2019

For Twelve Months Ended

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

AEP Indiana Michigan Transmission Company

Line No. 1 2 3 4	REVENUE REQUIREMENT (w/o incentives)  REVENUE CREDITS  Facility Credits under PJM OATT Section 30.9 REVENUE REQUIREMENT For All Company Facilities	(In 113)  (Worksheet E, In 8) (Note A)  Worksheet E, In 9) (Note X) (In 1 less In 2 plus In 3)	Total 1,040,262	Allo	ocator 1.00000	\$ \$	ransmission Amount \$233,686,427  1,040,262  0 232,646,165
		w are used in calculating project revenue requirements bille se projects shown on line 5 is included in the total on line 4.		hancement			
5	Revenue Requirement for PJM Schedule 12 Facilities (w/o	incentives) (Worksheet J/K)	46,924,508	DA	1.00000	\$	46,924,508
6 7 8	NET PLANT CARRYING CHARGE w/o intra-AEP charges Annual Rate Monthly Rate	s or credits or ROE incentives (Note B) ( (In 1- In 80)/((In 33 ) x 100) ) (In 7 / 12)					12.74% 1.06%
9 10	NET PLANT CARRYING CHARGE ON LINE 7, w/o depre	eciation or ROE incentives (Note B) ( (In 1- In 80 - In 83)/((In 33) x 100))					10.52%
11 12	NET PLANT CARRYING CHARGE ON LINE 10, w/o Retu Annual Rate	urn, income taxes or ROE incentives (Note B) ( (In 1 - In 80 - In 83 - In 108 - In 109) /((In 33) x 100))					2.48%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/	incentive ROE's (Note B) (Worksheet J/K)					-
14		REVENUE REQUIREMENT FO	R SCHEDULE 1A CHARGES				
15 16 17	Total Load Dispatch & Scheduling (Account 561) Less: Load Dispatch - Scheduling, System Control and Dis Less: Load Dispatch - Reliability, Planning & Standards De						750,874
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)					750,874

#### AEP Indiana Michigan Transmission Company

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	, ,	· ,	, ,	•	•	, ,
		Data Sources				Total
	RATE BASE CALCULATION	(See "General Notes")	TO Total	Alloc	ator	<b>Transmission</b>
Line			NOTE C			
No.	GROSS PLANT IN SERVICE					
19	Transmission	(Worksheet A In 14.(d) & Ln 117)	1,946,801,073	DA	1.00000	1,918,128,310
20	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	<del>-</del>	TP	0.98527	<u>-</u>
21	General Plant	(Worksheet A In 14.(h))	19,272,653	W/S	0.98527	18,988,803
22	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	45.005.000	W/S	0.98527	-
23	Intangible Plant	(Worksheet A In 14.(j))	15,885,300	W/S	0.98527	15,651,339
24	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	1,981,959,026	GP=	0.985272	1,952,768,452
25	ACCUMULATED DEPRECIATION AND AMORTIZATION	N.		GTD=	0.98527	
26	Transmission	(Worksheet A In 28.(d) & Ln 43.(b))	84,331,600	TP1=	1.00000	84,331,600
27	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1=	1.00000	-
28	General Plant	(Worksheet A In 28.(h))	599,138	W/S	0.98527	590,313
29	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	<del>-</del>	W/S	0.98527	-
30	Intangible Plant	(Worksheet A In 28.(j))	5,765,952	W/S	0.98527	5,681,030.06
31	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	90,696,689			90,602,943
			, ,			,,
32	NET PLANT IN SERVICE					
33	Transmission	(ln 19 + ln 20 - ln 26 - ln 27)	1,862,469,473			1,833,796,710
34	General Plant	(ln 21 + ln 22 - ln 28 - ln 29)	18,673,515			18,398,489
35	Intangible Plant	(ln 23 - ln 30)	10,119,348			9,970,309
36	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	1,891,262,337	NP=	0.984615	1,862,165,509
37	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
38	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	_	NA		_
39	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(295,464,096)	DA		(295,464,096)
40	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(17,567,700)	DA		(17,567,700)
41	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	6,556,943	DA		6,556,943
42	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA		-
43	TOTAL ADJUSTMENTS	(sum lns 38 to 42)	(306,474,853)			(306,474,853)
44	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e)) In 45.(e))	-	DA		-
45	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA		-
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE )	() (Worksheet A In 54.(e))	-	W/S	0.98527	-
47	WORKING CAPITAL	(Note E)				
48	Cash Working Capital	(1/8 * In 66)	2,391,396			2,356,176
49	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	2,500	TP	0.98527	2,463
50	A&G Materials & Supplies	(Worksheet C, In 3.(F))	· <u>-</u>	W/S	0.98527	, -
51	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.98527	-
52	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.(G))	-	W/S	0.98527	-
53	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.(F))	443,952	GP	0.98527	437,413
54	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.(E))	<del>-</del>	DA	1.00000	-
55	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.(D))	-	NA	0.00000	-
56	TOTAL WORKING CAPITAL	(sum lns 48 to 55)	2,837,848			2,796,052
57	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA	1.00000	-
58	RATE BASE (sum Ins 36, 43, 44, 45, 46, 56, 57)		1,587,625,332			1,558,486,707
			.,55.,525,652			.,000,100,101

#### AEP Indiana Michigan Transmission Company

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	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	<u>TO Total</u>	Allo	<u>cator</u>	Total <u>Transmission</u>
Line						
No.	OPERATION & MAINTENANCE EXPENSE	222 8 222 464 474 470 h				
59 60	Customer Related Expense Regional Marketing Expenses	322 & 323.164,171,178.b 322.131.b				
61	Transmission	321.112.b	19,882,045			
62	TOTAL O&M EXPENSES	(sum lns 59 to 61)	19,882,045			
63	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	750,874			
64	Less: Account 565	(Note H) 321.96.b	730,074			
65	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-			
66	Total O&M Allocable to Transmission	(lns 61 - 63 - 64 - 65)	19,131,171	TP	0.98527	18,849,404
67	Administrative and General	323.197.b (Notes J & M)	5,911,266			
68	Less: Acct. 924, Property Insurance	323.185.b	670,336			
69	Acct. 928, Reg. Com. Exp.	323.189.b	70,875			
70	Acct. 930.1, Gen. Advert. Exp.	323.191.b	1,535			
71	Acct. 930.2, Misc. Gen. Exp.	323.192.b	147,384			
72	Balance of A & G	(In 67 - sum In 68 to In 71)	5,021,136	W/S	0.98527	4,947,184
73	Plus: Acct. 924, Property Insurance	(In 68)	670,336	GP(h)	0.98527	660,463
74	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	72,091	TP 	0.98527	71,029
75 70	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	- 4 5 4 7	TP	0.98527	-
76	Acct 930.2 - Misc Gen. Exp Trans	Worksheet F In 43.(E) (Note L)	1,547	DA	1.00000	1,547
77 70	PBOP Adjustment	Worksheet O Ln 16.(B), (Note K & M)	388,989	W/S	0.98527	383,259
78	A & G Subtotal	(sum lns 72 to 77)	6,154,098			6,063,483
79	O & M EXPENSE SUBTOTAL	(ln 66 + ln 78)	25,285,269			24,912,887
80	Plus: Transmission Lease Payments To Affiliates in Acc			DA	1.00000	<u> </u>
81	TOTAL O & M EXPENSE	(In 79 + In 80)	25,285,269			24,912,887
82	DEPRECIATION AND AMORTIZATION EXPENSE					
83	Transmission	336.7.f	40,718,765	TP1	1.00000	40,718,765
84	General	336.10.f	429,079	W/S	0.98527	422,759
85	Intangible	336.1.f	2,941,792	W/S	0.98527	2,898,465
86	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)	44,089,636			44,039,989
87	TAXES OTHER THAN INCOME	(Note N)				
88	Labor Related	Wardaha a (111 a 00 /D)		W//O	0.00507	
89	Payroll	Worksheet H In 23.(D)	<del>-</del>	W/S	0.98527	-
90 91	Plant Related Property	Worksheet H-p2 In 3.(C) & In 3.(G)	17,313,970	DA	1.00000	17,313,970
92	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	17,313,970 A	NA	0.00000	-
93	Other	Worksheet H In 23.(E)	-	GP	0.98527	_
94	TOTAL OTHER TAXES	(sum lns 89 to 93)	17,313,974			17,313,970
95	INCOME TAXES	(Note O)				
96	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		24.98%			
97	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		25.50%			
98	where WCLTD=(In 136) and WACC = (In 139)					
99	and FIT, SIT & p are as given in Note O.					
100	GRCF=1 / (1 - T) = (from ln 96)		1.3330			
101	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)				
102	Excess Deferred Income Tax	(Note T)	1,161,092	NP(h)	0.98462	1,143,229
103	Tax Effect of Permanent and Flow-Through Differences	(Note T)	382,670	NP(h)	0.98462	376,783
104	Income Tax Calculation	(ln 97 * ln 109)	30,095,635	ND/b)	0.00460	29,543,272
105 106	ITC adjustment Excess Deferred Income Tax	(ln 100 * ln 101) (ln 100 * ln 102)	1,547,743	NP(h)	0.98462	- 1,523,931
107	Tax Effect of Permanent and Flow-Through Differences	(ln 100 * ln 103)	510,102			502,254
108	TOTAL INCOME TAXES	(sum lns 104 to 107)	32,153,480			31,569,457
109	RETURN ON RATE BASE (Rate Base*WACC)	(In 58 * In 139)	118,016,144			115,850,124
110	INTEREST ON IPP CONTRIBUTION FOR CONST. (Not	e F) (Worksheet D, In 2.(B))	-	DA	1.00000	-
111	(Gains) / Losses on Sales of Plant Held for Future Use (W	orksheet N, In 4, Cols. ((F) & (H))	-			-
112	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for	r Future Use (In 111 * In97)	-			-
113	TOTAL REVENUE REQUIREMENT (sum lns 81, 86, 94, 108, 109, 110, 111, 112)		236,858,503			233,686,427

