Point Rate in \$/MW - Weekly	(Line 17 / 52)	\$0.0000		
20	Daily On-Peak Point-to-Point Rate in \$/MW - Day	(Line 17 / 260)	\$0.0000		
21	Daily Off-Peak Point-to-Point Rate in \$/MW - Day	(Line 17 / 365)	\$0.0000		
22	Hourly On-Peak Point-to-Point Rate in \$/MW - Hour	(Line 17 / 4160)	\$0.0000		
23	Hourly Off-Peak Point-to-Point Rate in \$/MW - Hour	(Line 17 / 8760)	\$0.0000		
C.	<u>PJM Regional Service</u>				
24	Schedule 12 ATRR Without Incentives	Attachment 1, line 2, Col. 16 less line 12	2,802,909		
25	FERC Approved Incentives on Schedule 12 projects	Attachment 1, line 2, Col. 12	-		
26	Schedule 12 Revenue Requirement	(Line 24 + line 25)	2,802,909		

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

0 ded 12/31/2018

(1)		(2)	(3)	(4)		(5)
Line No.		Source	Company Total	Allocator		Transmission (Col 3 times Col 4)
RATE BASE: (Note R)						
GROSS PLANT IN SERVICE		Note C				
1	Production	205.46.g for end of year, records for other months	-	NA	-	-
2	Transmission	Attachment 4, Line 14, Col. (b)	-	TP	1.0000	-
3	Distribution	207.75.g for end of year, records for other months	-	NA	-	-
4	General & Intangible	Attachment 4, Line 14, Col. (c)	25,994	W/S	1.0000	25,994
5	TOTAL GROSS PLANT	(Sum of Lines 1 through 4)	25,994	GP=	1.0000	25,994
ACCUMULATED DEPRECIATION		Note C				
6	Production	219.20-24.c for end of year, records for other months	-	NA	-	-
8	Transmission	Attachment 4, Line 14, Col. (h)	-	TP	1.0000	-
9	Distribution	219.26.c for end of year, records for other months	-	NA	-	-
10	General & Intangible	Attachment 4, Line 14, Col. (i)	817	W/S	1.0000	817
11	TOTAL ACCUM. DEPRECIATION	(Sum of Lines 7 through 10)	817			817
NET PLANT IN SERVICE						
12	Production	(line 1 - line 7)	-			-
14	Transmission	(line 2 - line 8)	-			-
15	Distribution	(line 3 - line 9)	-			-
16	General & Intangible	(line 4 - line 10)	25,177			25,177
17	TOTAL NET PLANT	(Sum of line 5 - line 11)	25,177	NP=	1.0000	25,177
ADJUSTMENTS TO RATE BASE						
19	Account No. 281 (enter negative)	Attachment 4 and 4a (Note D)	-	NA	zero	-
20	Account No. 282 (enter negative)	Attachment 4 and 4a (Note D)	(386)	NP	1.0000	(386)
21	Account No. 283 (enter negative)	Attachment 4 and 4a (Note D)	(31,500)	NP	1.0000	(31,500)
22	Account No. 190	Attachment 4 and 4a (Note D)	63,414	NP	1.0000	63,414
23	Account No. 255 (enter negative)	Attachment 4, Line 28, Col. (h) (Note D)	-	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)	25,033,742	DA	1.0000	25,033,742
26	Unamortized Regulatory Asset	Attachment 4, Line 28, Col. (b) (Note E)	170,971	DA	1.0000	170,971
27	Unamortized Abandoned Plant	Attachment 4, Line 28, Col. (c) (Note F)	-	DA	1.0000	-
28	TOTAL ADJUSTMENTS	(Sum of line 19 - line 27)	25,236,241			25,236,241
29	LAND HELD FOR FUTURE USE	Attachment 4, Line 14, Col. (e) (Note G)	-	TP	1.0000	-
WORKING CAPITAL		Note H				
31	Cash Working Capital	1/8*(Page 3, Line 17 minus Page 3, Line 14)	57,102			57,102
32	Materials & Supplies	Attachment 4, Line 14, Col. (f)	-	TP	1.0000	-
33	Prepayments (Account 165)	Attachment 4, Line 14, Col. (g)	271,579	GP	1.0000	271,579
34	TOTAL WORKING CAPITAL	(Sum of line 31 - line 33)	328,680			328,680
35	RATE BASE	(Sum of line 17, 28, 29, 34)	25,590,098			25,590,098

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

0 ded 12/31/2018

Line No.	(1)	(2)	(3)	(4)	(5)
		Source	Company Total	Allocator	Transmission (Col 3 times Col 4)
1	O&M				
1	Transmission	321.112.b	273,134	TP 1.0000	273,134
2	Less Account 566 (Misc Trans Expense)	321.97.b	221,659	TP 1.0000	221,659
3	Less Account 565	321.96.b	-	TP 1.0000	-
4	A&G	323.197.b	276,661	W/S 1.0000	276,661
5	Less FERC Annual Fees	350.xx.h (Note I)	-	W/S 1.0000	-
6	Less EPRI Dues	Note J	52	W/S 1.0000	52
7	Less Reg. Commission Expense Account 928	Note J	20,266	W/S 1.0000	20,266
8	Less: Non-safety Advertising account 930.1	Note J	1	W/S 1.0000	1
9	Less Actual PBOP Expense in Year	Attachment 7, Line 10, Col. (c)	-	W/S 1.0000	-
10	Plus Transmission Related Reg. Comm. Exp.	Note K	20,149	TP 1.0000	20,149
11	Plus PBOP Expense Allowed Amount	Attachment 7, Line 6, Col. (c)	(24,424)	W/S 1.0000	(24,424)
12	Plus Transmission Lease Payments in Acct 565	Note V	-	DA 1.0000	-
13	Account 566				
14	Amortization of Regulatory Asset	Note E	68,389	DA 1.0000	68,389
15	Misc. Transmission Expense (less amort. of regulatory asset)		153,270	TP 1.0000	153,270
16	Total Account 566	(Sum of line 14 - line 15)" Ties to 321.97b	221,659		221,659
17	TOTAL O&M	(Sum of Lines 1, 4, 10, 11, 12, 16 less Lines 2, 3, 5-9)	525,201		525,201
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	4,013	W/S 1.0000	4,013
21	Amortization of Abandoned Plant	Note F	-	DA 1.0000	-
22	TOTAL DEPRECIATION	(Sum of line 19 - line 21)	4,013		4,013
23	TAXES OTHER THAN INCOME TAXES (Note M)				
24	LABOR RELATED				
25	Payroll	263._i	-	W/S 1.0000	-
26	Highway and vehicle	263._i	-	W/S 1.0000	-
27	PLANT RELATED				
28	Property	263.10.i	434	GP 1.0000	434
29	Gross Receipts	263._i	-	NA zero	-
30	Other	263._i	-	GP 1.0000	-
31	Payments in lieu of taxes	263._i	-	GP 1.0000	-
32	TOTAL OTHER TAXES	(Sum of line 25 - line 31)	434		434
33	INCOME TAXES (Note N)	Note N			
34	$T = 1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * \text{p})\} * (1 - \text{TEP})$		26.14%		
35	$\text{CIT} = (T / (1 - T)) * (1 - (\text{WCLTD} / \text{R})) =$	WCLTD = Page 4, Line 15, R = Page 4, Line 18	29.60%		
36	FIT & SIT & P				
37					
38	$1 / (1 - T) =$ (from line 34)	$1 / (1 - T)$, T from Line 34	135.38%		
39	Amortized Investment Tax Credit	266.8f (enter negative)	-		
40	Excess / (Deficit) Deferred Income Taxes	Attachment 4d, Line 14 & line 46, Col (h)	-		
41	Tax Effect of Permanent Differences	Note O	-		
42	Income Tax Calculation	(Line 35 times Line 48)	570,422	NA	570,422
43	ITC adjustment	(Line 38 times Line 39)	-	NP 1.00000	-
44	Excess / (Deficit) Deferred Income Taxes	(Line 38 times Line 40)	-	NP 1.00000	-
45	Permanent Differences Tax Adjustment	(Line 38 times Line 41)	-	NP 1.00000	-
46	Total Income Taxes	(Sum of line 42 - line 45)	570,422		570,422
47	RETURN				
48	Rate Base times Return	(Page 2, line 35 times Page 4, Line 18)	1,927,117	NA	1,927,117
49	GROSS REVENUE REQUIREMENT	(Sum of line 17,22, 32, 46, 48)	3,027,187		3,027,187

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

0 ded 12/31/2018

(1) (2) (3) (4) (5)

SUPPORTING CALCULATIONS AND NOTES

Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES									
1	Total Transmission plant	(Page 2, Line 2, Column 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 & 3)								-
5	Percentage of Transmission plant included in ISO Rates	(Line 4 divided by Line 1) (If line 1 is zero, enter 1)						TP=		1.0000
6	WAGES & SALARY ALLOCATOR (W&S)									
		Form 1 Reference		\$		TP		Allocation		
7	Production	354.20.b		-		-		-		
8	Transmission	354.21.b		-		1.0000		-		
9	Distribution	354.23.b		-		-		-		W&S Allocator
10	Other	354.24,25,26.b		-		-		-		(\$ / Allocation)
11	Total (W&S Allocator is 1 if lines 7-10 are zero)	(Sum of line 7 - line 10)		-		-		-	=	1.00000 = WS
12	RETURN (R)									
13										\$
14				\$		%		Cost		Weighted
15	Long Term Debt	Attachment 5, (Notes Q & R)		10,725,256		40.0%		3.08%		1.23% =WCLTD
16	Preferred Stock (112.3.c)	Attachment 5, (Notes Q & R)		-		0.0%		0.00%		0.00%
17	Common Stock	Attachment 5, (Notes Q, R, and T)		12,643,680		60.0%		10.50%		6.30%
18	Total	(Sum of line 15 - line 17)		23,368,936						7.53% =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 (Note A)								-

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

0 ded 12/31/2018

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 directly from the ISO for service under this tariff reflecting the Transmission Owner's integrated transmission facilities. 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 Balances in Accounts 190, 281, 282 and 283 classified in the FERC Form 1 as Electric-related, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. 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. 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 equal to the AFUDC rate will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.
- 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 15, column 5 minus amortization of Regulatory Asset at page 3, line 12, 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.
- J Page 3, Line 6 - Subtract all EPRI 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.
- 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, gross receipts, 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 263 upon which each item is identified.
- N The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes" and TEP = "the tax exempt ownership interest". 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 developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26). Excess Deferred Income Taxes reduce income tax expense by the amount of the expense multiplied by (T/1-T).
- | | | | |
|------------------|-------|-------|---|
| Inputs Required: | FIT= | 21.0% | (Federal Income Tax Rate) |
| | SIT= | 6.5% | (State Income Tax Rate or Composite SIT) |
| | p = | 0.0% | (percent of federal income tax deductible for state purposes) |
| | TEP = | 0.0% | (percent of the tax exempt ownership) |
- O 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-26 that are not the result of a timing difference.
- 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.
- A hypothetical capital structure of 60% Equity and 40% debt will be used until the first transmission asset is placed in service, or until otherwise authorized by the Commission.
- R Calculate rate base using 13 month average balance, except ADIT which is calculated based on the average of the beginning of the year and the end of the year balances.
- 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 ROE will be supported in the original Section 205 filing and no change in ROE may be made absent a filing with FERC.
- 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.

Attachment 1
Project Revenue Requirement Worksheet
Transource West Virginia, LLC

To be completed in conjunction with Attachment H-26.

Line No.	(1)	(2) Attachment H-26 Page, Line, Col.	(3) Transmission	(4) Allocator
1	Gross Transmission Plant plus CWIP	Attach H-26, p 2, line 2 col 5 plus line 25 col 5 (Note A)	25,033,742	
2	Net Transmission Plant plus CWIP and Abandoned Plant	Attach H-26, p 2, line 14 col 5 plus line 25 & 27 col 5 (Note B)	25,033,742	
	O&M EXPENSE			
3	Total O&M Allocated to Transmission	Attach H-26, p 3, line 17 col 5	525,201	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	2.10%	2.10%
	GENERAL AND INTANGIBLE (G & I) DEPRECIATION EXPENSE			
5	Total G & I Depreciation Expense	Attach H-26, p 3, line 20, col 5 (Note C)	4,013	
6	Annual Allocation Factor for G, I & C Depreciation Expense	(line 5 divided by line 1 col 3)	0.02%	0.02%
	TAXES OTHER THAN INCOME TAXES			
7	Total Other Taxes	Attach H-26, p 3, line 32 col 5	434	
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-26, 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 line 4, 6, 8, and 10		2.12%
	INCOME TAXES			
12	Total Income Taxes	Attach H-26, p 3, line 46 col 5	570,422	
13	Annual Allocation Factor for Income Taxes	(line 12 divided by line 2 col 3)	2.28%	2.28%
	RETURN			
14	Return on Rate Base	Attach H-26, p 3, line 48 col 5	1,927,117	
15	Annual Allocation Factor for Return on Rate Base	(line 14 divided by line 2 col 3)	7.70%	7.70%
16	Annual Allocation Factor for Return	Sum of line 13 and 15	9.98%	9.98%

Attachment 1
Project Revenue Requirement Worksheet
Transource West Virginia, LLC

This worksheet is used to compute project specific revenue requirements for any projects for which such calculation is required by PJM. This will generally include projects with specific incentives or competitive concessions, or projects with cost allocation outside of the AEP Zone. Projects will be listed as either Schedule 12, Zonal, or other category defined by PJM. Other projects which comprise the remaining revenue requirement on Attachment H-26 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.

(1)			(2)		(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Project Name	PJM Category	RTEP Project Number Or Other Identifier	Project Gross Plant	Annual Allocation Factor for Expense	Annual Expense Charge	Project Net Plant	Annual Allocation Factor for Return	Annual Return Charge	
(Note D)						(Page 1 line 11)	(Col. 3 * Col. 4)	(Note E)	(Page 1 line 16)	(Col. 6 * Col. 7)
1a	Thorofare	Schedule 12	b2609.4	25,033,742	0.021	529,648	\$ 25,033,742	0.100	2,497,539	
1b				-	0.021	-	\$ -	0.100	-	
2	Total Schedule 12			25,033,742		529,648	\$ 25,033,742		2,497,539	
3a	Zonal			-	0.021	-	\$ -	0.100	-	
3b				-	0.021	-	\$ -	0.100	-	
4	Total Zonal			-		-	\$ -		-	
5										
6	Annual Totals			25,033,742		529,648	25,033,742		2,497,539	

Notes

- A Gross Transmission Plant is that identified on page 2 line 2 of Attachment H-26 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-26 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-26, page 3, line 19, plus amortization of Abandoned Plant at Attachment H-26, page 3, line 21.
- G Requires approval by FERC of incentive return applicable to the specified project(s).

- 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.

Attachment 1
Project Revenue Requirement Worksheet
Transource West Virginia, LLC

	(9)	(10)	(11)	(12)	(12a)	(13)	(14)	(15)	(16)
Line No.	Project Depreciation/Amortization Expense	Annual Revenue Requirement	Incentive Return in Basis Points	Incentive Return	Ceiling Rate	Competitive Concession	Total Annual Revenue Requirement	True-Up Adjustment	Net Revenue Requirement
	(Note F)	(Sum Col. 5, 8 & 9)	(Note G)	(Attachment 2, Line 28 Incentive Return * Col. 6)	(Sum Col. 10 & 12)	(Note H)	(Sum Col. 10 & 12 Less Col. 13)	(Note I)	Sum Col. 14 & 15
1a	-	3,027,187	-	-	3,027,187	-	3,027,187	(224,278)	2,802,909
1b	-	-	-	-	-	-	-	-	-
2	-	3,027,187	-	-	3,027,187	-	3,027,187	(224,278)	2,802,909
3a	-	-	-	-	-	-	-	-	-
3b	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-
5									-
6	-	3,027,187	-	-	3,027,187	-	3,027,187	(224,278)	2,802,909

Notes

- A Gross Transmission Plant is that identified on page 2 line 2 of Attachment H-26 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-26 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-26, page 3, line 19, plus amortization of Abandoned Plant at Attachment H-26, page 3, line 21.
- G Requires approval by FERC of incentive return applicable to the specified project(s).

- 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.

Rate Base		Attachment H-26, page 2, line 35, Col.5				25,590,098	
2	100 Basis Point Incentive Return						
						\$	
						Cost	
							Weighted
3	Long Term Debt	(Notes Q & R from Attachment H-26)		\$	%		
4	Preferred Stock	(Notes Q & R from Attachment H-26)					
			Cost = Attachment H-26, page 4, Line 17, Cost plus 100 bp				
5	Common Stock	(Notes Q, R, & T from Attachment H-26)					
6	Total (sum lines 3-5)						
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)} =						
10	CIT=(T/(1-T)) * (1-(WCLTD/R)) =						
11	WCLTD = Line 3						
12	and FIT, SIT & p are as given in Attachment H-26 footnote N.						
13	1 / (1 - T) = (from line 9)						
14	Amortized Investment Tax Credit (266.8f) (enter negative)	Attachment H-26, Page 3, Line 39					
15	Excess Deferred Income Taxes (enter negative)	Attachment H-26, Page 3, Line 40					
16	Tax Effect of Permanent Differences (Note B)	Attachment H-26, Page 3, Line 41					
17	Income Tax Calculation = line 7 * line 10						
18	ITC adjustment (line 13 * line 14)						
19	Excess Deferred Income Tax Adjustment (line 13 * line 15)						
20	Permanent Differences Tax Adjustment (line 13 * 16)						
21	Total Income Taxes (sum lines 17 - 20)						
22	Return and Income Taxes with 100 basis point increase in ROE						
23	Return (Attach. H-26, page 3 line 48 col 5)						
24	Income Tax (Attach. H-26, page 3 line 46 col 5)						
25	Return and Income Taxes without 100 basis point increase in ROE						
26	Incremental Return and Income Taxes for 100 basis point increase in ROE						
27	Rate Base (line 1)						
28	Incremental Return and Income Taxes for 100 basis point increase in ROE divided by Rate Base						

A	<p>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.</p> <p>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.</p>
B	<p>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-26 that are not the result of a timing difference.</p>

Attachment 3
Formula Rate True-Up
Transource West Virginia, LLC

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 trueed 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 Cols. 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.

