AEP West SPP Member Transmission Companies Calculation of Actual/ Projected Zonal Rate For Schedule 9 For the 2019 Rate Year

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	SPP Zone 1 Actual / Projected AEP Trai	nsco Revenue Requirements			
Line No.		-	AEP Annual Revenue Requirement	OKT Annual Revenue Requirement	SWT Annual Revenue Requirement
A. <u>Netwo</u> 1	ork Service RATE YEAR REVENUE REQUIREMENT (w/o incentives)	(TCOS Line 1)	120,707,539	\$120,636,969	\$70,569
2	LESS: REVENUE CREDITS	(TCOS Line 2)	3,504,741	\$3,499,941	\$4,800
3	NETWORK CUSTOMER OWNED FACILITY CREDITS	(TCOS Line 3)	-	\$0	\$0
4	RATE YEAR ZONE 1 AEP NETWORK SERVICE REVENUE REQUIREMENT	(TCOS Line 4)	\$117,202,798	\$117,137,028 99.944%	\$65,769 0.056%
5	LESS: REVENUE REQUIREMENTS INCLUDED IN LINE 1 FOR:		20 746 057	20 746 067	
6 7	BASE PLAN UPGRADES (W/O INCENTIVES) REQUESTED UPGRADES (W/O INCENTIVES)	(TCOS Line 5) (Worksheet F/G)	36,715,957	36,715,957	-
8	ECONOMIC UPGRADES (W/O INCENTIVES)	(Worksheet F/G)	-	-	-
9	SUBTOTAL	(11011011001170)	36,715,957	36,715,957	-
10	EXISTING ZONAL ATRR (W/O INCENTIVES)	(Line 4- Line 9)	80,486,841	80,421,072	65,769
11	INCENTIVE REVENUE REQUIREMENT FOR ZONAL PROJECTS	(TCOS Line 13)	-	-	-
12	RATE YEAR ZONAL ATRR (W/ INCENTIVES)	(Line 10 + Line 11)	80,486,841	80,421,072	65,769
12A	PRIOR YEAR TRUE UP (2017 Including Interest)	True Up Workpaper	7,091,393	7,087,413	3,979
12B	RATE YEAR ZONAL ATRR (W/ INCENTIVES) INCLUDING PRIOR YEAR TRUE UP	(Line 12 + Line 12A)	87,578,234	87,508,485	69,749
13	Actual/Projected Rate Year AEP West Zone Average 12-Mo. Peak Demand, MW	(Load WS, In 33)	8,394	8,394	8,394
14	Monthly NITS Rate in \$/MW - Month	(Line 12 / Line 13) /12	869.45	868.76	0.69

AEP - SPP Transco Formula Rate Actual/Projected NITS Rates Page: 1 of 53

AEP West SPP Member Transmission Companies Calculation of Actual/ Projected Zonal Rate For Schedule 9 For the 2019 Rate Year

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	SPP Zone 1 Actual / Projected AEP T	ransco Revenue Requirements			
Line No.			AEP Annual Revenue Requirement	OKT Annual Revenue Requirement	SWT Annual Revenue Requirement
A. Netwo	ork Service				
1	RATE YEAR REVENUE REQUIREMENT (w/o incentives)	(TCOS Line 1)	120,707,539	\$120,636,969	\$70,569
2	LESS: REVENUE CREDITS	(TCOS Line 2)	3,504,741	\$3,499,941	\$4,800
3	NETWORK CUSTOMER OWNED FACILITY CREDITS	(TCOS Line 3)	-	\$0	\$0
4	RATE YEAR ZONE 1 AEP NETWORK SERVICE REVENUE REQUIREMENT	(TCOS Line 4)	\$117,202,798	\$117,137,028 99.944%	\$65,769 0.056%
5 6 7 8	LESS: REVENUE REQUIREMENTS INCLUDED IN LINE 1 FOR: BASE PLAN UPGRADES (W/O INCENTIVES) REQUESTED UPGRADES (W/O INCENTIVES) ECONOMIC UPGRADES (W/O INCENTIVES)	(TCOS Line 5) (Worksheet F/G) (Worksheet F/G)	36,715,957 - -	36,715,957 - -	- -
9	SUBTOTAL		36,715,957	36,715,957	-
10	EXISTING ZONAL ATRR (W/O INCENTIVES)	(Line 4- Line 9)	80,486,841	80,421,072	65,769
11	INCENTIVE REVENUE REQUIREMENT FOR ZONAL PROJECTS	(TCOS Line 13)	-	-	-
12	RATE YEAR ZONAL ATRR (W/ INCENTIVES)	(Line 10 + Line 11)	80,486,841	80,421,072	65,769
13	Actual/Projected Rate Year AEP West Zone Average 12-Mo. Peak Demand, MW	(Load WS, In 33)	8,394	8,394	8,394
14	Monthly NITS Rate in \$/MW - Month	(Line 12 / Line 13) /12	799.05	798.40	0.65

AEP - SPP Transco Formula Rate Actual/Projected NITS Rates Page: 2 of 53

AEP West SPP Member Transmission Companies Utilizing FERC Form 1 Data For rates effective January 1, 2019

		S	PP SCHEDULE 1 AEP Transco Revenue Requirements
			AEP Ann
	Line		Revenu
	No.		Requirem
Α.	<u>Schedu</u>	le 1 ARR For 2019 Rate Year	
	1	Total Load Dispatch & Scheduling (Account 561) (TCOS Line 65)	\$34
	2	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)	
	3	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b	

- 4 Total 561 Internally Developed Costs
- 5 Less: PTP Service Credit (prior year Sched 1 revenue from PTP transactions)

6 ZON	IAL ARR FOR RATE YEAR	Line 4 - Line 5)	

B. <u>Schedule 1 2019 Rate Year Calculations</u>

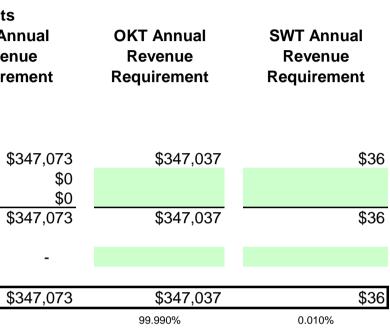
- 7 Rate Year AEP West Zone SPP Average 12-Mo. Peak Demand
- 8 Annual Point-to-Point Rate in \$/MW Year
- 9 Monthly Point-to-Point Rate (In 8 / 12) \$/MW Month
- 10 Weekly Point-to-Point Rate (In 8 / 52) \$/MW Weekly
- 11 Daily Off-Peak Point-to-Point Rate (In 8 / 365) \$/MW Day
- 12 Hourly Off-Peak Point-to-Point Rate (In 8 / 8760) \$/MW Hour

(Load WS, In 20)

(Line 1 - Line 2 - Line 3)

(Line 6 / Line 7) (Line 8 / 12) (Line 8 / 52) (Line 8 / 365) (Line 8 / 8760)

AEP - SPP Transco Formula Rate Schedule 1 Rates Page: 3 of 53



8,394 MW

\$41.35 \$3.45 \$0.80 \$0.11 \$0.00 AEP West SPP Member Transmission Companies

Calculation of Schedule 11 Revenue Requirements For AEP Transmission Projects For the 2019 Rate Year

AEP Transco Schedule 11 Revenue Requirement Including True-Up of Prior Collections

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

Note: Some projects' final trued-up cost may not meet SPP's \$100,000 threshold for socialization. In that case a true-up of the prior year ARR will be made in columns (H) through (O), but no projected ARR will be shown in columns (E) through (G) for the current year.

) (B)	(C)	(D)	(E)	(F)	(G) = (E) + (F)	(H)	(I)	(J)	(K) = (I) - (J)	(L)	(M) (N) = (L)-(M)	(O)	(P) = (H)+(K)+(N)+(O)	(R) = (G) +
			ARR From R	ate Year Pro	jection WS-F		٦	rue-Up ARR Fro	m Worksheet G (incl	udes adjustme	ent for SPP Collectio	ns)		
							В	ase ARR		Ince	entive ARR			
<u>et</u> ne <u>Owner</u>	Project Description	<u>Year in</u> Service	Base ARR	Incentive	<u>Total</u>	<u>TRUE-UP</u> <u>Adjustment (</u> WS G)	Projected ADJUSTED ARR from Prior Update	<u>As Billed</u> <u>by SPP</u> (for Rate Yr T-Service)	<u>COLLECTION</u> Adjustment	<u>True-up</u>	<u>As</u> <u>Billed Change</u>	Interest	Total Adjustments (Forecast, Billing, & Interest)	<u>Total ADJU</u> <u>Revenu</u> <u>Requirem</u> <u>Effectiv</u> January 1/
	Total		-	-			_	-	-	-		-		

*<\$100K investment

AEP - SPP Transco Formula Rate Schedule 11 Revenue Requirements AEP Southwestern Transmission Company Page: 4 of 53

AEP Transmission Formula Rate Template Calculation of Schedule 11 Revenue Requirements For AEP Transmission Projects For Calendar Year 2017 and Projected Year 2018

AEP Schedule 11 Revenue Requirement Including True-Up of Prior Collections

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Note: Some project's final trued-up cost may not meet SPP's \$100,000 threshold for socialization. In that case a true-up of the pirior year ARR will be made in columns (H) through (O), but no projected ARR will be shown in columns (E) through (G) for the current year.

(A)	(B)	(C)	(D)	(E)	(F)	(G) = (E) + (F)	(H)	(I)	(J)	(K) = (I) - (J)	(L)	(M)	(N) = (L)-(M)	(O)	(P) = (H)+(K)+(N)+(O)	(Q) = (G) + (P)
				Projected /	ARR For 201	19 From WS-F	True-Up ARR F	From 2017 From	Worksheet G							
								Ва	ise ARR		Iı	ncentive A	RR			Total
<u>Sheet</u> Name	<u>Owner</u>	Project Description	<u>Year in</u> Service	<u>Base ARR</u> (WS-F)	Incentive	<u>Total</u>	<u>TRUE-UP</u> <u>Adjustment</u> (WS-G)	Adjusted ARR from Prior Update	<u>As Billed</u> <u>by SPP</u> (for Prior Yr T-Service)	<u>COLLECTION</u> Adjustment	<u>True-up</u>	<u>As Billed</u>	<u>Change</u>	Interest	<u>Total Adjustments</u> (True-Up, Billing, & Interest)	ADJUSTED Revenue Requirement Effective 1/1/2019
OKT.001	ОКТ	Snyder 138 kV Terminal Addition	2010	84,379	-	84,379	8,015	91,895	71,085	20,809	-	-	-	5,299	34,124	120,313
OKT.002	OKT	Coffeyville T to Dearing 138 kV Rebuild - 1.1 miles	2010	113,765	-	113,765	11,094	124,106	96,003	28,103	-	-	-	7,207	46,404	162,600
OKT.003 OKT.004 OKT.005	ОКТ ОКТ ОКТ	Tulsa Power Station Reactor Bartlesville SE to Coffeyville T Rebuild Install 345kV terminal at Valliant***	2011 2011 2012	72,465 1,296,635 -	- -	72,465 1,296,635 -	6,968 117,408 -	79,061 1,402,130 -	61,158 1,084,621 -	17,903 317,508 -	- -	-	-	4,573 79,961 -	29,444 514,878 -	103,469 1,839,390 -
OKT.006	ОКТ	Canadian River - McAlester City 138 kV Line Conversion	2013	3,514,093	-	3,514,093	332,963	3,831,082	2,963,544	867,538	-	-		220,717	1,421,218	5,011,717
OKT.007 OKT.008 OKT.010 OKT.011 OKT.012 OKT.013 OKT.014 OKT.015 OKT.016 OKT.017 OKT.018 OKT.019	OKT OKT OKT OKT OKT OKT OKT OKT OKT	Cornville Station Conversion Coweta 69 kV Capacitor Prattville-Bluebell 138 kV Wapanucka Customer Connection Grady Customer Connection Darlington-Red Rock 138 kV line Ellis 138 kV **** Valliant-NW Texarkana 345 kV Darlington Roman Nose 138 kv Carnegie South-Southwestern 123 kv line rebuild Chisholm - Gracemont 345 kv line and station Fort Townson-Valliant 69 KV Line Rebuild Duncan-Comanche Tap 69 KV Rebuild and Duncan station upgrades	2014 2015 2013 2014 2013 2013 2016 2017 2017 2017 2017 2019 2018	1,250,605 229,686 1,061,867 877,586 2,500,163 1,609,166 - 8,806,009 1,363,844 1,144,883 10,725,952 930,333 1,134,525		1,250,605 229,686 1,061,867 877,586 2,500,163 1,609,166 - 8,806,009 1,363,844 1,144,883 10,725,952 930,333 1,134,525	120,486 20,733 101,263 98,682 239,139 185,669 66,819 732,472 95,023 96,388 574,594 -	1,360,926 257,567 1,156,147 973,254 2,738,188 1,786,715 738,951 12,501,195 682,126 558,075 4,552,779	1,052,748 199,242 894,341 752,863 2,118,133 1,382,118 571,618 9,670,333 527,660 431,701 3,521,815	308,178 58,325 261,806 220,391 620,055 404,597 167,333 2,830,861 154,466 126,375 1,030,964 -				78,812 14,535 66,752 58,663 157,966 108,523 43,050 655,133 45,869 40,956 295,188	507,476 93,593 429,821 377,736 1,017,161 698,789 277,203 4,218,465 295,358 263,718 1,900,746	1,785,333 328,294 1,514,948 1,274,412 3,571,960 2,342,930 277,203 13,218,787 1,689,373 1,433,939 12,864,544 930,333 1,159,827
		OKT Total		36,715,957	-	36,715,957	2,807,717	32,834,196	25,398,983	7,435,213	-	-		1,883,203	12,126,133	49,629,373

*<\$100K investment *** Project became BPU ineligible (see Project's Notes)

AEP TOTALS

**** Sold to WFEC in 2017

AEPTCo - SPP Formula Rate Schedule 11 Revenue Requirements AEP Oklahoma Transmission Company Page: 5 of 53

AEP West SPP Member Transmission Companies

Network Load for January Through December YYYY Based on West Zone-SPP Monthly Transmission System Firm Peak Demands for the Twelve Months Ended December 31, YYYY

Combined Load Worksheet

	Peak Day Peak Hour	January Day Hour	February Day Hour	March Day Hour	April Day Hour	May Day Hour	June Day Hour	July Day Hour	August Day Hour	September Day Hour	October Day Hour	November Day Hour	December Day Hour			12 Mon Averag MW
SPP Load Responsibility																
PSO		3179	2790	2269	2377	3598	3911	4095	3816	3735	2962	2243	2828	3,150.3	37.5%	3
SWEPCO		3412	2793	2329	2317	3371	3564	3727	3472	3457	3234	2406	2681	3,063.6	36.5%	3
AECC		776	589	486	347	611	683	731	634	629	452	310	535	565.3	6.7%	
AECC-MISO		175	135	117	98	173	187	202	181	172	195	118	241	166.2	2.0%	
5 WFEC		47	41	34	23	36	38	42	37	36	31	27	42	36.2	0.4%	
6 OMPA		99	84	68	74	138	149	160	143	130	85	68	89	107.3	1.3%	
OG&E - ATOKA		5	0	5	0	5	2	2	3	0	2	3	5	2.7	0.0%	
OG&E_COALGATE		4	0	3	0	3	2	2	2	0	2	1	3	1.8	0.0%	
OG&E - TALL BEAR		12	12	14	15	15	15	15	13	13	13	13	14	13.7	0.2%	
ETEC		1273	862	708	491	796	864	886	827	800	731	504	900	803.5	9.6%	
GREENBELT		9	/	6	8	11	14	18	15	/	3	6	8	9.3	0.1%	
2 LIGHTHOUSE		2	2	1	1	4	3	4	6	2	1	1	2	2.4	0.0%	
BENTONVILLE, AR		126	103	92	86	139	158	162	144	150	116	85	108	122.4	1.5%	
PRESCOTT, AR (ENTERGY)		9	9	9	10	9	14	15	14	13	13	11	1	11.1	0.1%	
5 MINDEN, LA (ENTERGY)		25	21	18	21	34	37	38	35	36	30	20	21	28.0	0.3%	
6 HOPE, AR		45	43	39	39	56	57	56	56	55	51	17	36	45.8	0.5%	
COFFEYVILLE, KS		104	98	90	61	102	106	108	104	110	87	93	98	96.8	1.2%	
SWEPCO - VALLEY		204	131	109	84	134	132	143	120	127	124	85	142	127.9	1.5%	
AECI System Firm Peak Demands		50 9556	44 7764	31 6428	23 6075	42 9277	48 9984	53 10459	45 9667	43 9515	32 8164	18 6029	45 7805	39.5 8393.583 Sch	0.5%	;
Supporting Data																
PSO Native Load (2) (4)		3,193	2,804	2,280	2,387	3,613	3,923	4,107	3,831	3,749	2,973	2,254	2,841			
2 KAMO		0	0	0	0	0	0	0	0	0	0	0	0			
GRDA load on PSO no longer used as of Dec 20	15 (5)	-	-	-	-	-	-	-	-	-	-	-	-			
4 PSO E&W portion allocated to WFEC zone		0	0	0	0	0	0	0	0	0	0		0			
100% PSO E&W included in PSO native load		-7	-7	-6	-6	-7	-6	-6	-6	-6	-7	-7	-7			
6 Allen Holdenville		-7	-7	-5	-4	-7	-6	-6	-9	-8	-4	-4	-6			
7 PSO OATT Load Responsibility	_	3179	2790	2269	2377	3599	3911	4095	3816	3735	2962	2243	2828	3150.333		3
3 SWEPCO: 9 SWEPCO Native Load (2)(5)		3,616	2,924	2,438	2,401	3,505	3,696	3,870	3,592	3,584	3,358	2,491	2,823			
Dolet Hills Aux. Load (not self-generated)		0	2,021	2,100	_,	0,000	0	0,010	0,002	0	0,000	_, .01	2,020			
Less: VALLEY		-204	-131	-109	-84	-134	-132	-143	-120	-127	-124	-85	-142			
2 SWEPCO OATT Load Responsibility		3412	2793	2329	2317	3371	3564	3727	3472	3457	3234	2406	2681	3063.583		3
	—	3412	2795	2329	2317	3371	5504	5121	3472	3437	5234	2400	2001			
3 TOTAL AEP Affiliate Schedule 11 Load														pr yr Sch	ned - 11 12CP	8
AEP Schedule 11 Worksheet																
PSO OATT Sched 9 load, Ln 1		3179	2790	2269	2377	3598	3911	4095	3816	3735	2962	2243	2828	3150.250		:
5 less GRDA load on PSO Jan-Nov(b) 2015 no lor	iger used	0	0	0	0	0	0	0	0	0	0	0	0	0.000		
6 WFEC load already subtracted from PSO sc	hedule 9 loa	0	0	0	0	0	0	0	0	0	0	0	0	0.000		
7 Subtotal PSO Schedule 11 load		3179	2790	2269	2377	3598	3911	4095	3816	3735	2962	2243	2828	3150.250		:
		3412	2793	2329	2317	3371	3564	3727	3472	3457	3234	2406	2681	3063.583		:
3 SWEPCO Sched 11 load 1 n 2			2,00	2020	2011	0071	0001	0121	0112	0.07	0204	2,50	2001	0000.000		
3 SWEPCO Sched 11 load, Ln 2			5583	1502	1601	0203	7/75	7800	7020	7100	6106	1610	5500	6213 833		6
 SWEPCO Sched 11 load, Ln 2 TOTAL AEP Affiliate Schedule 11 Load TOTAL AEP ZONAL SCHEDULE 11 	_	6591 9556	5583 7764	4598 6428	4694 6075	6969 9277	7475 9984	7822 10459	7288 9667	7192 9515	6196 8164	4649 6029	5509 7805	6213.833 8393.583		

NOTES:

(1) Amounts are MW at the time of the AEP-SPP Internal (MLR) Peak

(2) At the generator, includes transmission losses.

(3) At the generator. Transmission losses added to metered values which include appropriate dist.& xfmr losses.