#### AEP Indiana Michigan Transmission Company

#### SUPPORTING CALCULATIONS

No.	TRANSMISSION PLANT INCLUDED IN PJM TA	RIFF							
114	Total transmission plant	(In 19)							1,946,801,073
115	Less transmission plant excluded from PJM Tariff	(Worksheet A, In 42.(d)) (Note P)							28,672,763
116	Less transmission plant included in OATT Ancilla	ry Services (Worksheet A, In 42, Col. (b)) (Note Q)							-
117	Transmission plant included in PJM Tariff	(ln 114 - ln 115 - ln 116)							1,918,128,310
118	Percent of transmission plant in PJM Tariff	(ln 117 / ln 114)						TP=	0.98527
				Dovroll Billed from					
119	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total				
120	Line Deliberately Left Blank	(Note K)	Direct Faylor	ALI Service Corp.	I Olai				
120	Transmission	354.21.b	_	6,270,549	6,270,549	TP	0.98527		6,178,195
122	Regional Market Expenses	354.22.b		0,270,343	0,270,543	NA	0.00000		0,170,195
123	Line Deliberately Left Blank	334.22.0				INA	0.00000		
124	Other (Excludes A&G)	354.24,25,26.b		_	_	NA	0.00000		_
125	Total	(sum Ins 121, 122, & 124)	_	0.070.540	6,270,549	•	0.00000		6,178,195
.20	. 3.6.	(00.11.11.0 1.2.1, 1.2.2, 00.1.2.1)		3,2. 3,3 .3	3,2. 3,3 .3				3, 1. 3, 1.33
126	Transmission related amount							W/S=	0.98527
	Actual (Uncapped) Capital Structure								
127	WEIGHTED AVERAGE COST OF CAPITAL (WA	(CC)							\$
128	Long Term Interest	(Worksheet M, In.36, col.(d))		0.45000	0.03870	0.01742			32,858,640
129	Preferred Dividends	(Worksheet M, In. 45, col.(d))		0.55000	0.10350	0.05693			-
130	Development of Common Stock:					0.074340			
131	Proprietary Capital	(Worksheet M, In. 14, col.(b))							1,041,589,687
132	Lagar Drafarrad Ctable								_
	Less: Preferred Stock	(Worksheet M, In. 14, col.(c))							
133	Less: Account 216.1	(Worksheet M, In. 14, col.(c)) (Worksheet M, In. 14, col.(d))							-
133 134									- -
	Less: Account 216.1	(Worksheet M, In. 14, col.(d))						_	- - 1,041,589,687
134	Less: Account 216.1 Less: Account 219	(Worksheet M, In. 14, col.(d)) (Worksheet M, In. 14, col.(e))		Capital Structure P	ercentages		Cost	_	
134	Less: Account 216.1 Less: Account 219 Common Stock	(Worksheet M, In. 14, col.(d)) (Worksheet M, In. 14, col.(e)) (In 131 - In 132 - In 133 - In 134)		\$	%	Cap Limit	(Note S)		Weighted
134 135 136	Less: Account 216.1 Less: Account 219 Common Stock  Long Term Debt (Note S) Worksheet M, In 28, co	(Worksheet M, In. 14, col.(d)) (Worksheet M, In. 14, col.(e)) (In 131 - In 132 - In 133 - In 134)		Capital Structure P \$ 849,303,846	% 44.92%	45.00%	(Note S) 3.87%		Weighted 0.0174
134 135 136 137	Less: Account 216.1 Less: Account 219 Common Stock  Long Term Debt (Note S) Worksheet M, In 28, co	(Worksheet M, In. 14, col.(d)) (Worksheet M, In. 14, col.(e)) (In 131 - In 132 - In 133 - In 134)		\$ 849,303,846 -	% 44.92% 0.00%	45.00% 0.00%	(Note S) 3.87% 0.00%	 	Weighted 0.0174 0.0000
134 135 136 137 138	Less: Account 216.1 Less: Account 219 Common Stock  Long Term Debt (Note S) Worksheet M, In 28, co Preferred Stock (In 132) Common Stock (In 135)	(Worksheet M, In. 14, col.(d)) (Worksheet M, In. 14, col.(e)) (In 131 - In 132 - In 133 - In 134)		\$ 849,303,846 - 1,041,589,687	% 44.92% 0.00% 55.08%	45.00% 0.00% 55.00%	(Note S) 3.87%	_	Weighted 0.0174 0.0000 0.0569
134 135 136 137	Less: Account 216.1 Less: Account 219 Common Stock  Long Term Debt (Note S) Worksheet M, In 28, co	(Worksheet M, In. 14, col.(d)) (Worksheet M, In. 14, col.(e)) (In 131 - In 132 - In 133 - In 134)		\$ 849,303,846 -	% 44.92% 0.00%	45.00% 0.00% 55.00%	(Note S) 3.87% 0.00%	WACC=	Weighted 0.0174 0.0000

#### AEP Indiana Michigan Transmission Company

Letter <u>Notes</u> General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X Revenue credits include: 1) Forfeited Discounts. 2) Miscellaneous Service Revenues. 3) Rental revenues earned on assets included in the rate base. 4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service. 5) Other electric revenues. 6) Revenues for grandfathered PTP contracts included in the load divisor. 7) If AEP Transmission Companies have any directly assigned transmission facilities, the revenue credits in the formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. See Worksheet E for details. The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet R and any over under recovery will be filed and posted as part of the informational filing. Transmission Plant Balances in this study are projected or actual average 13 month balances. The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B. In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(I)-I(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing. The company will not include the ADIT portion of deferred hedge gains and losses in rate base. Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 66. It excludes: 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancilliary Services Revenue, as shown on line 63. 2) Costs of Transmission of Electricity by Others, as described in Note H. 3) The impact of state regulatory deferrals and amortizations, as shown on line 65 4) All A&G Expenses, as shown on line 78. Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 110. G Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances. Removes cost of transmission service provided by others to determine the basis of cash working capital on line 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12. The addbacks on line80 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity. The company records referenced on line80 is the AEP Indiana Michigan Transmission Company general ledger. Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense. General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC. The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense. Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E. See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing. Includes only FICA, unemployment, highway, property and other assessments. Gross receipts, sales & use 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. See Worksheet G for the development of the Company's composite SIT. A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f) (ln 101) multiplied by (1/1-T). If the applicable tax rates are zero enter 0. Inputs Required: FIT = 21.00% SIT= 5.04% (State Income Tax Rate or Composite SIT. Worksheet G)) 0.00% (percent of federal income tax deductible for state purposes) The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable. If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-ochange rate and post-change rate each is in effect. Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT. Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P. Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company. Long Term Debt cost rate = long-term interest (Ln 128)/average long term debt (Ln 136). Preferred Stock cost rate = preferred dividends (Ln 129)/preferred outstanding (ln 137). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER10-355. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual 13 month average balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure. Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing. Т

Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other

AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a

The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.

change in depreciation rates. No other changes to the formula rate may be included in that filing.

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

- Y The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.
- Z Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

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

		Gross Plant In Service							
Line No	Month (a)	Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)			
	(Note A)	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5			
1	December Prior to Rate Year	1,807,420,338	-	18,837,709	-	14,604,921			
2	January	1,813,701,914	-	18,878,250	-	14,825,344			
3	February	1,814,926,804	-	18,886,330	-	14,999,086			
4	March	1,813,645,395	-	18,954,983	-	14,696,802			
5	April	1,820,437,819	-	18,997,956	-	14,872,977			
6	May	1,890,246,485	-	19,074,168	-	15,083,109			
7	June	1,945,249,020	-	19,334,339	-	15,358,154			
8	July	1,986,268,347	-	19,398,551	-	15,611,777			
9	August	1,994,696,534	-	19,412,897	-	15,956,092			
10	September	2,007,675,134	-	19,485,711	-	16,073,291			
11	October	2,043,717,573	-	19,614,186	-	16,362,834			
12	November	2,099,942,372	-	19,754,539	-	16,861,156			
13	December of Rate Year	2,270,486,206	-	19,914,871	-	21,203,358			
14	Average of the 13 Monthly Balances	1,946,801,073	-	19,272,653	-	15,885,300			

			Accum	ulated Depreciation		
Line No	Month (a)	Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, ln 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, ln 21, Col. (b)
15	December Prior to Rate Year	66,769,847	-	386,938	-	4,626,891
16	January	69,890,982	-	421,645	-	4,860,719
17	February	72,596,979	-	456,474	-	5,098,220
18	March	75,738,157	-	491,908	-	5,170,427
19	April	78,693,514	-	526,820	-	5,405,786
20	May	80,481,503	-	561,893	-	5,644,081
21	June	83,763,492	-	597,250	-	5,756,462
22	July	86,117,870	-	633,310	-	6,002,844
23	August	89,485,915	-	669,540	-	6,253,452
24	September	93,012,013	-	705,813	-	6,335,359
25	October	96,341,236	-	742,232	-	6,593,660
26	November	99,669,889	-	778,946	-	6,856,786
27	December of Rate Year	103,749,399	-	816,017	-	6,352,688
28	Average of the 13 Monthly Balances	84,331,600	-	599,138	-	5,765,952

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

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)  Company Records (included in total in column (d) of gross plant	OATT Ancillary Services (GSU) Accumulated Depreciation (c) Company Records (included in total in column (d) of accumulated depreciation	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	(Note A)	above)	above)	Company Records	Company Records
29	December Prior to Rate Year	-	-	28,347,313	-
30	January	-	-	28,352,769	-
31	February	-	-	28,353,335	-
32	March	-	-	28,353,946	-
33	April	-	-	28,354,663	-
34	May	-	-	27,919,903	-
35	June	-	-	27,989,992	-
36	July	-	-	28,087,925	-
37	August	-	-	28,143,078	-
38	September	-	-	28,149,010	-
39	October	-	-	28,979,619	-
40	November	-	-	30,119,599	-
41	December of Rate Year	-	-	31,594,762	-
42	Average of the 13 Monthly Balances	1	-	28,672,763	-

43 Transmission Accumulated Depreciation net of GSU

84,331,600

Plant Held	For Future Use	Source of Data	Balance @ December 31,	Balance @ December	Average Balance for					
1 14111 11014			<u>2019</u>	<u>31, 2018</u>	<u>2019</u>					
	(a)	(b)	(c)	(d)	(e)					
44	Plant Held For Future Use	FF1, page 214, ln 47, Col. (d)	-	-	-					
45	<u>Transmission Plant Held For Future Use</u> (Included in total of	on line 4 Company Records - Note 1	-	-	-					
Regulatory	Assets and Liabilities Approved for Recovery In Ratebase									
	Note: Regulatory Assets & Liabilities can only be included in rate	ebase pursuant to a 205 filing with the FE	RC.							
46					-					
47					-					
48					-					
49					-					
50					-					
51	Total Regulatory Deferrals Included in Ratebase		-	-	-					

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



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

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

	(A) (B)		(C)	(D)	(E)
<u>Line</u> Number	<u>Description</u>	<u>Source</u>	Balance @ December 31, 2019	Balance @ December 31, 2018	Average Balance for 2019
1	Account 281				
2 3 4	Year End Utility Deferrals Less: ARO Related Deferrals Less: Other Excluded Deferrals	FF1, p. 272 - 273, In 8, Col. (k) WS B-1 - Actual Stmt. AF Ln. 4 (Note 1) WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	- - -	-	- - -
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	Account 282				
7 8 9	Year End Utility Deferrals Less: ARO Related Deferrals Less: Other Excluded Deferrals	FF1, p. 274 - 275, In 5, Col. (k) WS B-1 - Actual Stmt. AF Ln. 7 (Note 1) WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	306,411,949 - -	284,516,243 - -	295,464,096 - -
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	306,411,949	284,516,243	295,464,096
11	Account 283				
12 13 14	Year End Utility Deferrals Less: ARO Related Deferrals Less: Other Excluded Deferrals	FF1, p. 276 - 277, In 9, Col. (k) WS B-1 - Actual Stmt. AF Ln. 13 (Note 1) WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	19,716,211	15,419,189	17,567,700 - -
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	19,716,211	15,419,189	17,567,700
16	Account 190				
17 18 19	Year End Utility Deferrals Less: ARO Related Deferrals Less: Other Excluded Deferrals	FF1, p. 234, ln 8, Col. (c) WS B-2 - Actual Stmt. AG Ln. 4 (Note 1) WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	7,127,396	5,986,490	6,556,943 - -
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	7,127,396	5,986,490	6,556,943
21	Account 255				
22 23	Year End ITC Balances Less: Balances Not Qualified for Ratebase	FF1, p. 266-267, ln 8, Col. (h) Company Records - Note 1	-	-	<u>-</u>
24 25	ITC Balances Includeable in Ratebase Transmission Related Deferrals	Ln 22 - In 23 WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	
NOTE 1	On this worksheet, "Company Records" refers projected ending balances and reflect proration items will be included on Worksheets B-1 and	on required by IRS Letter Rule Section I.I67(		I of actual deferred tax	

items will be included on Worksheets B-1 and B-2.