Line:				Projected True-Up Year Revenue Requirement Calculation		True-Up Year Revenue Received ¹	Actual True-Up Year Revenue Req.	Annual True-Up Calculation			
1	True-Up Year										
2	2018					2,692,399					
	A		B	C	D	E	F	G	H	I	J
	Project Name	PJM Category	Project # Or Other Identifier	Net Revenue Requirement ²	% of Total Revenue Requirement	Allocation of Revenue Received (E, Line 2) x (D)	True-Up Net Revenue Requirement ³	Net Under/(Over) Collection (F)-(E)	True-Up Interest Income (Expense) ⁴	Prior Period Adjustment with Interest ⁵	Total True-Up (G) + (H) + (I)
3	Remaining Attachment H-26			-	0.0%	-	-	-	-	-	-
4a	Thorofare	Schedule 12	b2609.4	2,692,399	100.0%	2,692,399	2,802,909	110,510	11,421	-	121,931
4b				-	0.0%	-	-	-	-	-	-
5	Total Schedule 12			2,692,399		2,692,399	2,802,909	110,510	11,421	-	121,931
6a		Zonal		-	0.0%	-	-	-	-	-	-
6b				-	0.0%	-	-	-	-	-	-
7	Total Zonal			-		-	-	-	-	-	-
8	Other										
9	Total Annual Revenue Requirements			2,692,399	100.0%	2,692,399	2,802,909	110,510	11,421	-	121,931
10								Total Interest on True-Up - Attachment 6		11,421	

Prior Period Adjustment

	A	B
	Prior Period Adjustment (Note 5)	Source
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, line 1 or 3, 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, line 1 or 3, 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 (a)	Gross Plant In Service		CWIP	LHFFU	Working Capital		Accumulated Depreciation	
		Transmission (b)	General & Intangible (c)	CWIP in Rate Base (d)	Held for Future Use (e)	Materials & Supplies (f)	Prepayments (g)	Transmission (h)	General & Intangible (i)
	(Note A)	207.58.g for end of year, records for other months	205.5.g & 207.99.g for end of year, records for other months	Note B - page 2, column C	214.x.c for end of year, records for other months	227.8.c & 227.16.c for end of year, records for other months	111.57.c for end of year, records for other months	219.25.c for end of year, records for other months	219.28.c & 200.21.c for end of year, records for other months
1	December Prior Year	-	-	7,104,129	-	-	12,000	-	-
2	January	-	-	7,686,624	-	-	-	-	-
3	February	-	-	10,521,686	-	-	-	-	-
4	March	-	-	11,691,956	-	-	54,432	-	-
5	April	-	-	13,732,294	-	-	27,665	-	-
6	May	-	-	16,812,296	-	-	24,899	-	-
7	June	-	10,141	21,789,768	-	-	678,162	-	-
8	July	-	26,305	28,351,533	-	-	604,847	-	169
9	August	-	33,817	32,860,529	-	-	543,533	-	607
10	September	-	40,828	34,698,572	-	-	494,218	-	1,171
11	October	-	57,487	40,024,388	-	-	420,903	-	1,852
12	November	-	72,190	46,680,391	-	-	359,589	-	2,810
13	December	-	97,150	53,484,478	-	-	310,274	-	4,013
14	Average of the 13 Monthly Balances	-	25,994	25,033,742	-	-	271,579	-	817

Adjustments to Rate Base

Line No	Month (a)	Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	Account No. 281 Accumulated Deferred Income Taxes (Note E) (d)	Account No. 282 Accumulated Deferred Income Taxes (Note E) (e)	Account No. 283 Accumulated Deferred Income Taxes (Note E) (f)	Account No. 190 Accumulated Deferred Income Taxes (Note E) (g)	Account No. 255 Accumulated Deferred Investment Credit (h)
		Note C	Note D	272.8.b & 273.8.k	274.2.b & 275.2.k	276.9.b & 277.9.k	234.8.b & c	Consistent with 266.8.b & 267.8.h
15	December Prior Year	205,166	-	-	-	-	-	-
16	January	199,467	-	-	-	-	-	-
17	February	193,768	-	-	-	-	-	-
18	March	188,069	-	-	-	-	-	-
19	April	182,369	-	-	-	-	-	-
20	May	176,670	-	-	-	-	-	-
21	June	170,971	-	-	-	-	-	-
22	July	165,272	-	-	-	-	-	-
23	August	159,573	-	-	-	-	-	-
24	September	153,874	-	-	-	-	-	-
25	October	148,175	-	-	-	-	-	-
26	November	142,476	-	-	-	-	-	-
27	December	136,777	-	-	-	-	-	-
28	Average of the 13 Monthly Balances	170,971	-	-	386	31,500	63,414	-

Reconciliation of CWIP in Rate Base to FERC Form 1 - Note B

	Total CWIP (a) 216.b for end of year, records for other months	Less: CWIP and AFUDC Excluded from Rate Base (b) Company records	CWIP Allowed in Rate Base (c) = (a) - (b)
29 December Prior Year	7,104,129	-	7,104,129
30 January	7,653,924	(32,700)	7,686,624
31 February	10,488,986	(32,700)	10,521,686
32 March	11,659,256	(32,700)	11,691,956
33 April	13,699,594	(32,700)	13,732,294
34 May	16,779,596	(32,700)	16,812,296
35 June	21,757,068	(32,700)	21,789,768
36 July	28,318,833	(32,700)	28,351,533
37 August	32,827,829	(32,700)	32,860,529
38 September	34,665,872	(32,700)	34,698,572
39 October	39,991,688	(32,700)	40,024,388
40 November	46,647,691	(32,700)	46,680,391
41 December	53,495,138	10,660	53,484,478
	25,006,893	(26,849)	25,033,742

Unfunded Reserves (Notes A and F and G)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
				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
List of all reserves:		Amount						
42a Reserve 1		-	-	-	-	-	-	-
42b Reserve 2		-	-	-	-	-	-	-
43 Total		-	-	-	-	-	-	-

Notes:

- A Calculate using 13 month average balance, except ADIT which is calculated based on the average of the beginning of the year and the end of the year balances
- 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 ADIT is computed using the average of the beginning of the year and the end of the year balances. Attachments 4a and 4b are used to populate the average ADIT balances on line 28 above. ADIT calculations will be prorated to the extent required by Section 1.167(l)-(h)(6)(ii) of the IRS regulations. Rate Projections and True-ups will use Attachment 4c to calculate the proration adjustment.
- 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 account (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.

Worksheet 4a - ADIT Average Balances
Transource West Virginia, LLC
For the 12 months ended 12/31/2018

Page 1 of 2

I. Account 281 - ADIT - Accelerated Amortization Property

Line No.	(A) <u>Identification</u>	(B) Relevant Year Avg. Balance <u>Worksheet 4b</u>	(C) 100% Non-Transmission <u>Related</u>	(D) 100% Related to Facilities <u>Excluded</u>	(E) 100% Transmission <u>Related</u>	(F) Plant <u>Related</u>	(G) Labor <u>Related</u>	(H) Total Included in Ratebase <u>(E)+(F)+(G)</u>	(I) <u>Description / Justification</u>
1									
2	Net Total Property and Accumulated Depreciation	-	-	-	-	-	-		Accumulated deferred income taxes-Accelerated amortization property.
3	Other	-	-	-	-	-	-		
4		-	-	-	-	-	-		
5		-	-	-	-	-	-		
6		-	-	-	-	-	-		
7		-	-	-	-	-	-		
8		-	-	-	-	-	-		
9		-	-	-	-	-	-		
10		-	-	-	-	-	-		
11		-	-	-	-	-	-		
12		-	-	-	-	-	-		
13		-	-	-	-	-	-		
14		-	-	-	-	-	-		
15		-	-	-	-	-	-		
16		-	-	-	-	-	-		
17		-	-	-	-	-	-		
18		-	-	-	-	-	-		
19		-	-	-	-	-	-		
20		-	-	-	-	-	-		
21		-	-	-	-	-	-		
22		-	-	-	-	-	-		
23		-	-	-	-	-	-		
24	Subtotal - Form 1, Avg. (272.17.b & 273.17.k)	-	-	-	-	-	-		
25	Less FASB 109 Above if not separately removed	-	-	-	-	-	-		
26	Less FASB 106 and Other Excludable Items Above if not separately removed	-	-	-	-	-	-		
27	Less Proration Adjustment (from Worksheet 4c)	-	-	-	-	-	-		
28	Total Company (In 24 - In 25 - In 26 + In 27)	-	-	-	-	-	-		
29	Transmission Allocator [GP or W/S]		0.0000%	0.0000%	100.0000%	100.0000%	100.0000%		
30	Total Transmission (In 28 * In 29)		0	0	0	0	0	0	

II. Account 282 - ADIT - Other Property

Line No.	(A) <u>Identification</u>	(B) Relevant Year Avg. Balance <u>Worksheet 4b</u>	(C) 100% Non-Transmission <u>Related</u>	(D) 100% Related to Facilities <u>Excluded</u>	(E) 100% Transmission <u>Related</u>	(F) Plant <u>Related</u>	(G) Labor <u>Related</u>	(H) Total Included in Ratebase <u>(E)+(F)+(G)</u>	(I) <u>Description / Justification</u>
31	533J Tax Accelerated Amortization-Capitalized Software	303	-	-	-	303	-	303	Related to Capitalized Software Timing Differences
32	960F-XS Excess ADFIT 282.1 - Protected	83	-	-	-	83	-	83	Related to Excess ADIT on Plant Timing Differences
33	960F-XS Excess ADFIT 282.4 - Protected	(83)	-	-	-	(83)	-	(83)	Related to Excess ADIT on Plant Timing Differences
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									
51									
52	Subtotal - Form 1, Avg. (274.9.b & 275.9.k)	303	-	-	-	303	-		
53	Less FASB 109 Above if not separately removed	(83)	-	-	-	(83)	-		Line 33 above
54	Less FASB 106 and Other Excludable Items Above if not separately removed	-	-	-	-	-	-		
55	Less Proration Adjustment (from Worksheet 4c)	-	-	-	-	-	-		
56	Total Company (In 52 - In 53 - In 54 + In 55)	386	-	-	-	386	-		
57	Transmission Allocator [GP or W/S]		0.0000%	0.0000%	100.0000%	100.0000%	100.0000%		
58	Total Transmission (In 56 * In 57)		0	0	0	386	0	386	

III. Account 283 - ADIT - Other

Line No.	(A) Identification	(B) Relevant Year Avg. Balance Worksheet 4b	(C) 100% Non-Transmission Related	(D) 100% Related to Facilities Excluded	(E) 100% Transmission Related	(F) Plant Related	(G) Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)	(I) Description / Justification
59	671S Reg Asset - Pre Construction Costs	35,904	-	-	35,904	-	-	-	Book Deferral Timing Differences
60	911Q-DSIT DSIT Entry-Normalized	2,598	-	-	2,598	-	-	-	Electric operations DSIT
61	960F-XS Excess ADFIT 283.1 - Unprotected	(7,002)	-	-	(7,002)	-	-	-	Related to Excess ADIT on Non-Plant Timing Differences
62	960F-XS Excess ADFIT 283.4 - Unprotected	7,002	-	-	7,002	-	-	-	Related to Excess ADIT on Non-Plant Timing Differences
63									
64									
65									
66									
67									
68									
69									
70									
71									
72									
73									
74									
75									
76									
77									
78									
79									
80									
81									
82									
83									
84	Subtotal - Form 1, Avg. (276.19.b & 277.19.k)	38,502	-	-	38,502	-	-	-	
85	Less FASB 109 Above if not separately removed	7,002	-	-	7,002	-	-	-	Line 62 Above
86	Less FASB 106 and Other Excludable Items Above if not separately removed	-	-	-	-	-	-	-	
87	Less Proration Adjustment (from Worksheet 4c)	-	-	-	-	-	-	-	
88	Total Company (In 84 - In 85 - In 86 + In 87)	31,500	-	-	31,500	-	-	-	
89	Transmission Allocator [GP or W/S]		0.0000%	0.0000%	100.0000%	100.0000%	100.0000%		
90	Total Transmission (In 88 * In 89)		0	0	31,500	0	0	31,500	

IV. Account 190 - ADIT

Line No.	(A) Identification	(B) Relevant Year Avg. Balance Worksheet 4b	(C) 100% Non-Transmission Related	(D) 100% Related to Facilities Excluded	(E) 100% Transmission Related	(F) Plant Related	(G) Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)	(I) Description / Justification
91	520A Provision for Possible Revenue Refunds	59,519	-	-	59,519	-	-	59,519	Revenue Refund Timing Differences
92	612Y Accrued Companywide Incentive Plan	3,350	-	-	-	-	3,350	3,350	Book Accrual Timing Differences
93	911Q-DSIT DSIT Entry-Normalized	546	-	-	546	-	-	546	Electric operations DSIT
94	960F-XS Excess ADFIT 282.4 - Protected	22	-	-	22	-	-	22	Related to Excess ADIT on Plant Timing Differences
95	960F-XS Excess ADFIT 283.4 - Unprotected	(1,861)	-	-	(1,861)	-	-	(1,861)	Related to Excess ADIT on Non-Plant Timing Differences
96									
97									
98									
99									
100									
101									
102									
103									
104									
105									
106									
107									
108									
109									
110									
111									
112									
113									
114									
115	Subtotal - Form 1, Avg. (234.17.b & 234.17.c)	61,575	-	-	58,226	-	3,350		
116	Less FASB 109 Above if not separately removed	(1,839)	-	-	(1,839)	-	-		Lines 94 - 95 Above
117	Less FASB 106 and Other Excludable Items Above if not separately removed	-	-	-	-	-	-		
118	Less Proration Adjustment (from Worksheet 4c)	-	-	-	-	-	-		
119	Total Company (In 115 - In 116 - In 117 + In 118)	63,414	-	-	60,065	-	3,350		
120	Transmission Allocator [GP or W/S]		0.0000%	0.0000%	100.0000%	100.0000%	100.0000%		
121	Total Transmission (In 119 * In 120)		0	0	60,065	0	3,350	63,414	

Worksheet 4b - Beginning & Ending Balances
Transource West Virginia, LLC
For the 12 months ended 12/31/2018

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Line No.	Beginning Balance 2017	Dr. (Cr.)	Ending Balance 2018	AVG Bal to Worksheet 4a
1	<u>Acct 281</u> (a)		(b)	
2				
3				
4	Form 1 p. 272.17.b -		Form 1 p. 273.17.k -	-
5	<u>Acct 282</u>			
6	533J Tax Accelerated Amortization-Capitalized Software 1,141		533J Tax Accelerated Amortization-Capitalized Software (535)	303
7	960F-XS Excess ADFIT 282.1 - Protected 761		960F-XS Excess ADFIT 282.1 - Protected (594)	83
8	960F-XS Excess ADFIT 282.4 - Protected (761)		960F-XS Excess ADFIT 282.4 - Protected 594	(83)
9				
10				
11				
12				
13				
14	Form 1 p. 274.9.b 1,141		Form 1 p. 275.9.k (535)	303
15	<u>Acct 283</u>			
16	671S Reg Asset - Pre Construction Costs 43,085		671S Reg Asset - Pre Construction Costs 28,723	35,904
17	911Q-DSIT DSIT Entry-Normalized 7,375		911Q-DSIT DSIT Entry-Normalized (2,179)	2,598
18	960F-XS Excess ADFIT 283.1 - Unprotected 14,092		960F-XS Excess ADFIT 283.1 - Unprotected (28,096)	(7,002)
19	960F-XS Excess ADFIT 283.4 - Unprotected (14,092)		960F-XS Excess ADFIT 283.4 - Unprotected 28,096	7,002
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36	Form 1 p. 276.19.b 50,460		Form 1 p. 277.19.k 26,544	38,502
37	<u>Acct 190</u>			
38	520A Provision for Possible Revenue Refunds 20,398		520A Provision for Possible Revenue Refunds 98,640	59,519
39	612Y Accrued Companywide Incentive Plan -		612Y Accrued Companywide Incentive Plan 6,699	3,350
40	911Q-DSIT DSIT Entry-Normalized 1,549		911Q-DSIT DSIT Entry-Normalized (458)	546
41	960F-XS Excess ADFIT 282.4 - Protected 202		960F-XS Excess ADFIT 282.4 - Protected (158)	22
42	960F-XS Excess ADFIT 283.4 - Unprotected 3,746		960F-XS Excess ADFIT 283.4 - Unprotected (7,468)	(1,861)
43				
44				
45				
46				
47				
48				
49				
50				
51				
52				
53				
54				
55	Form 1 p. 234.18.b 25,895		Form 1 p. 234.18.c 97,256	61,575

Line No.	2017	Dr. (Cr.)	2018	AVG Bal to Worksheet 4a
56	Acct 254			
57	960F-XS Excess ADFIT 282.4 - Protected	761	960F-XS Excess ADFIT 282.4 - Protected	(594) 83
58	960F-XS Excess ADFIT 283.4 - Unprotected	14,092	960F-XS Excess ADFIT 283.4 - Unprotected	(28,096) (7,002)
59	960F-XS Excess ADFIT 282.4 - Protected Gross-Up	202	960F-XS Excess ADFIT 282.4 - Protected Gross-Up	(158) 22
60	960F-XS Excess ADFIT 283.4 - Unprotected Gross-Up	3,746	960F-XS Excess ADFIT 283.4 - Unprotected Gross-Up	(7,468) (1,861)
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72				
73				
74				
75	Total Acct 254 Grossed Up - Form 1, p. 278.b	18,801	Total Acct 254 Grossed Up - Form 1, p. 278.f	(36,316) (8,758)
76	Acct 182.3			
77				#DIV/0!
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92		-	-	-
93	Acct 182.3 Gross Up	-	Acct 182.3 Gross Up	-
94	Total Acct 182.3 Grossed Up - Form 1, p. 232.b	-	Total Acct 182.3 Grossed Up - Form 1, p. 232.f	-

Note 1: Excess or deficient ADIT balances resulting from corporate income tax rate changes, including future federal, state, and local tax rate changes, are to be recorded to Accounts 254 or 182.3, respectively.

Worksheet 4c - ADIT Proration Adjustment
Transource West Virginia, LLC
For the 12 months ended 12/31/2018

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Account 282

Line
No.

Days in Period					Averaging with Proration		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
Average Balance of Prorated Items							-
January	31	335	365	91.78%	-	-	-
February	28	307	365	84.11%	-	-	-
March	31	276	365	75.62%	-	-	-
April	30	246	365	67.40%	-	-	-
May	31	215	365	58.90%	-	-	-
June	30	185	365	50.68%	-	-	-
July	31	154	365	42.19%	-	-	-
August	31	123	365	33.70%	-	-	-
September	30	93	365	25.48%	-	-	-
October	31	62	365	16.99%	-	-	-
November	30	32	365	8.77%	-	-	-
December	31	1	365	0.27%	-	-	-
Total	365	2,029	4,380		-	-	

19	Ending Balance of Prorated items	(Line 17, & Col H)	-
20	Non-prorated Average Balance		-
21	Proration Adjustment	(Line 19 minus Line 20)	-

Account 283

Line
No.

Days in Period					Averaging with Proration		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							-
January	31	335	365	91.78%	-	-	-
February	28	307	365	84.11%	-	-	-
March	31	276	365	75.62%	-	-	-
April	30	246	365	67.40%	-	-	-
May	31	215	365	58.90%	-	-	-
June	30	185	365	50.68%	-	-	-
July	31	154	365	42.19%	-	-	-
August	31	123	365	33.70%	-	-	-
September	30	93	365	25.48%	-	-	-
October	31	62	365	16.99%	-	-	-
November	30	32	365	8.77%	-	-	-
December	31	1	365	0.27%	-	-	-
Total	365	2,029	4,380		-	-	

40	Ending Balance of Prorated items	(Line 38, & Col H)	-
41	Non-prorated Average Balance		-
42	Proration Adjustment	(Line 40 minus Line 41)	-

Account 190Line
No.

43	Days in Period					Averaging with Proration		
	A	B	C	D	E	F	G	H
44	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
45								
46								
47	December 31st balance Prorated Items							
48	January	31	335	365	91.78%		-	-
49	February	28	307	365	84.11%		-	-
50	March	31	276	365	75.62%		-	-
51	April	30	246	365	67.40%		-	-
52	May	31	215	365	58.90%		-	-
53	June	30	185	365	50.68%		-	-
54	July	31	154	365	42.19%		-	-
55	August	31	123	365	33.70%		-	-
56	September	30	93	365	25.48%		-	-
57	October	31	62	365	16.99%		-	-
58	November	30	32	365	8.77%		-	-
59	December	31	1	365	0.27%		-	-
60	Total	365	2,029	4,380		-	-	

61	Ending Balance of Prorated items	(Line 59, & Col H)	-
62	Non-prorated Average Balance		
63	Proration Adjustment	(Line 61 minus Line 62)	-

Account 281Line
No.