[4] PSO Native load includes PSO load on GRDA

(5) SWEPCO Native Load includes Valley

AEP - SPP Transco Formula Rate TCOS Page: 7 of 53

AEP West SPP Member Transmission Companies Transmission Cost of Service Formula Rate Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Line No.						Tr	ansmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 115)	Total	٨	lleester		\$120,636,969
2	REVENUE CREDITS	(Note A) (Worksheet H)	<u> </u>	DA	Allocator 1.00000	\$	3,499,941
3	Network Customer Owned Facility Credits	Worksheet B					-
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)					\$117,137,028
	The Carrying Charge Calculations on lines 7 to 12 below are requirement for these projects shown on line 5 is included in		illed through SPP Schedule 11. The total non-incer	ıtive			
5	Trued-Up / Projected Revenue Requirement for SPP BPU Regi (Worksheet F/G)	onal Facilities (w/o incentives)	36,715,957	DA	1.00000	\$	36,715,957
6	NET PLANT CARRYING CHARGE (w/o incentives) (Note B)						
7	Annual Rate	(ln 1/ ln 37 x 100%)					13.63%
8	Monthly Rate	(ln 7 / 12)					1.14%
9	NET PLANT CARRYING CHARGE ON LINE 7 , W/O DEPREC	ATION (w/o incentives) (Note B)					
10	Annual Rate	((ln 1 - ln 84) / ln 37 x 100%)					10.39%
11	NET PLANT CARRYING CHARGE ON LINE 9, W/O INCOME	TAXES, RETURN (Note B)					
12	Annual Rate	((ln 1 - ln 84 - ln 109 - ln 110) / ln 37 x 100%)					2.31%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incent	ive ROE's (Note C) (Worksheet F/G)					-

AEP - SPP Transco Formula Rate TCOS Page: 8 of 53

AEP West SPP Member Transmission Companies Transmission Cost of Service Formula Rate Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

	(1)	(2)	(3)	(4	(5)	
		Data Sources				Total
	RATE BASE CALCULATION	<u>(See "General Notes")</u>	TO Total	Alloc	ator	<u>Transmission</u>
Line	NATE BASE CALCOLATION	<u>(Dee Deneral Notes)</u>	NOTE D	Alloc		<u>110113111331011</u>
No.	GROSS PLANT IN SERVICE		NOTE D			
14	Production	(Worksheet A In 3.E)		NA	0.00000	_
15	Less: Production ARO (Enter Negative)	(Worksheet A In 6.E)	<u>-</u>	NA	0.00000	<u>-</u>
16	Transmission	(Worksheet A In 9.E & Ln 119)	1,035,261,570	DA	0.00000	966,869,904
10	Less: Transmission ARO (Enter Negative)	(Worksheet A In 12.E)	-	TP	0.93394	-
18	Distribution	(Worksheet A In 13.E)	<u>.</u>	NA	0.00000	-
10	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.E)		NA	0.00000	_
20	General Plant	(Worksheet A In 15.E)	17,440,671	W/S	0.93394	16,288,502
20	Less: General Plant ARO (Enter Negative)	(Worksheet A In 16.E)		W/S W/S	0.93394	10,200,302
22	Intangible Plant	(Worksheet A In 17.E)	9,697,144	W/S W/S	0.93394	9,056,529
22	TOTAL GROSS PLANT	(sum lns 14 to 22)	1,062,399,384	GP=	0.93394 0.93394	992,214,934
20	TOTAL OROSS I LANT	(30111113 14 (0 22)	1,002,333,304	GTD=	1.00000	332,214,334
24				GID=	1.00000	
24	ACCUMULATED DEPRECIATION AND AMORTIZATION	(M) at the part Λ is $\Omega (\Gamma)$			0.00000	
25	Production	(Worksheet A In 22.E)	-	NA	0.00000	-
26	Less: Production ARO (Enter Negative)	(Worksheet A In 25.E)	-	NA	0.00000	-
27		(Worksheet A In 28.E & 47.E)	86,514,420	TP1=	0.94883	82,087,403
28	Less: Transmission ARO (Enter Negative)	(Worksheet A In 31.E)	-	TP1=	0.94883	-
29	Distribution	(Worksheet A In 32.E)	-	NA	0.00000	-
30	Less: Distribution ARO (Enter Negative)	(Worksheet A In 33.E)	-	NA	0.00000	-
31	General Plant	(Worksheet A In 34.E)	385,670	W/S	0.93394	360,192
32	Less: General Plant ARO (Enter Negative)	(Worksheet A In 35.E)	-	W/S	0.93394	-
33	Intangible Plant	(Worksheet A In 36.E)	3,214,112	W/S	0.93394	3,001,781
34	TOTAL ACCUMULATED DEPRECIATION	(sum lns 25 to 33)	90,114,202			85,449,376
35	NET PLANT IN SERVICE					
36	Production	(ln 14 + ln 15 - ln 25 - ln 26)	-			-
37	Transmission	(ln 16 + ln 17 - ln 27 - ln 28)	948,747,150			884,782,501
38	Distribution	(ln 18 + ln 19 - ln 29 - ln 30)	-			-
39	General Plant	(ln 20 + ln 21 - ln 31 - ln 32)	17,055,001			15,928,310
40	Intangible Plant	(ln 22 - ln 33)	6,483,031			6,054,748
41	TOTAL NET PLANT IN SERVICE	(sum Ins 36 to 40)	972,285,182	NP=	0.93261	906,765,558
42	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note E)				
43	Account No. 281.1 (enter negative)	272-273.8.k	_	NA		_
44	Account No. 282.1 (enter negative)	(Worksheet C, In 4 C & In 8 J)	(164,966,170)	DA		(139,614,747)
45	Account No. 283.1 (enter negative)	(Worksheet C, In 12 C & In 14 J)	(29,406,025)	DA		(133,014,747) (24,417,111)
46	Account No. 190.1	(Worksheet C, In 18 C & In 22 J)	23,466,072	DA		6,648,039
47	Account No. 255 (enter negative)	(Worksheet C, In 26 C & In 28 J)	-	DA		0,040,000
48	TOTAL ADJUSTMENTS	(sum lns 43 to 47)	(170,906,123)	BA		(157,383,820)
-10			(170,300,123)			(137,303,020)
49	PLANT HELD FOR FUTURE USE	(Worksheet A In 48.E & 49.E)	-	DA		-
50	REGULATORY ASSETS	(Worksheet A In 55.E)	-	DA		-
51	WORKING CAPITAL	(Note F)				
52	Cash Working Capital	(1/8 * ln 68) (Note G)	708,070			661,294
53	Transmission Materials & Supplies	(Worksheet D, In 3 F)		TP	0.93394	_
54	A&G Materials & Supplies	Worksheet D, In 4 F)	-	W/S	0.93394	-
55	Stores Expense	Worksheet D, In 5 F)	-	GP	0.93394	-
56	Prepayments (Account 165) - Labor Allocated	(Worksheet D, In 8 G)	-	W/S	0.93394	-
57	Prepayments (Account 165) - Gross Plant	(Worksheet D, In 8 F)	97,074	GP	0.93394	90,661
58	Prepayments (Account 165) - Transmission Only	(Worksheet D, In 8 E)	5,745	DA	1.00000	5,745
59	Prepayments (Account 165) - Unallocable	(Worksheet D, In 8 D)	-	NA	0.00000	-
60	TOTAL WORKING CAPITAL	(sum lns 52 to 59)	810,890			757,700
61	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note H) (Worksheet E, In 8 B)	(60,000)	DA	1.00000	(60,000)
62	RATE BASE (sum lns 41, 48, 49, 60, 61)		802,129,949			750,079,439
02			002,120,040			

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		Transmission Cost of	Transmission Companies Service Formula Rate st Data for the 2019 Rate Year			
		AEP OKLAHOMA TRANS	MISSION COMPANY, INC.			
	(1)	(2)	(3)	((4)	(5)
Line	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allo	ocator	Total <u>Transmission</u>
Line No.	OPERATION & MAINTENANCE EXPENSE					
63 64	Transmission Less: Transmission Serving Generation	321.112.b (Note U) Company Records	6,011,600			
65	Less: Total Account 561	(Note I) 321.84-92.b	347,037			
66 67	Less: Account 565 Plus: Includable 561 and 565 Expenses	(Note J) 321.96.b Worksheet I In 10	- \$0			
68	Total O&M Allocable to Transmission	(lns 63 - 64- 65 - 66 + 67)	5,664,564	TP	0.93394	5,290,350
69	Administrative and General	323.197.b (Note K, M)	3,657,785			
70 71	Less: Acct. 924, Property Insurance Acct. 928, Reg. Com. Exp.	323.185.b 323.189.b	72,457			
72	Acct. 930.1, Gen. Advert. Exp.	323.199.b				
73	Acct. 930.2, Misc. Gen. Exp.	323.192.b	32,280			
74 75	Balance of A & G	(In 69 - sum In 70 to In 73)	3,553,048	W/S	0.93394	3,318,326
75 76	Plus: Acct. 924, Property Insurance Acct. 928 - Transmission Specific	(In 70) Worksheet J In 16.(E) (Note L)	72,457	GP TP	0.93394 0.93394	67,671
77	Acct 930.1 - Only safety related ads -Direct	Worksheet J In 22.(E) (Note L)	-	GP	0.93394	-
78	Acct 930.2 - Misc Gen. Exp Trans	Worksheet J In 28.(E) (Note L)		DA	1.00000	
79	A & G Subtotal	(sum lns 74 to 78)	3,625,505			3,385,996
80	TOTAL O & M EXPENSE	(ln 68 + ln 79)	9,290,069			8,676,347
81	DEPRECIATION AND AMORTIZATION EXPENSE					
82 83	Transmission Less: Transmission Serving Generation	336.7.b (Note U) Company Records	30,704,664			
84	Includable Transmission	(In 82 - In 83)	30,704,664	TP	0.93394	28,676,246
85	General	336.10.b		W/S	0.93394	-
86 87	Intangible TOTAL DEPRECIATION AND AMORTIZATION	336.1.d	<u>972,264</u> 31,676,928	W/S	0.93394	<u>908,034</u> 29,584,280
87	TOTAL DEPRECIATION AND AMORTIZATION	(sum Ins 84 to 86)	31,070,920			29,304,200
88	TAXES OTHER THAN INCOME	(Note N)				
89	Labor Related			14/0	0.00004	
90 91	Payroll Plant Related	Worksheet L, Col. D	-	W/S	0.93394	-
92	Property	Worksheet L, Col. C	11,579,010	GP	0.93394	10,814,075
93	Non-Allocable Taxes, incl. Transmission Serving Gen.	Worksheet L, Col. F	-	NA	0.00000	-
94 95	Other TOTAL OTHER TAXES	Worksheet L, Col. E	- 11,579,010	GP	0.93394	- 10,814,075
		(sum lns 90 to 94)	11,579,010			10,014,075
96 97	INCOME TAXES T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =	(Note O)	25.47%			
98	EIT = (T/(1-T)) * (1-(WCLTD/WACC)) =		25.74%			
99	where WCLTD=(In 139) and WACC = (In 142)					
100	and FIT, SIT & p are as given in Note O.		1 2419			
101 102	GRCF=1 / (1 - T) = (from In 97) Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	1.3418			
103	Excess / (Deficit) Deferred Income Tax	Company Records (Note O)	(869,003)	DA		(869,003)
104	Tax Effect of Permanent and Flow Through Differences	Company Records (Note O)	137,550	DA		137,550
105	Income Tax Prior to Adjustments	(In 98 * In 110)	15,880,445		0 0000 f	14,849,957
106 107	ITC adjustment Excess / (Deficit) Deferred Income Tax	(In 101 * In 102) (In 101 * In 103)	- (1,165,999)	NP DA	0.93261	- (1,165,999)
108	Tax Effect of Permanent and Flow Through Differences	(ln 101 * ln 104)	184,560	DA		184,560
109	TOTAL INCOME TAXES	(sum Ins 105 to 108)	14,899,006			13,868,518
110	RETURN ON RATE BASE (Rate Base*WACC)	(In 62 * In 142) or In 62 * In 155) (Note T)	61,697,311			57,693,749
111	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note E)	Worksheet E, In 2)	-	DA	1.00000	-
112	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARC	GIN TAX	129,142,324			120,636,969
113	(sum lns 80, 87, 95, 109, 110, 111)		, <u>, , , , , , , , , , , , , , , , </u>			· · · · · · · · ·
114	TEXAS GROSS MARGIN TAX (Note P) (Worksheet K)		-	DA		-
115	REVENUE REQUIREMENT INCL GROSS MARGIN TAX	(In 112 + 114)	129,142,324			120,636,969

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AEP West SPP Member Transmission Companies Transmission Cost of Service Formula Rate Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN SPP TARIFF							
116	Total transmission plant	(In 16)						1,035,261,570
117	Less transmission plant excluded from SPP Tariff (Workshe	et A, In 42 Col. (E)) (Note Q)						68,391,666
118	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 39, Col. (E)) (Note R)						-
119	Transmission plant included in SPP Tariff	(ln 116 - ln 117 - ln 118)						966,869,904
120	Percent of transmission plant in SPP Tariff	(ln 119 / ln 116)					TP=	0.93394
404				Payroll Billed from	T ()			
121	WAGES & SALARY ALLOCATOR (W/S)	(Note S)	Direct Payroll	AEP Service Corp.	Total			
122	Production	354.20.b		-	-	NA	0.00000	-
123	Transmission	354.21.b		- 2,367,870	2,367,870	TP	0.93394	2,211,443
124	Regional Market Expenses	354.22.b		-	-	NA	0.00000	-
125	Distribution	354.23.b		-	-	NA	0.00000	-
126	Other (Excludes A&G)	354.24,25,26.b			-	NA	0.00000	-
127	Total	(sum Ins 122 to 126)		- 2,367,870	2,367,870			2,211,443
128	Transmission related amount						W/S=	0.93394
	STAND ALONE (Note T)							
129	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
130	Long Term Interest	Long Term Interest (Worksheet M, In. 2	21, col. (E))					16,574,333
131	Preferred Dividends	Preferred Stock Dividends (Worksheet	M, In. 44, col. (E))					-
132	Development of Common Stock:							Average
133	Proprietary Capital	(Worksheet M, In. 1, col. (E))						481,542,587
134	Less Preferred Stock (In 140)	(Worksheet M, In. 2, col. (E))						-
135	Less Account 216.1	(Worksheet M, In. 3, col. (E))						-
136	Less Account 219	(Worksheet M, In. 4, col. (E))						-
137	Common Stock	(ln 133 - ln 134 - ln 135 - ln 136)						481,542,587
				Capital Structure				
				Percentage			Cost	
138		Rate Year Average Balances					(Note T)	Weighted
139	Avg Long Term Debt (Worksheet M, In. 11, col. (E))	391,300,000	•	44.83%			4.24%	0.0190
140	Avg Preferred Stock (Worksheet M, In. 43, col. (E))			0.00%			0.00%	0.0000
141	Avg Common Stock (In 137) (Note U)	481,542,587		55.17%			10.50%	0.0579
4.40			•					0.0700

	PUBLIC SERVICE COMPANY OF OKLAHOMA (Note T)				
143	WEIGHTED AVERAGE COST OF CAPITAL (WACC)				\$
144	Long Term Interest	Long Term Interest (PSO FR Worksheet M, In. 21, col. (E))			
145	Preferred Dividends	Preferred Stock Dividends (PSO FR Worksheet M, In. 44, col. ((E))		-
146	Development of Common Stock:				Average
147	Proprietary Capital	(PSO Worksheet M, In. 1, col. (E))			
148	Less Preferred Stock (In 153)	(PSO Worksheet M, In. 2, col. (E))			
149	Less Account 216.1	(PSO Worksheet M, In. 3, col. (E))			
150	Less Account 219	(PSO Worksheet M, In. 4, col. (E))			
151	Common Stock	(ln 147 - ln 148 - ln 149 - ln 150)			-
			Capital Structure		
			Percentage	Cost	

0.00%

0.00% 0.00%

872,842,587

- Avg Long Term Debt (PSO WS-M, In. 11, col. (E)) Avg Preferred Stock (PSO WS-M, In. 43, col. (E)) Avg Common Stock (In 151) Total (sum Ins 152 to 154) 152
- 153 154

Total (sum lns 139 to 141)

142

155

 Rate Year Average Balances	
	-

Cost	
(Note T)	Weighted
0.00%	0.0000
0.00%	0.0000
10.50%	0.0000
WA	CC= 0.0000

WACC=

0.0769

AEP West SPP Member Transmission Companies Transmission Cost of Service Formula Rate Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Notes

Letter

0

General Note: True Up References to data from FERC Form 1 are indicated as: page#.line#.col.#. Rate Year Projections from Company forecasts.

- A The revenue credits shall include a) amounts received directly from the SPP for PTP transmission services, b) direct assignment charges for transmission facilities, the cost of which has been included in the TCOS, and c) amounts from customers taking service under grandfathered agreements, where the demand is not included in the rate divisor. Revenues associated with FERC annual charges, gross receipts taxes, ancillary services or facilities excluded from the TCOS are not included as revenue credits. Revenue from Transmission Customers whose coincident peak loads are included in the DIVISOR of the load-ratio share calculation are not included as revenue credits. See Worksheet H for details.
- B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for facilities and any upgrades.
- C This additional revenue requirement is determined using a net plant carrying charge (fixed carrying charge or FCR) approach. Worksheet G shows the calculation of the trued-up revenue requirement for each project, based on an FCR rate calculated from inputs on this TCOS. Line 13 shows the incremental ARR for projects receiving incentives as accepted by FERC. These individual additional revenue requirements are summed for the true-up year, and included here.
- D The gross plant, accumulated depreciation, and deferred tax balances included in rate base and depreciation expense are reduced by the removal of amounts related to Asset Retirement Obligations (AROs). This is to comply with the requirements of FERC Rulemaking RM02-7-000.
- E The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense as discussed in Note N. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated to transmission. Transmission allocations are shown on Worksheet C.
- F Identified as being transmission related or functionally booked to transmission.
- G Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission on line 68.
- H Consistent with Paragraph 657 of Order 2003-A, the amount on line is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 111.
- I Line 65 Removes the expense booked to transmission accounts included in the development of OATT ancillary services rates, including all of Account No. 561.
- J Removes cost of transmission service provided by others to the extent such service is not incurred to provide the SPP service at issue.
- K General Plant and Administrative & General expenses may be functionalized based on allocators other than the W/S allocator. Full documentation must be provided.
- L Expense reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable or allocable to transmission service. Worksheet J allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet H.
- M Recoverable PBOP expense is based on actual annual PBOP costs, including charges from the AEP Service Corporation. The PBOP amounts are included in the Administrative and General total, and are based on current year expenses. The annual actuarial valuation report supporting the derivation of the PBOP expense, along with an explanation of PBOP derivation process, is submitted during the formula rate annual update.
- N Includes only FICA, unemployment, property and other assessments charged in the current year. Gross Receipts tax, Sales & Use taxes, local franchise taxes, and taxes related to income are excluded.
 - The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p =
 "the percentage of federal income tax deductible for state income taxes". If the utility 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)
 (In 97) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.
 Inputs Required:
 FIT =
 SIT=
 SIT=
 State or Composite SIT. Worksheet K)

p = 0.00% (percent of federal income tax deductible for state purposes) Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period.

- P The Texas Gross Margin tax is calculated on the Texas allocated revenue of the Company, reduced by a cost of goods sold deduction to derive a
 "Gross Margin" for the Company. The tax rate of one percent is assessed on the resulting amount. The jurisdictional allocator is based on transmission demand allocators.
- Q Removes plant excluded from the OATT because it does not meet the SPP's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT, other than Transmission Serving Generation which is removed at Worksheet A. See Note U.
- R Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note Q.
- S Includes functional wages & salaries incurred by parent company service corporation for support of the operating company.

Long Term Debt cost rate = Long-Term Interest (In 130) / Long Term Debt (In 139). Preferred Stock cost rate = preferred dividends (In 131) / preferred outstanding (In 140).
 Common Stock cost rate (ROE) = 10.5%, the rate accepted by FERC in Docket No. ER07-1069. It includes an additional 50 basis points for remaining a member of the SPP RTO.
 The capital structure of AEP Southwestern Transmission Co. will be based on the capital structure of SWEPCO until it establishes a stand alone capital structure.
 AEP Oklahoma Transmissoin Company uses its own capital structure.

The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains and Losses are computed on Worksheet M. The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.

U Costs specifically incurred to build, operate, maintain, or depreciate assets which are dedicated to the interconnection of individual generation resources to the SPP transmission network, including generation tie-lines, are deemed to be production-related will be removed from the transmission cost of service. Such costs, referred to herein as Transmission Serving Generation, will be reported in the FERC Form 1 in Transmission functional accounts, and thus adjustments are needed to remove those costs from line items which include them.

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AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet A - Detailed Plant and Accumulated Depreciation Balances AEP OKLAHOMA TRANSMISSION COMPANY, INC.

	(A)	(B)	(C)	(D)	(E)
Line			Balances @	Balances	Average Balance for
<u>Number</u>	Rate Base Item & Supporting Balance	Source of Data	<u>12/31/2019</u>	<u>12/31/2018</u>	2019

Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.

See Note U at the TCOS worksheet for a description of Transmission Serving Generation.