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

(DEBIT) CREDIT

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K C	COLUMN L	COLUMN M	COLUMN N C	COLUMN O
	PER BO	OOKS	NON-APPLICABL	E/NON-UTILITY	AVERAGE	FUNCTIO	ONALIZATION AVE	ERAGE	FUNCTIO	NALIZATION 12/31/2	2018	FUNCTIO	NALIZATION 12/31/	/2019
ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2018	BALANCE AS OF 12-31-2019	BALANCE AS OF 12-31-2018		ELECTRIC UTILITY (B+C+D+E)/2	GENERATION <sup>-</sup>	FRANSMISSION D	DISTRIBUTION	GENERATION T	RANSMISSION DIS	STRIBUTION	GENERATION T	RANSMISSION DIS	STRIBUTION
1.00 ACCOUNT 281:														
2.01 2.02	0	0			0	0	0	0						
2.03	O .	U			Ü	Ü	U	O						
2.04 2.05	0	0	0	0	0									
2.06	0	0	0	0	0									
3 TOTAL ACCOUNT 281	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 ACCOUNT 281 - ARO-Related Deferrals	0	0		0	0	0	0	0	0	0	0	0	0	0
5 ACCOUNT 282:														
5.01 BOOK VS. TAX DEPRECIATION	180,900,361	208,227,725			194,564,043	0	194,564,043	0		180,900,361			208,227,725	
5.02 481 a BONUS DEPRECIATION	0	2,975,827			1,487,914	0	1,487,914	0		-			2,975,827	
5.03 R & D DEDUCTION - SECTION 174 5.04 TAX DEPRECIATION LOOKBACK	39,875 0	39,875 (5,901,291)			39,875 (2,950,645)	0	39,875 (2,950,645)	0		39,875			39,875 (5,901,291)	
5.05 GAIN/LOSS ON ACRS/MACRS PROPERTY	110,681	(930,089)			(409,704)	0	(409,704)	0		110,681			(930,089)	
5.06 ABFUDC 5.07 INT EXP CAPITALIZED FOR TAX	6,190,134	7,723,798			6,956,966	0	6,956,966 (13,940,614)	0 0		6,190,134			7,723,798	
5.07 INT EXP CAPITALIZED FOR TAX  5.08 BOOK/TAX UNIT OF PROPERTY ADJ	(12,461,443) 2,288,797	(15,419,785) 773,714			(13,940,614) 1,531,256	0	1,531,256	0		(12,461,443) 2,288,797			(15,419,785) 773,714	
5.09 BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	126,771	126,771			126,771	0	126,771	0		126,771			126,771	
5.10 TX ACCEL AMORT - CAPITALIZED SOFTWARE 5.11 CAPITALIZED RELOCATION COSTS	139,189 26,032	123,724 26,032			131,456 26,032	0	131,456 26,032	0		139,189 26,032			123,724 26,032	
5.12 CAPITALIZED SOFTWARE COST-BOOK	2,443,176	3,303,203			2,873,190	0	2,873,190	0		2,443,176			3,303,203	
5.13 REMOVAL CST	181,815	339,223			260,519	0	260,519	0		181,815			339,223	
5.14 EXCESS ADFIT - PROTECTED 5.15 EXCESS ADFIT - UNPROTECTED	106,810,039 (2,279,184)	106,968,882 (1,965,660)			106,889,460 (2,122,422)	0	106,889,460 (2,122,422)	0		106,810,039 (2,279,184)			106,968,882 (1,965,660)	
5.16 NON-UTILITY DEFERRED FIT	0	(1,500,000)	0	0	0	0	0	0		(2,273,104)			(1,500,000)	
5.17 SFAS 109 FLOW-THRU 282.3	18,693,798	22,320,829	(18,693,798)	(22,320,829)	0	0	0	0						
5.18 SFAS 109 EXCESS DFIT 282.4	(104,530,855)	(105,003,222)	104,530,855	105,003,222	U	Ü	U	U						
6 TOTAL ACOUNT 282	198,679,186	223,729,556	85,837,057	82,682,394	295,464,097	0	295,464,096	0	0	284,516,243	0	0	306,411,949	0
7 ACCOUNT 282 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 ACCOUNT 283:														
9.01 REG ASSET-TRANSCO PRE-FORMATION COSTS	0	0			0	0	0	0		0			0	
9.02 STATE NOL CURRENT BENEFIT	0	0			0	0	0	0		-			<u>-</u>	
9.03 EXCESS ADFIT - UNPROTECTED 9.04 NON-UTILITY DEFERRED FIT 283.2	(8,666,176)	(10,410,609)	0	0	(9,538,393)	0	(9,538,393)	0		(8,666,176)			(10,410,609)	
9.05 SFAS 109 FLOW-THRU 283.3	4,969,238	5,933,385	(4,969,238)	(5,933,385)	0									
9.06 SFAS 109 EXCESS DFIT 283.4	(215,522)	9,355,472	215,522	(9,355,472)	0									
9.07 SFAS 133 ADIT FED - SFAS 133 NONAFFIL 2830006 9.08 ADIT - FED-HDG-CF-INT RATE 2830015	-		0	0	0									
9.09			0	0	0									
10	(3,912,460)	4,878,247	(4,753,716)	(15,288,856)	(9,538,393)	0	(9,538,393)	0	0	(8,666,176)	0	0	(10,410,609)	0
		,,	( , == , = ,	( -,,,	(=,===,===,		(-,,			(=,===,			( - , - , - , - , - ,	
11 DEFD STATE INCOME TAXES	24,085,365	30,126,820			27,106,093	0	27,106,093	0		24,085,365			30,126,820	
11.01			0	0	0									
12 TOTAL ACCOUNT 283	20,172,905	35,005,068	(4,753,716)	(15,288,856)	17,567,700	0	17,567,700	0	0	15,419,189	0	0	19,716,211	0
13 ACCOUNT 283 - ARO-Related Deferals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 JURISDICTIONAL AMOUNTS FUNCTIONALIZED														
15 TOTAL COMPANY AMOUNTS FUNCTIONALIZED														
16 REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT														
17 NOTE: POST 1970 ACCUMULATED DEFERRED 18 INV TAX CRED. (JDITC) IN A/C 255														
18.01 18.02	0	0			0	0	0	0						
19														
20 TOTAL ACCOUNT 255	0	0	0	0	0	0	0	0	0	0	0	0	0	0

### AEP Indiana Michigan Transmission Company ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only PERIOD ENDED DECEMBER 31, 2019

DEBIT (CREDIT)

COLUMN A	COLUMN B COLUMN C	COLUMN D COLUMN E	COLUMN F	COLUMN G COLUMN H COLUMN I	COLUMN J COLUMN K COLUMN L	COLUMN M COLUMN N COLUMN O
	PER BOOKS	NON-APPLICABLE/NON-UTILITY	AVERAGE ELECTRIC	FUNCTIONALIZATION AVERAGE	FUNCTIONALIZATION 12/31/2018	FUNCTIONALIZATION 12/31/2019
ACCUMULATED DEFERRED FIT ITEMS		BALANCE AS BALANCE AS OF 12-31-2019	UTILITY (B+C+D+E)/2	GENERATION TRANSMISSION DISTRIBUTION	GENERATION TRANSMISSION DISTRIBUTION	GENERATION TRANSMISSION DISTRIBUTION
1 ACCOUNT 190:						
2.01 NOL & TAX CREDIT C/F - DEF TAX ASSET 2.02 INT EXP CAPITALIZED FOR TAX 2.03 CIAC - BOOK RECEIPTS 2.04 PROV POSS REV REFDS 2.05 ACCRD COMPANYWIDE INCENTV PLAN 2.06 ACCRUED INTEREST-LONG-TERM-FIN 48 2.07 FIN 48 DSIT 2.08 DEFD STATE INCOME TAXES 2.09 NOL-DEFERRED TAX ASSET RECLASS 2.10 NON-UTILITY DEFERRED FIT 2.11 SFAS 109 FLOW-THRU 190.3 2.12 SFAS 109 EXCESS DFIT 190.4 2.13 SFAS 133 ADIT FED - SFAS NONAFFIL 1900006 2.14 ADIT FED - PENSION OCI NAF 1900009 2.15 ADIT-FED-HDG-CF-INT RATE1900015 2.16 2.17 2.18	0 9,962 0 0 763,869 914,475 (107,120) (175,442) 271,820 51,772 (6) 0 0 (4) 5,057,927 6,326,632 0 0   25,483,016 33,938,244   	0 0 0 0 (25,483,016) (33,938,244) 0 0 0 0 0 0 0 0 0 0 0 0	4,981 0 839,172 (141,281) 161,796 (3) (2) 5,692,280 0 0 0 0 0 0 0	0       4,981       0         0       0       0         0       839,172       0         0       (141,281)       0         0       161,796       0         0       (3)       0         0       (2)       0         0       5,692,280       0         0       0       0	- 763,869 (107,120) 271,820 (6) 5,057,927	9,962 - 914,475 (175,442) 51,772 - (4) 6,326,632 -
2.19 2.20 2.21	0 0	0 0	0 0	0 0 0		
3 TOTAL ACCOUNT 190 4 ACCOUNT 190 - ARO-Related Deferals	31,469,506 41,065,640 0 0	(25,483,016) (33,938,244) 0 0	6,556,943 0	0 6,556,943 0 0 0 0	0 5,986,490 0 0 0 0	0 7,127,396 0 0 0 0

INDIANA MICHIGAN TRANSMISSION COMPANY Worksheet B-3 Excess/ Deficient ADIT Worksheet For Year Ended December 31, 2019 Debit/(Credit)