64	Days in Period					Averaging with Proration		
	A	B	C	D	E	F	G	H
65	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
66								
67								
68	December 31st balance Prorated Items							
69	January	31	335	365	91.78%		-	-
70	February	28	307	365	84.11%		-	-
71	March	31	276	365	75.62%		-	-
72	April	30	246	365	67.40%		-	-
73	May	31	215	365	58.90%		-	-
74	June	30	185	365	50.68%		-	-
75	July	31	154	365	42.19%		-	-
76	August	31	123	365	33.70%		-	-
77	September	30	93	365	25.48%		-	-
78	October	31	62	365	16.99%		-	-
79	November	30	32	365	8.77%		-	-
80	December	31	1	365	0.27%		-	-
81	Total	365	2,029	4,380		-	-	

82	Ending Balance of Prorated items	(Line 80, & Col H)	-
83	Non-prorated Average Balance		
84	Proration Adjustment	(Line 82 minus Line 83)	-

Worksheet 4d - (Excess)/Deficient ADIT Amortization (Note 1)
Transource West Virginia, LLC
For the 12 months ended 12/31/2018

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Protected - (Excess) / Deficient ADIT Amortization (Note 2)

Line No.	(a) Identification	(b) Total (Note 1)	(c) 100% Non-Transmission Related	(d) 100% Related to Facilities Excluded	(e) 100% Transmission Related	(f) Plant Related	(g) Labor Related	(h) Total Included in Income Tax Expense (e)+(f)+(g)	(i) Amortization Account 410.1 / 411.1 (Note 1)	(j) Remaining Amortization Period (Note 2)
1	Excess ADIT - Regulatory Tax Liability	-				-		-		ARAM
2	(excludes Gross-up Adjustment)							-		ARAM
3	Deficient ADIT - Regulatory Tax Asset							-		ARAM
4	(excludes Gross-up Adjustment)							-		ARAM
5								-		ARAM
6										
7										
8										
9										
10										
11										
12	Subtotal	-	-	-	-	-	-	-		
13	Transmission Allocator [GP or W/S]		0.0000%	0.0000%	100.0000%	100.0000%	100.0000%			
14	Total (in 12 * In 13)		0	0		0	0	0		

Unprotected - (Excess) / Deficient ADIT Amortization (Note 3)

Line No.	(a) Identification	(b) Total (Note 1)	(c) 100% Non-Transmission Related	(d) 100% Related to Facilities Excluded	(e) 100% Transmission Related	(f) Plant Related	(g) Labor Related	(h) Total Included in Income Tax Expense (e)+(f)+(g)	(i) Amortization Account 410.1 / 411.1 (Note 1)	(j) Remaining Amortization Period (Note 3)
15	2017 TCJA Excess ADIT - Regulatory Tax Liability							-		1 Year
16	(excludes Gross-up Adjustment)							-		
17	2017 TCJA Deficient ADIT - Regulatory Tax Asset							-		1 Year
18	(excludes Gross-up Adjustment)							-		
19								-		
20								-		
21								-		
22								-		
23								-		
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										
43	Subtotal	-	-	-	-	-	-	-		
44	Transmission Allocator [GP or W/S]		0.0000%	0.0000%	100.0000%	100.0000%	100.0000%			
45	Total (in 44 * In 45)		0	0		0	0	0		

Worksheet 4d - (Excess) / Deficient Deferred Taxes - Calculated End of Year Balance

Line No.	(a) Total Company Regulatory Asset/Liability Balances	(b) Beginning of Year Balances Worksheet 4b	(c) Return to Provision Adjustment	(d) Other Adjustments	(e) Current Year EDIT Amortization	(f) End of Year Balance	(g) Notes
47	Protected Plant (Acct 254), before Gross-up (2017 TCJA Rate Change)	761	(1,355)	-	-	(595)	The amortization of TCJA-related Excess and Deficient Protected ADIT balances starts January 1, 2018.
48	Protected Plant (Acct 254), Gross-up Adjustment	202	(360)	-	-	(158)	
49							
50							
51	Unprotected (Acct 254), before Gross-up (2017 TCJA Rate Change)	14,092	(42,188)	-	-	(28,096)	The amortization of TCJA-related Excess and Deficient Unprotected ADIT balances starts January 1, 2020.
52	Unprotected (Acct 254), Gross-up Adjustment	3,746	(11,214)	-	-	(7,468)	
53							
54							
55	Total Regulatory Asset/Liability (sum Ins 47 and 54)	18,801	(55,117)	-	-	(36,317)	

Note 1: Worksheet 4d presents total company amortization for excess / deficient ADIT amounts. The amortization of the excess and deficient ADIT is recorded to accounts 411.1 and 410.1 respectively.

Note 2: The amortization of Tax Cuts and Jobs Act ("TCJA") related Excess and Deficient Protected ADIT balances starts January 1, 2018 over the remaining life of Transource West Virginia LLC's assets consistent the "Average Rate Assumption Method" (ARAM).

Note 3: This amortization of TCJA-related Excess and Deficient Unprotected ADIT balances starts January 1, 2020 using an amortization period of one (1) year. Unprotected amortization is not generally booked or tracked by item. Excess and deficient unprotected amortization primarily relates to the following deferred tax items: Federal & State NOL Carryovers and Regulatory Assets & Liabilities.

Note 4: Further explanatory notes may be provided for future tax rate changes

Worksheet 4e - Tax Remeasurement
Transource West Virginia, LLC
For the 12 months ended 12/31/2018

Reason for Tax Remeasurement:		Tax Cuts and Jobs Act of 2017						
Line No.	(a) <u>Utility Account</u>	(b) <u>Source</u>	(c) Pre-remeasurement <u>Balance</u>	(d) Remeasurement Percentage	(e) Remeasurement Amount <u>(e)=(c)*(d)</u>	(f) 190/283 Reclass <u>(NOTE 2)</u>	(g) Total (Excess)/Deficiency <u>(g)=(e)+(f)</u>	(h) Post-remeasurement Balance <u>(h)=(c)+(f)</u>
1	Account 190							
2	Pre-remeasurement Electric Utility Balance	234.8.b	36,578					
3	Less Deferred SIT	Company Records	-					
4			-					
5			-					
6	190.1	Total including adjustments	36,578	40%	14,631	(14,631)	-	21,947
7	Account 281							
8	Pre-remeasurement Electric Utility Balance	272.8.b	-					
9	Less Deferred SIT	Company Records	-					
10			-					
11			-					
12	282.1 (Enter Negative)	Total including adjustments	-	40%	-	-	-	-
13	Account 282							
14	Pre-remeasurement Electric Utility Balance	274.5.b	1,902					
15	Less Deferred SIT	Company Records	-					
16			-					
17			-					
18	282.1 (Enter Negative)	Total including adjustments	(1,902)	40%	(761)	-	(761)	(1,902)
19	Account 283							
20	Pre-remeasurement Electric Utility Balance	276.9.b	79,183					
21	Less Deferred SIT	Company Records	7,375					
22			-					
23			-					
24	283.1 (Enter Negative)	Total including adjustments	(71,808)	40%	(28,723)	14,631	(14,092)	(57,177)
25	Total		(37,131)		(14,853)	-	(14,853)	(37,131)

Note 1: This sheet only to be used in years which have a change in corporate income tax rates.

Note 2: As part of the remeasurement calculation, the remeasurement ADIT balances in account 1901001 were reclassified to account 2831001 to group nonproperty utility deferrals together as one timing difference.

Note 3: Use blank rows in each account for any additional adjustments needed prior to remeasurement.

Attachment 5
Return on Rate Base Worksheet
Transource West Virginia, LLC

RETURN ON RATE BASE (R)

					\$			
1	Long Term Interest (117, sum of 62.c through 67.c)				333,247			
2	Preferred Dividends (118.29c) (positive number)				-			
3	Proprietary Capital (Line 25 (c))				12,643,680			
4	Less Preferred Stock (line 8)				-			
5	Less Account 216.1 Undistributed Subsidiary Earnings (Line 24(d))				-			
6	Less Account 219 Accum. Other Comprehensive Income (Line 24(e))				-			
7	Common Stock (Sum of Lines 3 through 6)				12,643,680			
					\$	%	Cost	Weighted
8	Long Term Debt	Line 24 (a), Note A and Attachment H-26 Note Q			10,725,256	40.00%	3.08%	1.23% =WCLTD
9	Preferred Stock	Line 24 (b), Note B and Attachment H-26 Note Q			-	0.00%	0.00%	0.00%
10	Common Stock	Line 8, Note C and Attachment H-26 Notes Q and T			12,643,680	60.00%	10.50%	6.30%
11	Total	(Sum of Lines 8 through 10)			23,368,936			7.53% =R

		(a)	(b)	(c)	(d)	(e)
		Long Term Debt (112.24.c)	Preferred Stock (112.3.c)	Proprietary Capital (112.16.c)	Undistributed Sub Earnings 216.1 (112.12.c)	Accum Other Comp. Income 219 (112.15.c)
12	December (prior year)	4,956,025	-	2,991,857	-	-
13	January	6,956,025	-	3,108,647	-	-
14	February	7,456,025	-	4,215,043	-	-
15	March	7,456,025	-	4,333,528	-	-
16	April	9,256,025	-	6,453,426	-	-
17	May	9,256,025	-	9,500,245	-	-
18	June	11,756,025	-	9,583,541	-	-
19	July	11,756,025	-	13,763,603	-	-
20	August	11,756,025	-	18,270,843	-	-
21	September	11,756,025	-	20,118,692	-	-
22	October	14,456,025	-	20,215,158	-	-
23	November	15,656,025	-	23,330,738	-	-
24	December	16,956,025	-	28,482,521	-	-
25	13 Month Average	10,725,256	-	12,643,680	-	-

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

Attachment 6
Interest on True-Up
Transource West Virginia, LLC

2018		2018		Over (Under) Recovery
Projected Revenue Requirement (Note A)		Actual Net Revenue Requirement (Note B)		
\$2,692,399	Less	\$2,802,909	Equals	(\$110,510)

Note A - Projected ATRR for the true-up year from Page 1, Line 1 of Projection Attachment H-26 minus Line 6 of Projection Attachment H-26.

Note B - Actual Net ATRR for the true-up year from Page 1, Line 9 of True-Up Attachment H-26.

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
		0.400%				
An over or under collection will be recovered prorata over year collected, held for one year and returned prorata over next year						
<u>Calculation of Interest</u>				Monthly		
January	Year 2018	(9,209.17)	0.400%	12	441.77	9,650.94
February	Year 2018	(9,209.17)	0.400%	11	404.96	9,614.13
March	Year 2018	(9,209.17)	0.400%	10	368.14	9,577.32
April	Year 2018	(9,209.17)	0.400%	9	331.33	9,540.50
May	Year 2018	(9,209.17)	0.400%	8	294.51	9,503.69
June	Year 2018	(9,209.17)	0.400%	7	257.70	9,466.87
July	Year 2018	(9,209.17)	0.400%	6	220.88	9,430.06
August	Year 2018	(9,209.17)	0.400%	5	184.07	9,393.25
September	Year 2018	(9,209.17)	0.400%	4	147.26	9,356.43
October	Year 2018	(9,209.17)	0.400%	3	110.44	9,319.62
November	Year 2018	(9,209.17)	0.400%	2	73.63	9,282.80
December	Year 2018	(9,209.17)	0.400%	1	36.81	9,245.99
					2,871.50	113,381.60
January through December				Annual		
	Year 2019	113,381.60	0.400%	12	5,439	118,821
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2020	(118,820.58)	0.400%		474.99	109,134.69
February	Year 2020	(109,134.69)	0.400%		436.27	99,410.08
March	Year 2020	(99,410.08)	0.400%		397.40	89,646.59
April	Year 2020	(89,646.59)	0.400%		358.37	79,844.07
May	Year 2020	(79,844.07)	0.400%		319.18	70,002.37
June	Year 2020	(70,002.37)	0.400%		279.84	60,121.32
July	Year 2020	(60,121.32)	0.400%		240.34	50,200.78
August	Year 2020	(50,200.78)	0.400%		200.68	40,240.57
September	Year 2020	(40,240.57)	0.400%		160.86	30,240.55
October	Year 2020	(30,240.55)	0.400%		120.89	20,200.56
November	Year 2020	(20,200.56)	0.400%		80.75	10,120.43
December	Year 2020	(10,120.43)	0.400%		40.46	0.00
					3,110.02	
Total Amount of True-Up Adjustment				\$	121,931	
Less Over (Under) Recovery				\$	(110,510)	
Total Interest				\$	11,421	

Attachment 6a
True-Up Interest Rate Calculation
Transource West Virginia, LLC

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	4.25%
2	Rate Year February	4.25%
3	Rate Year March	4.25%
4	Rate Year April	4.47%
5	Rate Year May	4.47%
6	Rate Year June	4.47%
7	Rate Year July	4.69%
8	Rate Year August	4.69%
9	Rate Year September	4.69%
10	Rate Year October	4.96%
11	Rate Year November	4.96%
12	Rate Year December	4.96%
13	Rate Year Plus 1 January	5.18%
14	Rate Year Plus 1 February	5.18%
15	Rate Year Plus 1 March	5.18%
16	Rate Year Plus 1 April	5.45%
17	Rate Year Plus 1 May	5.45%
18	Average rate	4.80%
19	Monthly Average rate	0.40%

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
Post-Employment Benefits Other than Pensions (PBOP)
Transource West Virginia, LLC

Calculation of PBOP Expenses

Line No.			AEP (a)	KCP&L (b)	Total (c) = (a+b)
			Year Ended December 31, 2014	Year Ended December 31, 2014	
1					
2	Total PBOP expenses, corporate parent companies	Note A	-\$76,811,513	\$9,446,530	
3	Amount relating to retired personnel	Note A	-\$44,124,792	\$3,889,136	
4	Amount allocated on Labor	Line 2 less line 3	-\$32,686,721	\$5,557,394	
5	Labor dollars	Note B	\$1,300,120,729	\$182,771,659	
6	Cost per labor dollar	Line 4 divided by line 5	-\$0.025	\$0.030	
7	Labor (labor not capitalized) current year	Note C	\$971,562	\$82	
8	PBOP Expense Allowed for current year	Line 6 times line 7	(24,426)	2	(24,424)
9					
10	Actual PBOP in Company's O&M and A&G expense accounts in Form No. 1				-

Notes

- A Amounts on lines 2-3 reflect data from the 2014 actuarial reports for AEP and KCP&L. These values cannot change absent approval or acceptance by FERC in a separate proceeding.
- B Amounts on line 5 is the actual AEP straight-time labor, loaded for non-productive load, and KCP&L labor booked to O&M and A&G and included in the Form No. 1 on page 354.28.b less labor dollars associated with the Wolf Creek Nuclear Facility.
- C The labor in line 7 is the total labor charged by an AEP affiliate or KCP&L affiliate to Transource West Virginia in the year.

Attachment 8
Cost of Debt Prior to Issuing Non-Construction Financing
Transource West Virginia, LLC

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-26.

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)	#DIV/0!
2	Rate Year Debt Fee expense - Line 35 (e)	#DIV/0!
3	Total Cost of Debt	#DIV/0!
Interest Rate Information		
4	Commitment Fee Rate (%)	
5	Projected Average Drawn Rate for Rate Year (%) - Note A	0.00%

Month During Rate Year		Total Loan Amount	Principal Drawn (\$000)	Unutilized Loan Balance (\$000)	Commitment Fee & Utilization Fee (\$000)	Interest Expense (\$000)	Effective Annual Interest Rate (%)
(a)		(b)	(c)	(d)	(e)	(f)	(g)
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		-		-	-	#DIV/0!

Example Fee Calculation - All amounts represent actual rate year expenses.

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	
					Rate Year Amortized Fee Amount, col. b / col. d	Prior Years Accumulated Fee Amortization	Unamortized Balance - End of Rate Year	
20	Origination Fees	Rates/Fees	Gross Fee Amount	Year Fee Incurred	Fee Amortization period (years)			
21	Underwriting Discount					#DIV/0!	-	#DIV/0!
22	Arrangement Fee					#DIV/0!	-	#DIV/0!
23	Upfront Fee					#DIV/0!	-	#DIV/0!
24	Rating Agency Fee					#DIV/0!	-	#DIV/0!
25	Legal Fees					#DIV/0!	-	#DIV/0!
26	Other					#DIV/0!	-	#DIV/0!
27	Total Issuance Expense / Origination Fees		-			#DIV/0!	-	#DIV/0!
28	Annual Fees							
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		-			#DIV/0!	-	#DIV/0!
34	13 Month Average Debt balance - Line 19 (c)					-		
35	Rate Year cost of fees					#DIV/0!		
36	Proxy Debt rate. Used prior to issuance of construction financing and supported in initial section 205 filing.			3.72%				

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	0.00%
Spread	0.00%
Total	0.00%

Attachment 9
True-up - Construction Financing Cost of Debt
Transource West Virginia, LLC

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-26.

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)	333,247
2	Line of Credit Fees (68.c)	(3,254)
3	Total Interest and Fees	329,993

13 Month Average Long-Term Debt - Note A

Month During Rate Year		Long Term Debt
(a)		(d)
4	December Prior Year	4,956,025
5	January	6,956,025
6	February	7,456,025
7	March	7,456,025
8	April	9,256,025
9	May	9,256,025
10	June	11,756,025
11	July	11,756,025
12	August	11,756,025
13	September	11,756,025
14	October	14,456,025
15	November	15,656,025
16	December	16,956,025
17	Average of the 13 Monthly Balances	10,725,256

18	True-Up Cost of Debt (Line 3 / Line 17)	3.08%
----	---	-------

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.

Attachment 10
Depreciation Rates
Transource West Virginia, LLC

**INITIAL PROPOSED TRANSMISSION AND GENERAL PLANT DEPRECIATION RATES
CALCULATED FROM APPALACHIAN POWER COMPANY (WEST VIRGINIA) MORTALITY CHARACTERISTICS
FROM CASE NO. 14-1151-E-D (NOTE A)**

		Average Service Life (Years)	Iowa Curve	Salvage Factor	Cost of Removal Factor	Net Salvage Factor	Calculated Initial Annual Depreciation Rates (Note B)
<u>TRANSMISSION PLANT</u>							
351.0	Energy Storage Equipment	15	SQ	5%	5%	0%	6.67%
352.0	Structures & Improvements	62	R4.0	5%	15%	-10%	1.77%
353.0	Station Equipment	45	R1.5	28%	13%	15%	1.89%
354.0	Towers & Fixtures	68	R3.0	25%	35%	-10%	1.62%
355.0	Poles & Fixtures	42	R0.5	5%	20%	-15%	2.74%
356.0	OH Cond. & Devices	64	R3.0	30%	18%	12%	1.38%
357.0	Underground Conduit	50	R2.0	0%	0%	0%	2.00%
358.0	Underground Conductor and Devices	20	L4.0	0%	0%	0%	5.00%
<u>GENERAL PLANT</u>							
390.0	Structures & Improvements	42	SQ	36%	11%	25%	1.79%
391.0	Office Furniture & Equipment	30	SQ	0%	0%	0%	3.33%
392.0	Transportation Equipment	27	SQ	0%	0%	0%	3.70%
393.0	Stores Equipment	55	SQ	0%	0%	0%	1.82%
394.0	Tools Shop & Garage Equipment	43	SQ	0%	10%	-10%	2.56%
395.0	Laboratory Equipment	37	SQ	0%	0%	0%	2.70%
396.0	Power Operated Equipment	25	SQ	0%	0%	0%	4.00%
397.0	Communication Equipment	24	SQ	0%	1%	-1%	4.21%
398.0	Miscellaneous Equipment	35	SQ	0%	0%	0%	2.86%
<u>INTANGIBLE PLANT</u>							
303	Miscellaneous Intangible Plant	5					20.00%

Notes

- A The transmission and general plant depreciation rates proposed by Transource West Virginia were determined using the same depreciation study utilized by Appalachian Power to develop transmission and general plant depreciation rates that were approved by the Public Service Commission of West Virginia in their order in Case Nos. 14-1152-E-42T and 14-1151-E-D on May 26, 2015.
- B These depreciation rates will not be changed absent a FERC order.

Attachment 11
Prior Period Adjustments
Transource West Virginia, LLC

			(a)	(b)
			Revenue	Calendar Year
Line			Impact of	Revenue
<u>No.</u>	<u>Description</u>	<u>Source</u>	<u>Correction</u>	<u>Requirement</u>
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		
15	Number of Months of Interest	Note B		30
16	Interest on Correction	Line 12 x 14 x 15		-
17				
18	Total Annual Refunds Due 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.

Attachment 12
Revenue Credit Detail
Transource West Virginia, LLC

Line No.	(Note 1)		(a)	(b)	(c) = (a)- (b)
		Source	Company Total	Less: Non Transmission	Transmission- related
1	Account 454 - Rent from Electric Property				
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	Account 454 Revenue Credit	Form 1 300.19.b	-	-	-
9	Account 456.1 Other Operating Revenues				
10	PJM NITS	Company books	-	-	-
11	PJM Point to Point	Company books	-	-	-
12	Over/Under recovery deferral	Company books	306,410	-	306,410
13	Other PJM revenues	Company books	2,692,399	-	2,692,399
14	Other	Company books	-	-	-
15	Total Per Books	Form 1 330.n	2,998,809	-	2,998,809
16	Less: revenues received pursuant to this Formula Rate		2,692,399		2,692,399
17	Less: Over/Under recovery deferral		306,410		306,410
18	Account 456.1 Revenue Credit	(Line 15 - line 16)	-	-	-
19	Total Revenue Credits	(Line 8 + line 18)	-	-	-

Note 1 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. Revenues that are not derived from PJM rates which are based on this transmission formula rate will be included as a revenue credit.