Plant Investment Balances

lant Investr	Production Plant In Service	EE1 page 205 Col (a) 8 pg 204 Col (b) Ip 46			
2 3	Add: Transmission Serving Generation Formula Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46 Company Records	0	0	-
4 5 6	Production Asset Retirement Obligation (ARO) Add: Transmission Serving Generation ARO Formula Production ARO	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44 Company Records	0	0	-
-			·	0	
7 8 9	Transmission Plant In Service Less: Transmission Serving Generation Formula Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58 Company Records	1,084,801,478	985,721,662 985,721,662	1,035,261,57 - 1,035,261,57
10 11	Transmission Asset Retirement Obligation (Acct. 359.1) Less: Transmission Serving Generation ARO	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57 Company Records	0		-
12	Formula Transmission ARO		0	0	-
13	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75			-
14	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74			-
15	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	17,485,798	17,395,544	17,440,6
16	General Asset Retirement Obligation (Acct. 399.1)	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98			-
17	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5	10,446,816	8,947,471	9,697,1
18	Total Property Investment Balance	(Sum of Lines: 3, 9, 13, 15, 17)	1,112,734,092	1,012,064,677	1,062,399,3
19	Total ARO Balance (included in total on line 18)	(Sum of Lines: 6, 12, 14, 16)	-	-	-
ccumulated	d Depreciation & Amortization Balances				
20 21 22	Production Accumulated Depreciation Add: Transmission Serving Generation Formula Production Plant In Service	FF1, page 219, Ins 20-24, Col. (b) Company Records	0	0	-
23	Production ARO Accumulated Depreciation (included in total on line 20)	Company Records - Note 1			
24 25	Add: Transmission Serving Generation ARO Formula Production ARO	Company Records	0	0	-
	Transmission Accumulated Depreciation	EE1 page 210 in 25 Col (h)	101,620,801	71,408,039	96 514 4
26 27 28	Less: Transmission Serving Generation Formula Transmission Plant In Service	FF1, page 219, In 25, Col. (b) Company Records	101,620,801	71,408,039	86,514,4 86,514,4
29 30 31	Transmission ARO Accumulated Depreciation (included in total on line 26) Less: Transmission Serving Generation ARO Formula Transmission ARO	Company Records - Note 1 Company Records	0	0	
32	Distribution Accumulated Depreciation	FF1, page 219, In 26, Col. (b)			-
33	Distribution ARO Accumulated Depreciation (included in total on line 32)	Company Records - Note 1			
34	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)	540,728	230,613	385,6
35	General ARO Accumulated Depreciation (included in total on line 34)	Company Records - Note 1			
36	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)	3,700,244	2,727,981	3,214,1
37	Total Accumulated Depreciation or Amortization	(Sum of Lines: 22, 28, 32, 34, 36) FF1, page 200, In 22, Col (b)	105,861,773	74,366,632	90,114,2
38	Total ARO Balance (included in total on line 37)	(Sum of Lines: 25, 31, 33, 35)	-	-	
	Step-Up Units CSU Investment Amount (included in total on line 7)	Company Decords Note 1			
39 40 41	GSU Investment Amount (included in total on line 7) GSU Accumulated Depreciation (Included in total on line 26) GSU Net Balance	Company Records - Note 1 Company Records - Note 1 (Line 39 - Line 40)	-	-	
ransmissio	n Plant Excluded from SPP Tariff (see TCOS Note Q)				
42 43	Excluded Facilities Investment Amount Excluded Facilities Accumulated Depreciation	Company Records - Note 1 Company Records - Note 1	68,391,666 4,427,017	68,391,666 4,427,017	68,391,6 4,427,0
44	Excluded Facilities Net Balance	(Line 42 - Line 43)	63,964,649	63,964,649	63,964,6
	n Accumulated Depreciation Net of GSU/Excluded Facilities Accumulated Depreciation				
45	Transmission Accumulated Depreciation	(Line 28 Above)	101,620,801	71,408,039	86,514,4
46	Less: GSU & Excl Facilities Acc Dep	(Line 40 + Line 43 Above)	4,427,017	4,427,017	4,427,0
47	Subtotal of Transmission Accumulated Depreciation Net of GSU/Excluded Facilities	(Line 45 - Line 46)	97,193,784	66,981,022	82,087,4
lant Held Fo	or Future Use				
48	Plant Held For Future Use	FF1, page 214, In 47, Col. (d)			
49	Transmission Plant Held For Future Use (Included in total on line 48)	Company Records - Note 1			-
NOTE 1 O	n this worksheet, "Company Records" refers to AEP's property accounting ledger.				
	Assets and Liabilities Approved for Recovery In Ratebase				
egulatory A	numeral la guillatam. A agasta V. Luchilitica agas anhu ha included in ratabaga nursuant ta a OOF fili				
50	Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 fili				
	Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 fill				

Line No.	Source	Amount
1	Facility Credits under the SPP OATT	-

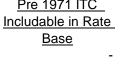
Note: Under Section 30.9 of the SPP OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.

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AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet C - ADIT and ADITC Balances AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Line	(A)	(B)	(C)	(E)	(F) 100% Transmission	(G) PTD Plant	(H) Transmission & Distribution	(I) Labor	(J) Total Included in Rate base
<u>No.</u>	<u>Acc. No.</u>	Description	YE Balance	Exclusions *	Related	Related	Plant Related	Related	<u>(E)+(F)+(G)+(H)</u>
	Note: Acc	count 281 is not allocated to Transmission							
		<u> Account 282 - Form-1 page 274.2.b and 275.2.k</u>							
1 2	282.1 282.1	2019 Year End Tax Deferrals - WS C-1 2018 Year End Tax Deferrals - WS C-2	(167,238,398) (162,693,942)	(13,036,521) (13,036,444)	(152,795,937) (148,298,388)	-	-	(1,405,941) (1,359,110)	
3		Subtotal	(329,932,340)	(26,072,965)	(301,094,324)	-	-	(2,765,050)	
4 5		Average Balance before Proration Proration Adjustment - WS C-3	(164,966,170)	(13,036,483)	(150,547,162) 2,439,273	0	0	(1,382,525)	
6		Prorated Average balance	(164,966,170)	(13,036,483)	(148,107,889)	0	0	(1,382,525)	
7		Transmission Allocator from TCOS		<u>0.0000%</u>	<u>93.3938%</u>	<u>93.3938%</u>	<u>100.0000%</u>	93.3938%	
8		Allocated Total		0	(138,323,555)	0	0	(1,291,193)	(139,614,747)
		Account 283 - Form-1 page 276.9.b and 277.9.k							
9	283.1	2019 Year End Tax Deferrals - WS C-1	(29,406,025)	(3,261,767)	(26,144,258)	-	-	-	
10	283.1	2018 Year End Tax Deferrals - WS C-2	(29,406,025)	(3,261,767)	(26,144,258)	-	-	-	
11		Subtotal	(58,812,051)	(6,523,534)	(52,288,516)	-	-	-	
12		Average Balance	(29,406,025)	(3,261,767)	(26,144,258)	0	0	0	
13 14		Transmission Allocator from TCOS Allocated Total		<u>0.0000%</u> 0	<u>93.3938%</u> (24,417,111)	<u>93.3938%</u> 0	<u>100.0000%</u> 0	<u>93.3938%</u> 0	(24,417,111)
14				0	(24,417,111)	U	0	0 L	(24,417,111)
		<u> Account 190 - Form-1 page 234, Ln 8, Col. (b) & (c)</u>	2						
15	190.1	2019 Year End Tax Deferrals - WS C-1	23,466,072	16,816,053	6,620,028	-	-	29,991	
16	190.1	2018 Year End Tax Deferrals - WS C-2	23,466,072	16,816,052	6,620,029	-	-	29,991	
17		Subtotal	46,932,145	33,632,105	13,240,057			59,983	
18		Average Balance before Proration	23,466,072	16,816,052	6,620,029	0	0	29,991	
19		Proration Adjustment - WS C-3			0				
20		Prorated Average balance	23,466,072	16,816,052	6,620,029	0	0	29,991	
21 22		Transmission Allocator from TCOS Allocated Total		<u>0.0000%</u> 0	<u>100.0000%</u> 6,620,029	<u>93.3938%</u> 0	<u>100.0000%</u> 0	<u>93.3938%</u> 28,010	6,648,039
<i></i>				0	0,020,023	0	0	20,010	0,040,000
						Pre 1971 ITC			
		<u> Account 255 - Form-1 page 266-267</u>			Ir	ncludable in Rate			
					<u>-</u>	Base			

255.0 Acc Defrd ITC - Federal - 12/31/2019 (FF1 p. 267, Ln 2.h) 23 24 255.0 Acc Defrd ITC - Federal - 12/31/2018 (FF1 p. 266, Ln 2.b)



25	Subtotal	-		-		
26	Average Balance	0		0		
27	Transmission Allocator from TCOS			<u>93.3938%</u>		
28	Allocated Total	<u>N/A</u>	<u>N/A</u>	0	<u>N/A</u> <u>N/A</u>	0

Exclusions: Non-utility, fuel supply, off-system sales and other items as specified related to costs not included in rates. *

AEP West SPP Member Transmission Companies AEP OKLAHOMA TRANSMISSION COMPANY, INC. WORKSHEET C-1 - END OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES AS OF DECEMBER 31, 2019

						All	ocation Method		
				Allocation		100%			
Account	Line #	Description	Balance	Basis	Exclusions	Transmission	PTD Plant	T&D	Labor
2821001	230A	ACRS BENEFIT NORMALIZED	(100,365,459)	т	(13,197,254)	(87,168,205)			
2821001	230X	R & D DEDUCTION - SEC 174	(1,592)	É	(1,592)	(07,100,200)			
2821001	295A	GAIN/LOSS ON ACRS/MACRS PROPERTY	54,766	Ť	(1,002)	54,766			
2821001	320A	ABFUDC	(2,508,193)	Ť		(2,508,193)			
2821001	380J	INT EXP CAPITALIZED FOR TAX	5,069,414	Т		5,069,414			
2821001	390A	CIAC - BOOK RECEIPTS	162,408	E	162,408				
2821001	532D	BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	(43,260)	т		(43,260)			
2821001	533J	TX ACCEL AMORT - CAPITALIZED SOFTWARE	(64,826)	Labor					(64,826)
2821001	712K	CAPITALIZED SOFTWARE COST-BOOK	(1,290,622)	Labor					(1,290,622)
2821001	910K	REMOVAL CST	(39,274)	т		(39,274)			
2821001	960F-XS	EXCESS ADFIT 282 - PROTECTED	(62,121,656)	т		(62,121,656)			
2821001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED	(1,190,338)	т		(1,190,338)			
0004004			(1 000 705)		(22)				(50, 100)
2821001	230A	Forecast Adjustment	(4,899,765)		(82)	(4,849,191)			(50,493)
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	(167,238,398)		(13,036,521)	(152,795,937)	0	0	(1,405,941)
202.1		(absolute value Total Company Amount Ties to FF1 p.275(k)	(107,230,330)		(13,030,321)	(152,735,557)	0	0	(1,403,341)
		Acct 282 Electric)							
2831001		NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(3,261,767)	E	(3,261,767)				
2831001	664J	REG ASSET-TRANSCO PRE-FORMATION COSTS	(0)	T		(0)			
2831001	960F-XS	EXCESS ADFIT 283 - UNPROTECTED	1,808,212	т		1,808,212			
2924002		DSIT ENTRY - NORMALIZED	(27.052.470)	т					
2831002	911Q-D311	DSIT ENTRY - NORMALIZED	(27,952,470)	1		(27,952,470)			
2831001		Forecast Adjustment			-		-	-	-
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	(29,406,025)		(3,261,767)	(26,144,258)	0	0	0
		(absolute value Total Company Amount Ties to FF1 p.277(k)							
		Acct 283 Electric)							
1901001	011C-DEIT	TAX CREDIT C/F - DEF TAX ASSET	(612)	E	(612)				
1901001		TAX CREDIT C/F - DEF TAX ASSET- MJE	612	Ē	612				
1901001	520A	PROVS POSS REV REFDS -A/L	1,080,078	Ť	012	1,080,078			
1901001	520X	PROV FOR RATE REFUND-TAX REFORM	1,812,320	Ê	1,812,320	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
1901001	520Y	PROV FOR RATE REFUND-EXCESS PROTECTED	21,550	E	21,550				
1901001	612Y	ACCRD COMPANYWIDE INCENTV PLAN	31,616	Labor	,				31,616
1901001	615B	ACCRUED INTEREST-LONG_TERM - FIN 48	(4)	E	(4)				, · -
1901001		DSIT ENTRY - NORMALIZED	5,870,019	т	. ,	5,870,019			
1901001	960E	AMT CREDIT - DEFERRED	0	E	0				
1901001	960Z	NOL - DEFERRED TAX ASSET RECLASS	0	E	0				
1901002	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	15,532,225	E	15,532,225				

1901001	Forecast Adjustment	(881,732)	(550,039)	(330,068)	-	-	(1,625)
190.1	TOTAL ELECTRIC ACCOUNT SUBTOTAL (Total Company Amount Ties to FF1 p.234(c) Electric)	23,466,072	16,816,053	6,620,028	0	0	29,991

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AEP West SPP Member Transmission Companies AEP OKLAHOMA TRANSMISSION COMPANY, INC. WORKSHEET C-2 - BEGINNING OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES

AS OF DECEMBER 31, 2018

				Allocation		<u>All</u> 100%	ocation Method		
Account	Line #	Description	Balance	Basis	Exclusions	Transmission	PTD Plant	T&D	Labor
2821001	230A	ACRS BENEFIT NORMALIZED	(100,365,459)	T	(13,197,254)	(87,168,205)	1 10 Flant	142	Labor
2821001	230X	R & D DEDUCTION - SEC 174	(1,592)	E	(1,592)				
2821001	295A	GAIN/LOSS ON ACRS/MACRS PROPERTY	54,766	т		54,766			
2821001	320A	ABFUDC	(2,508,193)	т		(2,508,193)			
2821001	380J	INT EXP CAPITALIZED FOR TAX	5,069,414	T		5,069,414			
2821001	390A	CIAC - BOOK RECEIPTS	162,408	E T	162,408	(40,000)			
2821001 2821001	532D 533J	BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ TX ACCEL AMORT - CAPITALIZED SOFTWARE	(43,260) (64,826)	Labor		(43,260)			(64,826)
2821001	712K	CAPITALIZED SOFTWARE COST-BOOK	(1,290,622)	Labor					(1,290,622)
2821001	910K	REMOVAL CST	(1,230,022) (39,274)	T		(39,274)			(1,200,022)
2821001	960F-XS	EXCESS ADFIT 282 - PROTECTED	(62,121,656)	Ť		(62,121,656)			
2821001	960F-XS	EXCESS ADFIT 282 - UNPROTECTED	(1,190,338)	т		(1,190,338)			
0004004	2204	Essent Adjustment	(255, 240)		(0)	(254,042)			
2821001	230A	Forecast Adjustment	(355,310)		(6)	(351,642)		-	(3,662)
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	(162,693,942)		(13,036,444)	(148,298,388)	0	0	(1,359,110)
		(absolute value Total Company Amount Ties to FF1 p.275(k) A		•		(-,,,			()
2831001	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(3,261,767)	Е	(3,261,767)				
2831001	664J	REG ASSET-TRANSCO PRE-FORMATION COSTS	(0,201,101)	Ť	(0,201,101)	(0)			
2831001	960F-XS	EXCESS ADFIT 283 - UNPROTECTED	1,808,212	т		1,808,212			
2831002	911Q-DSIT	DSIT ENTRY - NORMALIZED	(27.052.470)	т		(27.052.470)			
2031002	911Q-D311	DSIT ENTRT - NORWALIZED	(27,952,470)			(27,952,470)			
2831001		Forecast Adjustment	-		-	-	-	-	-
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	(29,406,025)		(3,261,767)	(26,144,258)	0	0	0
		(absolute value Total Company Amount Ties to FF1 p.277(k) A	Acct 283 Electric)						
1901001	011C-DFIT	TAX CREDIT C/F - DEF TAX ASSET	(612)	E	(612)				
1901001	011C-MJE	TAX CREDIT C/F - DEF TAX ASSET- MJE	612	E	612				
1901001	520A	PROVS POSS REV REFDS -A/L	1,080,078	Ť	0.12	1,080,078			
1901001	520X	PROV FOR RATE REFUND-TAX REFORM	1,812,320	E	1,812,320	, ,			
1901001	520Y	PROV FOR RATE REFUND-EXCESS PROTECTED	21,550	E	21,550				
1901001	612Y	ACCRD COMPANYWIDE INCENTV PLAN	31,616	Labor					31,616
1901001	615B	ACCRUED INTEREST-LONG_TERM - FIN 48	(4)	E	(4)				
1901001	911Q-DSIT	DSIT ENTRY - NORMALIZED	5,870,019	T	0	5,870,019			
1901001 1901001	960E 960Z	AMT CREDIT - DEFERRED	0	E	0				
1901001	9002	NOL - DEFERRED TAX ASSET RECLASS	0	E	0				
1901002	014C-DSIT	NOL-STATE C/F-DEF STATE TAX ASSET-L/T	15,532,225	E	15,532,225				
1901001		Forecast Adjustment	(881,732)		(550,039)	(330,068)	-	-	(1,625)
190.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL	23,466,072		16,816,052	6,620,029	0	0	29,991
		(Total Company Amount Ties to FF1 p.234(c) Electric)	20, 000,012			-,			

AEP West SPP Member Transmission Companies AEP OKLAHOMA TRANSMISSION COMPANY, INC. WORKSHEET C-3 -PRORATION OF PROPERTY-RELATED DEFERRED INCOME TAX BALANCES AS OF DECEMBER 31, 2019

Note: This workpaper documents the calculation of the rate base adjustment to prorate forecasted activity in ADIT required by IRS regulation Section1.167(I)-I(h)(6)(ii) when preparing forecasted rates. This worksheet is not used during Annual True-Ups. Proratable activity in Account 282 results from the use of accelerated tax depreciation on additions to plant in service. The adjustment on line 19 is included on Worksheet C as a reduction to the ending forecasted ADIT balance of account 282. A proration adjustment for account 190, if any, will be calculated beginning on line 20.

ccount 2	282 Proration Adjustment			Sou	ırce			
1	Rate Year ending balance		<u> </u>	VS C-1			(167,238,398)	
2	Rate Year beginning balance		١	VS C-2			(162,693,942)	
3	Annual forecasted change		L	ine 1 less Lin	e 2	-	-4,544,456	
4	Monthly forecasted change		L	ine 3 / 12.			-378,705	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		Proratable			Number of			
		Deferred Tax	Deferred Tax	Days in	Days Left in			Prorated
Line	Future Test Period	Activity	Balance	Month	Period	Proration Amount	Prorated Item	Balance
5	Beginning Balance	(162,693,942)	(162,693,942)		365	100.00%	(162,693,942)	(162,693,942)
6	January (line 4)	(378,705)	(163,072,647)	31	335	91.78%	(347,578)	(163,041,520)
7	February	(378,705)	(163,451,351)	28	307	84.11%	(318,527)	(163,360,047)
8	March	(378,705)	(163,830,056)	31	276	75.62%	(286,363)	(163,646,410)
9	April	(378,705)	(164,208,761)	30	246	67.40%	(255,237)	(163,901,647)
10	Мау	(378,705)	(164,587,465)	31	215	58.90%	(223,073)	(164,124,719)
11	June	(378,705)	(164,966,170)	30	185	50.68%	(191,946)	(164,316,666)
12	July	(378,705)	(165,344,875)	31	154	42.19%	(159,782)	(164,476,448)
13	August	(378,705)	(165,723,579)	31	123	33.70%	(127,618)	(164,604,066)
14	September	(378,705)	(166,102,284)	30	93	25.48%	(96,492)	(164,700,558)
15	October	(378,705)	(166,480,989)	31	62	16.99%	(64,328)	(164,764,886)
16	November	(378,705)	(166,859,693)	30	32	8.77%	(33,202)	(164,798,087)
17	December	(378,705)	(167,238,398)	31	1	0.27%	(1,038)	(164,799,125)
18	Ending Balance		(167,238,398)					(164,799,125)

Account 1	90 Proration Adjustment			Sou	irce			
20	Rate Year ending balance			WS C-1		-	-	
21	Rate Year beginning balance			WS C-2			-	
22	Annual forecasted change			Line 20 less Li	ne 21	_	0	
23	Monthly forecasted change			Line 22 / 12			0	
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		Proratable			Number of			
		Deferred Tax	Deferred Tax	Days in	Days Left in			Prorated
Line	Future Test Period	Activity	Balance	Month	Period	Proration Amount	Prorated Item	Balance
24	Beginning Balance	-	-		365	100.00%	-	-
25	January (line 4)	-	-	31	335	91.78%	-	-
26	February	-	-	28	307	84.11%	-	-
27	March	-	-	31	276	75.62%	-	-
28	April	-	-	30	246	67.40%	-	-
29	Мау	-	-	31	215	58.90%	-	-
30	June	-	-	30	185	50.68%	-	-
31	July	-	-	31	154	42.19%	-	-
32	August	-	-	31	123	33.70%	-	-
33	September	-	-	30	93	25.48%	-	-
34	October	-	-	31	62	16.99%	-	-

35	November	-	-	30	32	8.77%	-	-
36	December	-	-	31	1	0.27%	-	-
37	Ending Balance		-					-

38	Proration Adjustment - Line 37 Col. (H) less Col. (C)	\$ -

			Actual / Projected 2 Worksheet D	SPP Member Transmiss 2019 Rate Year Cost of - Working Capital Rate OMA TRANSMISSION	Service Formula Rate Base Adjustments				
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
			Materia	als & Supplies					
<u>Line</u> Number			<u>Source</u>	Balance @ December 31, 2019 FF1, p. 227, Col. (c)	Balance @ December 31, 2018 FF1, p. 227, Col. (b)	Average Balance for Rate Year			
1 2 3		Transmission Materials & Supplies Less: Transmission Serving Generation Transmission M&S, Excl Trans Serving Gen	FF1, p. 227, ln 8, Col. (c & b) Company Records	-	-	- - -			
4		General Materials & Supplies	FF1, p. 227, ln 11, Col. (c & b)			· ·			
5		Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c & b)			0			
			Prepayment Average of <u>YE Balance</u>	t Balance Summar Excludable Balances	۷ 100% Transmission <u>Related</u>	Plant <u>Related</u>	Labor <u>Related</u>	Total Included in Rate Base (E)+(F)+(G)	