A B C D E

			Protected	Tax Rate				
Line No.	Account (NOTE A)	Description of Account	Unprotected	Change Act				
	Deferred Tax Account (N	OTE B)						
1a	190 <mark>4</mark> 001	ADFIT - FAS 109 Excess	N/A	TCJA 2017				
1b	282 <mark>1</mark> 001	ADFIT - Utility Property	Protected	TCJA 2017				
1c	282 <mark>1</mark> 001	ADFIT - Utility Property	Unprotected	TCJA 2017				
1d	282 <mark>4</mark> 001	ADFIT - Utility Property FAS 109 Excess	Protected	TCJA 2017				
1e	282 <mark>4</mark> 001	ADFIT - Utility Property FAS 109 Excess	Unprotected	TCJA 2017				
1f	283 <mark>1</mark> 001	ADFIT - Other Utility Deferrals	Unprotected	TCJA 2017				
1g	283 <mark>4</mark> 001	ADFIT - Other FAS 109 Excess	Unprotected	TCJA 2017				
1h	NOTE D		·					
	Regulatory Deferral Acco	punts						
2a	182.3	Regulatory Asset		TCJA 2017				
2b	254	Regulatory Liability		TCJA 2017				
2c	NOTE D							
3	Total For Accounting Entires (Sum of Lines 1a through 2b)							

NOTE A In order to ensure ratebase neutrality, AEP utilizes the fourth digit of its seven digit FERC Tax subaccount nur the fourth digit of a FERC tax account refers to the utility operations balance or entry. Accounts with the "1" do the four place of the account number indicates accounts used to track regulatory accounting requirements. To which will ensure that in the formula rate the excess amount will be part of ratebase, but at the total FERC accounts in the "4" will be offset on a net basis in the regulatory asset or liability subaccount established for this purpose.

NOTE B: The amount of the FIT gross up to recorded on regulatory assets and liabilities will be reported on the first line

NOTE C: The ten year amortization period for unprotected excess ADIT is consistent with the period agreed upon by the *Company, et al, 166 FERC* ¶ *61,135 (2019).* 

NOTE D: In the event of future tax rate changes, additional lines will be inserted as required to reflect any new ADIT o

NOTE E: The amount of excess amortization entries shown in lines 1a through 1h are shown as a debit or credit to the charged to the 410/411 account.

			1/1/2019 Beginnii	ng Balances
Excess Balance at Remeasurement	Amortization Methodology (NOTE C)	Amotization Period	Excess ADIT Regulatory Offset	Excess ADIT in Utility Deferrals
			05.400.040	
(400.040.050)	A D A M	Life of Asset	25,483,016	(400.040.000)
(106,249,253)		Life of Asset		(106,810,039)
2,532,427	10 Years	1/2018 - 12/2027	400,040,000	2,279,184
			106,810,039	
0.000.000	40.1/	4/0040 40/0007	(2,279,184)	0.000.475
3,966,093	10 Years	1/2018 - 12/2027	045 500	8,666,175
			215,523	
			(1,055,138)	
			(129,174,256)	
			0	(95,864,680)

Н

nbers to identify balances associated with uitlity operations vs regulatory reporting requirements. A "1" in esignation will be included in the determination of ratebase to be recovered in the formula rate. A "4" in he excess ADIT amounts recorded in accounts with the "4" designation will be contra to the "1" balance, sount level the tax asset or liability will be recorded at the current Federal FIT rate. The amounts record se.

of ADIT accounts provided for each specific change in tax rates.

F

G

- e Company and its customers and approved for the Company's PJM formula rates. Appalachian Power
- r regulatory deferral accounts that may be necessary to track that tax rate change.

ADIT account from which it is being amortized. The total in line 3 is the offset as

K	L	M	N	0
Bal	Balance Sheet Entries			nse Entries
Balance Sheet Account Reclassifications	182.3	254	410/411 Excess Amortization NOTE C	410/411 Deferred Tax Expense/ (Benefit)
		8,455,228		
			81,797	(240,640)
			(245,712)	(67,812)
		158,843		
		313,524		
			(997,177)	2,741,611
		(9,570,994)		
		643,399		
	_		1,161,092	(2,433,159)
			NOTE E	( ,,,

NOTE E

R

Regulatory Offset	Deferrals	Reference
Sum of C	ols (I) - (O)	
33,938,244		WS B - 2 Col B, Line 13
	(106,968,882)	WS B - 1 Col B, Line 25
	1,965,660	WS B - 1 Col B, Line 26
100 000 000		

	WS D - 2 COLD, LINE 13
(106,968,882)	WS B - 1 Col B, Line 25
1,965,660	WS B - 1 Col B, Line 26
	WS B - 1 Col B, Line 29 (in total)
	WS B - 1 Col B, Line 29 (in total)
10,410,609	WS B - 1 Col B, Line 38
	WS B - 1 Col B, Line 41

(1,055,138)	Company Records
(128,530,857)	FERC Form 1 p. 278 Ln. 3 Cols, (b) /(f)

- (94,592,613)

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

(A) (C) (D) (G) (I) (F) Materials & Supplies Balance @ December 31, Balance @ December Average Balance for <u>Line</u> Number Source <u>2019</u> <u>31, 2018</u> <u>2019</u> 2,529 Transmission Materials & Supplies FF1, p. 227, ln 8, Col. (c) & (b) 2,500 General Materials & Supplies FF1, p. 227, ln 11, Col. (c) & (b) Stores Expense (Undistributed) - Account 163 FF1, p. 227, ln 16, Col. (c) & (b) **Prepayment Balance Summary (Note 1) Transmission Transmission Total Included** Average of Excludable **Transmission** Plant Labor in Ratebase YE Balance (E)+(F)+(G)<u>Balances</u> Related <u>Related</u> Related Totals as of December 31, 2019 533,791 533,791 533,791 Totals as of December 31, 2018 354,113 354,113 354,113 Average Balance 443,952 443,952 443,952 Prepayments Account 165 - Balance @ 12/31/2019 **Transmission Transmission Total Included** 2019 in Ratebase Excludable **Transmission** Plant Labor YE Balance (E)+(F)+(G)Acc. No. **Description Balances** Related Related Related **Explanation** 240,922 10 1650001 Prepaid Insurance 240,922 240,922 1650021 Prepaid Insurance - EIS 112,816 112,816 112,816 11 180,053 1650023 Prepaid Lease 180,053 180,053 1650003 **Prepaid Rents** 13 Prepaid Use Tax 14 165001217 1650005 Prepaid Employee Benefits 15 1650006 16 Other Prepayments 1650009 Prepaid Carry Cost-Factored AR 17 1650010 Prepaid Pension Benefits FAS 158 Qual Contra Asset 19 1650014 20 1650016 FAS 112 ASSETS 21 1650031 Prepaid OCIP Work Comp 22 1650032 Prepaid OCIP Work Comp LT 23 1650033 Prepaid OCIP Work Comp - Aff Prepaid OCIP Work Comp LT - Aff 1650034 24 25 Subtotal - Form 1, p 111.57.c 533,791 Prepayments Account 165 - Balance @ 12/31/ 2018 Transmission **Total Included** Transmission 2018 Excludable **Transmission Plant** Labor in Ratebase Acc. No. **Description** YE Balance **Balances** Related Related Related (E)+(F)+(G)**Explanation** 205,967 27 1650001 Prepaid Insurance 205,967 205,967 Prepaid Insurance - EIS 1650021 98,733 98,733 98,733 Prepaid Lease 1650023 49,412 49,412 49,412 29 30 1650003 Prepaid Rents 165001217 Prepaid Use Tax 31 **Prepaid Employee Benefits** 32 1650005 33 1650006 Other Prepayments Prepaid Carry Cost-Factored AR 34 1650009 **Prepaid Pension Benefits** 1650010 35 34 1650014 FAS 158 Qual Contra Asset 1650016 FAS 112 ASSETS 35 Prepaid OCIP Work Comp 36 1650031 37 1650032 Prepaid OCIP Work Comp LT Prepaid OCIP Work Comp - Aff 1650033 39 1650034 Prepaid OCIP Work Comp LT - Aff 40

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

354,113

354,113

**Subtotal - Form 1, p 111.57.d** 

Formula Rate WS D IPP Credits Page 18 of 46

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

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

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

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

<u>Line</u> Number	<u>Description</u>	<u>Total</u> Company	Non- Transmission	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	1,040,263	1	1,040,262
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)		-	
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	268,936,220	268,936,220	
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	269,976,482	268,936,220	1,040,262
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	269,976,482	268,936,220	1,040,262
9	Facility Credits under PJM OATT Section 30.9			

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or AEP Indiana Michigan Transmission Company's general ledger.

The functional amounts identified as transmission revenue also come from the general ledger.

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

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

	(A)	(B)	(C)	(D)	(E) <u>100%</u>
<u>Line</u> Number	<u>Item No.</u>	<u>Description</u>	<u>2019</u> Expense	100% Non-Transmission	Transmission Specific
		Regulatory O&M Deferrals & Amortizations			
1 2					
3 4		Total			
		Detail of Account 561 Per FERC Form 1			
5	FF4 = 004 05 b				
6 7	FF1 p 321.85.b FF1 p 321.86.b	561.1 - Load Dispatch - Reliability 561.2 - Load Dispatch - Monitor & Operate Trans System	460,265		
8 9	FF1 p 321.87.b FF1 p 321.88.b	561.3 - Load Dispatch - Trans Service & Scheduling 561.4 - Scheduling, System Control & Dispatch			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	290,609		
11 12	FF1 p 321.90.b FF1 p 321.91.b	<ul><li>561.6 - Transmission Service Studies</li><li>561.7 - Generation Interconnection Studies</li></ul>	1		
13 14	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services <b>Total of Account 561</b>	750,874		
		Account 928		•	
15	9280000	Regulatory Commission Exp	396	396	-
16 17	9280001 9280002	Regulatory Commission Exp-Adm Regulatory Commission Exp-Case	13 (1,626)	13 (1,626)	-
18 19	9280005	Reg Com Exp-FERC Trans Cases	72,091		72,091
20				1	-
				(1.2.12)	
21		Total (FERC Form 1 p.323.189.b)	70,875	(1,216)	72,091
22	9301000	Account 930.1 General Advertising Expenses	61	61	_
23	9301001 9301010	Newspaper Advertising Space	479	479	-
24 25	9301010	Publicity Public Opinion Surveys	306 26	306 26	-
26 27	9301015	Other Corporate Comm Exp	663	663	_
28				-	-
29 30				]	-
31 32					-
33				-	-
34 35					-
36 37				-	-
		Total (FEDC Forms 4 = 202 404 b)	4.505	1.505	
38		Total (FERC Form 1 p.323.191.b)	1,535	1,535	-
39	9302000	Account 930.2 Misc General Expenses	131,645	131,645	-
40 41	9302003 9302006	Corporate & Fiscal Expenses Assoc Bus Dev - Materials Sold	14,193	14,193	-
42	9302007	Assoc Business Development Exp	1,547	1	1,547
43		Total (FERC Form 1 p.323.192.b)	147,384	145,838	1,547