ATTACHMENT B

Revised Attachment H-26 Tariff Sheets Clean

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

For the 12 months ended
12/31/

Line No.	(1)	(2)	(3)	(4)	(5)
		Source			Allocated Amount
1	GROSS REVENUE REQUIREMENT, without incentives	(page 3, line 49)			\$ -
	REVENUE CREDITS	(Note A)	Total	Allocator	
2	Account No. 454	(page 4, line 20)	-	TP 1.0000	-
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)	-		-
7	Prior Period Adjustments	Attachment 11	-	DA 1.0000	-
8	True-up Adjustment with Interest	Attachment 3, line 4, Col. G+H	-	DA 1.0000	-
9	NET ANNUAL TRANSMISSION REVENUE REQUIREMENT	(Line 1 less line 6 plus lines 7 and 8)			\$ -
Rate Calculations					
A.	Network Service (NITS)	Source			
10	Current Year Annual Transmission Revenue Requirement, including true-up	Line 9	-		
11	Less: Revenue Requirements Included in Line 10 For Schedule 12 Projects	Attachment 1, line 2, Col. 16	-		
12	Zonal ATRR Without Incentives	(Line 10 - line 11)	-		
13	Incremental Approved Incentives for non-Schedule 12 projects	Attachment 1, line 4, Col. 12	-		
14	Zonal ATRR With Incentives	(Line 12 + line 13)	-		
B.	Point-to-Point Service				
15	Year XXXX AEP East Zone Network Service Peak Load (1 CP)"				
16	<i>Line 15 is provided from PJM records</i>				
17	Annual Point-to-Point Rate in \$/MW - Year	(Line 14 / line 15)	\$-		
18	Monthly Point-to-Point Rate in \$/MW - Month	(Line 17 / 12)	\$-		
19	Weekly Point-to-Point Rate in \$/MW - Weekly	(Line 17 / 52)	\$-		
20	Daily On-Peak Point-to-Point Rate in \$/MW - Day	(Line 17 / 260)	\$-		
21	Daily Off-Peak Point-to-Point Rate in \$/MW - Day	(Line 17 / 365)	\$-		
22	Hourly On-Peak Point-to-Point Rate in \$/MW - Hour	(Line 17 / 4160)	\$-		
23	Hourly Off-Peak Point-to-Point Rate in \$/MW - Hour	(Line 17 / 8760)	\$-		
C.	PJM Regional Service				
24	Schedule 12 ATRR Without Incentives	Attachment 1, line 2, Col. 16 less line 12	-		
25	FERC Approved Incentives on Schedule 12 projects	Attachment 1, line 2, Col. 12	-		
26	Schedule 12 Revenue Requirement	(Line 24 + line 25)	-		

For the 12 months ended
12/31/____

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

	(1)	(2)	(3)	(4)	(5)
					Transmission
Line No.	RATE BASE: (Note R)	Source	Company Total	Alloca tor	(Col 3 times Col 4)
	GROSS PLANT IN SERVICE	Note C			
1	Production	205.46.g for end of year, records for other months	-	NA	-
2	Transmission	Attachment 4, Line 14, Col. (b)	-	TP	1.0000
3	Distribution	207.75.g for end of year, records for other months	-	NA	-
4	General & Intangible	Attachment 4, Line 14, Col. (c)	-	W/S	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	-	NA	-
8	Transmission	Attachment 4, Line 14, Col. (h)	-	TP	1.0000
9	Distribution	219.26.c for end of year, records for other months	-	NA	-
10	General & Intangible	Attachment 4, Line 14, Col. (i)	-	W/S	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 line 5 - line 11)	-	NP=	1.0000
18	ADJUSTMENTS TO RATE BASE				
19	Account No. 281 (enter negative)	Attachment 4 and 4a (Note D)	-	NA	zero
20	Account No. 282 (enter negative)	Attachment 4 and 4a (Note D)	-	NP	1.0000
21	Account No. 283 (enter negative)	Attachment 4 and 4a (Note D)	-	NP	1.0000
22	Account No. 190	Attachment 4 and 4a (Note D)	-	NP	1.0000
23	Account No. 255 (enter negative)	Attachment 4, Line 28, Col. (h) (Note D)	-	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 line 19 - line 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 line 31 - line 33)	-		-
35	RATE BASE	(Sum of line 17, 28, 29, 34)	-		-

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

For the 12 months ended 12/31/____

Line No.	(1)	(2) Source	(3) Company Total	Allocator	(4)	(5) Transmission (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	-	W/S	1.0000	-
5	Less FERC Annual Fees	350.h (Note I)	-	W/S	1.0000	-
6	Less EPRI Dues	Note J	-	W/S	1.0000	-
7	Less Reg. Commission Expense Account 928	Note J	-	W/S	1.0000	-
8	Less: Non-safety Advertising account 930.1	Note J	-	W/S	1.0000	-
9	Less Actual PBOP Expense in Year	Attachment 7, Line 10, Col. (c)	-	W/S	1.0000	-
10	Plus Transmission Related Reg. Comm. Exp.	Note K	-	TP	1.0000	-
11	Plus PBOP Expense Allowed Amount	Attachment 7, Line 6, Col. (c)	-	W/S	1.0000	-
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 line 14 - line 15)" Ties to 321.97b	-			-
17	TOTAL O&M	(Sum of Lines 1, 4, 10, 11, 12, 16 less Lines 2, 3, 5-9)	-			-
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	-	W/S	1.0000	-
21	Amortization of Abandoned Plant	Note F	-	DA	1.0000	-
22	TOTAL DEPRECIATION	(Sum of line 19 - line 21)	-			-
23	TAXES OTHER THAN INCOME TAXES (Note M)					
24	LABOR RELATED					
25	Payroll	263.i	-	W/S	1.0000	-
26	Highway and vehicle	263.i	-	W/S	1.0000	-
27	PLANT RELATED					
28	Property	263.i	-	GP	1.0000	-
29	Gross Receipts	263.i	-	NA	zero	-
30	Other	263.i	-	GP	1.0000	-
31	Payments in lieu of taxes	263.i	-	GP	1.0000	-
32	TOTAL OTHER TAXES	(Sum of line 25 - line 31)	-			-
33	INCOME TAXES (Note N)	Note N				
34	$T=1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * p)\} * (1 - \text{TEP})$		-			
35	$\text{CIT}=(T/1-T) * (1-(\text{WCLTD}/R)) =$	$\text{WCLTD} = \text{Page 4, Line 15, } R = \text{Page 4, Line 18}$	-			
36	FIT \& SIT \& P					
37						
38	$1 / (1 - T) =$ (from line 34)	$1 / (1 - T), T$ from Line 34	-			
39	Amortized Investment Tax Credit	266.8f (enter negative)	-			
40	Excess / (Deficient) Deferred Income Taxes	Attachment 4d, Line 14 & line 46, Col (h)	-			
41	Tax Effect of Permanent Differences	Note O	-			
42	Income Tax Calculation	(Line 35 times Line 48)	-	NA		-
43	ITC adjustment	(Line 38 times Line 39)	-	NP	1.00000	-
44	Excess / (Deficient) Deferred Income Tax Adjustment	(Line 38 times Line 40)	-	NP	1.00000	-
45	Permanent Differences Tax Adjustment	(Line 38 times Line 41)	-	NP	1.00000	-
46	Total Income Taxes	(Sum of line 42 - line 45)	-			-
47	RETURN					
48	Rate Base times Return	(Page 2, line 35 times Page 4, Line 18)	-	NA		-
49	GROSS REVENUE REQUIREMENT	(Sum of line 17,22, 32, 46, 48)	-			-

For the 12 months ended
12/31/____

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

	(1)	(2)	(3)	(4)	(5)	
SUPPORTING CALCULATIONS AND NOTES						
Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES					
1	Total Transmission plant	(Page 2, Line 2, Column 3)			-	
2	Less Transmission plant excluded from ISO rates	(Note P)			-	
	Less Transmission plant included in OATT				-	
3	Ancillary Service rates	(Note S)			-	
4	Transmission plant included in ISO rates	(Line 1 minus Lines 2 & 3)			-	
5	Percentage of Transmission plant included in ISO Rates	(Line 4 divided by Line 1) (If line 1 is zero, enter 1)		TP =	1.0000	
6	WAGES & SALARY ALLOCATOR (W&S)					
		Form 1 Reference	\$	TP	Allocation	
7	Production	354.20.b	-	-	-	
8	Transmission	354.21.b	-	1.0000	-	
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 line 7 - line 10)	-	-	=	1.00000 = WS
12	RETURN (R)				\$	
13						
14			\$	%	Cost	Weighted
15	Long Term Debt	Attachment 5, (Notes Q & R)	-	-%	-%	-%
16	Preferred Stock (112.3.c)	Attachment 5, (Notes Q & R)	-	-%	-%	-%
17	Common Stock	Attachment 5, (Notes Q, R, and T)	-	-%	10.50%	-%
						=
18	Total	(Sum of line 15 - line 17)	-		-%	R
19	REVENUE CREDITS					
	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	Attachment 12, line 8 (Note U)			-	
20						
	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	Attachment 12, line 18 (Note A)			-	
21						

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

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 directly from the ISO for service under this tariff reflecting the Transmission Owner's integrated transmission facilities. 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 Balances in Accounts 190, 281, 282 and 283 classified in the FERC Form 1 as Electric-related, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. 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. 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 equal to the AFUDC rate will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.
- 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 15, column 5 minus amortization of Regulatory Asset at page 3, line 12, 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 I, 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 on the FERC Form 1 page 350 will be obtained from Company books and records.
- J Page 3, Line 6 - Subtract all EPRI 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.
- 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, gross receipts, 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 263 upon which each item is identified. To the extent individual types of taxes are separately identified on the FERC Form 1 page 263, column I, 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 on the FERC Form 1 page 263 will be obtained from Company books and records.
- N The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes" and TEP = "the tax exempt ownership interest". 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 developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26). Excess Deferred Income Taxes reduce income tax expense by the amount of the expense multiplied by (T/1-T).
- | | | | |
|------------------|-------|----|---|
| Inputs Required: | FIT= | -% | (Federal Income Tax Rate) |
| | SIT= | -% | (State Income Tax Rate or Composite SIT) |
| | p = | -% | (percent of federal income tax deductible for state purposes) |
| | TEP = | -% | (percent of the tax exempt ownership) |
- O 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-26 that are not the result of a timing difference.
- 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 true-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.
- A hypothetical capital structure of 60% Equity and 40% debt will be used until the first transmission asset is placed in service, or until otherwise authorized by the Commission.
- R Calculate rate base using 13 month average balance, except ADIT which is calculated based on the average of the beginning of the year and the end of the year balances.
- 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 ROE will be supported in the original Section 205 filing and no change in ROE may be made absent a filing with FERC.
- 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.

Attachment 1
Project Revenue Requirement Worksheet
Transource West Virginia, LLC

To be completed in conjunction with Attachment H-26.

Line No.	(1)	(2) Attachment H-26 Page, Line, Col.	(3) Transmission	(4) Allocator
1	Gross Transmission Plant plus CWIP	Attach H-26, p 2, line 2 col 5 plus line 25 col 5 (Note A)	-	
2	Net Transmission Plant plus CWIP and Abandoned Plant	Attach H-26, 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-26, p 3, line 17 col 5	-	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	-%	-%
	GENERAL AND INTANGIBLE (G & I) DEPRECIATION EXPENSE			
5	Total G & I Depreciation Expense	Attach H-26, p 3, line 20, col 5 (Note C)	-	
6	Annual Allocation Factor for G & I Depreciation Expense	(line 5 divided by line 1 col 3)	-%	-%
	TAXES OTHER THAN INCOME TAXES			
7	Total Other Taxes	Attach H-26, p 3, line 32 col 5	-	
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1 col 3)	-%	-%
9	Less Revenue Credits	Attach H-26, p 1, line 6 col 5	-	
10	Annual Allocation Factor for Revenue Credits	(line 9 divided by line 1 col 3)	-%	-%
11	Annual Allocation Factor for Expense	Sum of line 4, 6, 8, and 10		-%
	INCOME TAXES			
12	Total Income Taxes	Attach H-26, p 3, line 46 col 5	-	
13	Annual Allocation Factor for Income Taxes	(line 12 divided by line 2 col 3)	-%	-%
	RETURN			
14	Return on Rate Base	Attach H-26, p 3, line 48 col 5	-	
15	Annual Allocation Factor for Return on Rate Base	(line 14 divided by line 2 col 3)	-%	-%
16	Annual Allocation Factor for Return	Sum of line 13 and 15	-%	-%

Attachment 1
Project Revenue Requirement Worksheet
Transource West Virginia, LLC

This worksheet is used to compute project specific revenue requirements for any projects for which such calculation is required by PJM. This will generally include projects with specific incentives or competitive concessions, or projects with cost allocation outside of the AEP Zone. Projects will be listed as either Schedule 12, Zonal, or other category defined by PJM. Other projects which comprise the remaining revenue requirement on Attachment H-26 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.

(1)			(2)		(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Project Name	PJM Category	RTEP Project Number Or Other Identifier	Project Gross Plant	Annual Allocation Factor for Expense	Annual Expense Charge	Project Net Plant	Annual Allocation Factor for Return	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	Schedule 12	AAAA	-	-	-	\$ -	-	-	
1b	Project B	Schedule 12	BBBB	-	-	-	\$ -	-	-	
2	Total Schedule 12			-		-	\$ -		-	
3a	Project C	Zonal	CCCC	-	-	-	\$ -	-	-	
3b	Project D	Zonal	DDDD	-	-	-	\$ -	-	-	
4	Total Zonal			-		-	\$ -		-	
5	Other									
6	Annual Totals			-		-	-		-	

Notes

- A Gross Transmission Plant is that identified on page 2 line 2 of Attachment H-26 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-26 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-26, page 3, line 19, plus amortization of Abandoned Plant at Attachment H-26, page 3, line 21.
- G Requires approval by FERC of incentive return applicable to the specified project(s).
- 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.

Attachment 1
Project Revenue Requirement Worksheet
Transource West Virginia, LLC

(9)		(10)	(11)	(12)	(12a)	(13)	(14)	(15)	(16)
Line No.	Project Depreciation/Amortization Expense	Annual Revenue Requirement	Incentive Return in Basis Points	Incentive Return	Ceiling Rate	Competitive Concession	Total Annual Revenue Requirement	True-Up Adjustment	Net Revenue Requirement
(Note F)		(Sum Col. 5, 8 & 9)	(Note G)	(Attachment 2, Line 28 Incentive Return * Col. 6)	(Sum Col. 10 & 12)	(Note H)	(Sum Col. 10 & 12 Less Col. 13)	(Note I)	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-26 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-26 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-26, page 3, line 19, plus amortization of Abandoned Plant at Attachment H-26, page 3, line 21.
- G Requires approval by FERC of incentive return applicable to the specified project(s).
- 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.

Attachment 2
Incentive ROE
Transource West Virginia, LLC

Rate Base		Attachment H-26, page 2, line 35, Col.5						
1	Rate Base							
2	100 Basis Point Incentive Return							
3	Long Term Debt	(Notes Q & R from Attachment H-26)						
4	Preferred Stock	(Notes Q & R from Attachment H-26)						
5	Common Stock	(Notes Q, R, & T from Attachment H-26)						
6	Total (sum lines 3-5)							
7	100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 6)							
8	INCOME TAXES							
9	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$							
10	$CIT = (T / (1 - T)) * (1 - (WCLTD / R)) =$							
11	WCLTD = Line 3							
12	and FIT, SIT & p are as given in Attachment H-26 footnote N.							
13	$1 / (1 - T) =$ (from line 9)							
14	Amortized Investment Tax Credit (266.8f) (enter negative)	Attachment H-26, Page 3, Line 39						
15	Excess Deferred Income Taxes (enter negative)	Attachment H-26, Page 3, Line 40						
16	Tax Effect of Permanent Differences (Note B)	Attachment H-26, Page 3, Line 41						
17	Income Tax Calculation = line 7 * line 10							
18	ITC adjustment (line 13 * line 14)							
19	Excess Deferred Income Tax Adjustment (line 13 * line 15)							
20	Permanent Differences Tax Adjustment (line 13 * 16)							
21	Total Income Taxes (sum lines 17 - 20)							
22	Return and Income Taxes with 100 basis point increase in ROE							
23	Return (Attach. H-26, page 3 line 48 col 5)							
24	Income Tax (Attach. H-26, page 3 line 46 col 5)							
25	Return and Income Taxes without 100 basis point increase in ROE							
26	Incremental Return and Income Taxes for 100 basis point increase in ROE							
27	Rate Base (line 1)							
28	Incremental Return and Income Taxes for 100 basis point increase in ROE divided by Rate Base							

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. |
| 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-26 that are not the result of a timing difference. |

Attachment 3
Formula Rate True-Up
Transource West Virginia, LLC

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 trueed 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 Cols. 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.

Line:				Projected True-Up Year Revenue Requirement Calculation		True-Up Year Revenue Received ¹	Actual True-Up Year Revenue Req.	Annual True-Up Calculation			
1	True-Up Year										
2											
	A		B	C	D	E	F	G	H	I	J
			Project #		% of Total	Allocation of Revenue	True-Up	Net	True-Up Interest	Prior Period Adjustment with	Total True-Up
			Or Other	Net Revenue	Revenue	Received	Net Revenue	Under/(Over) Collection (F)-(E)	Income	Interest ⁵	(G) + (H) + (I)
	Project Name	PJM Category	Identifier	Requirement ²	Requirement	(E, Line 2) x (D)	Requirement ³		(Expense) ⁴		
3	Remaining Attachment H-26			-	-%	-	-	-	-	-	-
4a	Project A	Schedule 12	AAAA	-	-%	-	-	-	-	-	-
4b	Project B	Schedule 12	BBBB	-	-%	-	-	-	-	-	-
5	Total Schedule 12			-		-	-	-	-	-	-
6a	Project C	Zonal	CCCC	-	-%	-	-	-	-	-	-
6b	Project D	Zonal	DDDD	-	-%	-	-	-	-	-	-
7	Total Zonal			-		-	-	-	-	-	-
8	Other										
9	Total Annual Revenue Requirements			-	-%	-	-	-	-	-	-

10 Total Interest on True-Up - Attachment 6 -

Prior Period Adjustment

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

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, line 1 or 3, 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, line 1 or 3, 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 (a)	Gross Plant In Service		CWIP	LHFFU	Working Capital		Accumulated Depreciation	
		Transmission (b)	General & Intangible (c)	CWIP in Rate Base (d)	Held for Future Use (e)	Materials & Supplies (f)	Prepayments (g)	Transmission (h)	General & Intangible (i)
	(Note A)	207.58.g for end of year, records for other months	205.5.g & 207.99.g for end of year, records for other months	Note B - page 2, column C	214.c for end of year, records for other months	227.8.c & 227.16.c for end of year, records for other months	111.57.c for end of year, records for other months	219.25.c for end of year, records for other months	219.28.c & 200.21.c for end of year, records for other months
1	December Prior Year								
2	January								
3	February								
4	March								
5	April								
6	May								
7	June								
8	July								
9	August								
10	September								
11	October								
12	November								
13	December								
14	Average of the 13 Monthly Balances	-	-	-	-	-	-	-	-

Line No	Month (a)	Adjustments to Rate Base						
		Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	Account No. 281 Accumulated Deferred Income Taxes (Note E) (d)	Account No. 282 Accumulated Deferred Income Taxes (Note E) (e)	Account No. 283 Accumulated Deferred Income Taxes (Note E) (f)	Account No. 190 Accumulated Deferred Income Taxes (Note E) (g)	Account No. 255 Accumulated Deferred Investment Credit (h)
	(Note A)	Note C	Note D	272.8.b & 273.8.k	274.2.b & 275.2.k	276.9.b & 277.9.k	234.8.b & c	Consistent with 266.8.b & 267.8.h
15	December Prior Year							
16	January							
17	February							
18	March							
19	April							
20	May							
21	June							
22	July							
23	August							
24	September							
25	October							
26	November							
27	December							
28	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

Reconciliation of CWIP in Rate Base to FERC Form 1 - Note B

		Total CWIP (a) 216.b for end of year, records for other months	Less: CWIP and AFUDC Excluded from Rate Base (b) Company records	CWIP Allowed in Rate Base (c) = (a) - (b)
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			-
		-	-	-

Unfunded Reserves (Notes A and F and G)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
				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	List of all reserves:		Amount					
42a	Reserve 1	-	-	-	-	-	-	-
42b	Reserve 2	-	-	-	-	-	-	-
43	Total	-	-	-	-	-	-	-

Notes:

- A Calculate using 13 month average balance, except ADIT which is calculated based on the average of the beginning of the year and the end of the year balances
- 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 ADIT is computed using the average of the beginning of the year and the end of the year balances. Attachments 4a and 4b are used to populate the average ADIT balances on line 28 above. ADIT calculations will be prorated to the extent required by Section 1.167(l)-1(h)(6)(ii) of the IRS regulations. Rate Projections and True-ups will use Attachment 4c to calculate the proration adjustment.
- 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 account (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.