6	Totals as of December 31, 2019	102,819	0	5,745	97,074	0	102,819
7	Totals as of December 31, 2018	102,819		5,745	97,074	0	102,819
8	Average Balance	102,819	0	5,745	97,074	0	102,819

		<u>I</u>	Prepayments Account 165 -	Balance @ 12/31/2	<u>019</u>				
	<u>Acc. No.</u>	Description	2019 <u>YE Balance</u>	Excludable <u>Balances</u>	100% Transmission <u>Related</u>	Plant <u>Related</u>	Labor <u>Related</u>	Total Included in Rate Base (E)+(F)+(G)	Explanation
9 10 11 12 13 14 15 16 17 18	1650001 1650021 1650023	Prepaid Insurance Prepaid Insurance - EIS Prepaid Lease	79,312 17,762 5,745		5,745	79,312 17,762	0 0	79,312 17,762 5,745 0 0 0 0 0 0 0 0 0 0 0	
19		Subtotal - Form 1, p 111.57.c	102,819	0	5,745	97,074	0	102,819	

Prepayments Account 165 - Balance @ 12/31/2018

					100%			Total Included	
			2018	Excludable	Transmission	Plant	Labor	in Rate Base	
20	Acc. No.	Description	YE Balance	Balances	Related	Related	Related	(E)+(F)+(G)	Explanation

20	<u>Acc. No.</u>	Description	YE Balance	<u>Balances</u>	<u>Related</u>	<u>Related</u>	<u>Related</u>	<u>(E)+(F)+(G)</u>	Explanation
21 22 23 24 25 26 27 28 29	1650001 1650021 1650023	Prepaid Insurance Prepaid Insurance - EIS Prepaid Lease	79,312 17,762 5,745		5,745	79,312 17,762	0 0	79,312 17,762 5,745 0 0 0 0 0 0 0 0	
30		Subtotal - Form 1, p 111.57.e d	102,819		5,745	97,074	0	102,819	

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate **Worksheet E** - IPP Credits **AEP OKLAHOMA TRANSMISSION COMPANY, INC.**

<u>Line</u> Number	(A) <u>Description</u>	(B) <u>2019</u>
1	Net Funds from IPP Customers @ 12/31/2018 (2019 FORM 1, P269, (B))	60,000
2	Interest Accrual (Company Records)	
3	Revenue Credits to Generators (Company Records)	
4 5 6	Other Adjustments (Company Records) Accounting Adjustment	-
7	Net Funds from IPP Customers 12/31/2019 (2019 FORM 1, P269, (F))	60,000
8	Average Balance for 2019 ((In 1 + In 7)/2)	60,000

AEP West SPP Member Transmission Companies

Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet F - Calculation of PROJECTED Annual Revenue Requirement for Base Plan and Special-Billed Projects

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Calculate Return and Income Taxes with 0 basis point ROE increase for Projects Qualified for Incentive. <u>Line</u> Number A. Determine 'R' with hypothetical 0 basis point increase in ROE for Identified Projects ROE w/o incentives (TCOS, In 141) 10.50% Project ROE Incentive Adder (Enter as whole number) - basis points ROE with additional 0 basis point incentive 10.50% <==Incentive ROE 3 Determine R (cost of long term debt, cost of preferred stock and percent is from TCOS, lns 139 through 141) Weighted cost <u>%</u> <u>Cost</u> 4.24% Long Term Debt 44.83% 1.90% 0.00% 0.00% Preferred Stock 0.00% Common Stock 55.17% 10.50% <u>5.79%</u> R = 7.69% B. Determine Return using 'R' with hypothetical 0 basis point ROE increase for Identified Projects. 10 Rate Base (TCOS, In 62) 750,079,439 11 R (from A. above) 0.0769 12 Return (Rate Base x R) 57,693,749 C. Determine Income Taxes using Return with hypothetical 0 basis point ROE increase for Identified Projects. 13 Return (from B. above) 57,693,749 Tax Rate (TCOS, In 97) 25.47% 14 15 EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =25.74% 16 Income Tax Calculation (Return x EIT) 14,849,957 17 ITC Adjustment (TCOS, In 106) 18 Excess DFIT Adjustment (TCOS, In 107) (1,165,999) 19 Tax Effect of Permanent and Flow Through Differences (TCOS, In 108) 184,560 20 13,868,518 Income Taxes Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical 0 basis point 11. **ROE** increase. A. Determine Net Revenue Requirement less return and Income Taxes. 21 Net Revenue Requirement (TCOS, In 115) 120,636,969 Return (TCOS, In 110) 22 57,693,749 23 Income Taxes (TCOS, In 109) 13,868,518 24 Gross Margin Taxes (TCOS, In 114) 25 Net Revenue Requirement, Less Return and Taxes 49,074,702 B. Determine Net Revenue Requirement with hypothetical 0 basis point increase in ROE. Net Revenue Requirement, Less Return and Taxes 49,074,702 26 27 Return (from I.B. above) 57,693,749 13.868.518 28 Income Taxes (from I.C. above) Net Revenue Requirement, with 0 Basis Point ROE increase 120,636,969 29 30 Gross Margin Tax with Basis Point ROE Increase (II C. below) 31 Revenue Requirement w/ Gross Margin Taxes 120,636,969 32 Less: Depreciation (TCOS, In 84) 28,676,246 Net Rev. Reg, w/0 Basis Point ROE increase, less Depreciation 33 91,960,723 C. Determine Gross Margin Tax with hypothetical 0 basis point increase in ROE. 34 Net Revenue Requirement before Gross Margin Taxes, with 0 120,636,969 35 Basis Point ROE increase (II B. above) Apportionment Factor to Texas (Worksheet K, In 12) 36 0.00% 37 Apportioned Texas Revenues 38 Taxable Percentage of Revenue 22.0% Taxable, Apportioned Margin 39 40 Texas Gross Margin Tax Rate 1.0% Texas Gross Margin Tax Expense 41 Gross-up Required for Gross Margin Tax Expense 42 43 Total Additional Gross Margin Tax Revenue Requirement D. Determine FCR with hypothetical 0 basis point ROE increase. 44 Net Transmission Plant (TCOS, In 37) 884,782,501 Net Revenue Requirement, with 0 Basis Point ROE increase 120,636,969 45 46 FCR with 0 Basis Point increase in ROE 13.63% 47 Net Rev. Req, w / 0 Basis Point ROE increase, less Dep. 91,960,723 48 FCR with 0 Basis Point ROE increase, less Depreciation 10.39% 49 FCR less Depreciation (TCOS, In 10) <u>10.39%</u> 50 Incremental FCR with 0 Basis Point ROE increase, less Depreciation 0.00% 111. **Calculation of Composite Depreciation Rate** Transmission Plant @ Beginning of Period (Worksheet A In 9 col. ((D)) 985,721,662 51 Transmission Plant @ End of Period (Worksheet A In 9 col. ((C)) 52 1,084,801,478 2,070,523,140 53 Transmission Plant Average Balance for 2019 1,035,261,570 54 Annual Depreciation Expense (TCOS, In 84) 30,704,664 55 Composite Depreciation Rate 2.97% Depreciable Life for Composite Depreciation Rate 33.72 56 57 Round to nearest whole year 34

Note: Worksheets F and G are both populated from the TCOS worksheet every update. Worksheet F is only used in Projections. Worksheet G is used only in True-Ups. These worksheets add up all of the individual SPP Base Plan projects, Requested Upgrades, Economic Upgrades, or any other projects billed by SPP through other than the NITS rate.

SUMMARY OF PROJECTED ANNUAL BASE PLAN AND NON-BASE PLAN **REVENUE REQUIREMENTS** With Incentives **Rev Require** Incentive Amounts

36,715,957 \$

Σ Projected Year 2019 36,715,957

NOTE: PART IV --- Projected Base Plan Project Tables are contained in a separate file

'Worksheet F -- AEP OKLAHOMA TRANSMISSION COMPANY, INC. -- Calculation of Projected ARR for SPP Base Plan Upgrade Projects

IV. Determine the Revenue Requirement & Additional Revenue Requirement for facilities receiving incentives.

A. Facilities receiving incentives accepted by FERC in Docket No.

Project Description:

DETAILS		Project Number				
vestment (EOY)		Projected Year				2019
ervice Year (yyyy)		ROE increase accepted by F	EPC (Pasis Doints)			2010
		ROE increase accepted by P				-
ervice Month (1-12)	-	FCR w/o incentives, less dep	preciation			10.39
seful life	-	FCR w/incentives approved f	or these facilities, less	s dep.		10.39
IAC (Yes or No)		Annual Depreciation Expense	е			-
			0			
				Annual	Annual Revenue	
Investment	Beginning	Depreciation	Ending	Revenue	Req't.	Additional Rev.
Year	Balance	Expense	Balance	Requirement	with Incentives	Requirement **
	Dalance			Requirement		
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** This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for SPP should be incremented by the amount of the incentive revenue calculated for that year on this project.

Current Projected Year ARR Current Projected Year ARR w/ Incentive Current Projected Year Incentive ARR

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

PROJECTED Rev. Req't From Prior	Project Rev Req't	PROJECTED Rev. Req't From Prior Year	Project Rev Req't	
Year Template	True-up	Template	True-up	True-up of Incentive
w/o Incentives	w/o Incentives	with Incentives **	with Incentives **	with Incentives **
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AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate

Worksheet G - Calculation of TRUED-UP Annual Revenue Requirement for Base Plan and Special-Billed Projects AEP OKLAHOMA TRANSMISSION COMPANY, INC.

		A. Determine 'R' with hypot	netical U Dasis (Joint increase in F		JECIS
1		ROE w/o incentives (TCOS, In 141			10.50%	
2		Project ROE Incentive Adder (Enter				asis points
3 4		ROE with additional 0 basis point in Determine R (cost of long term deb		ock and percent is from		==Incentive ROE
5			<u>%</u>	<u>Cost</u>	Weighted cost	/
6		Long Term Debt	44.83%	4.24%	<u>1.90%</u>	
7		Preferred Stock	0.00%	0.00%	0.00%	
8 9		Common Stock	55.17%	10.50%	<u>5.79%</u>	
9					R = 7.69%	
		B. Determine Return using	'R' with hypothe	etical u basis poin		entified Projects.
10 11		Rate Base(TCOS, In 62) R (from A. above)			750,079,439 0.0769	
12		Return (Rate Base x R)			57,693,749	
		C. Determine Income Taxes	s using Return w	vith hypothetical () basis point ROE incr	ease for Identified
13		Return (from B. above)			57,693,749	
14		Tax Rate (TCOS, In 97)			25.47%	
15		EIT=(T/(1-T)) * (1-(WCLTD/WACC	,,		25.74%	
16		Income Tax Calculation (Return x	EIT)		14,849,957	
17 19		ITC Adjustment (TCOS, In 106)	n 107)		-	
18 19		Excess DFIT Adjustment (TCOS, li Tax Effect of Permanent and Flow T	,		(1,165,999) 184,560	
20		Income Taxes	mough Direfences ((1000, 11100)	13,868,518	
			ving Charge [Pata (Fixed Cha		with hypothotics
I	Ι.	Calculate Net Plant Carr ROE increase.	ying Charge r	Rate (Fixed Cha	arge Rate or FCR)	with hypothetica
		A. Determine Net Revenue	Requirement les	ss return and Inco	me Taxes.	
21		Net Revenue Requirement (TCOS,	, ln 115)		120,636,969	
22 23		Return (TCOS, In 110) Income Taxes (TCOS, In 109)			57,693,749 13,868,518	
24		Gross Margin Taxes (TCOS, In 114	.)		10,000,010	
					-	
25		Net Revenue Requirement, Less Re	,		49,074,702	
26 27		 Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) 	eturn and Taxes Requirement wi	th hypothetical 0	basis point increase i 49,074,702 57,693,749	n ROE.
26 27 28		Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above)	eturn and Taxes Requirement wi eturn and Taxes		basis point increase i 49,074,702 57,693,749 13,868,518	n ROE.
26 27 28 29		Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above) Net Revenue Requirement, with 0 E	eturn and Taxes Requirement wi eturn and Taxes Basis Point ROE incre	ease	basis point increase i 49,074,702 57,693,749	n ROE.
26 27 28		Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above)	eturn and Taxes Requirement wi eturn and Taxes Basis Point ROE incre ROE Increase (II C. I	ease	basis point increase i 49,074,702 57,693,749 13,868,518	n ROE.
26 27 28 29 30 31 32		Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above) Net Revenue Requirement, with 0 E Gross Margin Tax with Basis Point Revenue Requirement w/ Gross Ma Less: Depreciation (TCOS, In 84)	eturn and Taxes Requirement wi eturn and Taxes Basis Point ROE incre ROE Increase (II C. I argin Taxes	ease below)	basis point increase in 49,074,702 57,693,749 <u>13,868,518</u> 120,636,969 	n ROE.
26 27 28 29 30 31		Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above) Net Revenue Requirement, with 0 E Gross Margin Tax with Basis Point Revenue Requirement w/ Gross Ma Less: Depreciation (TCOS, In 84) Net Rev. Req, w/0 Basis Point ROE	eturn and Taxes Requirement wi eturn and Taxes Basis Point ROE incre ROE Increase (II C. I argin Taxes E increase, less Depre	ease below) eciation	basis point increase in 49,074,702 57,693,749 <u>13,868,518</u> 120,636,969 <u>120,636,969</u> <u>28,676,246</u> 91,960,723	n ROE.
26 27 28 29 30 31 32 33 33		Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above) Net Revenue Requirement, with 0 B Gross Margin Tax with Basis Point Revenue Requirement w/ Gross Mar Less: Depreciation (TCOS, In 84) Net Rev. Req, w/0 Basis Point ROE C. Determine Gross Margin Net Revenue Requirement before G	eturn and Taxes Requirement wi eturn and Taxes Basis Point ROE incre ROE Increase (II C. I argin Taxes E increase, less Depre Tax with hypot Gross Margin Taxes, w	ease below) eciation hetical 0 basis po	basis point increase in 49,074,702 57,693,749 <u>13,868,518</u> 120,636,969 <u>120,636,969</u> <u>28,676,246</u> 91,960,723	n ROE.
26 27 28 29 30 31 32 33 34 35		Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above) Net Revenue Requirement, with 0 B Gross Margin Tax with Basis Point Revenue Requirement w/ Gross Margin Less: Depreciation (TCOS, In 84) Net Rev. Req, w/0 Basis Point ROE C. Determine Gross Margin Net Revenue Requirement before G Basis Point ROE increase (II B. al	eturn and Taxes Requirement wi eturn and Taxes Basis Point ROE incre ROE Increase (II C. I argin Taxes E increase, less Depre Tax with hypot Bross Margin Taxes, w bove)	ease below) eciation hetical 0 basis po	basis point increase in 49,074,702 57,693,749 <u>13,868,518</u> 120,636,969 <u>28,676,246</u> 91,960,723 int increase in ROE. 120,636,969	n ROE.
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26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41		Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above) Net Revenue Requirement, with 0 B Gross Margin Tax with Basis Point Revenue Requirement w/ Gross Ma Less: Depreciation (TCOS, In 84) Net Rev. Req, w/0 Basis Point ROE C. Determine Gross Margin Net Revenue Requirement before G Basis Point ROE increase (II B. al Apportionment Factor to Texas (V Apportioned Texas Revenues Taxable Percentage of Revenue Taxable, Apportioned Margin Texas Gross Margin Tax Rate	eturn and Taxes Requirement wi eturn and Taxes Basis Point ROE incre ROE Increase (II C. I argin Taxes E increase, less Depre Tax with hypot Bross Margin Taxes, w bove) Vorksheet K, In 12) e gin Tax Expense	ease below) eciation hetical 0 basis po	basis point increase in 49,074,702 57,693,749 <u>13,868,518</u> 120,636,969 <u>-</u> 120,636,969 <u>28,676,246</u> 91,960,723 int increase in ROE. 120,636,969 <u>0.00%</u> - <u>22.0%</u>	n ROE.
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26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43		 Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above) Net Revenue Requirement, with 0 E Gross Margin Tax with Basis Point Revenue Requirement w/ Gross Mat Less: Depreciation (TCOS, In 84) Net Rev. Req, w/0 Basis Point ROE C. Determine Gross Margin Net Revenue Requirement before G Basis Point ROE increase (II B. al Apportionment Factor to Texas (V Apportioned Texas Revenues Taxable Percentage of Revenue Taxable, Apportioned Margin Texas Gross Margin Tax Rate Texas Gross Margin Tax Expense Gross-up Required for Gross Margin Determine FCR with hyp Net Transmission Plant (TCOS, In	e e gin Tax Expense gin Tax Expense e cothetical 0 basis 37)	ease below) eciation hetical 0 basis po with 0 s point ROE incre	basis point increase in 49,074,702 57,693,749 <u>13,868,518</u> 120,636,969 <u>28,676,246</u> 91,960,723 int increase in ROE. 120,636,969 <u>0.00%</u> <u>120,636,969</u> <u>120,636,969</u> <u>-</u> 120,636,969 <u>-</u> 120,636,969 <u>-</u> - ase. 884,782,501	n ROE.
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26 27 28 29 30 31 32 33 34 35 37 38 39 40 41 42 43 44 50 47 48 49 50 51 52	11.	 Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above) Net Revenue Requirement, with 0 E Gross Margin Tax with Basis Point Revenue Requirement w/ Gross Ma Less: Depreciation (TCOS, In 84) Net Rev. Req, w/0 Basis Point ROE C. Determine Gross Margin Net Revenue Requirement before G Basis Point ROE increase (II B. al Apportionment Factor to Texas (V Apportioned Texas Revenues Taxable Percentage of Revenue Taxable, Apportioned Margin Texas Gross Margin Tax Rate Texas Gross Margin Tax	e gin Tax Expense wenue Requirement Othetical 0 basis 37) Basis Point ROE incre Tax with hypot Forss Margin Taxes, we bove) Worksheet K, In 12) Corksheet K, In 12) Eincrease, less Deprese wenue Requirement Othetical 0 basis 37) Basis Point ROE incre ROE E increase, less Deprese ROE E increase, less Deprese ROE	ease below) eciation hetical 0 basis po with 0 s point ROE increa ease Depreciation n Rate n 9 col. ((D))	basis point increase in $\begin{array}{r} 49,074,702 \\ 57,693,749 \\ \underline{57,693,749} \\ \underline{13,868,518} \\ 120,636,969 \\ \underline{120,636,969} \\ \underline{28,676,246} \\ 91,960,723 \\ \end{array}$ int increase in ROE. $\begin{array}{r} 120,636,969 \\ \underline{0.00\%} \\ \underline{-} \\ 22.0\% \\ \underline{-} \\ 1.0\% \\ \underline{-} \\ 388. \\ 884,782,501 \\ \underline{120,636,969} \\ 13.63\% \\ 91,960,723 \\ 10.39\% \\ \underline{10.39\%} \\ 10.39\% \\ \underline{10.39\%} \\ 0.00\% \\ \underline{985,721,662} \\ 1,084,801,478 \\ \underline{2,070,523,140} \\ \end{array}$	n ROE.
26 27 28 29 30 31 32 33 34 56 37 38 940 41 42 43 44 50 47 48 49 50 51 52 53	11.	 Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above) Net Revenue Requirement, with 0 E Gross Margin Tax with Basis Point Revenue Requirement w/ Gross Ma Less: Depreciation (TCOS, In 84) Net Rev. Req, w/0 Basis Point ROE C. Determine Gross Margin Net Revenue Requirement before G Basis Point ROE increase (II B. al Apportionment Factor to Texas (V Apportioned Texas Revenues Taxable Percentage of Revenue Taxable, Apportioned Margin Texas Gross Margin Tax Rate Texas Gross Margin Tax Expense Gross-up Required for Gross Margin Total Additional Gross Margin Tax Ree D. Determine FCR with hyp Net Transmission Plant (TCOS, In Net Revenue Requirement, with 0 E FCR with 0 Basis Point increase in Net Rev. Req, w / 0 Basis Point RO FCR with 0 Basis Point (TCOS, In Net Rev. Req, w / 0 Basis Point RO FCR with 0 Basis Point (TCOS, In 1 Incremental FCR with 0 Basis Point Calculation of Composit Transmission Plant @ Beginning of P Transmission Plant @ End of Period P 	e gin Tax Expense evenue Requirement othetical 0 basis 37) Basis Point ROE incre for 2019	ease below) eciation hetical 0 basis po with 0 s point ROE increa ease Depreciation n Rate n 9 col. ((D))	basis point increase in $\begin{array}{r} 49,074,702 \\ 57,693,749 \\ \underline{57,693,749} \\ \underline{13,868,518} \\ 120,636,969 \\ \underline{120,636,969} \\ \underline{28,676,246} \\ 91,960,723 \\ \end{array}$ int increase in ROE. $\begin{array}{r} 120,636,969 \\ \underline{0.00\%} \\ \underline{120,636,969} \\ \underline{0.00\%} \\ \underline{1.0\%} \\ \underline{1.0.39\%} \\ \underline{10.39\%} \\ 0.00\% \\ \underline{985,721,662} \\ \underline{1,084,801,478} \\ \underline{2,070,523,140} \\ \underline{1,035,261,570} \\ \end{array}$	n ROE.
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26 27 28 29 30 31 32 33 34 56 37 38 940 41 42 43 44 50 47 48 49 50 51 52 53	Π.	 Net Revenue Requirement, Less Re B. Determine Net Revenue Net Revenue Requirement, Less Re Return (from I.B. above) Income Taxes (from I.C. above) Net Revenue Requirement, with 0 E Gross Margin Tax with Basis Point Revenue Requirement w/ Gross Ma Less: Depreciation (TCOS, In 84) Net Rev. Req, w/0 Basis Point ROE C. Determine Gross Margin Net Revenue Requirement before G Basis Point ROE increase (II B. al Apportionment Factor to Texas (V Apportioned Texas Revenues Taxable Percentage of Revenue Taxable, Apportioned Margin Texas Gross Margin Tax Rate Texas Gross Margin Tax Expense Gross-up Required for Gross Margin Total Additional Gross Margin Tax Ree D. Determine FCR with hyp Net Transmission Plant (TCOS, In Net Revenue Requirement, with 0 E FCR with 0 Basis Point increase in Net Rev. Req, w / 0 Basis Point RO FCR with 0 Basis Point (TCOS, In Net Rev. Req, w / 0 Basis Point RO FCR with 0 Basis Point (TCOS, In 1 Incremental FCR with 0 Basis Point Calculation of Composit Transmission Plant @ Beginning of P Transmission Plant @ End of Period P 	Requirement wireturn and Taxes Requirement wir eturn and Taxes Basis Point ROE increase ROE Increase (II C. Interest of the second	ease below) eciation hetical 0 basis po with 0 s point ROE increa ease Depreciation n Rate n 9 col. ((D))	basis point increase in $\begin{array}{r} 49,074,702 \\ 57,693,749 \\ \underline{57,693,749} \\ \underline{13,868,518} \\ 120,636,969 \\ \underline{120,636,969} \\ \underline{28,676,246} \\ 91,960,723 \\ \end{array}$ int increase in ROE. $\begin{array}{r} 120,636,969 \\ \underline{0.00\%} \\ \underline{120,636,969} \\ \underline{0.00\%} \\ \underline{1.0\%} \\ \underline{1.0.39\%} \\ \underline{10.39\%} \\ 0.00\% \\ \underline{985,721,662} \\ \underline{1,084,801,478} \\ \underline{2,070,523,140} \\ \underline{1,035,261,570} \\ \end{array}$	n ROE.

for Incentive.