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

1	Indiana State Tax Rate		4.90%	
	Apportionment Factor - Note 1 Effective State Tax Rate		83.36%	4.08%
2	Michigan Tax Rate		6.00%	
	Apportionment Factor - Note 1		16.07%	
	Effective State Tax Rate	•		0.96%
0	Toy Data			
3	Tax Rate			
	Apportionment Factor - Note 1			
	Effective State Tax Rate			0.00%
4	Tax Rate			
	Apportionment Factor - Note 1			
	Effective State Tax Rate	•		0.00%
5	Tax Rate			
Ŭ	Apportionment Factor - Note 1			
	Effective State Tax Rate			0.00%
	Ellective State Tax Rate			0.00%
	Total Effective State Income Tax	Rate	<u>-</u>	5.04%

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

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

	(A)	(B)	(C)	(D)	(E)	(F)
Line		Total				
No.	Account	Company	Property	Labor	Other	Non-Allocable
		NOTE 1				
	_					
1 2	Revenue Taxes  Gross Receipts Tax	4				1
2	Gross Receipts Tax	4				4
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Michigan	6,528,993	6,528,993			
5	Real and Personal Property - Indiana	10,784,977	10,784,977			
6	Real and Personal Property - Tennessee	-	-			
1	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	Line Deliberately Left Blank					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15 16	State Business & Occupation Tax State Bublic Service Commission Face	-				-
16 17	State Public Service Commission Fees State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	_				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis	17,313,974	17,313,970	·		
20	(Total Company Amount Ties to FFI p.114, Ln 14,(c))	17,010,074	17,010,070			
	NOTE 1: The detail of each total company number and its sour			H-1.		
		Functional Property Lines 24-58	lax Allocation	Lines 24-58		
		Column (B)		Column (D)		
		Deliberately Left		Deliberately Left		
		Blank	<b>Transmission</b>	Blank	<u>General</u>	<u>Total</u>
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	1,862,469,473	-	18,673,515	1,881,142,989
0.5	MICHIGAN JURISDICTION					
25 26	Percentage of Plant in MICHIGAN JURISDICTION					
26 27	Net Plant in MICHIGAN JURISDICTION (Ln 24 * Ln 25) Less: Net Value of Exempted Generation Plant	-	_	_	_	-
28	Taxable Property Basis (Ln 26 - Ln 27)	_	_	_	_	_
29	Relative Valuation Factor					-
30	Weighted Net Plant (Ln 28 * Ln 29)	_	-	-	-	
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33	Weighted MICHIGAN JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%		
35	INDIANA JURISDICTION  Net Plant in INDIANA JURISDICTION (Ln 24 - Ln 26)	_	1,862,469,473	_	18,673,515	1,881,142,989
36	Less: Net Value Exempted Generation Plant		.,552,150,170		. 5,575,510	.,001,112,000
37	Taxable Property Basis	-	1,862,469,473	-	18,673,515	1,881,142,989
38	Relative Valuation Factor					
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-	
40 41	General Plant Allocator (Ln 39 / (Total - General Plant)	0.00%	100.00%	0.00%	-100.00%	
41 42	Functionalized General Plant (Ln 41 * General Plant) Weighted INDIANA JURISDICTION Plant (Ln 39 + 41)	-	-	-	-	
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%	-	-
.5		0.0070	100.0070	0.0070		

#### AEPTCo subsidiaries in PJM

## Cost of Service Formula Rate Using Actual/Projected FF1 Balances Worksheet H page 2 Form 1 Source Reference of Company Amounts on WS H AEP Indiana Michigan Transmission Company

(D) (A) (B) (C) FERC FORM 1 Line Total No. FERC FORM 1 Reference **Annual Tax Expenses by Type (Note 1)** Tie-Back Company Revenue Taxes **Gross Receipts Tax** P.263 In 26 (i) P.263 In 27 (i) (C) (D) (B) (E) (F) (G) "Real Estate and Personal Propety Tax Detail **Transmission** Tax Year Factor **FERC FORM 1** Total FERC FORM 1 Reference Annual Tax Expenses by Type (Note 1)" Tax Year **Function** Company Tie-Back (Note 2) (Note 2) Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7) 17,313,970 17,313,970 6,528,993 6,528,993 Real and Personal Property - Michigan P.263 In 20 (i) 405,893 100.00% 405,893 2017 P.263 ln 21 (i) 2018 6,123,100 100.00% 6,123,100 Real and Personal Property - Indiana 10,784,977 10,784,977 P.263 ln 23 (i) 2018 613,977 100.00% 613,977 10,171,000 2019 10,171,000 P.263 ln 24 (i) 100.00% Real and Personal Property - Tennessee Real and Personal Property - Other Jurisdictions (D) (A) (B) (C) Line FERC FORM 1 Total Company No. Annual Tax Expenses by Type (Note 1) Tie-Back FERC FORM 1 Reference Payroll Taxes Federal Insurance Contribution (FICA) P.263 In 6 (i) Federal Unemployment Tax P.263 ln 9 (i) State Unemployment Insurance P.263.1 ln 23 (i) P.263.2 ln 33 (i) P.263.3 ln 16 (i) Line Left Deliberately Blank State Severance Taxes Miscellaneous Taxes State Business & Occupation Tax P.263 In 21 (i) P.263 In 22 (i) 16 State Public Service Commission Fees P.263 In 26 (i) P.263 In 27 (i) P.263.3 ln 20 (i) State Franchise Taxes P.263 In 12 (i) P.263 ln 13 (i) P.263.1 ln 34 (i) P.263.2 ln 10 (i) P.263.2 In 11 (i) P.263.2 In 38 (i) P.263.2 In 39 (i) P.263.3 In 27 (i) P.263.3 ln 28 (i) P.263.4 ln 20 (i) P.263.4 ln 27 (i) 18 State Lic/Registration Fee P.263.1 ln 13 (i) P.263.2 ln 13 (i) P.263.3 In 8 (i) P.263.4 In 21 (i) Misc. State and Local Tax P.263.1 ln 12 (i) 20 Sales & Use P.263 In 10 (i) P.263 In 31(i) P.263.2 ln 16 (i) P.263.2 ln 17 (i) P.263.3 ln 21 (i) 21 Federal Excise Tax P.263 In 13 (i) P.263 In 14 (i)

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

17,313,974

17,313,970

Michigan Single Business Tax

Total Taxes by Allocable Basis

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

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

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

**Reserved for Future Use** 

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

Page of 10

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

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

ROE w/o incentives (TCOS,	In 138)		10.35%	
Project ROE Incentive Adder			0	
ROE with additional 0 basis p	oint incentive		10.35%	
Determine R (cost of long te	erm debt, cost of prefer	red stock and equity percen	ntage is from the True-Up	TCOS, Ins 136 through 138
	<u>%</u>	Cost	Weighted cost	
Long Term Debt	44.92%	3.87%	1.738%	
Preferred Stock	0.00%	0.00%	0.000%	
Common Stock	55.08%	10.35%	<u>5.701%</u>	
		R =	7.439%	

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

Rate Base (True-Up TCOS, In 58)	1,558,486,707
R (fom A. above)	7.439%
Return (Rate Base x R)	115,935,499

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

Return (from B. above)	115,935,499
Effective Tax Rate (TCOS, In 97)	25.50%
Income Tax Calculation (Return x CIT)	29,565,044
ITC Adjustment	-
Excess Deferred Income Tax	1,523,931
Tax Affect of Permanent Differences	502,254
Income Taxes	31,591,229

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

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

Annual Revenue Requirement (TCOS, In 1)	233,686,427
Lease Payments (TCOS, Lns 80)	-
Return (TCOS, In 109)	115,850,124
Income Taxes (TCOS, In 108)	31,569,457
Annual Revenue Requirement, Less Lease	86,266,846
Payments Pature and Tayon	

#### Payments, Return and Taxes B. Determine Annual Revenue Requirement with hypothetical 0 basis point increase in ROE.

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	86,266,846
Return (from I.B. above)	115,935,499
Income Taxes (from I.C. above)	31,591,229
Annual Revenue Requirement, with 0 Basis Point ROE increase	233,793,574
Depreciation (TCOS, In 83)	40,718,765
Annual Rev. Req, w/ 0 Basis Point ROE increase,	193,074,809
ess Depreciation	

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

Net Transmission Plant (Projected TCOS, In 33) Annual Revenue Requirement, with 0 Basis Point ROE increase FCR with 0 Basis Point increase in ROE	1,833,796,710 233,793,574 12.75%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	193,074,809
FCR with 0 Basis Point ROE increase, less Depreciation	10.53%
FCR less Depreciation (TCOS, In 10)	<u>10.52%</u>
Incremental FCR with 0 Basis Point ROE increase,	0.01%
less Depreciation	

#### III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2019 TCOS, In 19	1,918,128,310
Annual Depreciation and Amortization Expense (TCOS, In 83)	40,718,765
Composite Depreciation Rate	2.12%
Depreciable Life for Composite Depreciation Rate	47.11
Average Life in Whole Years	47

		Rev R	Require	W Incentives		Incentive	Amounts
TRUE-UP YEAR							
	As Projected in Prior Year WS J	\$	47,297,505	\$	47,297,505	\$	-
	Actual After True-up	\$	46,924,508	\$	46,924,508	\$	-
	True-up of ARR For 2019		(372,997)		(372,997)		-

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

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

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

#### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

 2019
 Rev Require
 W Incentives
 Incentive Amounts

 Prior Yr Projected
 744,108
 744,108

 Prior Yr True-Up
 742,916
 742,916

 True-Up Adjustment
 (1,192)
 (1,192)

DetailsInvestment6,636,011Current Year2019Service Year (yyyy)2012ROE increase accepted by FERC (Basis Points)-Service Month (1-12)12FCR w/o incentives, less depreciation10.52%Useful life47FCR w/incentives approved for these facilities, less dep.10.52%CIAC (Yes or No)NoAnnual Depreciation Expense141,192