Worksheet 4a - ADIT Average Balances
Transource West Virginia, LLC
For the 12 months ended 12/31/_____

I. Account 281 - ADIT - Accelerated Amortization Property

Line No.	(A) Identification	(B) Relevant Year Avg. Balance Worksheet 4b	(C) 100% Non-Transmission Related	(D) 100% Related to Facilities Excluded	(E) 100% Transmission Related	(F) Plant Related	(G) Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)	(I) Description / Justification
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24	Subtotal - Form 1, Avg. (272.17.b & 273.17.k)	-	-	-	-	-	-		
25	Less FASB 109 Above if not separately removed	-							
26	Less FASB 106 and Other Excludable Items Above if not separately removed	-							
27	Less Proration Adjustment (from Worksheet 4c)	-							
28	Total Company (In 24 - In 25 - In 26 + In 27)	-	-	-	-	-	-		
29	Transmission Allocator [GP or W/S]		0.0000%	0.0000%	100.0000%	100.0000%	100.0000%		
30	Total Transmission (In 28 * In 29)		0	0	0	0	0	0	

II. Account 282 - ADIT - Other Property

Line No.	(A) Identification	(B) Relevant Year Avg. Balance Worksheet 4b	(C) 100% Non-Transmission Related	(D) 100% Related to Facilities Excluded	(E) 100% Transmission Related	(F) Plant Related	(G) Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)	(I) Description / Justification
31									
32									
33									
34									
35									
36									
37									
38									
39									
40									
41									
42									
43									
44									
45									
46									
47									
48									
49									
50									
51									
52	Subtotal - Form 1, Avg. (274.9.b & 275.9.k)	-	-	-	-	-	-		
53	Less FASB 109 Above if not separately removed	-							
54	Less FASB 106 and Other Excludable Items Above if not separately removed	-							
55	Less Proration Adjustment (from Worksheet 4c)	-							
56	Total Company (In 52 - In 53 - In 54 + In 55)	-	-	-	-	-	-		
57	Transmission Allocator [GP or W/S]		0.0000%	0.0000%	100.0000%	100.0000%	100.0000%		
58	Total Transmission (In 56 * In 57)		0	0	0	0	0	0	

III. Account 283 - ADIT - Other

Line No.	(A) Identification	(B) Relevant Year Avg. Balance Worksheet 4b	(C) 100% Non-Transmission Related	(D) 100% Related to Facilities Excluded	(E) 100% Transmission Related	(F) Plant Related	(G) Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)	(I) Description / Justification
59									
60									
61									
62									
63									
64									
65									
66									
67									
68									
69									
70									
71									
72									
73									
74									
75									
76									
77									
78									
79									
80									
81									
82									
83									
84	Subtotal - Form 1, Avg. (276.19.b & 277.19.k)	-	-	-	-	-	-		
85	Less FASB 109 Above if not separately removed	-							
86	Less FASB 106 and Other Excludable Items Above if not separately removed	-							
87	Less Proration Adjustment (from Worksheet 4c)	-							
88	Total Company (In 84 - In 85 - In 86 + In 87)	-	-	-	-	-	-		
89	Transmission Allocator [GP or W/S]		0.0000%	0.0000%	100.0000%	100.0000%	100.0000%		
90	Total Transmission (In 88 * In 89)		0	0	0	0	0	0	

IV. Account 190 - ADIT

Line No.	(A) <u>Identification</u>	(B) Relevant Year Avg. Balance Worksheet 4b	(C) 100% Non-Transmission Related	(D) 100% Related to Facilities Excluded	(E) 100% Transmission Related	(F) Plant Related	(G) Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)	(I) <u>Description / Justification</u>
91									
92									
93									
94									
95									
96									
97									
98									
99									
100									
101									
102									
103									
104									
105									
106									
107									
108									
109									
110									
111									
112									
113									
114									
115	Subtotal - Form 1, Avg. (234.17.b & 234.17.c)	-	-	-	-	-	-		
116	Less FASB 109 Above if not separately removed	-							
117	Less FASB 106 and Other Excludable Items Above if not separately removed	-							
118	Less Proration Adjustment (from Worksheet 4c)	-							
119	Total Company (In 115 - In 116 - In 117 + In 118)	-	-	-	-	-	-		
120	Transmission Allocator [GP or W/S]	-	0.0000%	0.0000%	100.0000%	100.0000%	100.0000%		
121	Total Transmission (In 119 * In 120)		0	0	0	0	0	0	

Worksheet 4b - Beginning & Ending Balances
Transource West Virginia, LLC
For the 12 months ended 12/31/____

Line No.	Beginning Balance	Dr. (Cr.)	Ending Balance	AVG Bal to Worksheet 4a
1	<u>Acct 281</u> (a)		(b)	
2				
3				
4	Form 1 p. 272.17.b -		Form 1 p. 273.17.k -	-
5	<u>Acct 282</u>			
6				
7				
8				
9				
10				
11				
12				
13				
14	Form 1 p. 274.9.b -		Form 1 p. 275.9.k -	-
15	<u>Acct 283</u>			
16				
17				
18				
19				
20				
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36	Form 1 p. 276.19.b -		Form 1 p. 277.19.k -	-

37 Acct 190

38
39
40
41
42
43
44
45
46
47
48
49
50
51
52
53
54
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Form 1 p. 234.18.b -

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Form 1 p. 234.18.c	-	-
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Line No.		Dr. (Cr.)		AVG Bal to Worksheet 4a
56	<u>Acct 254</u>			
57				
58				
59				
60				
61				
62				
63				
64				
65				
66				
67				
68				
69				
70				
71				
72				
73				
74				
75	Total Acct 254 Grossed Up - Form 1, p. 278.b	-	Total Acct 254 Grossed Up - Form 1, p. 278.f	-
76	<u>Acct 182.3</u>			
77				
78				
79				
80				
81				
82				
83				
84				
85				
86				
87				
88				
89				
90				
91				
92		-		-
93	Acct 182.3 Gross Up	-	Acct 182.3 Gross Up	-
94	Total Acct 182.3 Grossed Up - Form 1, p. 232.b	-	Total Acct 182.3 Grossed Up - Form 1, p. 232.f	-

Note 1: Excess or deficient ADIT balances resulting from corporate income tax rate changes, including future federal, state, and local tax rate changes, are to be recorded to Accounts 254 or 182.3, respectively.

Worksheet 4c - ADIT Proration Adjustment
Transource West Virginia, LLC
For the 12 months ended 12/31/____

Account 282

Line No.	Days in Period					Averaging with Proration		
1								
2	A	B	C	D	E	F	G	H
	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
3								
4								
5	Average Balance of Prorated Items							-
6	January	31	335	365	91.78%	-	-	-
7	February	28	307	365	84.11%	-	-	-
8	March	31	276	365	75.62%	-	-	-
9	April	30	246	365	67.40%	-	-	-
10	May	31	215	365	58.90%	-	-	-
11	June	30	185	365	50.68%	-	-	-
12	July	31	154	365	42.19%	-	-	-
13	August	31	123	365	33.70%	-	-	-
14	September	30	93	365	25.48%	-	-	-
15	October	31	62	365	16.99%	-	-	-
16	November	30	32	365	8.77%	-	-	-
17	December	31	1	365	0.27%	-	-	-
18	Total	365	2,029	4,380		-	-	
19	Ending Balance of Prorated items				(Line 17, & Col H)			-
20	Non-prorated Average Balance							-

Account 283

Line

No.

22

23

24

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41

42

Days in Period					Averaging with Proration		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							
January	31	335	365	91.78%		-	-
February	28	307	365	84.11%		-	-
March	31	276	365	75.62%		-	-
April	30	246	365	67.40%		-	-
May	31	215	365	58.90%		-	-
June	30	185	365	50.68%		-	-
July	31	154	365	42.19%		-	-
August	31	123	365	33.70%		-	-
September	30	93	365	25.48%		-	-
October	31	62	365	16.99%		-	-
November	30	32	365	8.77%		-	-
December	31	1	365	0.27%		-	-
Total	365	2,029	4,380		-	-	

(Line 38, & Col H)

-

(Line 40 minus Line 41)

-

Account 190

Line No.

43	Days in Period					Averaging with Proration		
	A	B	C	D	E	F	G	H
44	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
45								
46								
47	December 31st balance Prorated Items							
48	January	31	335	365	91.78%		-	-
49	February	28	307	365	84.11%		-	-
50	March	31	276	365	75.62%		-	-
51	April	30	246	365	67.40%		-	-
52	May	31	215	365	58.90%		-	-
53	June	30	185	365	50.68%		-	-
54	July	31	154	365	42.19%		-	-
55	August	31	123	365	33.70%		-	-
56	September	30	93	365	25.48%		-	-
57	October	31	62	365	16.99%		-	-
58	November	30	32	365	8.77%		-	-
59	December	31	1	365	0.27%		-	-
60	Total	365	2,029	4,380		-	-	

61	Ending Balance of Prorated items	(Line 59, & Col H)	-
62	Non-prorated Average Balance		
63	Proration Adjustment	(Line 61 minus Line 62)	-

Account 281

Line No.

Days in Period					Averaging with Proration		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							
January	31	335	365	91.78%		-	-
February	28	307	365	84.11%		-	-
March	31	276	365	75.62%		-	-
April	30	246	365	67.40%		-	-
May	31	215	365	58.90%		-	-
June	30	185	365	50.68%		-	-
July	31	154	365	42.19%		-	-
August	31	123	365	33.70%		-	-
September	30	93	365	25.48%		-	-
October	31	62	365	16.99%		-	-
November	30	32	365	8.77%		-	-
December	31	1	365	0.27%		-	-
Total	365	2,029	4,380		-	-	

82	Ending Balance of Prorated items	(Line 80, & Col H)	-
83	Non-prorated Average Balance		
84	Proration Adjustment	(Line 82 minus Line 83)	-

Worksheet 4d - (Excess)/Deficient ADIT Amortization (Note 1)
Transource West Virginia, LLC
For the 12 months ended 12/31/____

Protected - (Excess) / Deficient ADIT Amortization (Note 2)

Line No.	(a) <u>Identification</u>	(b) <u>Total (Note 1)</u>	(c) 100% <u>Non-Transmission Related</u>	(d) 100% <u>Related to Facilities Excluded</u>	(e) 100% <u>Transmission Related</u>	(f) <u>Plant Related</u>	(g) <u>Labor Related</u>	(h) <u>Total Included in Income Tax Expense (e)+(f)+(g)</u>	(i) <u>Amortization Account 410.1 / 411.1 (Note 1)</u>	(j) <u>Remaining Amortization Period (Note 2)</u>
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										
12	Subtotal	-	-	-	-	-	-			
13	Transmission Allocator [GP or W/S]		0.000%	0.000%	100.000%	100.000%	100.000%			
14	Total (In 12 * In 13)		0	0		0	0	0		

Unprotected - (Excess)/Deficient ADIT Amortization (Note 3)

Line No.	(a) <u>Identification</u>	(b) <u>Total (Note 1)</u>	(c) 100% <u>Non-Transmission Related</u>	(d) 100% <u>Related to Facilities Excluded</u>	(e) 100% <u>Transmission Related</u>	(f) <u>Plant Related</u>	(g) <u>Labor Related</u>	(h) <u>Total Included in Income Tax Expense (e)+(f)+(g)</u>	(i) <u>Amortization Account 410.1 / 411.1 (Note 1)</u>	(j) <u>Remaining Amortization Period (Note 3)</u>
15										
16										
17										
18										
19										
20										
21										
22										
23										
24										
25										
26										
27										
28										
29										
30										
31										
32										
33										
34										
35										
36										
37										
38										
39										
40										
41										
42										
43										
44	Subtotal	-	-	-		-	-			
45	Transmission Allocator [GP or W/S]		0.000%	0.000%	100.000%	100.000%	100.000%			
46	Total (In 44 * In 45)		0	0		0	0	0		

Worksheet 4d - (Excess) / Deficient Deferred Taxes - Calculated End of Year Balance

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line	Total Company	Beginning of Year	Return to Provision	Other	Current Year	End of Year	
No.	Regulatory Asset/Liability Balances	Worksheet 4b	Adjustment	Adjustments	EDIT Amortization	Balance	Notes
47							
48							
49							
50							
51							
52							
53							
54							
55	Total Regulatory Asset/Liability (sum lns 47 and 54)						
		-	-	-	-	-	

Note 1: Worksheet 4d presents total company amortization for excess / deficient ADIT amounts. The amortization of the excess and deficient ADIT is recorded to accounts 411.1 and 410.1 respectively.

Note 2: The amortization of Tax Cuts and Jobs Act ("TCJA") related Excess and Deficient Protected ADIT balances starts January 1, 2018 over the remaining life of Transource West Virginia LLC's assets consistent the "Average Rate Assumption Method" (ARAM).

Note 3: This amortization of TCJA-related Excess and Deficient Unprotected ADIT balances starts January 1, 2020 using an amortization period of one (1) year. Unprotected amortization is not generally booked or tracked by item. Excess and deficient unprotected amortization primarily relates to the following deferred tax items: Federal & State NOL Carryovers and Regulatory Assets & Liabilities.

Note 4: Further explanatory notes may be provided for future tax rate changes

Worksheet 4e - Tax Remeasurement
Transource West Virginia, LLC
For the 12 months ended 12/31/____

Reason for Tax Remeasurement:								
Line No.	(a) Utility Account	(b) Source	(c) Pre-remeasurement Balance	(d) Remeasurement Percentage	(e) Remeasurement Amount (e)=(c)*(d)	(f) 190/283 Reclass (NOTE 2)	(g) Total (Excess)/Deficiency (g)=(e)+(f)	(h) Post-remeasurement Balance (h)=(c)+(f)
1	Account 190							
2	Pre-remeasurement Electric Utility Balance	234.8.b						
3	Less Deferred SIT	Company Records						
4								
5								
6	190.1	Total including adjustments	-		-		-	-
7	Account 281							
8	Pre-remeasurement Electric Utility Balance	272.8.b						
9	Less Deferred SIT	Company Records						
10								
11								
12	282.1 (Enter Negative)	Total including adjustments	-		-		-	-
13	Account 282							
14	Pre-remeasurement Electric Utility Balance	274.5.b						
15	Less Deferred SIT	Company Records						
16								
17								
18	282.1 (Enter Negative)	Total including adjustments	-		-		-	-
19	Account 283							
20	Pre-remeasurement Electric Utility Balance	276.9.b						
21	Less Deferred SIT	Company Records						
22								
23								
24	283.1 (Enter Negative)	Total including adjustments	-		-		-	-
25	Total		-		-	-	-	-

Note 1: This sheet only to be used in years which have a change in corporate income tax rates.
Note 2: As part of the reameasurement calculation, the remeasurement ADIT balances in account 1901001 were reclassified to account 2831001 to group nonproperty utility deferrals together as one timing difference.
Note 3: Use blank rows in each account for any additional adjustments needed prior to remeasurement.

Attachment 5
Return on Rate Base Worksheet
Transource West Virginia, LLC

RETURN ON RATE BASE (R)

			\$			
1	Long Term Debt Interest (117, sum of 62.c - 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-26 Note Q	-	-%	-%	-% =WCLTD
9	Preferred Stock	Line 25 (b), Note B and Attachment H-26 Note Q	-	-%	-%	-%
10	Common Stock	Line 7, Note C and Attachment H-26 Notes Q and T	-	-%	10.50%	-%
11	Total (Sum of Lines 8 through 10)		-		-9%	=R

	(a) Long Term Debt (112.18- 21.c)	(b) Preferred Stock (112.3.c)	(c) Proprietary Capital (112.16.c)	(d) Undistributed Sub Earnings 216.1 (112.12.c)	(e) Accum Other Comp. Income 219 (112.15.c)
12	Monthly Balances for Capital Structure				
13	December (prior year)				
14	January				
15	February				
16	March				
17	April				
18	May				
19	June				
20	July				
21	August				
22	September				
23	October				
24	November				
25	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 debt interest is the sum of Form 1 page 117 lines 62-67.c, with 65-66.c entered as negative numbers.

Attachment 6
Interest on True-Up
Transource West Virginia, LLC

2016		2016			
Projected Revenue Requirement (Note A)		Actual Net Revenue Requirement (Note B)		Over (Under) Recovery	
	Less	\$-	Equals	\$-	

Note A - Projected ATRR for the true-up year from Page 1, Line 1 of Projection Attachment H-26 minus Line 6 of Projection Attachment H-26.
Note B - Actual Net ATRR for the true-up year from Page 1, Line 9 of True-Up Attachment H-26.

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
		-%				
An over or under collection will be recovered prorata over year collected, held for one year and returned prorata over next year						
Calculation of Interest				Monthly		
January	Year 2016	-	-% 12	-		-
February	Year 2016	-	-% 11	-		-
March	Year 2016	-	-% 10	-		-
April	Year 2016	-	-% 9	-		-
May	Year 2016	-	-% 8	-		-
June	Year 2016	-	-% 7	-		-
July	Year 2016	-	-% 6	-		-
August	Year 2016	-	-% 5	-		-
September	Year 2016	-	-% 4	-		-
October	Year 2016	-	-% 3	-		-
November	Year 2016	-	-% 2	-		-
December	Year 2016	-	-% 1	-		-
				-		-
January through December	Year 2017	-	-% 12	-		-
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months				Monthly		
January	Year 2018	-	-%	-	-	-
February	Year 2018	-	-%	-	-	-
March	Year 2018	-	-%	-	-	-
April	Year 2018	-	-%	-	-	-
May	Year 2018	-	-%	-	-	-
June	Year 2018	-	-%	-	-	-
July	Year 2018	-	-%	-	-	-
August	Year 2018	-	-%	-	-	-
September	Year 2018	-	-%	-	-	-
October	Year 2018	-	-%	-	-	-
November	Year 2018	-	-%	-	-	-
December	Year 2018	-	-%	-	-	-
				-		-
Total Amount of True-Up Adjustment					\$	-
Less Over (Under) Recovery					\$	-
Total Interest					\$	-

Attachment 6a
True-Up Interest Rate Calculation
Transource West Virginia, LLC

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	-%
19	Monthly Average rate	-%

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
Post-Employment Benefits Other than Pensions (PBOP)
Transource West Virginia, LLC

Calculation of PBOP Expenses

Line No.			AEP (a) Year Ended December 31, 2014	KCP&L (b) Year Ended December 31, 2014	Total (c) = (a+b)
1					
2	Total PBOP expenses, corporate parent companies	Note A	-\$76,811,513	\$9,446,530	
3	Amount relating to retired personnel	Note A	-\$44,124,792	\$3,889,136	
4	Amount allocated on Labor	Line 2 less line 3	-\$32,686,721	\$5,557,394	
5	Labor dollars	Note B	\$1,300,120,729	\$182,771,659	
6	Cost per labor dollar	Line 4 divided by line 5	-\$0.025	\$0.030	
7	Labor (labor not capitalized) current year	Note C	-	-	
8	PBOP Expense Allowed for current year	Line 6 times line 7	-	-	-
9					
10	Actual PBOP in Company's O&M and A&G expense accounts in Form No. 1				-

Notes

- A Amounts on lines 2-3 reflect data from the 2014 actuarial reports for AEP and KCP&L. These values cannot change absent approval or acceptance by FERC in a separate proceeding.
- B Amounts on line 5 is the actual AEP straight-time labor, loaded for non-productive load, and KCP&L labor booked to O&M and A&G and included in the Form No. 1 on page 354.28.b less labor dollars associated with the Wolf Creek Nuclear Facility.
- C The labor in line 7 is the total labor excluding capitalized labor charged by an AEP affiliate or KCP&L affiliate to Transource West Virginia in the year.