Note: Worksheets F and G are both populated from the TCOS worksheet every update. Worksheet F is only used in Projections. Worksheet G is used only in True-Ups. These worksheets add up all of the individual SPP Base Plan projects, Requested Upgrades, Economic Upgrades, or any other projects billed by SPP through other than the NITS rate.

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR SPP BPU & NON-BPU PROJECTS									
		Rev Re	Rev Require		Incentives	Incentive Amount	S		
True-Up Rate Year	2017								
∑ True Up Year Proje	cted WS-F	\$	27,948,610	\$	27,948,610	\$	-		
∑ True-Up Year True-	Up WS-G	\$	30,756,327	\$	30,756,327	\$	-		
True-up Adjustment Fo	or 2017		2,807,717		2,807,717		-		

cts.

NOTE: PART IV --- True-Up Base Plan Project Tables are contained in a separate file

asis point

Worksheet G -- AEP OKLAHOMA TRANSMISSION COMPANY, INC.-- Calculation of Trued-Up ARR for SPP Base Plan Upgrade Projects

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

Α.	Facilities receiving incentive	s accepted by FERC in Docket No.
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A. Facilities receiving incer	ntives accepted by FERC	C in Docket No.						2017 Rate Year Projected (WS-F)	Rev Require	w/Incentives	Incentive Amounts	1
Project Description:							-	Rate Year True-Up (WS-G) True-Up Adjustment			-	1
												1
Details Investment (EOY)		Project Number True-Up Year					2017			ANNUAL REVENUE R		
Service Year (yyyy)		ROE increase accepted by F	FERC (Basis Points)				-			HOUT INCENTIVES) FF		٩R
Service Month (1-12)		FCR w/o incentives, less dep					10.39%			HISTORY OF TRUED-U		
Useful life		FCR w/incentives approved		dep.			10.39%	LIFE OF THE F				
CIAC (Yes or No)		Annual Depreciation Expens	Se								-	
						Annual Revenue		BPU Rev. Req't.From Prior	BPU Rev Req't	BPU Rev. Req't.From	BPU Roy Rog't True	
Investment	Beginning	Depreciation	Ending	Average	Annual Revenue	Req't.	Incentive Rev.	Year Template	True-up	Prior Year Template		True-up of Incentive
Year	Balance	Expense	Balance	Balance	Requirement	with Incentives	Requirement **	w/o Incentives	w/o Incentives	with Incentives **	with Incentives **	with Incentives **
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	-	-	-	-	-	-	\$-		\$-		\$-	\$-

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

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

AEP - SPP Transco Formula Rate TCOS - WS H Page: 24 of 53

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet H - Revenue Credits AEP OKLAHOMA TRANSMISSION COMPANY, INC.

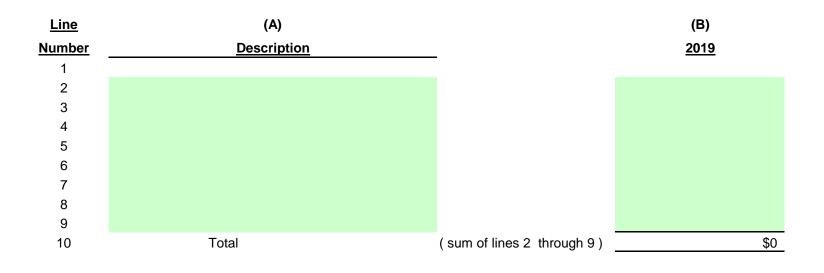
Line:	_	Total Company	Non- Transmission	Transmission
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Misc. Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1) Account 4540001 - Rent from Elect Property-Aff Account 4540002 - Rent from Elect Property - Non-Aff Account 4540005 - Rent from Elect Property - Pole Attach Account 4540004 - Rent from Elect Property - ABD - Non-Aff	1,819,941	- - -	1,819,941
3	Other 454 Accounts Total Rents from Electric Property	1,819,941		1,819,941
4	 Account 456.0 Other Operating Revenues (FF1 p.300.21.(b); Company Records - Note 1) 1 Account 4560015, Revenues from Associated Business Development 2 All Other 456.0 Revenues Total 456.0 Other Operating Revenues 	-		-
	Account 456.1, Revenues from Transmission of Electricity of Others (FF1 p.300.22.(b); Cor	npany Record	s - Note 1)	115,222,834
	Less:			
	Transmission Direct Assignment Revenue (if costs not in the ARR) Sponsored Upgrade Revenue			899,628
	Credits against Transmission Service Revenue related to Generation Interconnections Revenue for GFA's (Relative to SPP OATT) Associated with Load Included in the Divisor Network Service Revenue (SPP Schedule 9) Associated with Load included in the Divisor Revenue Associated with Transmission Plant Excluded From SPP Tariff Distribution and Other Non-Transmission Revenue			80,500,422

	Revenue from SPP Ancillary Services Provided	
	Base Plan Revenue (from SPP)	32,142,784
	Flow Through of ERCOT Ancillary Charges	
	Other	
5	Net 456.1 Transmission Credits	\$1,680,000
6	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)	
_		
7	Account 457.2, Miscellaneous Revenues (FF1p.300.24.(b); Company Records - Note 1)	
8	Total Revenue Credits - Sum lines 1 through 7	\$3,499,941

Note 1: Data for this worksheet came from the FERC Form 1 and the Company's General Ledger.

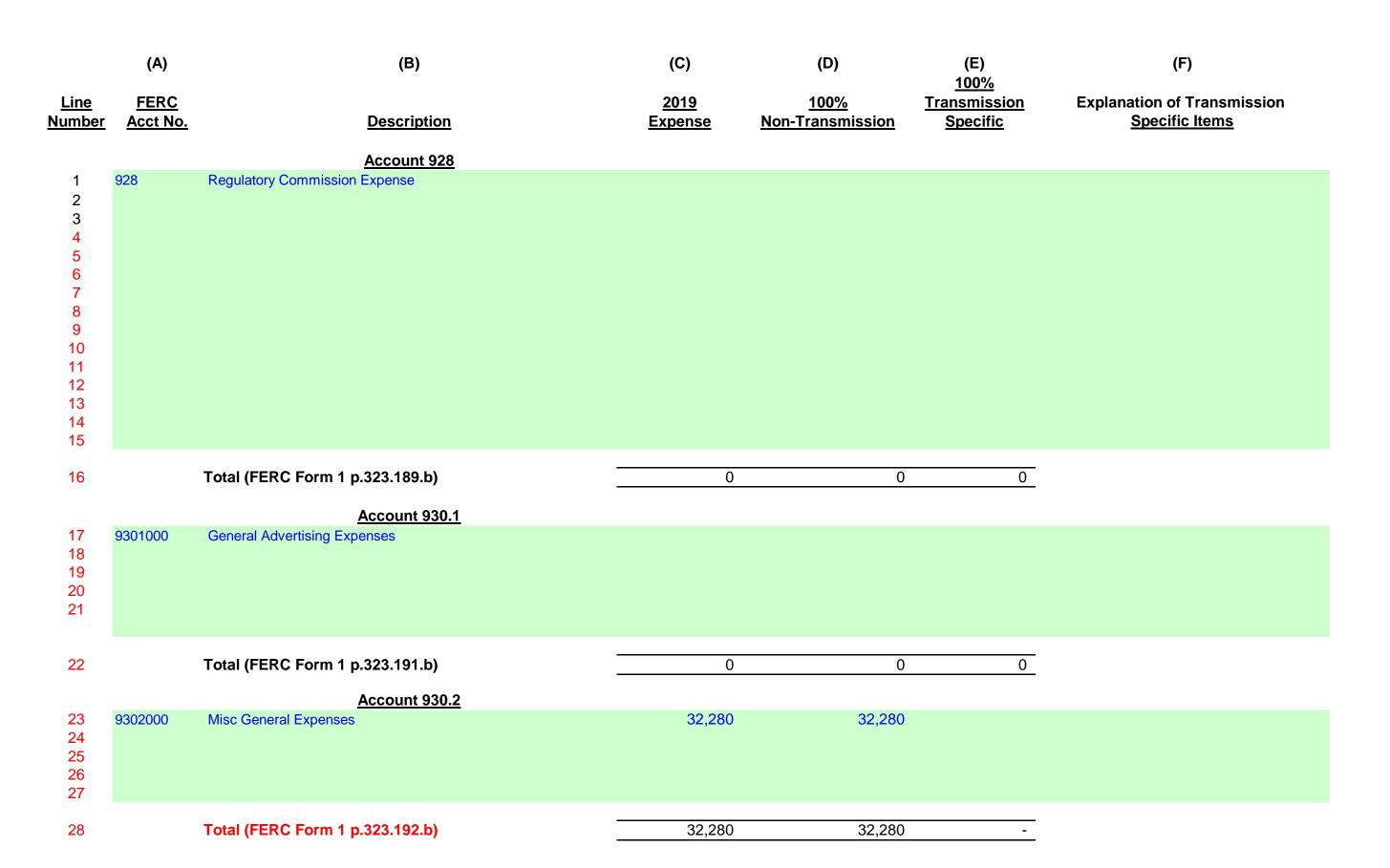
AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet I - Supporting Transmission Expense Adjustments AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Note: This worksheet is used to include any FERC jurisdictional transmission-related (i.e. non-retail) expenses recorded in Accounts 561 or 565 which are includable in the formula on TCOS line 66, and make any other necessary FERC jurisdictional adjustments to Transmission O&M.



AEP - SPP Transco Formula Rate TCOS - WS J Page: 26 of 53

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate **Worksheet J** - Allocation of Specific O&M or A&G Expenses AEP OKLAHOMA TRANSMISSION COMPANY, INC.



AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet K - Development of Composite State Income Tax Rate AEP OKLAHOMA TRANSMISSION COMPANY, INC.

DEVELOPMENT OF COMPOSITE STATE INCOME TAX RATES FOR 2019 Ι.

State Income Tax Rate - Oklahoma	Note 1	5.66%	
Apportionment Factor		100.00%	
Effective State Income Tax Rate			5.6600%
State Income Tax Rate - Texas			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate - Louisiana			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate - Arkansas			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate -			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
Total Effective State Income Tax Rate		-	5.6600%

Note 1 --- The Oklahoma State Income Tax Rate of 6% is reduced to 5.66% due to the deductibility of Oklahoma State Income Taxes on the Oklahoma State Income Tax Return.

CALCULATION OF TEXAS GROSS MARGIN TAX II.

Line #	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARGIN TAX (TCOS In 114)	Total Company 129,142,324	Trans. Only 120,636,969
1	Apportionment Factor to Texas (In12)	0.00%	0.00%
2	Apportioned Texas Revenues	\$0	\$0
3	Taxable Percentage of Revenue		
4	Taxable, Apportioned Margin	-	-
5	Texas Gross Margin Tax Rate		
6	Texas Gross Margin Tax Expense	-	-
7	Gross-up Required for Texas Gross Margin Expense	-	-
	((ln 6 * ln 3 * ln 1)/(1- ln 5) * ln 5)		
8	Total Additional Gross Margin Tax Revenue Requirement	-	
9	WHOLESALE LOAD ALLOCATOR (For Use in Gross Margin Tax Allocator)		
10	Texas Jurisdictional Load KW		
11	Total Load KW		
12	Allocation Percentage (In 10 / In 11) 0.00%		

Projected / Actual

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate **Worksheet L** - Taxes Other than Income **AEP OKLAHOMA TRANSMISSION COMPANY, INC.**

	(A)	(B)	(C)	(D)	(E)	(F)
Line		Total				
No.	Account	Company	Property	Labor	Other	Non-Allocable

1	Revenue Taxes		
2			
3			
Λ	Real Estate and Research Property Taxas		
4 5	Real Estate and Personal Property Taxes Oklahoma Ad Valorem	11,579,010	11,579,010
5 6		11,579,010	11,579,010
7			
8			
9			
10	Payroll Taxes		
11			
12			
13			
14			
15	Production Taxes		
16			
17			
18			
19	Miscellaneous Taxes		
20			
21			

24 25	
25	
26	
27	
28	
29	
30	
31	
32	
33	
34	

-

-

-

- 35
 Total Taxes by Allocable Basis
 11,579,010
 11,579,010
 - (Total Company Amount Ties to FFI p.114, Ln 14,(c))

22

NOTE: As a check, the difference between the total from Ln 35 above and the total on FF1 p.263 line 41(i) should equal the sum of the 'income' tax line items within FF1 p262.x-263.x

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate

Worksheet M

AEP OKLAHOMA TRANSMISSION COMPANY, INC.

Calculation of Capital Structure and Weighted Average Cost of Capital Based on Average of Balances At 12/31/2018 and 12/31/2019

(A)	(B)	(C)	(D)	(E)
Line		<u>Balances @</u> <u>12/31/2019</u>	<u>Balances @</u> 12/31/2018	Average
Develop	oment of Average Balance of Common Equity			
1 2	Total Proprietary Capital (p. 112.16.c&d) Less Preferred Stock from Ln 43 below	504,653,979	458,431,195	481,542,587
3	Less Account 216.1 (p. 112.12.c&d)		-	-
4	Less Account 219.1 (p. 112.15.c&d)	-		-
5	Average Balance of Common Equity	504,653,979	458,431,195	481,542,587
<u>Develor</u>	oment of Cost of Long Term Debt Based on Av	erage Outstanding Ba	<u>lance</u>	
6	Account 221 Bonds (112.18.c&d)		-	-
7	Less: Account 222 Reacquired Bonds (112.19.c&d)		-	-
8	Account 223 LT Advances from Assoc. Comp. (112.20.c&	338,750,000	347,850,000	343,300,000
9	Account 224 Senior Unsecured Notes (112.21.c&d)	63,000,000	33,000,000	48,000,000
10	Less: Non-Transmission Securitization (Co. Records)			-
11	Total Long-Term Debt	401,750,000	380,850,000	391,300,000
10	Annual Interact Expanse			
12 13	Annual Interest Expense Interest on Long Term Debt - Accts 221 - 224 (256-257.33	i		16,574,333
13	Less: Financial Hedge Gain/Expense from Ln 28 Included	,		10,574,333
15	Plus: Allowed Hedge Recovery from Ln 32 below			-
16	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			
17	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			
18	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			
19	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117	.66.c)		
20	Less: Non-Trans. Securitization (Company Records)			
21	Total Interest Expense (Ln 13 + Ln 14 + Ln 15 + Ln 16 +	- Ln 17 - Ln 18 - Ln 19 - Ln 1	20)	16,574,333
22	Average Cost of Debt (Ln 21/Ln 11)		r	4.24%
22	Average Cost of Debt (LIT 21/LIT TT)		L	4.24/0
23	Financial Hedge Amortization Reported in Column (i) on Pa	age 256-257 (Enter Gains as	s a Negative Numb	er)
24	· · · · · · · · · · · · · · · · · · ·		g	
25				
26				
27				
28	Total Hedge Amortization			-
29	Total Average Capital Balance (TCOS, Ln 142)			872,842,587
30	Financial Hedge Recovery Limit - Five Basis Points of Tot	al Capital		0.0005
31	Limit of Recoverable Amount	с.	F	436,421
32	Recoverable Hedge Amortization (Lesser of Ln 28 or 3'	-		-
	(lesser of 5 basis point Cap or Actual (Gain)/Expense base	ed on magnitude as indicated	a on Ln 28 or Ln 31)
<u>Develor</u>	oment of Cost of Preferred Stock			
	Preferred Stock			Average
33	% Series Dividend Rate (p. 250-251a)			<u>///orugo</u>
34	% Series Par Value (p. 250-251c)			
35	% Series Shares O/S (p.250-251e)			
36	% Series Monetary Value (Ln 34 * Ln 35)	-	-	-
37	% Series Dividend Amount (Ln 33 * Ln 36)	-	-	-
38	% Series Dividend Rate (p. 250-251a)			
39	% Series Par Value (p. 250-251c)			
40	% Series Shares O/S (p.250-251e)			
41	% Series - Monetary Value (Ln 39 * Ln 40)	-	-	-
42	% Series Dividend Amount (Ln 38 * Ln 41)	-	-	-
43	Balance of Preferred Stock (Lns 36, 41)	-	-	-
44	Dividends on Preferred Stock (Lns 37, 42)	-	-	-
45	Average Cost of Preferred Stock (Ln 44/43)	0.00%	0.00%	0.00%

AEP - SPP Transco Formula Rate TCOS Page: 30 of 53

AEP West SPP Member Transmission Companies Transmission Cost of Service Formula Rate Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

Line No.							nsmission Amount	
1	REVENUE REQUIREMENT (w/o incentives)	(In 115)	Total		Allocator		\$70,569	
2	REVENUE CREDITS	(Note A) (Worksheet H)	4,800	DA	1.00000	\$	4,800	
3	Network Customer Owned Facility Credits	Worksheet B					-	
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)					\$65,769	
MEMO: The Carrying Charge Calculations on lines 7 to 12 below are used in calculating project revenue requirements billed through SPP Schedule 11. The total non-incentive revenue requirement for these projects shown on line 5 is included in the total on line 4.								
5	Trued-Up / Projected Revenue Requirement for SPP BPU Region (Worksheet F/G)	onal Facilities (w/o incentives)	-	DA	1.00000	\$	-	
6	NET PLANT CARRYING CHARGE (w/o incentives) (Note B)							
7	Annual Rate	(In 1/ In 37 x 100%)					0.00%	
8	Monthly Rate	(In 7 / 12)					0.00%	
9	NET PLANT CARRYING CHARGE ON LINE 7 , W/O DEPRECI	ATION (w/o incentives) (Note B)						
10	Annual Rate	((In 1 - In 84) / In 37 x 100%)					0.00%	
11	NET PLANT CARRYING CHARGE ON LINE 9, W/O INCOME 1	AXES, RETURN (Note B)						
12	Annual Rate	((ln 1 - ln 84 - ln 109 - ln 110) / ln 37 x 100%)					0.00%	
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incenti	ve ROE's (Note C) (Worksheet F/G)					-	

AEP - SPP Transco Formula Rate TCOS Page: 31 of 53

AEP West SPP Member Transmission Companies Transmission Cost of Service Formula Rate Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