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

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

CIAC (Yes or No)		Annual Depreciation Exp		555 u <del>c</del> p.			10.52% 141,192		LIFE OF THE PR	ROJECT.	JED-OF ARRS OVER	11112	
,		i i					,	1 [	RTEP Projected		RTEP Projected		
									Rev. Req't.From		Rev. Req't.From		True-up of
Investment	Beginning	Depreciation	Ending	Average	RTEP Rev. Req't.	RTEP Rev. Req't.	Incentive Rev.		Prior Year WS J	RTEP Rev Req't True-up	Prior Year WS J	RTEP Rev Req't True-up	Incentive
Year	Balance	Expense	Balance	Balance	w/o Incentives	with Incentives **	Requirement ##		w/o Incentives	w/o Incentives	with Incentives **	with Incentives **	with Incentives **
2012	6,636,011	-	6,636,011	6,636,011	698,297	698,297		1 [	\$ 655,786				
2013	6,636,011	141,192	6,494,819	6,565,415	832,060	832,060			\$ 758,010	\$ 85,590			
2014	6,494,819	141,192	6,353,628	6,424,223	817,203	817,203			\$ 735,370				
2015	6,353,628	141,192	6,212,436	6,283,032	802,346	802,346			\$ 1,351,122	\$ (529,479)			
2016	6,212,436	141,192	6,071,244	6,141,840	787,488	787,488	\$ -		\$ 758,565				
2017	6,071,244	141,192	5,930,052	6,000,648	772,631	772,631	\$ -		\$ 1,860,187	\$ (1,087,556)			
2018	5,930,052	141,192	5,788,861	5,859,457	757,773	757,773			\$ 1,592,956	\$ (835,183)			
2019	5,788,861	141,192	5,647,669	5,718,265	742,916	742,916			\$ 744,108	\$ (1,192)	\$ 744,108	\$ (1,192)	-
2020	5,647,669	141,192	5,506,477	5,577,073	728,059	728,059 743,204				- e		<del>-</del>	<b>-</b>
2021 2022	5,506,477	141,192 141,192	5,365,285 5,224,094	5,435,881 5,294,690	713,201 698,344	713,201 698,344				<del>-</del>		<del>-</del>	ф -
2022	5,365,285 5,224,094	141,192	5,082,902	5,294,690	683,487	683,487	\$ - \$ -			ф е		÷	ф •
2023	5,082,902	141,192	4,941,710	5,012,306	668,629	668,629	Ψ			\$ - \$		\$ ¢	ф •
2025	4,941,710	141,192	4,800,519	4,871,114	653,772	653,772				\$ \$		\$	\$ -
2026	4,800,519	141,192	4,659,327	4,729,923	638,914	638,914				\$ -		\$ -	\$ -
2027	4,659,327	141,192	4,518,135	4,588,731	624,057	624,057				\$ -		\$	\$ -
2028	4,518,135	141,192	4,376,943	4,447,539	609,200	609,200				\$ -		\$	\$ -
2029	4,376,943	141,192	4,235,752	4,306,348	594,342	594,342				\$ -		\$	\$ -
2030	4,235,752	141,192	4,094,560	4,165,156	579,485	579,485				\$ -		\$	\$ -
2031	4,094,560	141,192	3,953,368	4,023,964	564,627	564,627				\$ -		\$ -	\$ -
2032	3,953,368	141,192	3,812,177	3,882,772	549,770	549,770				\$ -		\$ -	\$ -
2033	3,812,177	141,192	3,670,985	3,741,581	534,913	534,913				\$ -		\$ -	\$ -
2034	3,670,985	141,192	3,529,793	3,600,389	520,055	520,055	\$ -			\$ -		\$ -	\$ -
2035	3,529,793	141,192	3,388,601	3,459,197	505,198	505,198	\$ -			\$ -		\$ -	\$ -
2036	3,388,601	141,192	3,247,410	3,318,005	490,340	490,340	\$ -			\$ -		\$	\$ -
2037	3,247,410	141,192	3,106,218	3,176,814	475,483	475,483				\$ -		\$ -	\$ -
2038	3,106,218	141,192	2,965,026	3,035,622	460,626	460,626				\$ -		\$ -	\$ -
2039	2,965,026	141,192	2,823,834	2,894,430	445,768	445,768	\$ -			\$ -		\$ -	\$ -
2040	2,823,834	141,192	2,682,643	2,753,239	430,911	430,911	\$ -			\$ -		\$ -	\$ -
2041	2,682,643	141,192	2,541,451	2,612,047	416,053	416,053				-		-	\$ -
2042	2,541,451	141,192	2,400,259	2,470,855	401,196	401,196				<b>-</b>		-	-
2043	2,400,259	141,192	2,259,068	2,329,663	386,339	386,339				-		-	-
2044	2,259,068	141,192	2,117,876	2,188,472	371,481	371,481				<del>-</del>		<del>-</del>	-
2045	2,117,876	141,192	1,976,684	2,047,280	356,624	356,624				<del>-</del>		÷	<b>-</b>
2046 2047	1,976,684 1,835,492	141,192 141,192	1,835,492 1,694,301	1,906,088 1,764,897	341,767 326,909	341,767 326,909				- e		÷	ф •
2047	1,694,301	141,192	1,553,109	1,623,705	312,052	312,052				ф - ¢ _		÷	ф - ф _
2049	1,553,109	141,192	1,411,917	1,482,513	297,194	297,194				\$ \$		\$ \$	φ •
2050	1,411,917	141,192	1,270,726	1,341,321	282,337	282,337	\$ -			φ - \$ -		\$	\$ -
2051	1,270,726	141,192	1,129,534	1,200,130	267,480	267,480	Ψ			\$ -		\$ -	\$ -
2052	1,129,534	141,192	988,342	1,058,938	252,622	252,622				\$ -		\$	\$ -
2053	988,342	141,192	847,150	917,746	237,765	237,765				\$ -		\$	\$ -
2054	847,150	141,192	705,959	776,554	222,907	222,907				\$ -		\$ -	\$ -
2055	705,959	141,192	564,767	635,363	208,050	208,050				\$ -		\$ -	\$ -
2056	564,767	141,192	423,575	494,171	193,193	193,193	\$ -	IJ		\$ -		\$ -	\$ -
2057	423,575	141,192	282,383	352,979	178,335	178,335	\$ -	IJ		\$ -		\$ -	\$ -
2058	282,383	141,192	141,192	211,788	163,478	163,478				\$ -		\$	\$ -
2059	141,192	141,192	-	70,596	148,620	148,620	\$ -			\$ -		\$ -	\$ -
2060	-	-	-	-	-	-	\$ -			\$ -		\$ -	\$ -
2061	·	-	-	-	-	-	\$ -			-		-	-
2062	-	-	-	-	-	-	\$ -	IJ		-		-	-
2063	-	-	-	-	-	-	\$ -			-		-	-
2064	-	-	-	-	-	-	\$ -			<b>5</b> -		-	-
2065	-	-	-	-	-	-	\$ -			<b>5</b>		-	-
2066	·	-	-	-	-	-	<b>-</b>			<b>-</b>		<b>-</b>	<b>-</b>
2067	·	-	-	-	-	-	ф -			<del>-</del>		<b>-</b>	ф - ф
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2069 2070	·	-	-	-	-	-	\$ - ¢ -			ф •		φ - ¢	φ - ¢
2070	] [ ]				_	-	\$ - \$ -			Ψ - \$ -		φ - \$ -	\$ -
Project Totals	-	6,636,011	-	_	23,744,298	23,744,298	<b>y</b> -	ונ		<del>-</del>		¥	Ψ -
i roject i otalo		0,000,011			20,177,230	20,177,200	=						

<sup>\*\*</sup> This is the total amount that needs to be reported to PJM for billing to all regions.

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

Depreciation

Expense

162,391

324,783

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162,391

#### A. Base Plan Facilities

Investment

Year

2013

2014

2015

2016

2017

2018

2019

2020

2021

2022

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2028

2029

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2059 2060

Project Totals

Facilities receiving incentives accepted by FERC in Docket No.

**Beginning** 

**Balance** 

15,264,784

15,102,393

14,777,610

14,452,827

14,128,045

13,803,262

13,478,479

13,153,697

12,828,914

12,504,132

12,179,349

11,854,566

11,529,784

11,205,001

10,880,218

10,555,436

10,230,653

9,905,870

9,581,088

9,256,305

8,931,523

8,606,740

8,281,957

7,957,175

7,632,392

7,307,609

6,982,827

6,658,044

6,333,261

6,008,479

5,683,696

5,358,914

5,034,131

4,709,348

4,384,566

4,059,783

3,735,000

3,410,218

3,085,435

2,760,652

2,435,870

2,111,087

1,786,305

1,461,522

1,136,739

811,957

487,174

162,391

(e.g. ER05-925-000)

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

2019	Rev Require		W Incentives	Incentive Amounts	
Prior Yr Projected		1,728,141	1,728,141		-
Prior Yr True-Up	-	1,726,015	1,726,015		-
True-Up Adjustment		(2,126)	(2,126)		-

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

RTEP Projected

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

CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

LIFE OF THE PROJECT.

Details					
Investment	15,264,784	Current Year			2019
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)			-
Service Month (1-12)	6	FCR w/o incentives, less depreciation			10.529
Useful life	47	FCR w/incentives approved for these facilities, less	dep.		10.529
CIAC (Yes or No)	No	Annual Depreciation Expense			324,783

15,102,393

14,777,610

14,452,827

14,128,045

13,803,262

13,478,479

13,153,697

12,828,914

12,504,132

12,179,349

11,854,566

11,529,784

11,205,001

10,880,218

10,555,436

10,230,653

9,905,870

9,581,088

9,256,305

8,931,523

8,606,740

8,281,957

7,957,175

7,632,392

7,307,609

6,982,827

6,658,044

6,333,261

6,008,479

5,683,696

5,358,914

5,034,131

4,709,348

4,384,566

4,059,783

3,735,000

3,410,218

3,085,435

2,760,652

2,435,870

2,111,087

1,786,305

1,461,522

1,136,739

811,957

487,174

162,391

13,965,653

13,640,871

13,316,088

12,991,306

12,666,523

12,341,740

12,016,958

11,692,175

11,367,392

11,042,610

10,717,827

10,393,044

10,068,262

9,743,479

9,418,697

9,093,914

8,769,131

8,444,349

8,119,566

7,794,783

7,470,001

7,145,218

6,820,435

6,495,653

6,170,870

5,846,087

5,521,305

5,196,522

4,871,740

4,546,957

4,222,174

3,897,392

3,572,609

3,247,826

2,923,044

2,598,261

2,273,478

1,948,696

1,623,913

1,299,131

974,348

649,565

324,783

81,196

**Ending** 

**Balance** 

ss dep.			10.52% 10.52%		ULATIVE HISTO INPUT TRUE-UI TEMPLATE BEL	P _(
			324,783	RTI	LIFE OF THE PI EP Projected v. Reg't.From	Κ'
Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	Pric	Prior Year WS J w/o Incentives	
						-
15,183,588	1,760,137	1,760,137	\$ -	\$	1,578,782	3
14,940,001	1,896,896	1,896,896	\$ -	\$	1,735,811	9
	· · ·		\$ -	•		9 99 99