Attachment 8

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

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

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

[illegible]

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
						Prior Years	Unamortized
Origination Fees	Rates/Fees	Gross Fee Amount (\$000)	Year Fee Incurred	Fee Amortization period (years)	Rate Year Amortized Fee Amount, col. b / col. d	Accumulated Fee Amortization	Balance - End of Rate Year
20 Underwriting Discount		20	2016	2	10	-	10
21 Arrangement Fee	0.15%	20	2016	2	10	-	10
22 Upfront Fee	0.35%	50	2016	2	25	-	25
23 Rating Agency Fee		20	2016	2	10	-	10
24 Legal Fees		20	2016	2	10	-	10
25 Other		0		2	0	-	0
26 Total Issuance Expense / Origination Fees		130			65	-	65
27							
28 Annual Fees							
29 Annual Rating Agency Fee	0.10%	20	2016	N/A	20	N/A	N/A
30 Annual Bank Agency Fee		20	2016	N/A	20	N/A	N/A
31 Utilization Fee	0.10%	10	2016	N/A	10	N/A	N/A
32 Other Fees				N/A	0	N/A	N/A
33 Total Fees		180			115	-	65
34 13 Month Average Debt balance - Line 19 (c)					30,000		
35 Rate Year cost of fees					0.38%		
36 Proxy Interest rate. Used prior to issuance of construction financing and supported in initial section 205 filing.			3.72%				

A

A	Projected rate will be Average LIBOR for rate year + spread. 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	0.30%
	Spread	1.75%
	Total	2.05%

Attachment 9
True-up - Construction Financing Cost of Debt
Transource West Virginia, LLC

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-26. 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)	800,000
2	Line of Credit Fees (68.c)	500,000
3	Total Interest and Fees	1,300,000
	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	5,000,000
8	April	11,000,000
9	May	17,000,000
10	June	23,000,000
11	July	29,000,000
12	August	35,000,000
13	September	41,000,000
14	October	47,000,000
15	November	53,000,000
16	December	59,000,000
17	Average of the 13 Monthly Balances	24,615,385
18	True-Up Cost of Debt (Line 3 / Line 17)	5.28%

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.

**INITIAL PROPOSED TRANSMISSION AND GENERAL PLANT DEPRECIATION RATES
CALCULATED FROM APPALACHIAN POWER COMPANY (WEST VIRGINIA) MORTALITY CHARACTERISTICS
FROM CASE NO. 14-1151-E-D (NOTE A)**

		Average Service Life (Years)	Iowa Curve	Salvage Factor	Cost of Removal Factor	Net Salvage Factor	Calculated Initial Annual Depreciation Rates (Note B)
<u>TRANSMISSION PLANT</u>							
351.0	Energy Storage Equipment	15	SQ	5%	5%	0%	6.67%
352.0	Structures & Improvements	62	R4.0	5%	15%	-10%	1.77%
353.0	Station Equipment	45	R1.5	28%	13%	15%	1.89%
354.0	Towers & Fixtures	68	R3.0	25%	35%	-10%	1.62%
355.0	Poles & Fixtures	42	R0.5	5%	20%	-15%	2.74%
356.0	OH Cond. & Devices	64	R3.0	30%	18%	12%	1.38%
357.0	Underground Conduit	50	R2.0	0%	0%	0%	2.00%
358.0	Underground Conductor and Devices	20	L4.0	0%	0%	0%	5.00%
<u>GENERAL PLANT</u>							
390.0	Structures & Improvements	42	SQ	36%	11%	25%	1.79%
391.0	Office Furniture & Equipment	30	SQ	0%	0%	0%	3.33%
392.0	Transportation Equipment	27	SQ	0%	0%	0%	3.70%
393.0	Stores Equipment	55	SQ	0%	0%	0%	1.82%
394.0	Tools Shop & Garage Equipment	43	SQ	0%	10%	-10%	2.56%
395.0	Laboratory Equipment	37	SQ	0%	0%	0%	2.70%
396.0	Power Operated Equipment	25	SQ	0%	0%	0%	4.00%
397.0	Communication Equipment	24	SQ	0%	1%	-1%	4.21%
398.0	Miscellaneous Equipment	35	SQ	0%	0%	0%	2.86%
<u>INTANGIBLE PLANT</u>							
303	Miscellaneous Intangible Plant	5					20.00%

Notes

- A The transmission and general plant depreciation rates proposed by Transource West Virginia were determined using the same depreciation study utilized by Appalachian Power to develop transmission and general plant depreciation rates that were approved by the Public Service Commission of West Virginia in their order in Case Nos. 14-1152-E-42T and 14-1151-E-D on May 26, 2015.
- B These depreciation rates will not be changed absent a FERC order.

Attachment 11
Prior Period Adjustments
Transource West Virginia, LLC

			(a)	(b)
			Revenue	Calendar Year
Line			Impact of	Revenue
No.	Description	Source	Correction	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		0.25%
15	Number of Months of Interest	Note B		30
16	Interest on Correction	Line 12 x 14 x 15		-
17				
18	Total Annual Refunds Due 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.

Attachment 12
Revenue Credit Detail
Transource West Virginia, LLC

Line No.	(Note 1)	Source	(a) Company Total	(b) Less: Non Transmission	(c) = (a)- (b) Transmission-related
1	Account 454 - Rent from Electric Property				
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	Account 454 Revenue Credit	Form 1 300.19.b	-	-	-
9	Account 456.1 Other Operating Revenues				
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	Account 456.1 Revenue Credit	(Line 15 - line 16)	-	-	-
19	Total Revenue Credits	(Line 8 + line 18)	-	-	-

Note 1 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. Revenues that are not derived from PJM rates which are based on this transmission formula rate will be included as a revenue credit.

ATTACHMENT B-1

Revised Attachment H-26 Tariff Sheets Redline

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

For the 12 months ended
12/31/

Line No.	(1)	(2)	(3)	(4)	(5)
		Source			Allocated Amount
1	GROSS REVENUE REQUIREMENT, without incentives	(page 3, line 49)			\$ -
	REVENUE CREDITS	(Note A)	Total	Allocator	
2	Account No. 454	(page 4, line 20)	-	TP 1.0000	-
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)	-		-
7	Prior Period Adjustments	Attachment 11	-	DA 1.0000	-
8	True-up Adjustment with Interest	Attachment 3, line 4, Col. G+H	-	DA 1.0000	-
9	NET ANNUAL TRANSMISSION REVENUE REQUIREMENT	(Line 1 less line 6 plus lines 7 and 8)			\$ -
Rate Calculations					
A.	Network Service (NITS)	Source			
10	Current Year Annual Transmission Revenue Requirement, including true-up	Line 9	-		
11	Less: Revenue Requirements Included in Line 10 For Schedule 12 Projects	Attachment 1, line 2, Col. 16 (Line 10 - line 11)	-		
12	Zonal ATRR Without Incentives		-		
13	Incremental Approved Incentives for non-Schedule 12 projects	Attachment 1, line 4, Col. 12	-		
14	Zonal ATRR With Incentives	(Line 12 + line 13)	-		
B.	Point-to-Point Service				
15	Year XXXX AEP East Zone Network Service Peak Load (1 CP)"				
16	<i>Line 15 is provided from PJM records</i>				
17	Annual Point-to-Point Rate in \$/MW - Year	(Line 14 / line 15)	\$-		
18	Monthly Point-to-Point Rate in \$/MW - Month	(Line 17 / 12)	\$-		
19	Weekly Point-to-Point Rate in \$/MW - Weekly	(Line 17 / 52)	\$-		
20	Daily On-Peak Point-to-Point Rate in \$/MW - Day	(Line 17 / 260)	\$-		
21	Daily Off-Peak Point-to-Point Rate in \$/MW - Day	(Line 17 / 365)	\$-		
22	Hourly On-Peak Point-to-Point Rate in \$/MW - Hour	(Line 17 / 4160)	\$-		
23	Hourly Off-Peak Point-to-Point Rate in \$/MW - Hour	(Line 17 / 8760)	\$-		
C.	PJM Regional Service				
24	Schedule 12 ATRR Without Incentives	Attachment 1, line 2, Col. 16 less line 12	-		
25	FERC Approved Incentives on Schedule 12 projects	Attachment 1, line 2, Col. 12	-		
26	Schedule 12 Revenue Requirement	(Line 24 + line 25)	-		

For the 12 months ended
12/31/____

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

(1)		(2)	(3)	(4)	(5)
					Transmission
Line No.	Source	Company Total	Alloca tor	(Col 3 times Col 4)	
	RATE BASE: (Note R)				
	GROSS PLANT IN SERVICE	Note C			
1	Production	205.46.g for end of year, records for other months	-	NA	-
2	Transmission	Attachment 4, Line 14, Col. (b)	-	TP	1.0000
3	Distribution	207.75.g for end of year, records for other months	-	NA	-
4	General & Intangible	Attachment 4, Line 14, Col. (c)	-	W/S	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	-	NA	-
8	Transmission	Attachment 4, Line 14, Col. (h)	-	TP	1.0000
9	Distribution	219.26.c for end of year, records for other months	-	NA	-
10	General & Intangible	Attachment 4, Line 14, Col. (i)	-	W/S	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 line 5 - line 11)	-	NP=	1.0000
18	ADJUSTMENTS TO RATE BASE				
19	Account No. 281 (enter negative)	Attachment 4 and 4a (Note D) Attachment 4, Line 28, Col. (d) (Note D)	-	NA	zero
20	Account No. 282 (enter negative)	Attachment 4 and 4a (Note D) Attachment 4, Line 28, Col. (e) (Note D)	-	NP	1.0000
21	Account No. 283 (enter negative)	Attachment 4 and 4a (Note D) Attachment 4, Line 28, Col. (f) (Note D)	-	NP	1.0000
22	Account No. 190	Attachment 4 and 4a (Note D) Attachment 4, Line 28, Col. (g) (Note D)	-	NP	1.0000
23	Account No. 255 (enter negative)	Attachment 4, Line 28, Col. (h) (Note D)	-	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 line 19 - line 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 line 31 - line 33)	-		-
35	RATE BASE	(Sum of line 17, 28, 29, 34)	-		-

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

For the 12 months ended 12/31/____

Line No.	(1)	(2) Source	(3) Company Total	(4) Allocator	(5) Transmission (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	-	W/S	1.0000
5	Less FERC Annual Fees	350.h (Note I)	-	W/S	1.0000
6	Less EPRI Dues	Note J	-	W/S	1.0000
7	Less Reg. Commission Expense Account 928	Note J	-	W/S	1.0000
8	Less: Non-safety Advertising account 930.1	Note J	-	W/S	1.0000
9	Less Actual PBOP Expense in Year	Attachment 7, Line 10, Col. (c)	-	W/S	1.0000
10	Plus Transmission Related Reg. Comm. Exp.	Note K	-	TP	1.0000
11	Plus PBOP Expense Allowed Amount	Attachment 7, Line 6, Col. (c)	-	W/S	1.0000
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 line 14 - line 15)" Ties to 321.97b	-		-
17	TOTAL O&M	(Sum of Lines 1, 4, 10, 11, 12, 16 less Lines 2, 3, 5-9)	-		-
	DEPRECIATION EXPENSE	Note C			
18	Transmission	336.7.b&d	-	TP	1.0000
20	General & Intangible	336.10.b&d, 336.1.b&d	-	W/S	1.0000
21	Amortization of Abandoned Plant	Note F	-	DA	1.0000
22	TOTAL DEPRECIATION	(Sum of line 19 - line 21)	-		-
23	TAXES OTHER THAN INCOME TAXES (Note M)				
24	LABOR RELATED				
25	Payroll	263.i	-	W/S	1.0000
26	Highway and vehicle	263.i	-	W/S	1.0000
27	PLANT RELATED				
28	Property	263.i	-	GP	1.0000
29	Gross Receipts	263.i	-	NA	zero
30	Other	263.i	-	GP	1.0000
31	Payments in lieu of taxes	263.i	-	GP	1.0000
32	TOTAL OTHER TAXES	(Sum of line 25 - line 31)	-		-
33	INCOME TAXES (Note N)	Note N			
34	$T=1 - \{[(1 - \text{SIT}) * (1 - \text{FIT})] / (1 - \text{SIT} * \text{FIT} * p)\} * (1 - \text{TEP})$		-		
35	$\text{CIT}=(T/1-T) * (1-(\text{WCLTD}/R)) =$	$\text{WCLTD} = \text{Page 4, Line 15, R} = \text{Page 4, Line 18}$	-		
36	FIT & SIT & P				
37					
38	$1 / (1 - T) =$ (from line 34)	$1 / (1 - T)$, T from Line 34	-		
39	Amortized Investment Tax Credit	266.8f (enter negative) <u>Company books and records Attachment 4d, Line 14 & line 46, Col (h)</u>	-		
40	Excess / (Deficient) Deferred Income Taxes		-		
41	Tax Effect of Permanent Differences	Note O	-		
42	Income Tax Calculation	(Line 35 times Line 48)	-	NA	-
43	ITC adjustment	(Line 38 times Line 39)	-	NP	1.00000
44	Excess / (Deficient) Deferred Income Tax Adjustment	(Line 38 times Line 40)	-	NP	1.00000
45	Permanent Differences Tax Adjustment	(Line 38 times Line 41)	-	NP	1.00000
46	Total Income Taxes	(Sum of line 42 - line 45)	-		-
47	RETURN				
48	Rate Base times Return	(Page 2, line 35 times Page 4, Line 18)	-	NA	-
49	GROSS REVENUE REQUIREMENT	(Sum of line 17,22, 32, 46, 48)	-		-

For the 12 months ended
12/31/____

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

	(1)	(2)	(3)	(4)	(5)	
SUPPORTING CALCULATIONS AND NOTES						
Line No.	TRANSMISSION PLANT INCLUDED IN ISO RATES					
1	Total Transmission plant	(Page 2, Line 2, Column 3)			-	
2	Less Transmission plant excluded from ISO rates	(Note P)			-	
	Less Transmission plant included in OATT				-	
3	Ancillary Service rates	(Note S)			-	
4	Transmission plant included in ISO rates	(Line 1 minus Lines 2 & 3)			-	
5	Percentage of Transmission plant included in ISO Rates	(Line 4 divided by Line 1) (If line 1 is zero, enter 1)		TP =	1.0000	
6	WAGES & SALARY ALLOCATOR (W&S)					
		Form 1 Reference	\$	TP	Allocation	
7	Production	354.20.b	-	-	-	
8	Transmission	354.21.b	-	1.0000	-	
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 line 7 - line 10)	-	-	=	1.00000 = WS
12	RETURN (R)				\$	
13						
14			\$	%	Cost	Weighted
15	Long Term Debt	Attachment 5, (Notes Q & R)	-	-%	-%	-%
16	Preferred Stock (112.3.c)	Attachment 5, (Notes Q & R)	-	-%	-%	-%
17	Common Stock	Attachment 5, (Notes Q, R, and T)	-	-%	10.50%	-%
						=
18	Total	(Sum of line 15 - line 17)	-		-%	R
19	REVENUE CREDITS					
	ACCOUNT 454 (RENT FROM ELECTRIC PROPERTY)	Attachment 12, line 8 (Note U)			-	
20						
	ACCOUNT 456.1 (OTHER ELECTRIC REVENUES)	Attachment 12, line 18 (Note A)			-	
21						

For the 12 months ended
12/31/____

Formula Rate - Non-Levelized

Rate Formula Template - Attachment H-26
Utilizing FERC Form 1 Data
Transource West Virginia, LLC

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 directly from the ISO for service under this tariff reflecting the Transmission Owner's integrated transmission facilities. 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 Balances in Accounts 190, 281, 282 and 283 classified in the FERC Form 1 as Electric-related, as adjusted by any amounts in contra accounts identified as regulatory assets or liabilities related to FASB 106 or 109. 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. 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 equal to the AFUDC rate will be applied to the Regulatory Asset prior to the rate year when costs are first recovered.
- 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 15, column 5 minus amortization of Regulatory Asset at page 3, line 12, 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 I, 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 on the FERC Form 1 page 350 will be obtained from Company books and records.
- J Page 3, Line 6 - Subtract all EPRI 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.
- 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, gross receipts, 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 263 upon which each item is identified. To the extent individual types of taxes are separately identified on the FERC Form 1 page 263, column I, 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 on the FERC Form 1 page 263 will be obtained from Company books and records.
- N The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = "the percentage of federal income tax deductible for state income taxes" and TEP = "the tax exempt ownership interest". 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 developed. Furthermore, a utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) multiplied by (1/1-T) (page 3, line 26). Excess Deferred Income Taxes reduce income tax expense by the amount of the expense multiplied by (T/1-T).
- | | | | |
|------------------|-------|----|---|
| Inputs Required: | FIT= | -% | (Federal Income Tax Rate) |
| | SIT= | -% | (State Income Tax Rate or Composite SIT) |
| | p = | -% | (percent of federal income tax deductible for state purposes) |
| | TEP = | -% | (percent of the tax exempt ownership) |
- O 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-26 that are not the result of a timing difference.
- 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 true-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.
- A hypothetical capital structure of 60% Equity and 40% debt will be used until the first transmission asset is placed in service, or until otherwise authorized by the Commission.
- R Calculate rate base using 13 month average balance, except ADIT which is calculated based on the average of the beginning of the year and the end of the year balances.
- 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 ROE will be supported in the original Section 205 filing and no change in ROE may be made absent a filing with FERC.
- 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.

Attachment 1
Project Revenue Requirement Worksheet
Transource West Virginia, LLC

To be completed in conjunction with Attachment H-26.

Line No.	(1)	(2) Attachment H-26 Page, Line, Col.	(3) Transmission	(4) Allocator
1	Gross Transmission Plant plus CWIP	Attach H-26, p 2, line 2 col 5 plus line 25 col 5 (Note A)	-	
2	Net Transmission Plant plus CWIP and Abandoned Plant	Attach H-26, 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-26, p 3, line 17 col 5	-	
4	Annual Allocation Factor for O&M	(line 3 divided by line 1 col 3)	-%	-%
	GENERAL AND INTANGIBLE (G & I) DEPRECIATION EXPENSE			
5	Total G & I Depreciation Expense	Attach H-26, p 3, line 20, col 5 (Note C)	-	
6	Annual Allocation Factor for G & I Depreciation Expense	(line 5 divided by line 1 col 3)	-%	-%
	TAXES OTHER THAN INCOME TAXES			
7	Total Other Taxes	Attach H-26, p 3, line 32 col 5	-	
8	Annual Allocation Factor for Other Taxes	(line 7 divided by line 1 col 3)	-%	-%
9	Less Revenue Credits	Attach H-26, p 1, line 6 col 5	-	
10	Annual Allocation Factor for Revenue Credits	(line 9 divided by line 1 col 3)	-%	-%
11	Annual Allocation Factor for Expense	Sum of line 4, 6, 8, and 10		-%
	INCOME TAXES			
12	Total Income Taxes	Attach H-26, p 3, line 46 col 5	-	
13	Annual Allocation Factor for Income Taxes	(line 12 divided by line 2 col 3)	-%	-%
	RETURN			
14	Return on Rate Base	Attach H-26, p 3, line 48 col 5	-	
15	Annual Allocation Factor for Return on Rate Base	(line 14 divided by line 2 col 3)	-%	-%
16	Annual Allocation Factor for Return	Sum of line 13 and 15	-%	-%

Attachment 1
Project Revenue Requirement Worksheet
Transource West Virginia, LLC

This worksheet is used to compute project specific revenue requirements for any projects for which such calculation is required by PJM. This will generally include projects with specific incentives or competitive concessions, or projects with cost allocation outside of the AEP Zone. Projects will be listed as either Schedule 12, Zonal, or other category defined by PJM. Other projects which comprise the remaining revenue requirement on Attachment H-26 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.

(1)			(2)		(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Project Name	PJM Category	RTEP Project Number Or Other Identifier	Project Gross Plant	Annual Allocation Factor for Expense	Annual Expense Charge	Project Net Plant	Annual Allocation Factor for Return	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	Schedule 12	AAAA	-	-	-	\$ -	-	-	
1b	Project B	Schedule 12	BBBB	-	-	-	\$ -	-	-	
2	Total Schedule 12			-		-	\$ -		-	
3a	Project C	Zonal	CCCC	-	-	-	\$ -	-	-	
3b	Project D	Zonal	DDDD	-	-	-	\$ -	-	-	
4	Total Zonal			-		-	\$ -		-	
5	Other									
6	Annual Totals			-		-	-		-	

Notes

- A Gross Transmission Plant is that identified on page 2 line 2 of Attachment H-26 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-26 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-26, page 3, line 19, plus amortization of Abandoned Plant at Attachment H-26, page 3, line 21.
- G Requires approval by FERC of incentive return applicable to the specified project(s).
- 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.

Attachment 1
Project Revenue Requirement Worksheet
Transource West Virginia, LLC

(9)	(10)	(11)	(12)	(12a)	(13)	(14)	(15)	(16)
Line No.	Project Depreciation/Amortization Expense	Annual Revenue Requirement	Incentive Return in Basis Points	Incentive Return	Ceiling Rate	Competitive Concession	Total Annual Revenue Requirement	Net Revenue Requirement
	(Note F)	(Sum Col. 5, 8 & 9)	(Note G)	(Attachment 2, Line 28 Incentive Return * Col. 6)	(Sum Col. 10 & 12)	(Note H)	(Sum Col. 10 & 12 Less Col. 13)	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-26 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-26 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-26, page 3, line 19, plus amortization of Abandoned Plant at Attachment H-26, page 3, line 21.
- G Requires approval by FERC of incentive return applicable to the specified project(s).
- 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.