	(1)	(2)	(3)	(4)		(5)
	RATE BASE CALCULATION	Data Sources (See "General Notes")	TO Total	Alloca	<u>itor</u>	Total <u>Transmission</u>
Line No.	GROSS PLANT IN SERVICE		<u>NOTE D</u>			
14	_ Production	(Worksheet A In 3.E)	_	NA	0.00000	_
15	Less: Production ARO (Enter Negative)	(Worksheet A In 6.E)	<u>-</u>	NA	0.00000	<u>-</u>
16	Transmission	(Worksheet A In 9.E & Ln 119)	<u>-</u>	DA	0.00000	-
17	Less: Transmission ARO (Enter Negative)	(Worksheet A In 12.E)	<u>-</u>	TP	0.00000	-
18	Distribution	(Worksheet A In 13.E)	<u>-</u>	NA	0.00000	-
19	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.E)	<u>-</u>	NA	0.00000	-
20	General Plant	(Worksheet A In 15.E)	<u>-</u>	W/S	0.00000	-
21	Less: General Plant ARO (Enter Negative)	(Worksheet A In 16.E)	<u>-</u>	W/S	0.00000	-
22	Intangible Plant	(Worksheet A In 17.E)	<u>-</u>	W/S	0.00000	-
23	TOTAL GROSS PLANT	(sum lns 14 to 22)	<u> </u>	GP=	0.00000	-
		(**************************************		GTD=	-	
24	ACCUMULATED DEPRECIATION AND AMORTIZATION					
25	Production	(Worksheet A In 22.E)	<u>-</u>	NA	0.00000	-
26	Less: Production ARO (Enter Negative)	(Worksheet A In 25.E)	<u>-</u>	NA	0.00000	-
27	Transmission	Worksheet A In 28.E & 47.E)	-	TP1=	0.00000	-
28	Less: Transmission ARO (Enter Negative)	(Worksheet A In 31.E)	<u>-</u>	TP1=	0.00000	-
29	Distribution	(Worksheet A In 32.E)	-	NA	0.00000	-
30	Less: Distribution ARO (Enter Negative)	(Worksheet A In 33.E)	-	NA	0.00000	-
31	General Plant	(Worksheet A In 34.E)	-	W/S	0.00000	-
32	Less: General Plant ARO (Enter Negative)	(Worksheet A In 35.E)	-	W/S	0.00000	-
33	Intangible Plant	(Worksheet A In 36.E)	-	W/S	0.00000	-
34	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 25 to 33)	-			-
35	NET PLANT IN SERVICE					
36	Production	(In 14 + In 15 - In 25 - In 26)	<u>-</u>			_
37	Transmission	(ln 16 + ln 17 - ln 27 - ln 28)	<u>-</u>			_
38	Distribution	(ln 18 + ln 19 - ln 29 - ln 30)	<u>-</u>			-
39	General Plant	(ln 20 + ln 21 - ln 31 - ln 32)	<u>-</u>			-
40	Intangible Plant	(ln 22 - ln 33)	-			-
41	TOTAL NET PLANT IN SERVICE	(sum lns 36 to 40)	<u> </u>	NP=	0.00000	
				–		
42	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note E)				
43	Account No. 281.1 (enter negative)	272-273.8.k	<u>-</u>	NA		-
44	Account No. 282.1 (enter pegative)	$(Worksheet \cap In \land \cap \& In \& I)$	(810)			(167)

NA DA 44 (Worksheet C, In 4 C & In 8 J) (810) (167) Account No. 282.1 (enter negative)

			(010)	DA		(101)
45	Account No. 283.1 (enter negative)	(Worksheet C, In 12 C & In 14 J)	11,966	DA		11,966
46	Account No. 190.1	(Worksheet C, In 18 C & In 22 J)	13,339	DA		(1,278)
47	Account No. 255 (enter negative)	(Worksheet C, In 26 C & In 28 J)		DA		-
48	TOTAL ADJUSTMENTS	(sum Ins 43 to 47)	24,495			10,521
49	PLANT HELD FOR FUTURE USE	(Worksheet A In 48.E & 49.E)	-	DA		-
50	REGULATORY ASSETS	(Worksheet A In 55.E)	-	DA		-
51	WORKING CAPITAL	(Note F)				
52	Cash Working Capital	(1/8 * In 68) (Note G)	52			-
53	Transmission Materials & Supplies	(Worksheet D, In 3 F)	-	TP	0.00000	-
54	A&G Materials & Supplies	(Worksheet D, In 4 F)	-	W/S	0.00000	-
55	Stores Expense	(Worksheet D, In 5 F)	-	GP	0.00000	-
56	Prepayments (Account 165) - Labor Allocated	(Worksheet D, In 8 G)	-	W/S	0.00000	-
57	Prepayments (Account 165) - Gross Plant	(Worksheet D, In 8 F)	-	GP	0.00000	-
58	Prepayments (Account 165) - Transmission Only	(Worksheet D, In 8 E)	-	DA	1.00000	-
59	Prepayments (Account 165) - Unallocable	(Worksheet D, In 8 D)	-	NA	0.00000	-
60	TOTAL WORKING CAPITAL	(sum Ins 52 to 59)	52			-
61	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note H) (Worksheet E, In 8 B)	-	DA	1.00000	-
62	RATE BASE (sum Ins 41, 48, 49, 60, 61)		24,547			10,521

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GΡ

0.00000

AEP West SPP Member Transmission Companies Transmission Cost of Service Formula Rate Utilizing Actual / Projected Cost Data for the 2019 Rate Year AEP SOUTHWESTERN TRANSMISSION COMPANY, INC. (1) (2) (3) (4) (5) **EXPENSE, TAXES, RETURN & REVENUE** Data Sources Total **REQUIREMENTS CALCULATION** (See "General Notes") TO Total **Transmission** Allocator **OPERATION & MAINTENANCE EXPENSE** Transmission 321.112.b 451 (Note U) Company Records Less: Transmission Serving Generation (Note I) 321.84-92.b Less: Total Account 561 36 (Note J) 321.96.b Less: Account 565 \$0 Plus: Includable 561 and 565 Expenses Worksheet I In 10 415 ΤP Total O&M Allocable to Transmission (Ins 63 - 64 - 65 - 66 + 67) 0.00000 Administrative and General 323.197.b (Note K, M) 69,559 Less: Acct. 924, Property Insurance 323.185.b -Acct. 928, Reg. Com. Exp. 323.189.b -Acct. 930.1, Gen. Advert. Exp. 323.191.b Acct. 930.2, Misc. Gen. Exp. 323.192.b 3 69,556 Balance of A & G (In 69 - sum In 70 to In 73) W/S 1.00000 69,556 GΡ Plus: Acct. 924, Property Insurance 0.00000 (ln 70) ΤP Acct. 928 - Transmission Specific Worksheet J In 16.(E) (Note L) 0.00000 Worksheet J In 22.(E) (Note L) Acct 930.1 - Only safety related ads -Direct GΡ 0.00000 Acct 930.2 - Misc Gen. Exp. - Trans Worksheet J In 28.(E) (Note L) DA 1.00000 69,556 69,556 (sum lns 74 to 78) A & G Subtotal 69,971 69,556 TOTAL O & M EXPENSE (ln 68 + ln 79) DEPRECIATION AND AMORTIZATION EXPENSE Transmission 336.7.b (Note U) Company Records Less: Transmission Serving Generation TΡ Includable Transmission (ln 82 - ln 83) 0.00000 336.10.b W/S General 0.00000 336.1.d W/S Intangible 0.00000 TOTAL DEPRECIATION AND AMORTIZATION (sum lns 84 to 86) TAXES OTHER THAN INCOME (Note N) Labor Related Payroll Worksheet L, Col. D W/S 0.00000 Plant Related GΡ Worksheet L, Col. C 0.00000 Property Worksheet L, Col. F Non-Allocable Taxes, incl. Transmission Serving Gen. NA 0.00000

Line No.

63

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81 82

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89 90

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93

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Other

51				5.		
95	TOTAL OTHER TAXES	(sum Ins 90 to 94)	-		_	-
96	INCOME TAXES	(Note O)				
97	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		27.32%			
98	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		25.08%			
99	where WCLTD=(In 139) and WACC = (In 142)					
100	and FIT, SIT & p are as given in Note O.					
101	GRCF=1 / (1 - T) = (from ln 97)	·	1.3759			
102	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	-			
103	Excess / (Deficit) Deferred Income Tax	Company Records (Note O)	-	DA		-
104	Tax Effect of Permanent and Flow Through Differences	Company Records (Note O)	-	DA		-
105	Income Tax Prior to Adjustments	(In 98 * In 110)	474			203
106	ITC adjustment	(In 101 * In 102)	-	NP	0.00000	
107	Excess / (Deficit) Deferred Income Tax	(În 101 * ln 103)	-	DA		-
108	Tax Effect of Permanent and Flow Through Differences	(In 101 * In 104)	-	DA		-
109	TOTAL INCOME TAXES	(sum Ins 105 to 108)	474			203
110	RETURN ON RATE BASE (Rate Base*WACC)	(In 62 * In 142) or In 62 * In 155) (Note T)	1,891			811
110			1,001			UT1
111	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note E)	(Worksheet E, In 2)	-	DA	1.00000	-
					_	
112	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARC	GIN TAX	72,336		=	70,569
113	(sum Ins 80, 87, 95, 109, 110, 111)					
114	TEXAS GROSS MARGIN TAX (Note P) (Worksheet K)		-	DA		-
115	REVENUE REQUIREMENT INCL GROSS MARGIN TAX	(In 112 + 114)	72,336		-	70,569
113			12,000		=	10,009

Worksheet L, Col. E

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WACC=

0.0770

AEP West SPP Member Transmission Companies Transmission Cost of Service Formula Rate Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

SUPPORTING CALCULATIONS

In								
No.	TRANSMISSION PLANT INCLUDED IN SPP TARIFF							
116	Total transmission plant	(ln 16)						-
117	Less transmission plant excluded from SPP Tariff (Works							-
118	Less transmission plant included in OATT Ancillary Servio							-
119	Transmission plant included in SPP Tariff	(ln 116 - ln 117 - ln 118)						-
120	Percent of transmission plant in SPP Tariff	(ln 119 / ln 116)					TP=	0.00000
121	WAGES & SALARY ALLOCATOR (W/S)	(Note S)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
122	Production	354.20.b	Dirotti ayron	-	-	NA	0.00000	-
123	Transmission	354.21.b		- 1,885	1,885	TP	0.00000	-
124	Regional Market Expenses	354.22.b		-	-	NA	0.00000	-
125	Distribution	354.23.b		-	-	NA	0.00000	-
126	Other (Excludes A&G)	354.24,25,26.b			-	NA	0.00000	-
127	Total	(sum Ins 122 to 126)		- 1,885	1,885		—	-
128	Transmission related amount						W/S=	0.00000
	STAND ALONE (Note T)							
129	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
130	Long Term Interest	Long Term Interest (Worksheet M, In. 2	21, col. (E))					32,180
131	Preferred Dividends	Preferred Stock Dividends (Worksheet	M, In. 44, col. (E))					-
132	Development of Common Stock:							Average
133	Proprietary Capital	(Worksheet M, In. 1, col. (E))						(1,218,775)
134	Less Preferred Stock (In 140)	(Worksheet M, In. 2, col. (E))						-
135	Less Account 216.1	(Worksheet M, In. 3, col. (E))						-
136	Less Account 219	(Worksheet M, In. 4, col. (E))						-
137	Common Stock	(ln 133 - ln 134 - ln 135 - ln 136)						(1,218,775)
				Capital Structure				
				<u>Capital Structure</u> <u>Percentage</u>			Cost	
138		Rate Year Average Balances		Percentage			Cost (Note T)	Weighted
139	Avg Long Term Debt (Worksheet M, In. 11, col. (E))			Percentage 0.00%			(Note T) 0.00%	0.0000
139 140	Avg Preferred Stock (Worksheet M, In. 43, col. (E))	Rate Year Average Balances		Percentage 0.00% 0.00%			(Note T) 0.00% 0.00%	0.0000 0.0000
139				Percentage 0.00%			(Note T) 0.00%	0.0000

Total (sum Ins 152 to 154)

155

	SOUTHWESTERN ELECTRIC POWER COMPANY (Note T)				
143	WEIGHTED AVERAGE COST OF CAPITAL (WACC)				\$
144	Long Term Interest	Long Term Interest (SWEPCO FR Worksheet M, In. 2	21, col. (E))		122,143,004
145	Preferred Dividends	Preferred Stock Dividends (SWEPCO FR Worksheet	t M, In. 44, col. (E))		-
146	Development of Common Stock:				Average
147	Proprietary Capital	(SWEPCO Worksheet M, In. 1, col. (E))			2,362,135,378
148	Less Preferred Stock (In 153)	(SWEPCO Worksheet M, In. 2, col. (E))			-
149	Less Account 216.1	(SWEPCO Worksheet M, In. 3, col. (E))			31,744,488
150	Less Account 219	(SWEPCO Worksheet M, In. 4, col. (E))			(1,139,895)
151	Common Stock	(ln 147 - ln 148 - ln 149 - ln 150)			2,331,530,785
			Capital Structure		
			Percentage	Cost	
		Rate Year Average Balances		(Note T)	Weighted
152	Avg Long Term Debt (SWE WS-M, In. 11, col. (E))	2,431,100,000	51.05%	5.02%	0.0256
153	Avg Preferred Stock (SWE WS-M, In. 43, col. (E))	-	0.00%	0.00%	0.0000
154	Avg Common Stock (In 151)	2,331,530,785	48.95%	10.50%	0.0514

4,762,630,785

AEP West SPP Member Transmission Companies Transmission Cost of Service Formula Rate Utilizing Actual / Projected Cost Data for the 2019 Rate Year

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

Notes

Letter

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General Note: True Up References to data from FERC Form 1 are indicated as: page#.line#.col.#. Rate Year Projections from Company forecasts.

- A The revenue credits shall include a) amounts received directly from the SPP for PTP transmission services, b) direct assignment charges for transmission facilities, the cost of which has been included in the TCOS, and c) amounts from customers taking service under grandfathered agreements, where the demand is not included in the rate divisor. Revenues associated with FERC annual charges, gross receipts taxes, ancillary services or facilities excluded from the TCOS are not included as revenue credits. Revenue from Transmission Customers whose coincident peak loads are included in the DIVISOR of the load-ratio share calculation are not included as revenue credits. See Worksheet H for details.
- B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for facilities and any upgrades.
- C This additional revenue requirement is determined using a net plant carrying charge (fixed carrying charge or FCR) approach. Worksheet G shows the calculation of the trued-up revenue requirement for each project, based on an FCR rate calculated from inputs on this TCOS. Line 13 shows the incremental ARR for projects receiving incentives as accepted by FERC. These individual additional revenue requirements are summed for the true-up year, and included here.
- D The gross plant, accumulated depreciation, and deferred tax balances included in rate base and depreciation expense are reduced by the removal of amounts related to Asset Retirement Obligations (AROs). This is to comply with the requirements of FERC Rulemaking RM02-7-000.
- E The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense as discussed in Note N. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated to transmission. Transmission allocations are shown on Worksheet C.
- F Identified as being transmission related or functionally booked to transmission.
- G Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission on line 68.
- H Consistent with Paragraph 657 of Order 2003-A, the amount on line is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 111.
- Line 65 Removes the expense booked to transmission accounts included in the development of OATT ancillary services rates, including all of Account No. 561.
- J Removes cost of transmission service provided by others to the extent such service is not incurred to provide the SPP service at issue.
- K General Plant and Administrative & General expenses may be functionalized based on allocators other than the W/S allocator. Full documentation must be provided.
- L Expense reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable or allocable to transmission service. Worksheet J allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet H.
- M Recoverable PBOP expense is based on actual annual PBOP costs, including charges from the AEP Service Corporation. The PBOP amounts are included in the Administrative and General total, and are based on current year expenses. The annual actuarial valuation report supporting the derivation of the PBOP expense, along with an explanation of PBOP derivation process, is submitted during the formula rate annual update.
- N Includes only FICA, unemployment, property and other assessments charged in the current year. Gross Receipts tax, Sales & Use taxes, local franchise taxes, and taxes related to income are excluded.

p = 0.00% (percent of federal income tax deductible for state purposes) Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period.

- P The Texas Gross Margin tax is calculated on the Texas allocated revenue of the Company, reduced by a cost of goods sold deduction to derive a
 "Gross Margin" for the Company. The tax rate of one percent is assessed on the resulting amount. The jurisdictional allocator is based on transmission demand allocators.
- Q Removes plant excluded from the OATT because it does not meet the SPP's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT, other than Transmission Serving Generation which is removed at Worksheet A. See Note U.
- R Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note Q.
- S Includes functional wages & salaries incurred by parent company service corporation for support of the operating company.

Long Term Debt cost rate = Long-Term Interest (In 130) / Long Term Debt (In 139). Preferred Stock cost rate = preferred dividends (In 131) / preferred outstanding (In 140).
 Common Stock cost rate (ROE) = 10.5%, the rate accepted by FERC in Docket No. ER07-1069. It includes an additional 50 basis points for remaining a member of the SPP RTO.
 The capital structure of AEP Southwestern Transmission Co. will be based on the capital structure of SWEPCO until it establishes a stand alone capital structure.
 AEP Oklahoma Transmissoin Company uses its own capital structure.

The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains and Losses are computed on Worksheet M. The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.

U Costs specifically incurred to build, operate, maintain, or depreciate assets which are dedicated to the interconnection of individual generation resources to the SPP transmission network, including generation tie-lines, are deemed to be production-related will be removed from the transmission cost of service. Such costs, referred to herein as Transmission Serving Generation, will be reported in the FERC Form 1 in Transmission functional accounts, and thus adjustments are needed to remove those costs from line items which include them.

AEP - SPP Transco Formula Rate TCOS - WS A Page: 35 of 53

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet A - Detailed Plant and Accumulated Depreciation Balances AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

	(A)	(B)	(C)	(D)	(E)
Line			Balances @	Balances	Average Balance for
<u>Number</u>	Rate Base Item & Supporting Balance	Source of Data	<u>12/31/2019</u>	<u>12/31/2018</u>	2019

Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.

See Note U at the TCOS worksheet for a description of Transmission Serving Generation.

Plant Investment Balances

1 2 3	Production Plant In Service Add: Transmission Serving Generation Formula Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46 Company Records	0	0	- -
4 5 6	Production Asset Retirement Obligation (ARO) Add: Transmission Serving Generation ARO Formula Production ARO	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44 Company Records	0	0	- - -
7 8 9	Transmission Plant In Service Less: Transmission Serving Generation Formula Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58 Company Records	- 0	- 0	- - -
10 11 12	Transmission Asset Retirement Obligation (Acct. 359.1) Less: Transmission Serving Generation ARO Formula Transmission ARO	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57 Company Records	0	0	- - -
13	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75			-
14	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74			-
15	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	•	-	-
16	General Asset Retirement Obligation (Acct. 399.1)	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98			-
17	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5	•	-	-
18	Total Property Investment Balance	(Sum of Lines: 3, 9, 13, 15, 17)	-	-	
19	Total ARO Balance (included in total on line 18)	(Sum of Lines: 6, 12, 14, 16)		-	
Accumulate 20 21 22	ed Depreciation & Amortization Balances Production Accumulated Depreciation Add: Transmission Serving Generation Formula Production Plant In Service	FF1, page 219, Ins 20-24, Col. (b) Company Records	0	0	- - -
23 24 25	Production ARO Accumulated Depreciation (included in total on line 20) Add: Transmission Serving Generation ARO Formula Production ARO	Company Records - Note 1 Company Records	0	0	- - -
26 27 28	Transmission Accumulated Depreciation Less: Transmission Serving Generation Formula Transmission Plant In Service	FF1, page 219, In 25, Col. (b) Company Records	- 0	- 0	- - -
29 30 31	Transmission ARO Accumulated Depreciation (included in total on line 26) Less: Transmission Serving Generation ARO Formula Transmission ARO	Company Records - Note 1 Company Records	0	0	- - -
32	Distribution Accumulated Depreciation	FF1, page 219, In 26, Col. (b)			-
33	Distribution ARO Accumulated Depreciation (included in total on line 32)	Company Records - Note 1			-
34	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)	•	-	-
35	General ARO Accumulated Depreciation (included in total on line 34)	Company Records - Note 1			-
36	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)	-		-
36 37	Intangible Accumulated Amortization Total Accumulated Depreciation or Amortization	FF1, page 200, In 21, Col. (b) (Sum of Lines: 22, 28, 32, 34, 36) FF1, page 200, In 22, Col (b)	- -	-	-

AEP - SPP Transco Formula Rate TCOS - WS A Page: 36 of 53

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet A - Detailed Plant and Accumulated Depreciation Balances AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

	(A)	(B)	(C)	(D)	(E)
<u>Line</u> <u>Number</u>	Rate Base Item & Supporting Balance	Source of Data	<u>Balances @</u> <u>12/31/2019</u>	<u>Balances</u> 12/31/2018	Average Balance for 2019
Generation S	sten-I in Units				
<u>39</u>	GSU Investment Amount (included in total on line 7)	Company Records - Note 1			
40	GSU Accumulated Depreciation (Included in total on line 26)	Company Records - Note 1			
41	GSU Net Balance	(Line 39 - Line 40)	-	-	-
<u>Transmissio</u>	n Plant Excluded from SPP Tariff (see TCOS Note Q)				
42	Excluded Facilities Investment Amount	Company Records - Note 1			-
43 44	Excluded Facilities Accumulated Depreciation Excluded Facilities Net Balance	Company Records - Note 1 (Line 42 - Line 43)	<u> </u>	<u> </u>	· .
-	n Accumulated Depreciation Net of GSU/Excluded Facilities Accumulated Depreciation				
45	Transmission Accumulated Depreciation	(Line 28 Above)	-	-	-
46	Less: GSU & Excl Facilities Acc Dep	(Line 40 + Line 43 Above)	-	-	-
47	Subtotal of Transmission Accumulated Depreciation Net of GSU/Excluded Facilities	(Line 45 - Line 46)	-	-	-
Plant Held Fe	or Future Use				
48	Plant Held For Future Use	FF1, page 214, In 47, Col. (d)			I
49	Transmission Plant Held For Future Use (Included in total on line 48)	Company Records - Note 1			
NOTE 1 O	this worksheet, "Company Records" refers to AEP's property accounting ledger.				
Regulatory A	ssets and Liabilities Approved for Recovery In Ratebase				
50	Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 fil	ing with FERC.			
50					-
52					-
53 54					-
55	Total Regulatory Deferrals Included in Ratebase		-	-	-

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate **Worksheet B** - Third Party Facility Credits **AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.**

Line No.	Source	Amount
1	Facility Credits under the SPP OATT	-

Note: Under Section 30.9 of the SPP OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration either through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.