1,794,367

1,760,191

1,726,015

1,691,838

1,657,662

1,623,485

1,589,309

1,555,133

1,520,956

1,486,780

1,452,603

1,418,427

1,384,251

1,350,074

1,315,898

1,281,721

1,247,545

1,213,369

1,179,192

1,145,016

1,110,840

1,076,663

1,042,487

1,008,310

974,134

939,958

905,781

871,605

837,428

803,252

769,076

734,899

700,723

666,547

632,370

598,194

564,017

529,841

495,665

461,488

427,312

393,135

358,959

170,935

53,815,749

1,794,367 \$

1,760,191 \$

1,726,015 \$

1,691,838 \$

1,657,662 \$

1,623,485 \$

1,589,309 \$

1,555,133 \$ 1,520,956 \$

1,486,780 \$ 1,452,603 \$

1,418,427 \$ 1,384,251 \$

1,350,074 \$

1,315,898 \$

1,281,721 \$

1,247,545 \$

1,213,369 \$

1,179,192 \$ 1,145,016 \$

1,110,840 \$

1,076,663 \$

1,042,487 \$

1,008,310 \$

974,134

939,958

905,781

871,605 \$

837,428 \$

803,252 \$

769,076 \$

734,899 \$

666,547 \$

598,194 \$

495,665 \$

461,488 \$

427,312 \$

393,135 \$

358,959 \$

170,935 \$

700,723

632,370

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	Roy Book From		Rich Flojected		True un of
	Rev. Req't.From	DTED David Town	Rev. Req't.From	DTED David Tour	True-up of
٧.	Prior Year WS J	RTEP Rev Req't True-up	Prior Year WS J	RTEP Rev Req't True-up	Incentive
##	w/o Incentives	w/o Incentives	with Incentives **	with Incentives **	with Incentives **
-	\$ 1,578,782	\$ 181,355	\$ 1,578,782	\$ 181,355	\$ -
-	\$ 1,735,811	\$ 161,085	\$ 1,735,811	\$ 161,085	\$ -
_	\$ 1,857,418	\$ 5,302	\$ 1,857,418	\$ 5,302	\$ -
_	\$ 1,808,629	\$ 19,915	\$ 1,808,629	\$ 19,915	\$ -
_					
-	\$ 1,924,179	\$ (129,812)	\$ 1,924,179	\$ (129,812)	
-	\$ 1,648,242	\$ 111,949	\$ 1,648,242	\$ 111,949	\$ -
-	\$ 1,728,141	\$ (2,126)	\$ 1,728,141	\$ (2,126)	\$ -
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** This is the total amount that needs to be reported to PJM for billing	to all regions.
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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 PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.

15,264,784

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

#### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

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

2019	Rev Require		W Incentives	Incentive Amounts	
Prior Yr Projected		663,516	663,516		-
Prior Yr True-Up		662,941	662,941		-
True-Up Adjustment		(575)	(575)		-

Details					
nvestment	5,805,543	Current Year			2019
Service Year (yyyy)	2013	ROE increase accepted	by FERC (Basis Points)		-
Service Month (1-12)	12	FCR w/o incentives, less	s depreciation		10.52%
Jseful life	47	FCR w/incentives approv	ved for these facilities, less dep.		10.52%
CIAC (Yes or No)	No	Annual Depreciation Exp	pense		123,522

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

CIAC (Yes or No)	NO A	Annual Depreciation Exp	ense				123,522		LIFE OF THE PI	ROJECT.			
									RTEP Projected		RTEP Projected		
									Rev. Req't.From		Rev. Req't.From		True-up of
Investment	Beginning	Depreciation	Ending	Average	RTEP Rev. Req't.	RTEP Rev. Req't.	Incentive Rev.		Prior Year WS J	RTEP Rev Reg't True-up	Prior Year WS J	RTEP Rev Reg't True-up	Incentive
Year	Balance	Expense	Balance	Balance	w/o Incentives	with Incentives **	Requirement ##		w/o Incentives	w/o Incentives	with Incentives **	with Incentives **	with Incentives **
		Expense					•	Ф.					
2013	5,805,543	400 500	5,805,543	5,805,543	610,909	610,909		<b>D</b>	461,439				
2014	5,805,543	123,522	5,682,021	5,743,782	727,932	727,932		\$	626,067	\$ 101,865			
2015	5,682,021	123,522	5,558,499	5,620,260	714,934	714,934	\$ -	\$	697,699	\$ 17,235	\$ 697,699	\$ 17,235	\$ -
2016	5,558,499	123,522	5,434,976	5,496,738	701,936	701,936	\$ -	\$	692,483	\$ 9,453	\$ 692,483	\$ 9,453	\$ -
2017	5,434,976	123,522	5,311,454	5,373,215	688,938	688,938		\$	737,310	\$ (48,372)			
2018	5,311,454	123,522	5,187,932	5,249,693	675,939	675,939		\$	631,912				
							Δ.	9					φ -
2019	5,187,932	123,522	5,064,410	5,126,171	662,941	662,941	\$ -	Ф	663,516	\$ (575)	\$ 663,516	(5/5)	<b>5</b> -
2020	5,064,410	123,522	4,940,888	5,002,649	649,943	649,943	\$ -			\$ -		\$ -	\$ -
2021	4,940,888	123,522	4,817,365	4,879,127	636,945	636,945	\$ -			\$ -		\$ -	\$ -
2022	4,817,365	123,522	4,693,843	4,755,604	623,947	623,947	\$ -			\$ -		\$ -	\$ -
2023	4,693,843	123,522	4,570,321	4,632,082	610,949	610,949	\$ -			\$ -		\$ -	\$ -
2024	4,570,321	123,522	4,446,799	4,508,560	597,951	597,951	\$ -			<b>¢</b>		¢	¢ _
							Ψ			Φ -		φ -	φ -
2025	4,446,799	123,522	4,323,277	4,385,038	584,953	584,953				-		5	\$ -
2026	4,323,277	123,522	4,199,755	4,261,516	571,955	571,955				\$ -		\$ -	\$ -
2027	4,199,755	123,522	4,076,232	4,137,993	558,957	558,957	\$ -			\$		\$ -	\$ -
2028	4,076,232	123,522	3,952,710	4,014,471	545,959	545,959				\$ -		\$ -	\$ -
2029	3,952,710	123,522	3,829,188	3,890,949	532,961	532,961	\$ -			\$ -		\$	\$ -
							Ψ			•		-	
2030	3,829,188	123,522	3,705,666	3,767,427	519,963	519,963				<b>-</b>		- Ф	<b>Т</b>
2031	3,705,666	123,522	3,582,144	3,643,905	506,965	506,965				-		-	\$ -
2032	3,582,144	123,522	3,458,621	3,520,382	493,967	493,967	\$ -			\$ -		\$ -	\$ -
2033	3,458,621	123,522	3,335,099	3,396,860	480,969	480,969	\$ -			\$ -		\$ -	\$ -
2034	3,335,099	123,522	3,211,577	3,273,338	467,971	467,971				\$ -		\$ -	\$ -
2035	3,211,577	123,522	3,088,055	3,149,816	454,973	454,973				<b>¢</b>		¢	¢
										Φ -		φ -	φ -
2036	3,088,055	123,522	2,964,533	3,026,294	441,975	441,975				-		5	\$ -
2037	2,964,533	123,522	2,841,010	2,902,771	428,976	428,976				\$ -		\$ -	\$ -
2038	2,841,010	123,522	2,717,488	2,779,249	415,978	415,978	\$ -			\$ -		\$ -	\$ -
2039	2,717,488	123,522	2,593,966	2,655,727	402,980	402,980				\$ -		\$ -	\$ -
2040	2,593,966	123,522	2,470,444	2,532,205	389,982	389,982				\$ -		\$ -	\$ -
										<b>¢</b>		<b>\$</b>	¢
2041	2,470,444	123,522	2,346,922	2,408,683	376,984	376,984				<b>→</b>		<del>-</del>	<b>5</b> -
2042	2,346,922	123,522	2,223,399	2,285,161	363,986	363,986				-		\$ -	\$ -
2043	2,223,399	123,522	2,099,877	2,161,638	350,988	350,988	\$ -			\$ -		\$ -	\$ -
2044	2,099,877	123,522	1,976,355	2,038,116	337,990	337,990	\$ -			\$ -		\$ -	\$ -
2045	1,976,355	123,522	1,852,833	1,914,594	324,992	324,992				\$ -		\$ -	\$ -
2046	1,852,833	123,522	1,729,311	1,791,072	311,994	311,994				<b>¢</b>		<b>¢</b>	¢
										Φ -		φ •	φ -
2047	1,729,311	123,522	1,605,788	1,667,550	298,996	298,996				-		<b>5</b> -	5 -
2048	1,605,788	123,522	1,482,266	1,544,027	285,998	285,998				\$ -		\$ -	\$ -
2049	1,482,266	123,522	1,358,744	1,420,505	273,000	273,000	\$ -			\$ -		\$ -	\$ -
2050	1,358,744	123,522	1,235,222	1,296,983	260,002	260,002				\$ -		\$ -	\$ -
2051	1,235,222	123,522	1,111,700	1,173,461	247,004	247,004				\$ -		\$ -	\$ -
			988,178							<b>\$</b>		¢	¢
2052	1,111,700	123,522		1,049,939	234,006	234,006				<b>→</b>		<del>-</del>	ф -
2053	988,178	123,522	864,655	926,416	221,008	221,008				-		-	<b>5</b> -
2054	864,655	123,522	741,133	802,894	208,010	208,010	\$ -			\$ -		\$ -	\$ -
2055	741,133	123,522	617,611	679,372	195,011	195,011	\$ -			\$ -		-	\$ -
2056	617,611	123,522	494,089	555,850	182,013	182,013	\$ -			\$ -		-	\$ -
2057	494,089	123,522	370,567	432,328	169,015	169,015				\$ -		\$ -	\$ -
2058	370,567	123,522	247,044	308,805	156,017	156,017				<b>¢</b>		<b>\$</b>	\$
										Ψ - Φ		- Φ	- -
2059	247,044	123,522	123,522	185,283	143,019	143,019				<b>-</b>		<del>-</del>	<b>-</b>
2060	123,522	123,522	-	61,761	130,021	130,021	\$ -			\$ -		-	\$ -
2061	- 1	-	-	-	-	-	\$ -			\$ -		-	\$ -
2062		-	-	-	-	-	\$ -			\$ -		\$ -	\$ -
2063	. I		_	_	_	_	\$ - I			\$ -		\$ -	-
		-	-	-	-	-	ф ф			•		<u>-</u>	ф ф
2064	· 1	-	-	-	-	-	<b>5</b> -			<b>-</b>		- Φ	Φ -
2065	· 1	-	-	-	-	-	\$ -			-		-	\$ -
2066	- 1	-	-	-	-	-	\$ -			\$ -		-	\$ -
2067		-	-	-	-	-	\$ -			\$ -		-	\$ -
2068	. I		_	_	_	_	\$ - <b>I</b>			\$ -		\$ -	\$ -
2069							<b>\$</b>			<b>¢</b>		<b>¢</b>	\$
	· 1	-	-	-	-	-	φ -			ψ - Φ		- Φ	- φ
2070	- 1	-	-	-	-	-	<b>-</b>			<b>-</b>		-	<b>5</b> -
2071	- 1	-	-	-	-	-	\$ -			\$ -		-	\$ -
2072	-	-	-	<u> </u>	-	-	\$ -			\$ -		-	-
Project Totals		5,805,543			20,772,802	20,772,802	_						
. Tojout Futais		5,505,545			20,112,002	20,112,002	_						