Attachment 2
Incentive ROE
Transource West Virginia, LLC

Rate Base		Attachment H-26, page 2, line 35, Col.5						
1	Rate Base							
2	100 Basis Point Incentive Return							
3	Long Term Debt	(Notes Q & R from Attachment H-26)						
4	Preferred Stock	(Notes Q & R from Attachment H-26)						
5	Common Stock	(Notes Q, R, & T from Attachment H-26)						
6	Total (sum lines 3-5)							
7	100 Basis Point Incentive Return multiplied by Rate Base (line 1 * line 6)							
8	INCOME TAXES							
9	$T = 1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$							
10	$CIT = (T / (1 - T)) * (1 - (WCLTD / R)) =$							
11	WCLTD = Line 3							
12	and FIT, SIT & p are as given in Attachment H-26 footnote N.							
13	$1 / (1 - T) =$ (from line 9)							
14	Amortized Investment Tax Credit (266.8f) (enter negative)	Attachment H-26, Page 3, Line 39						
15	Excess Deferred Income Taxes (enter negative)	Attachment H-26, Page 3, Line 40						
16	Tax Effect of Permanent Differences (Note B)	Attachment H-26, Page 3, Line 41						
17	Income Tax Calculation = line 7 * line 10							
18	ITC adjustment (line 13 * line 14)							
19	Excess Deferred Income Tax Adjustment (line 13 * line 15)							
20	Permanent Differences Tax Adjustment (line 13 * 16)							
21	Total Income Taxes (sum lines 17 - 20)							
22	Return and Income Taxes with 100 basis point increase in ROE							
23	Return (Attach. H-26, page 3 line 48 col 5)							
24	Income Tax (Attach. H-26, page 3 line 46 col 5)							
25	Return and Income Taxes without 100 basis point increase in ROE							
26	Incremental Return and Income Taxes for 100 basis point increase in ROE							
27	Rate Base (line 1)							
28	Incremental Return and Income Taxes for 100 basis point increase in ROE divided by Rate Base							

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. |
| 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-26 that are not the result of a timing difference. |

Attachment 3
Formula Rate True-Up
Transource West Virginia, LLC

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 trueed 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 Cols. 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.

Line:				Projected True-Up Year Revenue Requirement Calculation		True-Up Year Revenue Received ¹	Actual True-Up Year Revenue Req.	Annual True-Up Calculation			
1	True-Up Year										
2											
	A		B	C	D	E	F	G	H	I	J
			Project #		% of Total	Allocation of Revenue	True-Up	Net	True-Up Interest	Prior Period Adjustment with	Total True-Up
			Or Other	Net Revenue	Revenue	Received	Net Revenue	Under/(Over) Collection (F)-(E)	Income	Interest ⁵	(G) + (H) + (I)
	Project Name	PJM Category	Identifier	Requirement ²	Requirement	(E, Line 2) x (D)	Requirement ³		(Expense) ⁴		
3	Remaining Attachment H-26			-	-%	-	-	-	-	-	-
4a	Project A	Schedule 12	AAAA	-	-%	-	-	-	-	-	-
4b	Project B	Schedule 12	BBBB	-	-%	-	-	-	-	-	-
5	Total Schedule 12			-		-	-	-	-	-	-
6a	Project C	Zonal	CCCC	-	-%	-	-	-	-	-	-
6b	Project D	Zonal	DDDD	-	-%	-	-	-	-	-	-
7	Total Zonal			-		-	-	-	-	-	-
8	Other										
9	Total Annual Revenue Requirements			-	-%	-	-	-	-	-	-

10

Total Interest on True-Up - Attachment 6 -

Prior Period Adjustment

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

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, line 1 or 3, 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, line 1 or 3, 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 (a)	Gross Plant In Service		CWIP	LHFFU	Working Capital		Accumulated Depreciation	
		Transmission (b)	General & Intangible (c)	CWIP in Rate Base (d)	Held for Future Use (e)	Materials & Supplies (f)	Prepayments (g)	Transmission (h)	General & Intangible (i)
	(Note A)	207.58.g for end of year, records for other months	205.5.g & 207.99.g for end of year, records for other months	Note B - page 2, column C	214.c for end of year, records for other months	227.8.c & 227.16.c for end of year, records for other months	111.57.c for end of year, records for other months	219.25.c for end of year, records for other months	219.28.c & 200.21.c for end of year, records for other months
1	December Prior Year								
2	January								
3	February								
4	March								
5	April								
6	May								
7	June								
8	July								
9	August								
10	September								
11	October								
12	November								
13	December								
14	Average of the 13 Monthly Balances	-	-	-	-	-	-	-	-

Line No	Month (a)	Adjustments to Rate Base						
		Unamortized Regulatory Asset (b)	Unamortized Abandoned Plant (c)	Account No. 281 Accumulated Deferred Income Taxes (Note E) (d)	Account No. 282 Accumulated Deferred Income Taxes (Note E) (e)	Account No. 283 Accumulated Deferred Income Taxes (Note E) (f)	Account No. 190 Accumulated Deferred Income Taxes (Note E) (g)	Account No. 255 Accumulated Deferred Investment Credit (h)
	(Note A)	Note C	Note D	272.8.b & 273.8.k	274.2.b & 275.2.k	276.9.b & 277.9.k	234.8.b & c	Consistent with 266.8.b & 267.8.h
15	December Prior Year							
16	January							
17	February							
18	March							
19	April							
20	May							
21	June							
22	July							
23	August							
24	September							
25	October							
26	November							
27	December							
28	Average of the 13 Monthly Balances	-	-	-	-	-	-	-

Reconciliation of CWIP in Rate Base to FERC Form 1 - Note B

	Total CWIP (a) 216.b for end of year, records for other months	Less: CWIP and AFUDC Excluded from Rate Base (b) Company records	CWIP Allowed in Rate Base (c) = (a) - (b)
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		-
	-	-	-

Unfunded Reserves (Notes A and F and G)

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
				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
List of all reserves:								
42a	Reserve 1	-	-	-	-	-	-	-
42b	Reserve 2	-	-	-	-	-	-	-
43	Total	-	-	-	-	-	-	-

Notes:

- A Calculate using 13 month average balance, except ADIT which is calculated based on the average of the beginning of the year and the end of the year balances
- 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 ~~ADIT is computed using the average of the beginning of the year and the end of the year balances. Attachments 4a and 4b are used to populate the average ADIT balances on line 28 above. ADIT calculations will be prorated to the extent required by Section 1.167(l)-1(h)(6)(ii) of the IRS regulations. Rate Projections and True-ups will use Attachment 4c to calculate the proration adjustment. ADIT is computed using the average of the beginning of the year and the end of the year balances. Electric ADIT only. Excludes ARO-related ADIT.~~
- 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 account (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.

|

Worksheet 4a - ADIT Average Balances
Transource West Virginia, LLC
For the 12 months ended 12/31/

I. Account 281 - ADIT - Accelerated Amortization Property

Line No.	(A) Identification	(B) Relevant Year Avg. Balance Worksheet 4b	(C) 100% Non-Transmission Related	(D) 100% Related to Facilities Excluded	(E) 100% Transmission Related	(F) Plant Related	(G) Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)	(I) Description / Justification
1									
2								-	
3								-	
4								-	
5								-	
6								-	
7								-	
8								-	
9								-	
10								-	
11								-	
12								-	
13								-	
14								-	
15								-	
16								-	
17								-	
18								-	
19								-	
20								-	
21								-	
22								-	
23								-	
24	Subtotal - Form 1, Avg. (272.17.b & 273.17.k)	-	-	-	-	-	-	-	
25	Less FASB 109 Above if not separately removed	-						-	
26	Less FASB 106 and Other Excludable Items Above if not separately removed	-						-	
27	Less Proration Adjustment (from Worksheet 4c)	-						-	
28	Total Company (In 24 - In 25 - In 26 + In 27)	-	-	-	-	-	-	-	
29	Transmission Allocator [GP or W/S]	-	0.0000%	0.0000%	100.0000%	100.0000%	100.0000%	-	
30	Total Transmission (In 28 * In 29)	-	0	0	0	0	0	0	

II. Account 282 - ADIT - Other Property

Line No.	(A) Identification	(B) Relevant Year Avg. Balance Worksheet 4b	(C) 100% Non-Transmission Related	(D) 100% Related to Facilities Excluded	(E) 100% Transmission Related	(F) Plant Related	(G) Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)	(I) Description / Justification
31	-	-	-	-	-	-	-	-	-
32	-	-	-	-	-	-	-	-	-
33	-	-	-	-	-	-	-	-	-
34	-	-	-	-	-	-	-	-	-
35	-	-	-	-	-	-	-	-	-
36	-	-	-	-	-	-	-	-	-
37	-	-	-	-	-	-	-	-	-
38	-	-	-	-	-	-	-	-	-
39	-	-	-	-	-	-	-	-	-
40	-	-	-	-	-	-	-	-	-
41	-	-	-	-	-	-	-	-	-
42	-	-	-	-	-	-	-	-	-
43	-	-	-	-	-	-	-	-	-
44	-	-	-	-	-	-	-	-	-
45	-	-	-	-	-	-	-	-	-
46	-	-	-	-	-	-	-	-	-
47	-	-	-	-	-	-	-	-	-
48	-	-	-	-	-	-	-	-	-
49	-	-	-	-	-	-	-	-	-
50	-	-	-	-	-	-	-	-	-
51	-	-	-	-	-	-	-	-	-
52	Subtotal - Form 1, Avg. (274.9.b & 275.9.k)	-	-	-	-	-	-	-	-
53	Less FASB 109 Above if not separately removed	-	-	-	-	-	-	-	-
54	Less FASB 106 and Other Excludable Items Above if not separately removed	-	-	-	-	-	-	-	-
55	Less Proration Adjustment (from Worksheet 4c)	-	-	-	-	-	-	-	-
56	Total Company (In 52 - In 53 - In 54 + In 55)	-	-	-	-	-	-	-	-
57	Transmission Allocator [GP or W/S]	-	0.0000%	0.0000%	100.0000%	100.0000%	100.0000%	-	-
58	Total Transmission (In 56 * In 57)	-	0	0	0	0	0	0	-

III. Account 283 - ADIT - Other

Line No.	(A) Identification	(B) Relevant Year Avg. Balance Worksheet 4b	(C) 100% Non-Transmission Related	(D) 100% Related to Facilities Excluded	(E) 100% Transmission Related	(F) Plant Related	(G) Labor Related	(H) Total Included in Ratebase (E)+(F)+(G)	(I) Description / Justification
59	-	-	-	-	-	-	-	-	-
60	-	-	-	-	-	-	-	-	-
61	-	-	-	-	-	-	-	-	-
62	-	-	-	-	-	-	-	-	-
63	-	-	-	-	-	-	-	-	-
64	-	-	-	-	-	-	-	-	-
65	-	-	-	-	-	-	-	-	-
66	-	-	-	-	-	-	-	-	-
67	-	-	-	-	-	-	-	-	-
68	-	-	-	-	-	-	-	-	-
69	-	-	-	-	-	-	-	-	-
70	-	-	-	-	-	-	-	-	-
71	-	-	-	-	-	-	-	-	-
72	-	-	-	-	-	-	-	-	-
73	-	-	-	-	-	-	-	-	-
74	-	-	-	-	-	-	-	-	-
75	-	-	-	-	-	-	-	-	-
76	-	-	-	-	-	-	-	-	-
77	-	-	-	-	-	-	-	-	-
78	-	-	-	-	-	-	-	-	-
79	-	-	-	-	-	-	-	-	-
80	-	-	-	-	-	-	-	-	-
81	-	-	-	-	-	-	-	-	-
82	-	-	-	-	-	-	-	-	-
83	-	-	-	-	-	-	-	-	-
84	Subtotal - Form 1, Avg. (276.19.b & 277.19.k)	-	-	-	-	-	-	-	-
85	Less FASB 109 Above if not separately removed	-	-	-	-	-	-	-	-
86	Less FASB 106 and Other Excludable Items Above if not separately removed	-	-	-	-	-	-	-	-
87	Less Proration Adjustment (from Worksheet 4c)	-	-	-	-	-	-	-	-
88	Total Company (In 84 - In 85 - In 86 + In 87)	-	-	-	-	-	-	-	-
89	Transmission Allocator [GP or W/S]	-	0.0000%	0.0000%	100.0000%	100.0000%	100.0000%	-	-
90	Total Transmission (In 88 * In 89)	-	0	0	0	0	0	0	-

IV. Account 190 - ADIT

Line No.	(A) <u>Identification</u>	(B) <u>Relevant Year</u> <u>Avg. Balance</u> <u>Worksheet 4b</u>	(C) <u>100%</u> <u>Non-Transmission</u> <u>Related</u>	(D) <u>100%</u> <u>Related to Facilities</u> <u>Excluded</u>	(E) <u>100%</u> <u>Transmission</u> <u>Related</u>	(F) <u>Plant</u> <u>Related</u>	(G) <u>Labor</u> <u>Related</u>	(H) <u>Total Included</u> <u>in Ratebase</u> <u>(E)+(F)+(G)</u>	(I) <u>Description / Justification</u>
91	-	-	-	-	-	-	-	-	-
92	-	-	-	-	-	-	-	-	-
93	-	-	-	-	-	-	-	-	-
94	-	-	-	-	-	-	-	-	-
95	-	-	-	-	-	-	-	-	-
96	-	-	-	-	-	-	-	-	-
97	-	-	-	-	-	-	-	-	-
98	-	-	-	-	-	-	-	-	-
99	-	-	-	-	-	-	-	-	-
100	-	-	-	-	-	-	-	-	-
101	-	-	-	-	-	-	-	-	-
102	-	-	-	-	-	-	-	-	-
103	-	-	-	-	-	-	-	-	-
104	-	-	-	-	-	-	-	-	-
105	-	-	-	-	-	-	-	-	-
106	-	-	-	-	-	-	-	-	-
107	-	-	-	-	-	-	-	-	-
108	-	-	-	-	-	-	-	-	-
109	-	-	-	-	-	-	-	-	-
110	-	-	-	-	-	-	-	-	-
111	-	-	-	-	-	-	-	-	-
112	-	-	-	-	-	-	-	-	-
113	-	-	-	-	-	-	-	-	-
114	-	-	-	-	-	-	-	-	-
115	Subtotal - Form 1, Avg. (234.17.b & 234.17.c)	-	-	-	-	-	-	-	-
116	Less FASB 109 Above if not separately removed	-	-	-	-	-	-	-	-
117	Less FASB 106 and Other Excludable Items Above if not separately removed	-	-	-	-	-	-	-	-
118	Less Proration Adjustment (from Worksheet 4c)	-	-	-	-	-	-	-	-
119	Total Company (In 115 - In 116 - In 117 + In 118)	-	-	-	-	-	-	-	-
120	Transmission Allocator [GP or W/S]	-	0.0000%	0.0000%	100.0000%	100.0000%	100.0000%	-	-
121	Total Transmission (In 119 * In 120)	-	0	0	0	0	0	0	-

Worksheet 4b - Beginning & Ending Balances
Transource West Virginia, LLC
For the 12 months ended 12/31/

Line No.	Beginning Balance	Dr. (Cr.)	Ending Balance	AVG Bal to Worksheet 4a
1	Acct 281 (a)		(b)	
2	-		-	
3	-		-	
4	Form 1 p. 272.17.b -		Form 1 p. 273.17.k -	-
5	Acct 282			
6	-		-	
7	-		-	
8	-		-	
9	-		-	
10	-		-	
11	-		-	
12	-		-	
13	-		-	
14	Form 1 p. 274.9.b -		Form 1 p. 275.9.k -	-
15	Acct 283			
16	-		-	
17	-		-	
18	-		-	
19	-		-	
20	-		-	
21	-		-	
22	-		-	
23	-		-	
24	-		-	
25	-		-	
26	-		-	
27	-		-	
28	-		-	
29	-		-	
30	-		-	
31	-		-	
32	-		-	
33	-		-	
34	-		-	
35	-		-	
36	Form 1 p. 276.19.b -		Form 1 p. 277.19.k -	-

37 Acct 190

<u>38</u>	-	-
<u>39</u>	-	-
<u>40</u>	-	-
<u>41</u>	-	-
<u>42</u>	-	-
<u>43</u>	-	-
<u>44</u>	-	-
<u>45</u>	-	-
<u>46</u>	-	-
<u>47</u>	-	-
<u>48</u>	-	-
<u>49</u>	-	-
<u>50</u>	-	-
<u>51</u>	-	-
<u>52</u>	-	-
<u>53</u>	-	-
<u>54</u>	-	-
<u>55</u>	Form 1 p. 234.18.b <u>-</u>	

[illegible]

Line No.		Dr. (Cr.)		AVG Bal to Worksheet 4a
56	Acct 254			
57	-	-	-	
58	-	-	-	
59	-	-	-	
60	-	-	-	
61	-	-	-	
62	-	-	-	
63	-	-	-	
64	-	-	-	
65	-	-	-	
66	-	-	-	
67	-	-	-	
68	-	-	-	
69	-	-	-	
70	-	-	-	
71	-	-	-	
72	-	-	-	
73	-	-	-	
74	-	-	-	
75	Total Acct 254 Grossed Up - Form 1, p. 278.b	-	Total Acct 254 Grossed Up - Form 1, p. 278.f	-
76	Acct 182.3			
77	-	-	-	
78	-	-	-	
79	-	-	-	
80	-	-	-	
81	-	-	-	
82	-	-	-	
83	-	-	-	
84	-	-	-	
85	-	-	-	
86	-	-	-	
87	-	-	-	
88	-	-	-	
89	-	-	-	
90	-	-	-	
91	-	-	-	
92		-	-	-
93	Acct 182.3 Gross Up	-	Acct 182.3 Gross Up	-
94	Total Acct 182.3 Grossed Up - Form 1, p. 232.b	-	Total Acct 182.3 Grossed Up - Form 1, p. 232.f	-

Note 1: Excess or deficient ADIT balances resulting from corporate income tax rate changes, including future federal, state, and local tax rate changes, are to be recorded to Accounts 254 or 182.3, respectively.

Worksheet 4c - ADIT Proration Adjustment
Transource West Virginia, LLC
For the 12 months ended 12/31/

Account 282

Line No.

1	Days in Period					Averaging with Proration		
	A	B	C	D	E	F	G	H
2	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
3								
4								
5	Average Balance of Prorated Items							-
6	January	31	335	365	91.78%	-	-	-
7	February	28	307	365	84.11%	-	-	-
8	March	31	276	365	75.62%	-	-	-
9	April	30	246	365	67.40%	-	-	-
10	May	31	215	365	58.90%	-	-	-
11	June	30	185	365	50.68%	-	-	-
12	July	31	154	365	42.19%	-	-	-
13	August	31	123	365	33.70%	-	-	-
14	September	30	93	365	25.48%	-	-	-
15	October	31	62	365	16.99%	-	-	-
16	November	30	32	365	8.77%	-	-	-
17	December	31	1	365	0.27%	-	-	-
18	Total	365	2,029	4,380	-	-	-	-
19	Ending Balance of Prorated items					(Line 17, & Col		

20	Non-prorated Average Balance	H)	-
21	Proration Adjustment	(Line 19 minus Line 20)	-

Account 283

Line No.	Days in Period					Averaging with Proration		
22								
23	A	B	C	D	E	F	G	H
	Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
24								
25	December 31st balance Prorated Items							
26								
27	January	31	335	365	91.78%	-	-	-
28	February	28	307	365	84.11%	-	-	-
29	March	31	276	365	75.62%	-	-	-
30	April	30	246	365	67.40%	-	-	-
31	May	31	215	365	58.90%	-	-	-
32	June	30	185	365	50.68%	-	-	-
33	July	31	154	365	42.19%	-	-	-
34	August	31	123	365	33.70%	-	-	-
35	September	30	93	365	25.48%	-	-	-
36	October	31	62	365	16.99%	-	-	-
37	November	30	32	365	8.77%	-	-	-
38	December	31	1	365	0.27%	-	-	-
39	Total	365	2,029	4,380	-	-	-	-

40	Ending Balance of Prorated items	(Line 38, & Col H)	-
41	Non-prorated Average Balance		-

Account 190

Line

No.