AEP - SPP Transco Formula Rate TCOS - WS C Page: 38 of 53

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate **Worksheet C** - ADIT and ADITC Balances **AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.**

Line	(A)	(B)	(C)	(E)	(F) 100% Transmission	(G) PTD Plant	(H) Transmission & Distribution	(I) Labor	(J) Total Included in Rate base
<u>No.</u>	<u>Acc. No.</u>	Description	YE Balance	Exclusions *	Related	Related	Plant Related	Related	<u>(E)+(F)+(G)+(H)</u>
	Note: Acc	count 281 is not allocated to Transmission							
		Account 282 - Form-1 page 274.2.b and 275.2.k							
1 2	282.1 282.1	2019 Year End Tax Deferrals - WS C-1 2018 Year End Tax Deferrals - WS C-2	(809) (811)	(0) (0)	(167) (167)	-	-	(642) (644)	
3 4 5			(1,620) (810)	(0) (0)	(334) (167)	- 0 (1)	- 0	(1,286) (643)	
6 7 8		Prorated Average balance Transmission Allocator from TCOS Allocated Total	(810)	(0) <u>0.0000%</u> 0	(167) <u>100.0000%</u> (167)	(1) <u>0.0000%</u> 0	0 <u>0.0000%</u> 0	(643) <u>0.0000%</u> 0	(167)
		<u> Account 283 - Form-1 page 276.9.b and 277.9.k</u>							
9 10	283.1 283.1	2019 Year End Tax Deferrals - WS C-1 2018 Year End Tax Deferrals - WS C-2	11,966 11,966	-	11,966 11,966	- -	-	-	
11 12 13 14		Subtotal Average Balance Transmission Allocator from TCOS Allocated Total	23,932 11,966	- 0 <u>0.0000%</u> 0	23,932 11,966 <u>100.0000%</u> 11,966	- 0 <u>0.0000%</u> 0	- 0 <u>0.0000%</u> 0	- 0 <u>0.0000%</u> 0 [11,966
		<u> Account 190 - Form-1 page 234, Ln 8, Col. (b) & (c)</u>							
15 16	190.1 190.1	2019 Year End Tax Deferrals - WS C-1 2018 Year End Tax Deferrals - WS C-2	13,339 13,339	14,502 14,502	(1,278) (1,278)	-	-	116 116	
17 18 19		Subtotal Average Balance before Proration Proration Adjustment - WS C-3	26,679 13,339	29,003 14,502	(2,557) (1,278) 0	0	- 0	232 116	
20 21 22		Prorated Average balance Transmission Allocator from TCOS Allocated Total	13,339	14,502 <u>0.0000%</u> 0	(1,278) <u>100.0000%</u> (1,278)	0 0.0000% 0	0 <u>0.0000%</u> 0	<u>116</u> <u>0.0000%</u> 0 [(1,278)
		<u> Account 255 - Form-1 page 266-267</u>			<u>lı</u>	Pre 1971 ITC ncludable in Rate			

23	255.0	Acc Defrd ITC - Federal - 12/31/2019 (FF1 p. 267, Ln 2.h)
24	255.0	Acc Defrd ITC - Federal - 12/31/2018 (FF1 p. 266, Ln 2.b)

25	Subtotal	-	-			-
26	Average Balance	0	0			
27	Transmission Allocator from TCOS		<u>0.0000%</u>	<u>.</u>		
28	Allocated Total	<u>N/A</u>	<u>N/A</u> 0	<u>N/A</u>	<u>N/A</u>	0

Base

* Exclusions: Non-utility, fuel supply, off-system sales and other items as specified related to costs not included in rates.

AEP West SPP Member Transmission Companies AEP SOUTHWESTERN TRANSMISSION COMPANY, INC. WORKSHEET C-1 - END OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES AS OF DECEMBER 31, 2019

					Allocation		<u>Al</u> 100%	location Method		
Ac	count	Line #	Description	Balance	Basis	Exclusions	Transmission	PTD Plant	T&D	Labor
2821 2821 2821	001	230X 533J 960F-XS	R & D DEDUCTION - SEC 174 TX ACCEL AMORT - CAPITALIZED SOFTWARE EXCESS ADFIT 282 - UNPROTECTED	(0) (309) (167)	E Labor T	(0)	(167)			(309)
2821	001		Forecast Adjustment	(333)						(333)
2	82.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.275(k) Acct 282 Electric)	(809)		(0)	(167)	0	0	(642)
2831			NOL-STATE C/F-DEF STATE TAX ASSET-L/T	(23,730)	E	(23,730)				
2831 2831			NOL-STATE C/F-VALUATION ALLOWANCE EXCESS ADFIT 282 - UNPROTECTED	23,730 5,955	E T	23,730	5,955			
2831	002	911Q-DSIT	DSIT ENTRY - NORMALIZED	6,011	т		6,011			
2831	001		Forecast Adjustment	-	т		0			
2	83.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.277(k) Acct 283 Electric)	11,966		0	11,966	0	0	0
190 ² 190 ² 190 ² 190 ² 190 ²	1001 1001 1001	520A 612Y 911Q-DSIT 960E 960Z	PROVS POSS REV REFDS-A/L ACCRD COMPANYWIDE INCENTV PLAN DSIT ENTRY - NORMALIZED AMT CREDIT - DEFERRED NOL - DEFERRED TAX ASSET RECLASS	15,294 127 (1,262) 0 0	E Labor T E E	15,294 0 0	(1,262)			127
1901 1901 1901	002		NOL-STATE C/F-DEF STATE TAX ASSET-L/T NOL-STATE C/F-VALUATION ALLOWANCE Forecast Adjustment	112,998 (112,998) - (819)	E E T	112,998 (112,998) (792)	0 (16)			(11)

190.1	TOTAL ELECTRIC ACCOUNT SUBTOTAL	13,339	14,502	(1,278)	0	0	116
	(Total Company Amount Ties to FF1 p.234(c) Electric)						

AEP - SPP Transco Formula Rate TCOS - WS-C2 Page: 40 of 53

AEP West SPP Member Transmission Companies AEP SOUTHWESTERN TRANSMISSION COMPANY, INC. WORKSHEET C-2 -BEGINNING OF YEAR DETAIL OF DEFERRED INCOME TAX BALANCES

AS OF DECEMBER 31, 2018

				Allocation		<u>Allo</u> 100%	ocation Method		
Account	Line #	Description	Balance	Basis	Exclusions	Transmission	PTD Plant	T&D	Labor
2821001 2821001 2821001	230X 533J 960F-XS	R & D DEDUCTION - SEC 174 TX ACCEL AMORT - CAPITALIZED SOFTWARE EXCESS ADFIT 282 - UNPROTECTED	(0) (309) (167)	E Labor T	(0)	(167)			(309)
2821001		Forecast Adjustment	(335)						(335)
282.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.275(k)	Acct 282 Electric)		(0)	(167)	0	0	(644)
2831001 2831001 2831001	014C-DSIT 014V-DSIT 960F-XS	NOL-STATE C/F-DEF STATE TAX ASSET-L/T NOL-STATE C/F-VALUATION ALLOWANCE EXCESS ADFIT 282 - UNPROTECTED	(23,730) 23,730 5,955	E E T	(23,730) 23,730	5,955			
2831002	911Q-DSIT	DSIT ENTRY - NORMALIZED	6,011	т		6,011			
2831001		Forecast Adjustment	-	Т		0			
283.1		TOTAL ELECTRIC ACCOUNT SUBTOTAL (absolute value Total Company Amount Ties to FF1 p.277(k)	11,966 Acct 283 Electric)		0	11,966	0	0	0
1901001 1901001 1901001 1901001 1901001	520A 612Y 911Q-DSIT 960E 960Z	PROVS POSS REV REFDS-A/L ACCRD COMPANYWIDE INCENTV PLAN DSIT ENTRY - NORMALIZED AMT CREDIT - DEFERRED NOL - DEFERRED TAX ASSET RECLASS	15,294 127 (1,262) 0 0	E Labor T E E	15,294 0 0	(1,262)			127

 1901002
 014C-DSIT
 NOL-STATE C/F-DEF STATE TAX ASSET-L/T
 112,998
 E
 112,998

1901002 1901001	014V-DSIT NOL-STATE C/F-VALUATION ALLOWANCE Forecast Adjustment	(112,998) E - T (819)	(112,998) (792)	0 (16)			(11)
190.1	TOTAL ELECTRIC ACCOUNT SUBTOTAL (Total Company Amount Ties to FF1 p.234(c) Electric)	13,339	14,502	(1,278)	0	0	116

AEP West SPP Member Transmission Companies AEP SOUTHWESTERN TRANSMISSION COMPANY, INC. WORKSHEET C-3 - PRORATION OF PROPERTY-RELATED DEFERRED INCOME TAX BALANCES AS OF DECEMBER 31, 2019

Note: This workpaper documents the calculation of the rate base adjustment to prorate forecasted activity in ADIT required by IRS regulation Section1.167(I)-I(h)(6)(ii) when preparing forecasted rates. This worksheet is not used during Annual True-Ups. Proratable activity in Account 282 results from the use of accelerated tax depreciation on additions to plant in service. The adjustment on line 19 is included on Worksheet C as a reduction to the ending forecasted ADIT balance of account 282. A proration adjustment for account 190, if any, will be calculated beginning on line 20.

Account 2	82 Proration Adjustment			Sou	ırce				
1	Rate Year ending balance		1	NS C-1		-	(809)		
2	Rate Year beginning balance		١	NS C-2			(811)		
3	Annual forecasted change			Line 1 less Lin	e 2	-	2		
4	Monthly forecasted change		l	_ine 3 / 12			0		
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	
	(A)	Proratable	(\mathbf{C})	(D)	Number of	$(\mathbf{\Gamma})$	(0)	(11)	
		Deferred Tax	Deferred Tax	Days in	Days Left in			Prorated	
Line	Future Test Period	Activity	Balance	Month	Period	Proration Amount	Prorated Item	Balance	
5	Beginning Balance	(811)	(811)		365	100.00%	(811)	(811)	
6	January (line 4)	0	(811)	31	335	91.78%	0	(811)	
7	February	0	(811)	28	307	84.11%	0	(811)	
8	March	0	(811)	31	276	75.62%	0	(811)	
9	April	0	(810)	30	246	67.40%	0	(811)	
10	May	0	(810)	31	215	58.90%	0	(811)	
11	June	0	(810)	30	185	50.68%	0	(810)	
12	July	0	(810)	31	154	42.19%	0	(810)	
13	August	0	(810)	31	123	33.70%	0	(810)	
14	September	0	(810)	30	93	25.48%	0	(810)	
15	October	0	(809)	31	62	16.99%	0	(810)	
16	November	0	(809)	30	32	8.77%	0	(810)	
17	December	0	(809)	31	1	0.27%	0	(810)	
18	Ending Balance		(809)					(810)	
19	Proration Adjustment - Line 18 Col. (I	H) less Col. (C)					9	6 (1)	

Account 1 20 21 22 23	<u>90 Proration Adjustment</u> Rate Year ending balance Rate Year beginning balance Annual forecasted change Monthly forecasted change				- - 0 0			
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
		Proratable Deferred Tax	Deferred Tax	Days in	Number of Days Left in			Prorated
Line	Future Test Period	Activity	Balance	Month	Period	Proration Amount	Prorated Item	Balance
24	Beginning Balance	-	-		365	100.00%	-	-
25	January (line 4)	-	-	31	335	91.78%	-	-
26	February	-	-	28	307	84.11%	-	-
27	March	-	-	31	276	75.62%	-	-
28	April	-	-	30	246	67.40%	-	-
29	Мау	-	-	31	215	58.90%	-	-
30	June	-	-	30	185	50.68%	-	-
31	July	-	-	31	154	42.19%	-	-
32	August	-	-	31	123	33.70%	-	-
33	September	-	-	30	93	25.48%	-	-
34	October	-	-	31	62	16.99%	-	-

35	November	-	-	30	32	8.77%	-	-
36	December	-	-	31	1	0.27%	-	-
37	Ending Balance		-					-

38	Proration Adjustment - Line 37 Col. (H) less Col. (C)	\$ -

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet D - Working Capital Rate Base Adjustments AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.											
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(1)		
	Materials & Supplies										
<u>Line</u> <u>Number</u>			<u>Source</u>	Balance @ December 31, 2019 FF1, p. 227, Col. (c)	Balance @ December 31, 2018 FF1, p. 227, Col. (b)	<u>Average Balance for</u> <u>Rate Year</u>					
1 2 3		Transmission Materials & Supplies Less: Transmission Serving Generation Transmission M&S, Excl Trans Serving Gen	FF1, p. 227, ln 8, Col. (c & b) Company Records	-	-	- 					
4		General Materials & Supplies	FF1, p. 227, ln 11, Col. (c & b)			-					
5		Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c & b)			0					
			t Balance Summary Excludable Balances	100% Transmission <u>Related</u>	Plant <u>Related</u>	Labor <u>Related</u>	Total Included in Rate Base <u>(E)+(F)+(G)</u>				
6 7		Totals as of December 31, 2019 Totals as of December 31, 2018	0	0	0	0	(() 0			
8	<u>Acc. No.</u>	Average Balance <u>F</u> <u>Description</u>	0 Prepayments Account 165 - 2019 <u>YE Balance</u>		0 100% Transmission <u>Related</u>	0 Plant <u>Related</u>	Labor <u>Related</u>	Total Included in Rate Base (E)+(F)+(G)	Explanation		
9 10 11 12 13 14 15 16 17 18	1650001 1650021 1650023	Prepaid Insurance Prepaid Insurance - EIS Prepaid Lease	0 0 0		0	0 0	(
19		Subtotal - Form 1, p 111.57.c	0	0	0	0	() 0			

Prepayments Account 165 - Balance @ 12/31/2018

				100%				Total Included		
			2018	Excludable	Transmission	Plant	Labor	in Rate Base		
20	Acc No	Description	VE Delense	Delemene	Deleted	Deleted	Deleted	$(E) \cdot (E) \cdot (C)$	Evalenation	

20	<u>Acc. No.</u>	Description	<u>YE Balance</u>	Balances	Related	Related	Related	<u>(E)+(F)+(G)</u>	Explanation
21	1650001	Prepaid Insurance	0					0	
22	1650021	Prepaid Insurance - EIS						0	
23	1650023	Prepaid Lease			0			0	
24								0	
25								0	
26								0	
27								0	
28								0	
29								0	
							-		
30		Subtotal - Form 1, p 111.57.e d			0		0	0	

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate **Worksheet E** - IPP Credits **AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.**

<u>Line</u> Number	(A) <u>Description</u>	(B) <u>2019</u>
1	Net Funds from IPP Customers @ 12/31/2018 (2019 FORM 1, P269, (B))	
2	Interest Accrual (Company Records)	
3	Revenue Credits to Generators (Company Records)	
4 5 6	Other Adjustments (Company Records) Accounting Adjustment	
7	Net Funds from IPP Customers 12/31/2019 (2019 FORM 1, P269, (F))	-
8	Average Balance for 2019 ((In 1 + In 7)/2)	

AEP West SPP Member Transmission Companies

Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet F - Calculation of PROJECTED Annual Revenue Requirement for Base Plan and Special-Billed Projects

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

Calculate Return and Income Taxes with 0 basis point ROE increase for Projects Qualified for Incentive. <u>Line</u> <u>Number</u> A. Determine 'R' with hypothetical 0 basis point increase in ROE for Identified Projects ROE w/o incentives (TCOS, In 141) 10.50% Project ROE Incentive Adder (Enter as whole number) - basis points ROE with additional 0 basis point incentive 10.50% <==Incentive ROE Determine R (cost of long term debt, cost of preferred stock and percent is from TCOS, lns 139 through 141) <u>Cost</u> Weighted cost <u>%</u> 0.00% Long Term Debt 0.00% 0.00% 0.00% 0.00% Preferred Stock 0.00% Common Stock 0.00% 10.50% <u>0.00%</u> R = 0.00% B. Determine Return using 'R' with hypothetical 0 basis point ROE increase for Identified Projects. 10 Rate Base (TCOS, In 62) 10,521 11 R (from A. above) 12 Return (Rate Base x R) C. Determine Income Taxes using Return with hypothetical 0 basis point ROE increase for Identified Projects. 13 Return (from B. above) -27.32% Tax Rate (TCOS, In 97) 14 15 EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =0.00% 16 Income Tax Calculation (Return x EIT) 17 ITC Adjustment (TCOS, In 106) 18 Excess DFIT Adjustment (TCOS, In 107) 19 Tax Effect of Permanent and Flow Through Differences (TCOS, In 108) 20 Income Taxes Calculate Net Plant Carrying Charge Rate (Fixed Charge Rate or FCR) with hypothetical 0 basis point П. **ROE** increase. A. Determine Net Revenue Requirement less return and Income Taxes. 21 Net Revenue Requirement (TCOS, In 115) 70,569 Return (TCOS, In 110) 22 811 203 23 Income Taxes (TCOS, In 109) 24 Gross Margin Taxes (TCOS, In 114) 25 Net Revenue Requirement, Less Return and Taxes 69,556 B. Determine Net Revenue Requirement with hypothetical 0 basis point increase in ROE. Net Revenue Requirement, Less Return and Taxes 26 69,556 27 Return (from I.B. above) 28 Income Taxes (from I.C. above) Net Revenue Requirement, with 0 Basis Point ROE increase 29 69,556 30 Gross Margin Tax with Basis Point ROE Increase (II C. below) 31 Revenue Requirement w/ Gross Margin Taxes 69,556 32 Less: Depreciation (TCOS, In 84) Net Rev. Reg, w/0 Basis Point ROE increase, less Depreciation 33 69,556 C. Determine Gross Margin Tax with hypothetical 0 basis point increase in ROE. 34 Net Revenue Requirement before Gross Margin Taxes, with 0 69,556 35 Basis Point ROE increase (II B. above) Apportionment Factor to Texas (Worksheet K, In 12) 36 0.00% 37 Apportioned Texas Revenues 38 Taxable Percentage of Revenue 22.0% Taxable, Apportioned Margin 39 40 Texas Gross Margin Tax Rate 1.0% Texas Gross Margin Tax Expense 41 Gross-up Required for Gross Margin Tax Expense 42 Total Additional Gross Margin Tax Revenue Requirement 43 D. Determine FCR with hypothetical 0 basis point ROE increase. 44 Net Transmission Plant (TCOS, In 37) Net Revenue Requirement, with 0 Basis Point ROE increase 69,556 45 46 FCR with 0 Basis Point increase in ROE 0.00% 47 Net Rev. Req, w / 0 Basis Point ROE increase, less Dep. 69,556 0.00% 48 FCR with 0 Basis Point ROE increase, less Depreciation 49 FCR less Depreciation (TCOS, In 10) <u>0.00%</u> 50 Incremental FCR with 0 Basis Point ROE increase, less Depreciation 0.00% 111. Calculation of Composite Depreciation Rate Transmission Plant @ Beginning of Period (Worksheet A In 9 col. ((D)) 51 Transmission Plant @ End of Period (Worksheet A In 9 col. ((C)) 52 53 Transmission Plant Average Balance for 2019 -54 Annual Depreciation Expense (TCOS, In 84) -55 Composite Depreciation Rate 0.00% Depreciable Life for Composite Depreciation Rate 56 -57 Round to nearest whole year

Note: Worksheets F and G are both populated from the TCOS worksheet every update. Worksheet F is only used in Projections. Worksheet G is used only in True-Ups. These worksheets add up all of the individual SPP Base Plan projects, Requested Upgrades, Economic Upgrades, or any other projects billed by SPP through other than the NITS rate.

SUMMARY OF PROJECTED ANNUAL BASE PLAN AND NON-BASE PLAN REVENUE REQUIREMENTS

> **Rev Require** With Incentives

Incentive Amounts

\$

2019

Σ Projected Year

NOTE: PART IV --- Projected Base Plan Project Tables are contained in a separate file

'Worksheet F -- AEP SOUTHWESTERN TRANSMISSION COMPANY, INC. -- Calculation of Projected ARR for SPP Base Plan Upgrade Projects

IV. Determine the Revenue Requirement & Additional Revenue Requirement for facilities receiving incentives.

A. Facilities receiving incentives accepted by FERC in Docket No.

Project Description:

DETAILS		Project Number				
vestment (EOY)		Projected Year				2019
ervice Year (yyyy)		ROE increase accepted by F	ERC (Basis Points)			
ervice real (yyyy)		ROE increase accepted by T				-
ervice Month (1-12)	-	FCR w/o incentives, less dep	reclation			0.00
seful life	-	FCR w/incentives approved f	or these facilities, less	s dep.		0.00
IAC (Yes or No)		Annual Depreciation Expense	е			-
Investment	Paginning	Depresiation	Ending	Annual Revenue	Annual Revenue	Additional Rev.
	Beginning	Depreciation	Ending		Req't.	
Year	Balance	Expense	Balance	Requirement	with Incentives	Requirement **
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** This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for SPP should be incremented by the amount of the incentive revenue calculated for that year on this project.

Current Projected Year ARR Current Projected Year ARR w/ Incentive Current Projected Year Incentive ARR

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

PROJECTED Rev.		PROJECTED Rev.		
Req't From Prior	Project Rev Req't	Req't From Prior Year	Project Rev Req't	True up of Incontivo
Year Template w/o Incentives	True-up w/o Incentives	Template with Incentives **	True-up with Incentives **	True-up of Incentive with Incentives **
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AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate

Worksheet G - Calculation of TRUED-UP Annual Revenue Requirement for Base Plan and Special-Billed Projects

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

<u>Line</u> Number	١.	Calculate Return and Inc	come Taxes with	n 0 basis poin	t ROE increase fo	or Projects Qualified for
		A. Determine 'R' with hypot	hetical 0 basis poir	nt increase in R	OE for Identified Pro	ojects
1		ROE w/o incentives (TCOS, In 141)		10.50%	
2		Project ROE Incentive Adder (Enter	,			oasis points
3		ROE with additional 0 basis point inc	centive		10.50% <	==Incentive ROE
4		Determine R (cost of long term deb		and percent is from T		
5			<u>%</u>	<u>Cost</u>	Weighted cost	
6		Long Term Debt	0.00%	0.00%	0.00%	
7 8		Preferred Stock Common Stock	0.00% 0.00%	0.00% 10.50%	0.00% <u>0.00%</u>	
9		Common Stock	0.0078	R :		
		B. Determine Return using	'R' with hypothetic	al 0 basis point	ROE increase for Id	entified Projects.
10		Rate Base (TCOS, In 62)			10,521	,
11		R (from A. above)			-	
12		Return (Rate Base x R)			-	
		C. Determine Income Taxes	s using Return with	hypothetical 0	basis point ROE inc	rease for Identified Projec
13		Return (from B. above)			-	
14		Tax Rate (TCOS, In 97)			27.32%	
15		EIT=(T/(1-T)) * (1-(WCLTD/WACC))) =		0.00%	
16		Income Tax Calculation (Return x			-	
17		ITC Adjustment (TCOS, In 106)			-	
18		Excess DFIT Adjustment (TCOS, Ir	,		-	
19		Tax Effect of Permanent and Flow T	hrough Differences (TC	OS, In 108)		
20		Income Taxes			-	
	н.	Calculate Net Plant Carr ROE increase.	ying Charge Rat	e (Fixed Char	ge Rate or FCR)	with hypothetical 0 ba
		A. Determine Net Revenue	Requirement less r	eturn and Incon	ne Taxes.	
21		Net Revenue Requirement (TCOS,	ln 115)		70,569	
22 23		Return (TCOS, In 110) Income Taxes (TCOS, In 109)			811 203	
23 24		Gross Margin Taxes (TCOS, In 109))		- 203	
25		Net Revenue Requirement, Less Re	,		69,556	
26		B. Determine Net Revenue	-	hypothetical 0 b	•	IN ROE.
26 27		Net Revenue Requirement, Less Re Return (from I.B. above)	elum and raxes		69,556 -	
28		Income Taxes (from I.C. above)			-	
29		Net Revenue Requirement, with 0 B			69,556	
30		Gross Margin Tax with Basis Point		w)	- 69,556	
31 32		Revenue Requirement w/ Gross Ma Less: Depreciation (TCOS, In 84)	irgin Taxes		09,000	
33		Net Rev. Req, w/0 Basis Point ROE	increase, less Deprecia	tion	69,556	
24		C. Determine Gross Margin				
34 35		Net Revenue Requirement before G Basis Point ROE increase (II B. at	-	0	69,556	
36		Apportionment Factor to Texas (V			0.00%	
37		Apportioned Texas Revenues				
38 39		Taxable Percentage of Revenue Taxable, Apportioned Margin			22.0%	
40		Texas Gross Margin Tax Rate			1.0%	
41		Texas Gross Margin Tax Expense			•	
42		Gross-up Required for Gross Mar	-		-	
43		Total Additional Gross Margin Tax Re	·		-	
44		D. Determine FCR with hyp Net Transmission Plant (TCOS, In 1		DINT ROE Increas	se.	
44 45		Net Revenue Requirement, with 0 B			- 69,556	
46		FCR with 0 Basis Point increase in			0.00%	
47		Net Rev. Req, w / 0 Basis Point RO			69,556	
48 40		FCR with 0 Basis Point ROE increa	-		0.00%	
49 50		FCR less Depreciation (TCOS, In 1 Incremental FCR with 0 Basis Point		reciation	<u>0.00%</u> 0.00%	
	III.	Calculation of Composit	-			
51 52		Transmission Plant @ Beginning of P			-	
52		Transmission Plant @ End of Period	vvorksneet A In 9 col. ((-))	-	
53		Transmission Plant Average Balance	for 2019		-	
54		Annual Depreciation Expense (TCOS			-	
55		Composite Depreciation Rate	eletien Dett		0.00%	
56 57		Depreciable Life for Composite Depre Round to nearest whole year	ciation Rate		-	
51		Nound to hearest whole year			-	

for Incentive.

Note: Worksheets F and G are both populated from the TCOS worksheet every update. Worksheet F is only used in Projections. Worksheet G is used only in True-Ups. These worksheets add up all of the individual SPP Base Plan projects, Requested Upgrades, Economic Upgrades, or any other projects billed by SPP through other than the NITS rate.

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR SPP BPU & NON-BPU PROJECTS										
		Rev Require		With Incentive	es	Incentive Ar	nounts			
True-Up Rate Year	2016									
Σ True Up Year Projected WS-F		\$	-	\$	-	\$	-			
∑ True-Up Year True-	\$	-	\$	-	\$	-				
True-up Adjustment Fo	or 2016		-		-		-			

cts.

NOTE: PART IV --- True-Up Base Plan Project Tables are contained in a separate file

asis point

Worksheet G -- AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.-- Calculation of Trued-Up ARR for SPP Base Plan Upgrade Projects

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

Α.	Facilities receiving incentives accepted by FERC in Docket No.	

	-			Rate Year Projected (WS-F)						in Docket No.	tives accepted by FERC	A. Facilities receiving incent
	_			Rate Year True-Up (WS-G)								
	-			True-Up Adjustment								Project Description:
										Project Number		Details
		ANNUAL REVENUE RE			2016					True-Up Year		nvestment (EOY)
	ROM EACH PRIOR YEAR				-					ROE increase accepted by Fl		Service Year (уууу)
	P ARRS OVER THE	IISTORY OF TRUED-UP	OW TO MAINTAIN H	TEMPLATE BEL	0.00%				preciation	FCR w/o incentives, less dep	1	Service Month (1-12)
			ROJECT.	LIFE OF THE PF	0.00%			dep.	or these facilities, less	FCR w/incentives approved for		Jseful life
									e	Annual Depreciation Expense		CIAC (Yes or No)
				BPU Rev.								
		BPU Rev. Req't.From	BPU Rev Req't	Req't.From Prior	have the Day	Annual Revenue	A	•		Dennesisti		
rue-up of Incentiv with Incentives **	up with Incentives **	Prior Year Template with Incentives **	True-up w/o Incentives	Year Template w/o Incentives	Incentive Rev. Requirement **	Req't. with Incentives	Annual Revenue Requirement	Average Balance	Ending Balance	Depreciation Expense	Beginning Balance	Investment Year
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** This is the total amount that needs to be reported to SPP for billing to all regions.

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

AEP - SPP Transco Formula Rate TCOS - WS H Page: 48 of 53

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet H - Revenue Credits AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

Line:	_	Total Company	Non- Transmission	Transmission
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Misc. Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)			
	Account 4540001 - Rent from Elect Property-Aff		-	
	Account 4540002 - Rent from Elect Property - Non-Aff		-	
	Account 4540005 - Rent from Elect Property - Pole Attach		-	
	Account 4540004 - Rent from Elect Property - ABD - Non-Aff		-	
3	Other 454 Accounts Total Rents from Electric Property			
4	 Account 456.0 Other Operating Revenues (FF1 p.300.21.(b); Company Records - Note 1) 1 Account 4560015, Revenues from Associated Business Development 2 All Other 456.0 Revenues Total 456.0 Other Operating Revenues 	-		-
	Account 456.1, Revenues from Transmission of Electricity of Others (FF1 p.300.22.(b); Cor	npany Record	s - Note 1)	85,348
	Less:			
	Transmission Direct Assignment Revenue (if costs not in the ARR)			-
	Sponsored Upgrade Revenue			
	Credits against Transmission Service Revenue related to Generation Interconnections			
	Revenue for GFA's (Relative to SPP OATT) Associated with Load Included in the Divisor			
	Network Service Revenue (SPP Schedule 9) Associated with Load included in the Divisor			80,548
	Revenue Associated with Transmission Plant Excluded From SPP Tariff			

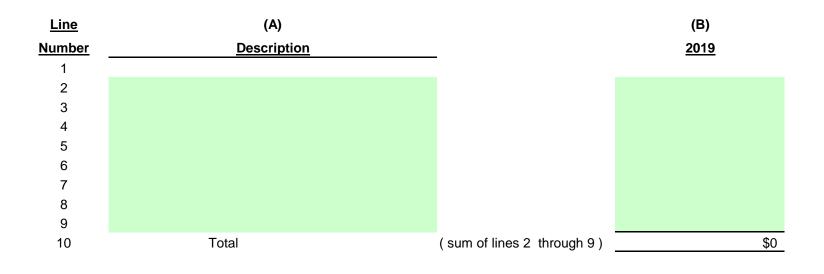
	Revenue from SPP Ancillary Services Provided Base Plan Revenue (from SPP) Flow Through of ERCOT Ancillary Charges	-
5	Other Net 456.1 Transmission Credits	\$4,800
6	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)	
7	Account 457.2, Miscellaneous Revenues (FF1p.300.24.(b); Company Records - Note 1)	
8	Total Revenue Credits - Sum lines 1 through 7	\$4,800

Note 1: Data for this worksheet came from the FERC Form 1 and the Company's General Ledger.

Distribution and Other Non-Transmission Revenue

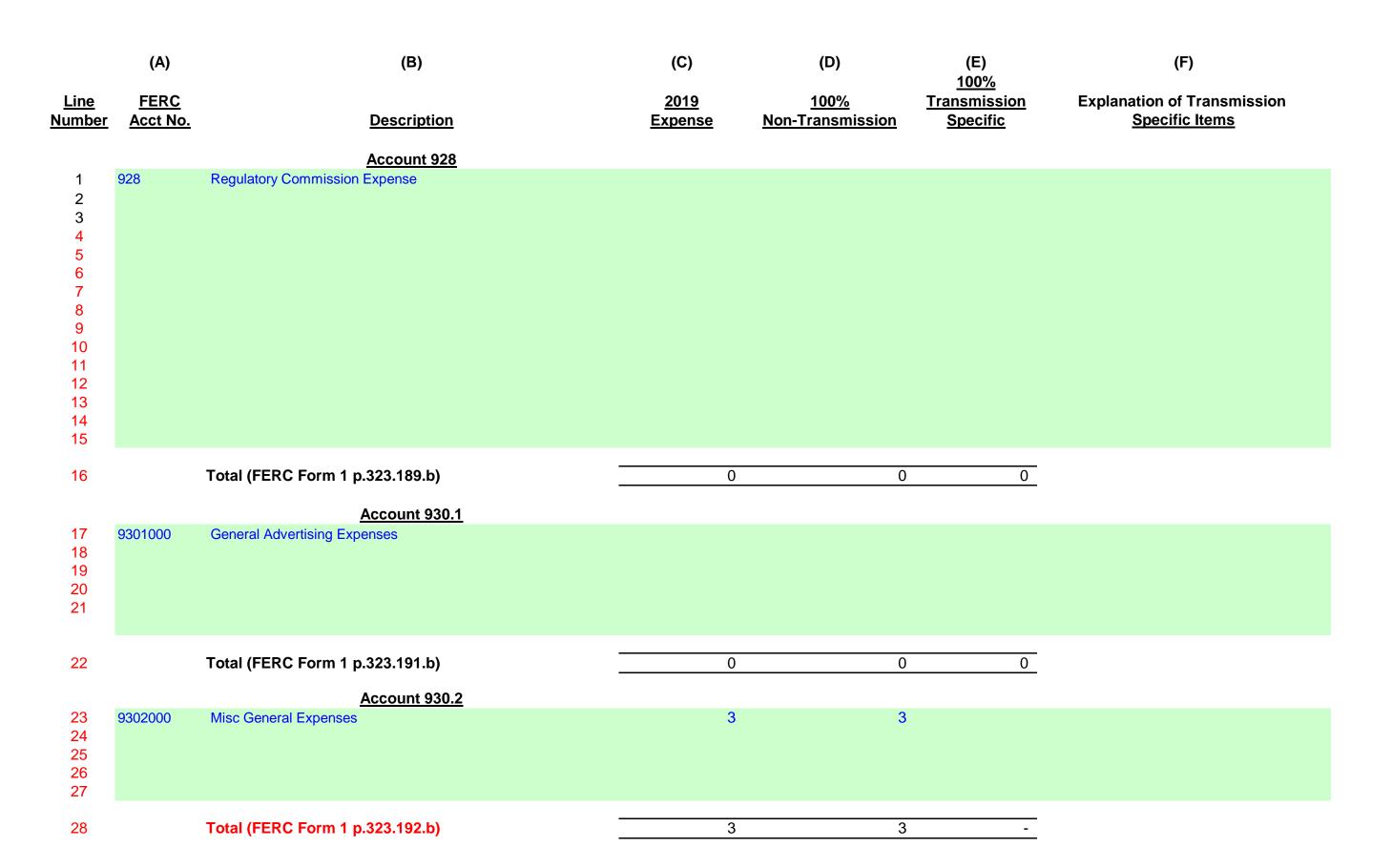
AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate Worksheet I - Supporting Transmission Expense Adjustments AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

Note: This worksheet is used to include any FERC jurisdictional transmission-related (i.e. non-retail) expenses recorded in Accounts 561 or 565 which are includable in the formula on TCOS line 66, and make any other necessary FERC jurisdictional adjustments to Transmission O&M.



AEP - SPP Transco Formula Rate TCOS - WS J Page: 50 of 53

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate **Worksheet J** - Allocation of Specific O&M or A&G Expenses **AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.**



AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate **Worksheet K** - Development of Composite State Income Tax Rate **AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.**

I. DEVELOPMENT OF COMPOSITE STATE INCOME TAX RATES FOR 2019

State Income Tax Rate - Oklahoma	Note 1		
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate - Texas			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
State Income Tax Rate - Louisiana		8.00%	
Apportionment Factor		100.00%	
Effective State Income Tax Rate			8.0000%
State Income Tax Rate - Arkansas		6.50%	
Apportionment Factor		0.00%	
Effective State Income Tax Rate			0.0000%
State Income Tax Rate -			
Apportionment Factor			
Effective State Income Tax Rate			0.0000%
Total Effective State Income Tax Rate		-	8.0000%

Note 1 --- The Oklahoma State Income Tax Rate of 6% is reduced to 5.66% due to the deductibility of Oklahoma State Income Taxes on the Oklahoma State Income Tax Return.

II. CALCULATION OF TEXAS GROSS MARGIN TAX

Line #	REVENUE REQUIREMENT BEFORE TEXAS GROSS MARGIN T	AX (TCOS In 114)	Total Company 72,336
1	Apportionment Factor to Texas (In12)		0.00%
2	Apportioned Texas Revenues	_	\$0
3	Taxable Percentage of Revenue		
4	Taxable, Apportioned Margin		-
5	Texas Gross Margin Tax Rate		
6	Texas Gross Margin Tax Expense		-
7	Gross-up Required for Texas Gross Margin Expense ((In 6 * In 3 * In 1)/(1- In 5) * In 5)		-
8	Total Additional Gross Margin Tax Revenue Requirement	-	
9	WHOLESALE LOAD ALLOCATOR (For Use in Gross Margin Tax	Allocator)	
10	Texas Jurisdictional Load	KW	
11	Total Load	KW	
12	Allocation Percentage (In 10 / In 11) 0.00	<u>%</u>	

Projected / Actual

Trans. Only 70,569

0.00%
\$0
-
-
-
-

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate **Worksheet L** - Taxes Other than Income AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

	(A)	(B)	(C)	(D)	(E)	(F)
Line		Total	_			
<u>No.</u>	Account	Company	Property	Labor	Other	Non-Allocable

1	Revenue Taxes	
2		
3		
4	Real Estate and Personal Property Taxes	
5	Louisiana Ad Valorem	
6 7		
7 8		
9		
U		
10	Payroll Taxes	
11		
12		
13		
14		
15	Production Taxes	
16		
17		
18		
19	Miscellaneous Taxes	
20		
21		
_ ·		

23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			
-			

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35 Total Taxes by Allocable Basis

22

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

NOTE: As a check, the difference between the total from Ln 35 above and the total on FF1 p.263 line 41(i) should equal the sum of the 'income' tax line items within FF1 p262.x-263.x

AEP West SPP Member Transmission Companies Actual / Projected 2019 Rate Year Cost of Service Formula Rate

Worksheet M

AEP SOUTHWESTERN TRANSMISSION COMPANY, INC.

Calculation of Capital Structure and Weighted Average Cost of Capital Based on Average of Balances At 12/31/2018 and 12/31/2019

(A)	(B)	(C)	(D)	(E)
		Balances @	Balances @	
<u>Line</u> Dovelor	oment of Average Balance of Common Equity	<u>12/31/2019</u>	<u>12/31/2018</u>	Average
Develop	Sment of Average Balance of Common Equity			
1	Total Proprietary Capital (p. 112.16.c&d)	(1,226,382)	(1,211,169)	(1,218,775)
2	Less Preferred Stock from Ln 43 below			-
3 4	Less Account 216.1 (p. 112.12.c&d) Less Account 219.1 (p. 112.15.c&d)		-	-
4 5	Average Balance of Common Equity	(1,226,382)	(1,211,169)	(1,218,775)
				(-,,,
<u>Develo</u> p	oment of Cost of Long Term Debt Based on Av	erage Outstanding Ba	<u>lance</u>	
6	Account 221 Bonds (112.18.c&d)			-
7	Less: Account 222 Reacquired Bonds (112.19.c&d)		-	-
8	Account 223 LT Advances from Assoc. Comp. (112.20.c&	-	-	-
9	Account 224 Senior Unsecured Notes (112.21.c&d)		-	-
10	Less: Non-Transmission Securitization (Co. Records)			-
11	Total Long-Term Debt	-	-	-
12	Annual Interest Expense			
13	Interest on Long Term Debt - Accts 221 - 224 (256-257.33)	.i)		32,180
14	Less: Financial Hedge Gain/Expense from Ln 28 Included	in Ln 13		-
15	Plus: Allowed Hedge Recovery from Ln 32 below			-
16 17	Amort of Debt Discount & Expense - Acct 428 (117.63.c) Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			
18	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			
19	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117	.66.c)		
20	Less: Non-Trans. Securitization (Company Records)			
21	Total Interest Expense (Ln 13 + Ln 14 + Ln 15 + Ln 16 +	- Ln 17 - Ln 18 - Ln 19 - Ln 2	20)	32,180
22	Average Cost of Debt (Ln 21/Ln 11)		Г	0.00%
				```
23 24	Financial Hedge Amortization Reported in Column (i) on Pa	age 256-257 (Enter Gains as	a Negative Numbe	er)
24				
26				
27				
28	Total Hedge Amortization			-
29 30	Total Average Capital Balance (TCOS, Ln 142)	al Capital		(1,218,775)
30	Financial Hedge Recovery Limit - Five Basis Points of Tota Limit of Recoverable Amount	ai Capitai		0.0005 (609)
32	Recoverable Hedge Amortization (Lesser of Ln 28 or 31	1)	Г	-
	(lesser of 5 basis point Cap or Actual (Gain)/Expense base	-	l on Ln 28 or Ln 3 <mark>1</mark> )	
Develor	mant of Coot of Droformod Stools			
Develop	oment of Cost of Preferred Stock			
	Preferred Stock			Average
33	% Series Dividend Rate (p. 250-251a)			
34	% Series Par Value (p. 250-251c)			
35 36	% Series Shares O/S (p.250-251e)			
36 37	% Series Monetary Value (Ln 34 * Ln 35) % Series Dividend Amount (Ln 33 * Ln 36)	-	-	-
01				
38	% Series Dividend Rate (p. 250-251a)			
39	% Series Par Value (p. 250-251c)			
40	% Series Shares O/S (p.250-251e)			
41 42	% Series Monetary Value (Ln 39 * Ln 40) % Series Dividend Amount (Ln 38 * Ln 41)	-	-	-
42		-	-	-
43	Balance of Preferred Stock (Lns 36, 41)			-
44	Dividends on Preferred Stock (Lns 37, 42)	-	-	-
45	Average Cost of Preferred Stock (Ln 44/43)	0.00%	0.00%	0.00%