43

44

Days in Period					Averaging with Proration		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							-
January	31	335	365	91.78%	-	-	-
February	28	307	365	84.11%	-	-	-
March	31	276	365	75.62%	-	-	-
April	30	246	365	67.40%	-	-	-
May	31	215	365	58.90%	-	-	-
June	30	185	365	50.68%	-	-	-
July	31	154	365	42.19%	-	-	-
August	31	123	365	33.70%	-	-	-
September	30	93	365	25.48%	-	-	-
October	31	62	365	16.99%	-	-	-
November	30	32	365	8.77%	-	-	-
December	31	1	365	0.27%	-	-	-
Total	365	2,029	4,380	-	-	-	-

61

Ending Balance of Prorated items

62

Non-prorated Average Balance

63

Proration Adjustment

(Line 59, & Col H)

(Line 61 minus Line 62)

Account 281

Line No.

Days in Period					Averaging with Proration		
A	B	C	D	E	F	G	H
Month	Days in the Month	Number of Days Remaining in Year After Month's Accrual of Deferred Taxes	Total Days in Future Portion of Test Period	Proration Amount (C / D)	Projected Monthly Activity	Prorated Projected Monthly Activity (E x F)	Prorated Projected Balance (Cumulative Sum of G)
December 31st balance Prorated Items							-
January	31	335	365	91.78%	-	-	-
February	28	307	365	84.11%	-	-	-
March	31	276	365	75.62%	-	-	-
April	30	246	365	67.40%	-	-	-
May	31	215	365	58.90%	-	-	-
June	30	185	365	50.68%	-	-	-
July	31	154	365	42.19%	-	-	-
August	31	123	365	33.70%	-	-	-
September	30	93	365	25.48%	-	-	-
October	31	62	365	16.99%	-	-	-
November	30	32	365	8.77%	-	-	-
December	31	1	365	0.27%	-	-	-
Total	365	2,029	4,380	-	-	-	-
Ending Balance of Prorated items							-
Non-prorated Average Balance							-
Proration Adjustment							-

(Line 80, & Col H)

(Line 82 minus Line 83)

Worksheet 4d - (Excess)/Deficient ADIT Amortization (Note 1)
Transource West Virginia, LLC
For the 12 months ended 12/31/

Protected - (Excess) / Deficient ADIT Amortization (Note 2)

Line No.	(a) Identification	(b) Total (Note 1)	(c) 100% Non-Transmission Related	(d) 100% Related to Facilities Excluded	(e) 100% Transmission Related	(f) Plant Related	(g) Labor Related	(h) Total Included in Income Tax Expense (e)+(f)+(g)	(i) Amortization Account 410.1 / 411.1 (Note 1)	(j) Remaining Amortization Period (Note 2)
1	-	-	-	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-	-	-	-
3	-	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-	-
5	-	-	-	-	-	-	-	-	-	-
6	-	-	-	-	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	-	-
12	Subtotal	-	-	-	-	-	-	-	-	-
13	Transmission Allocator [GP or W/S]	-	0.000%	0.000%	100.000%	100.000%	100.000%	-	-	-
14	Total (In 12 * In 13)	-	0	0	-	0	0	0	-	-

Unprotected - (Excess)/Deficient ADIT Amortization (Note 3)

Line No.	(a) Identification	(b) Total (Note 1)	(c) 100% Non-Transmission Related	(d) 100% Related to Facilities Excluded	(e) 100% Transmission Related	(f) Plant Related	(g) Labor Related	(h) Total Included in Income Tax Expense (e)+(f)+(g)	(i) Amortization Account 410.1 / 411.1 (Note 1)	(j) Remaining Amortization Period (Note 3)
15	-	-	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-	-	-	-
20	-	-	-	-	-	-	-	-	-	-
21	-	-	-	-	-	-	-	-	-	-
22	-	-	-	-	-	-	-	-	-	-
23	-	-	-	-	-	-	-	-	-	-
24	-	-	-	-	-	-	-	-	-	-
25	-	-	-	-	-	-	-	-	-	-
26	-	-	-	-	-	-	-	-	-	-
27	-	-	-	-	-	-	-	-	-	-
28	-	-	-	-	-	-	-	-	-	-
29	-	-	-	-	-	-	-	-	-	-
30	-	-	-	-	-	-	-	-	-	-
31	-	-	-	-	-	-	-	-	-	-
32	-	-	-	-	-	-	-	-	-	-
33	-	-	-	-	-	-	-	-	-	-
34	-	-	-	-	-	-	-	-	-	-
35	-	-	-	-	-	-	-	-	-	-
36	-	-	-	-	-	-	-	-	-	-
37	-	-	-	-	-	-	-	-	-	-
38	-	-	-	-	-	-	-	-	-	-
39	-	-	-	-	-	-	-	-	-	-
40	-	-	-	-	-	-	-	-	-	-
41	-	-	-	-	-	-	-	-	-	-
42	-	-	-	-	-	-	-	-	-	-
43	-	-	-	-	-	-	-	-	-	-
44	Subtotal	-	-	-	-	-	-	-	-	-
45	Transmission Allocator [GP or W/S]	-	0.000%	0.000%	100.000%	100.000%	100.000%	-	-	-
46	Total (In 44 * In 45)	-	0	0	-	0	0	0	-	-

Worksheet 4d - (Excess) / Deficient Deferred Taxes - Calculated End of Year Balance

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
Line	Total Company	Beginning of Year	Return to Provision	Other	Current Year	End of Year	
No.	Regulatory Asset/Liability Balances	Balances	Adjustment	Adjustments	EDIT Amortization	Balance	Notes
47	-	-	-	-	-	-	-
48	-	-	-	-	-	-	-
49	-	-	-	-	-	-	-
50	-	-	-	-	-	-	-
51	-	-	-	-	-	-	-
52	-	-	-	-	-	-	-
53	-	-	-	-	-	-	-
54	-	-	-	-	-	-	-
55	Total Regulatory Asset/Liability (sum Ins 47 and 54)						-

Note 1: Worksheet 4d presents total company amortization for excess / deficient ADIT amounts. The amortization of the excess and deficient ADIT is recorded to accounts 411.1 and 410.1 respectively.

Note 2: The amortization of Tax Cuts and Jobs Act ("TCJA") related Excess and Deficient Protected ADIT balances starts January 1, 2018 over the remaining life of Transource West Virginia LLC's assets consistent the "Average Rate Assumption Method" (ARAM).

Note 3: This amortization of TCJA-related Excess and Deficient Unprotected ADIT balances starts January 1, 2020 using an amortization period of one (1) year. Unprotected amortization is not generally booked or tracked by item. Excess and deficient unprotected amortization primarily relates to the following deferred tax items: Federal & State NOL Carryovers and Regulatory Assets & Liabilities.

Note 4: Further explanatory notes may be provided for future tax rate changes

-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-

Worksheet 4e - Tax Remeasurement
Transource West Virginia, LLC
For the 12 months ended 12/31/

Reason for Tax Remeasurement: -

Line No.	(a) Utility Account	(b) Source	(c) Pre-remeasurement Balance	(d) Remeasurement Percentage	(e) Remeasurement Amount (e)=(c)*(d)	(f) 190/283 Reclass (NOTE 2)	(g) Total (Excess)/Deficiency (g)=(e)+(f)	(h) Post-remeasurement Balance (h)=(c)+(f)
1	Account 190							
2	Pre-remeasurement Electric Utility Balance	234.8.b	-					
3	Less Deferred SIT	Company Records	-					
4	-	-	-					
5	-	-	-					
6	190.1	Total including adjustments	-	-	-	-	-	-
7	Account 281							
8	Pre-remeasurement Electric Utility Balance	272.8.b	-					
9	Less Deferred SIT	Company Records	-					
10	-	-	-					
11	-	-	-					
12	282.1 (Enter Negative)	Total including adjustments	-	-	-	-	-	-
13	Account 282							
14	Pre-remeasurement Electric Utility Balance	274.5.b	-					
15	Less Deferred SIT	Company Records	-					
16	-	-	-					
17	-	-	-					
18	282.1 (Enter Negative)	Total including adjustments	-	-	-	-	-	-
19	Account 283							
20	Pre-remeasurement Electric Utility Balance	276.9.b	-					
21	Less Deferred SIT	Company Records	-					
22	-	-	-					
23	-	-	-					
24	283.1 (Enter Negative)	Total including adjustments	-	-	-	-	-	-
25	Total		-		-	-	-	-

Note 1: This sheet only to be used in years which have a change in corporate income tax rates.
Note 2: As part of the reameasurement calculation, the remeasurement ADIT balances in account 1901001 were reclassified to account 2831001 to group nonproperty utility deferrals together as one timing difference.
Note 3: Use blank rows in each account for any additional adjustments needed prior to remeasurement.

Attachment 5
Return on Rate Base Worksheet
Transource West Virginia, LLC

RETURN ON RATE BASE (R)

			\$			
1	Long Term Debt Interest (117, sum of 62.c - 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-26 Note Q	-	-%	-%	-%
9	Preferred Stock	Line 25 (b), Note B and Attachment H-26 Note Q	-	-%	-%	-%
10	Common Stock	Line 7, Note C and Attachment H-26 Notes Q and T	-	-%	10.50%	-%
11	Total (Sum of Lines 8 through 10)		-		-9%	=R

		(a)	(b)	(c)	(d)	(e)
	Monthly Balances for Capital Structure	Long Term Debt (112.18-21.c)	Preferred Stock (112.3.c)	Proprietary Capital (112.16.c)	Undistributed Sub Earnings 216.1 (112.12.c)	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 debt interest is the sum of Form 1 page 117 lines 62-67.c, with 65-66.c entered as negative numbers.

Attachment 6
Interest on True-Up
Transource West Virginia, LLC

2016		2016			
Projected Revenue Requirement (Note A)		Actual Net Revenue Requirement (Note B)		Over (Under) Recovery	
	Less	\$-	Equals	\$-	

Note A - Projected ATRR for the true-up year from Page 1, Line 1 of Projection Attachment H-26 minus Line 6 of Projection Attachment H-26.
Note B - Actual Net ATRR for the true-up year from Page 1, Line 9 of True-Up Attachment H-26.

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
		-%				
An over or under collection will be recovered prorata over year collected, held for one year and returned prorata over next year						
Calculation of Interest				Monthly		
January	Year 2016	-	-% 12	-		-
February	Year 2016	-	-% 11	-		-
March	Year 2016	-	-% 10	-		-
April	Year 2016	-	-% 9	-		-
May	Year 2016	-	-% 8	-		-
June	Year 2016	-	-% 7	-		-
July	Year 2016	-	-% 6	-		-
August	Year 2016	-	-% 5	-		-
September	Year 2016	-	-% 4	-		-
October	Year 2016	-	-% 3	-		-
November	Year 2016	-	-% 2	-		-
December	Year 2016	-	-% 1	-		-
				-		-
January through December	Year 2017	-	-% 12	-		-
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months				Monthly		
January	Year 2018	-	-%	-	-	-
February	Year 2018	-	-%	-	-	-
March	Year 2018	-	-%	-	-	-
April	Year 2018	-	-%	-	-	-
May	Year 2018	-	-%	-	-	-
June	Year 2018	-	-%	-	-	-
July	Year 2018	-	-%	-	-	-
August	Year 2018	-	-%	-	-	-
September	Year 2018	-	-%	-	-	-
October	Year 2018	-	-%	-	-	-
November	Year 2018	-	-%	-	-	-
December	Year 2018	-	-%	-	-	-
				-		-
Total Amount of True-Up Adjustment					\$	-
Less Over (Under) Recovery					\$	-
Total Interest					\$	-

Attachment 6a
True-Up Interest Rate Calculation
Transource West Virginia, LLC

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	-%
19	Monthly Average rate	-%

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
Post-Employment Benefits Other than Pensions (PBOP)
Transource West Virginia, LLC

Calculation of PBOP Expenses

Line No.			AEP (a) Year Ended December 31, 2014	KCP&L (b) Year Ended December 31, 2014	Total (c) = (a+b)
1					
2	Total PBOP expenses, corporate parent companies	Note A	-\$76,811,513	\$9,446,530	
3	Amount relating to retired personnel	Note A	-\$44,124,792	\$3,889,136	
4	Amount allocated on Labor	Line 2 less line 3	-\$32,686,721	\$5,557,394	
5	Labor dollars	Note B	\$1,300,120,729	\$182,771,659	
6	Cost per labor dollar	Line 4 divided by line 5	-\$0.025	\$0.030	
7	Labor (labor not capitalized) current year	Note C	-	-	
8	PBOP Expense Allowed for current year	Line 6 times line 7	-	-	-
9					
10	Actual PBOP in Company's O&M and A&G expense accounts in Form No. 1				-

Notes

- A Amounts on lines 2-3 reflect data from the 2014 actuarial reports for AEP and KCP&L. These values cannot change absent approval or acceptance by FERC in a separate proceeding.
- B Amounts on line 5 is the actual AEP straight-time labor, loaded for non-productive load, and KCP&L labor booked to O&M and A&G and included in the Form No. 1 on page 354.28.b less labor dollars associated with the Wolf Creek Nuclear Facility.
- C The labor in line 7 is the total labor excluding capitalized labor charged by an AEP affiliate or KCP&L affiliate to Transource West Virginia in the year.

Attachment 8
Cost of Debt Prior to Issuing Non-Construction Financing
Transource West Virginia, LLC

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-26. If construction debt has not or will not be issued when construction starts, a proxy interest rate will be used for the cost of debt, which will be supported in the initial section 205 filing. The proxy interest rate will be entered on line 36 of this attachment. If construction financing has been obtained, the cost of debt prior to 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)								3.11%	
2	Rate Year Debt Fee expense - Line 35 (e)								0.38%	
3	Total Cost of Debt								3.49%	
	Interest Rate Information									
4	Commitment Fee Rate (%)								0.35%	
5	Projected Average Drawn Rate for Rate Year (%) - Note A								2.05%	
	Month During Rate Year	Total Loan Amount (\$000)	Principal Drawn (\$000)	Unutilized Loan Balance (\$000)	Commitment Fee (\$000)	Interest Expense (\$000)	Effective Annual Interest Rate (%)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)			
6	December Prior Year	100,000	-	100,000	29.17	-				
7	January	100,000	5,000	95,000	27.71	9				
8	February	100,000	10,000	90,000	26.25	17				
9	March	100,000	15,000	85,000	24.79	26				
10	April	100,000	20,000	80,000	23.33	34				
11	May	100,000	25,000	75,000	21.88	43				
12	June	100,000	30,000	70,000	20.42	51				
13	July	100,000	35,000	65,000	18.96	60				
14	August	100,000	40,000	60,000	17.50	68				
15	September	100,000	45,000	55,000	16.04	77				
16	October	100,000	50,000	50,000	14.58	85				
17	November	100,000	55,000	45,000	13.13	94				
18	December	100,000	60,000	40,000	11.67	103				
19	Average of the 13 Monthly Balances		30,000		265.42	666	3.11%			
	Example Fee Calculation - All amounts represent actual rate year expenses.									
		(a)	(b)	(c)	(d)	(e)	(f)	(g)		
		Rates/Fees	Gross Fee Amount (\$000)	Year Fee Incurred	Fee Amortization period (years)	Rate Year Amortized Fee Amount, col. b / col. d	Prior Years Accumulated Fee Amortization	Unamortized Balance - End of Rate Year		
20	Origination Fees									
21	Underwriting Discount		20	2016	2	10	-	10		
22	Arrangement Fee	0.15%	20	2016	2	10	-	10		
23	Upfront Fee	0.35%	50	2016	2	25	-	25		
24	Rating Agency Fee		20	2016	2	10	-	10		
25	Legal Fees		20	2016	2	10	-	10		
26	Other		0		2	0	-	0		
27	Total Issuance Expense / Origination Fees		130			65	-	65		
28	Annual Fees									
29	Annual Rating Agency Fee	0.10%	20	2016	N/A	20	N/A	N/A		
30	Annual Bank Agency Fee		20	2016	N/A	20	N/A	N/A		
31	Utilization Fee	0.10%	10	2016	N/A	10	N/A	N/A		
32	Other Fees				N/A	0	N/A	N/A		
33	Total Fees		180			115	-	65		
34	13 Month Average Debt balance - Line 19 (c)					30,000				
35	Rate Year cost of fees					0.38%				
36	Proxy Interest rate. Used prior to issuance of construction financing and supported in initial section 205 filing.			3.72%						

Notes	
A	Projected rate will be Average LIBOR for rate year + spread. 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
	Spread
	Total

Attachment 9
True-up - Construction Financing Cost of Debt
Transource West Virginia, LLC

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-26. 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)	800,000
2	Line of Credit Fees (68.c)	500,000
3	Total Interest and Fees	1,300,000
	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	5,000,000
8	April	11,000,000
9	May	17,000,000
10	June	23,000,000
11	July	29,000,000
12	August	35,000,000
13	September	41,000,000
14	October	47,000,000
15	November	53,000,000
16	December	59,000,000
17	Average of the 13 Monthly Balances	24,615,385
18	True-Up Cost of Debt (Line 3 / Line 17)	5.28%

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.

Attachment 10
Depreciation Rates
Transource West Virginia, LLC

**INITIAL PROPOSED TRANSMISSION AND GENERAL PLANT DEPRECIATION RATES
CALCULATED FROM APPALACHIAN POWER COMPANY (WEST VIRGINIA) MORTALITY CHARACTERISTICS
FROM CASE NO. 14-1151-E-D (NOTE A)**

		Average Service Life (Years)	Iowa Curve	Salvage Factor	Cost of Removal Factor	Net Salvage Factor	Calculated Initial Annual Depreciation Rates (Note B)
<u>TRANSMISSION PLANT</u>							
351.0	Energy Storage Equipment	15	SQ	5%	5%	0%	6.67%
352.0	Structures & Improvements	62	R4.0	5%	15%	-10%	1.77%
353.0	Station Equipment	45	R1.5	28%	13%	15%	1.89%
354.0	Towers & Fixtures	68	R3.0	25%	35%	-10%	1.62%
355.0	Poles & Fixtures	42	R0.5	5%	20%	-15%	2.74%
356.0	OH Cond. & Devices	64	R3.0	30%	18%	12%	1.38%
357.0	Underground Conduit	50	R2.0	0%	0%	0%	2.00%
358.0	Underground Conductor and Devices	20	L4.0	0%	0%	0%	5.00%
<u>GENERAL PLANT</u>							
390.0	Structures & Improvements	42	SQ	36%	11%	25%	1.79%
391.0	Office Furniture & Equipment	30	SQ	0%	0%	0%	3.33%
392.0	Transportation Equipment	27	SQ	0%	0%	0%	3.70%
393.0	Stores Equipment	55	SQ	0%	0%	0%	1.82%
394.0	Tools Shop & Garage Equipment	43	SQ	0%	10%	-10%	2.56%
395.0	Laboratory Equipment	37	SQ	0%	0%	0%	2.70%
396.0	Power Operated Equipment	25	SQ	0%	0%	0%	4.00%
397.0	Communication Equipment	24	SQ	0%	1%	-1%	4.21%
398.0	Miscellaneous Equipment	35	SQ	0%	0%	0%	2.86%
<u>INTANGIBLE PLANT</u>							
303	Miscellaneous Intangible Plant	5					20.00%

Notes

- A The transmission and general plant depreciation rates proposed by Transource West Virginia were determined using the same depreciation study utilized by Appalachian Power to develop transmission and general plant depreciation rates that were approved by the Public Service Commission of West Virginia in their order in Case Nos. 14-1152-E-42T and 14-1151-E-D on May 26, 2015.
- B These depreciation rates will not be changed absent a FERC order.

Attachment 11
Prior Period Adjustments
Transource West Virginia, LLC

			(a)	(b)
			Revenue	Calendar Year
Line			Impact of	Revenue
No.	Description	Source	Correction	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		0.25%
15	Number of Months of Interest	Note B		30
16	Interest on Correction	Line 12 x 14 x 15		-
17				
18	Total Annual Refunds Due 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.

Attachment 12
Revenue Credit Detail
Transource West Virginia, LLC

Line No.	(Note 1)	Source	(a) Company Total	(b) Less: Non Transmission	(c) = (a)- (b) Transmission-related
1	Account 454 - Rent from Electric Property				
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	Account 454 Revenue Credit	Form 1 300.19.b	-	-	-
9	Account 456.1 Other Operating Revenues				
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	Account 456.1 Revenue Credit	(Line 15 - line 16)	-	-	-
19	Total Revenue Credits	(Line 8 + line 18)	-	-	-

Note 1 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. Revenues that are not derived from PJM rates which are based on this transmission formula rate will be included as a revenue credit.