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

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

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

#### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

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

2019	Rev Require		W Incentives	Incentive Amounts	
Prior Yr Projected		7,470,796	7,470,796		-
Prior Yr True-Up		7,030,035	7,030,035		-
True-Up Adjustment		(440,761)	(440,761)		-

Details			
Investment	60,574,052	Current Year	2019
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	10.52%
Useful life	47	FCR w/incentives approved for these facilities, less dep.	10.52%
CIAC (Yes or No)	No	Annual Depreciation Expense	1,288,810

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR: CUMULATIVE HISTORY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS:

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

CIAC (Yes or No)	INO .	Annual Depreciation Expe	ense				1,288,810	LIFE OF THE	PROJ	EC1.			
								RTEP Projected			RTEP Projected		
								Rev. Req't.From			Rev. Req't.From		True-up of
Investment	Beginning	Depreciation	Ending	Average	RTEP Rev. Req't.	RTEP Rev. Reg't.	Incentive Rev.	Prior Year WS J		RTEP Rev Req't True-up	Prior Year WS J	RTEP Rev Req't True-up	Incentive
Year	Balance	Expense	Balance	Balance	w/o Incentives	with Incentives **	Requirement ##	w/o Incentives		w/o Incentives	with Incentives **	with Incentives **	with Incentives **
2014	60,574,052	214,802	60,359,250	60,466,651	6,577,616	6,577,616		•	Ф		Ф.	Ф	Ф
								Φ - 4.745.500	Φ	- - 000 054	Φ - 4.74F.FCO	Φ	ф •
2015	60,359,250	1,288,810	59,070,440	59,714,845	7,572,513	7,572,513		\$ 1,745,562		5,826,951	\$ 1,745,562		\$ -
2016	59,070,440	1,288,810	57,781,631	58,426,036	7,436,893	7,436,893		\$ 1,596,924		5,839,969			
2017	57,781,631	1,288,810	56,492,821	57,137,226	7,301,274	7,301,274	\$ -	\$ 8,620,533	\$	(1,319,259)	\$ 8,620,533	\$ (1,319,259)	\$ -
2018	56,492,821	1,288,810	55,204,012	55,848,416	7,165,654	7,165,654	\$ -	\$ 6,863,859	\$	301,795			\$ -
2019	55,204,012	1,288,810	53,915,202	54,559,607	7,030,035	7,030,035		\$ 7,470,796		(440,761)			\$ -
2020	53,915,202	1,288,810	52,626,392	53,270,797	6,894,415	6,894,415		¢ 7,470,730	Φ	(440,701)	¢ 7,470,730	¢ (440,701)	¢
								Φ -	Φ	-	Φ -	Φ -	ф •
2021	52,626,392	1,288,810	51,337,583	51,981,988	6,758,796	6,758,796			\$	-		\$ -	\$ -
2022	51,337,583	1,288,810	50,048,773	50,693,178	6,623,176	6,623,176	\$ -		\$	-		\$ -	\$ -
2023	50,048,773	1,288,810	48,759,964	49,404,368	6,487,557	6,487,557	\$ -		\$	-		\$ -	\$ -
2024	48,759,964	1,288,810	47,471,154	48,115,559	6,351,937	6,351,937			\$	_		\$ -	\$ -
2025	47,471,154	1,288,810	46,182,344	46,826,749	6,216,318	6,216,318			\$	_		\$ -	\$ -
									Φ	_		φ ¢	<b>+</b>
2026	46,182,344	1,288,810	44,893,535	45,537,940	6,080,698	6,080,698			Þ	-		ъ •	<del>-</del>
2027	44,893,535	1,288,810	43,604,725	44,249,130	5,945,079	5,945,079			\$	-		\$ -	\$ -
2028	43,604,725	1,288,810	42,315,916	42,960,320	5,809,459	5,809,459	\$ -		\$	-		\$ -	\$ -
2029	42,315,916	1,288,810	41,027,106	41,671,511	5,673,840	5,673,840	\$ -		\$	-		\$ -	\$ -
2030	41,027,106	1,288,810	39,738,296	40,382,701	5,538,220	5,538,220			\$	<u>-</u>		\$ -	\$ -
2031	39,738,296	1,288,810	38,449,487	39,093,892	5,402,601	5,402,601			Φ	_		¢	•
									Φ	-		φ •	ф ф
2032	38,449,487	1,288,810	37,160,677	37,805,082	5,266,981	5,266,981			\$	-		5	5 -
2033	37,160,677	1,288,810	35,871,867	36,516,272	5,131,362	5,131,362			\$	-		\$ -	\$ -
2034	35,871,867	1,288,810	34,583,058	35,227,463	4,995,742	4,995,742	\$ -		\$	-		\$ -	\$ -
2035	34,583,058	1,288,810	33,294,248	33,938,653	4,860,123	4,860,123	\$ -		\$	-		\$ -	\$ -
2036	33,294,248	1,288,810	32,005,439	32,649,843	4,724,503	4,724,503			\$	_		\$ -	\$ -
2037					4,588,884	4,588,884			Φ			<b>¢</b>	¢
	32,005,439	1,288,810	30,716,629	31,361,034					Ф	-		<del>-</del>	<b>Ф</b>
2038	30,716,629	1,288,810	29,427,819	30,072,224	4,453,264	4,453,264			\$	-		\$ -	\$ -
2039	29,427,819	1,288,810	28,139,010	28,783,415	4,317,645	4,317,645	\$ -		\$	-		\$ -	\$ -
2040	28,139,010	1,288,810	26,850,200	27,494,605	4,182,025	4,182,025	\$ -		\$	-		\$ -	\$ -
2041	26,850,200	1,288,810	25,561,391	26,205,795	4,046,406	4,046,406			\$	_		\$ -	\$ -
2042	25,561,391	1,288,810	24,272,581	24,916,986	3,910,786	3,910,786			¢	_		¢ _	¢
									Φ	-		φ •	<b>5</b>
2043	24,272,581	1,288,810	22,983,771	23,628,176	3,775,167	3,775,167			\$	-		5	5 -
2044	22,983,771	1,288,810	21,694,962	22,339,367	3,639,547	3,639,547			\$	-		\$ -	\$ -
2045	21,694,962	1,288,810	20,406,152	21,050,557	3,503,928	3,503,928	\$ -		\$	-		\$ -	\$ -
2046	20,406,152	1,288,810	19,117,343	19,761,747	3,368,308	3,368,308			\$	-		\$ -	\$ -
2047	19,117,343	1,288,810	17,828,533	18,472,938	3,232,689	3,232,689			\$	_		\$ -	\$ -
2048	17,828,533	1,288,810	16,539,723	17,184,128	3,097,069	3,097,069			Φ			<b>¢</b>	¢
									Φ	-		φ -	<b>5</b>
2049	16,539,723	1,288,810	15,250,914	15,895,319	2,961,450	2,961,450			\$	-		5	\$ -
2050	15,250,914	1,288,810	13,962,104	14,606,509	2,825,831	2,825,831	\$ -		\$	-		\$ -	\$ -
2051	13,962,104	1,288,810	12,673,294	13,317,699	2,690,211	2,690,211	\$ -		\$	-		\$ -	\$ -
2052	12,673,294	1,288,810	11,384,485	12,028,890	2,554,592	2,554,592			\$	-		\$ -	\$ -
2053	11,384,485	1,288,810	10,095,675	10,740,080	2,418,972	2,418,972			\$	_		\$ -	\$ -
2054			8,806,866	9,451,270	2,283,353	2,283,353			Φ			¢	¢
	10,095,675	1,288,810							Φ	-		φ -	<del>Ф</del>
2055	8,806,866	1,288,810	7,518,056	8,162,461	2,147,733	2,147,733			\$	-		5	5 -
2056	7,518,056	1,288,810	6,229,246	6,873,651	2,012,114	2,012,114			\$	-		\$ -	\$ -
2057	6,229,246	1,288,810	4,940,437	5,584,842	1,876,494	1,876,494	\$ -		\$	-		\$ -	\$ -
2058	4,940,437	1,288,810	3,651,627	4,296,032	1,740,875	1,740,875	\$ -		\$	-		\$ -	\$ -
2059	3,651,627	1,288,810	2,362,818	3,007,222	1,605,255	1,605,255			\$	-		\$ -	\$ -
2060	2,362,818	1,288,810	1,074,008	1,718,413	1,469,636	1,469,636			Φ	_		¢ _	•
			1,074,008						Φ	_		φ -	÷
2061	1,074,008	1,074,008	- 1	537,004	1,130,516	1,130,516	-		\$	-		5	5 -
2062	-	-	-	-	-	-	\$ -		\$	-		\$ -	\$ -
2063	-	-	-	-	-	-	\$ -		\$	-		\$ -	\$ -
2064	-	-	-	-	-	-	\$ -		\$	-		\$ -	\$ -
2065	_	_		_	_	_	\$ -		\$	_		\$ -	\$ -
2066	_				_		\$		Φ			<del>*</del>	\$
	- I	·	-	-	-	-	ψ e		φ	-		- -	φ -
2067	-	-	-	-	-	-	<b>Ф</b>		Þ	-		<b>→</b>	Φ -
2068	-	-	-	-	-	-	\$ -		\$	-		<b>5</b> -	\$ -
2069	-	-	-	-	-	-	\$ -		\$	-		-	\$ -
2070	_			_	_	_	\$ -		\$	-		\$ -	\$ -
2071	_	_		_	_	_	\$ -		\$	_		\$	\$ -
2072							¢		Φ			<del>*</del>	¢
2072	<sup>-</sup>	•	-	-	-	-	\$ - ¢		Ф	-		- 6	Ψ ¢
		-	-	-			\$ -		Φ	-		Ψ -	φ -
Project Totals		60,574,052			215,677,544	215,677,544	-						

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

Incentive Amounts

#### Worksheet K - ATRR TRUE-UP Calculation for PJM Projects Charged to Benefiting Zones

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

FCR w/o incentives, less depreciation

#### A. Base Plan Facilities

Details

Service Year (yyyy) Service Month (1-12)

Investment

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

**Project Description:** 

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

343 KV and one side at 13	o kv)	
99,133,366	Current Year	2019
2016	ROE increase accepted by FERC (Basis Points)	-

FCR w/incentives approved for these facilities, less dep.
No Annual Depreciation Expense Useful life CIAC (Yes or No)

10.52% 10.52% 2,109,221

Prior Yr Projected

True-Up Adjustment

Prior Yr True-Up

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

11,864,825

11,875,025

10,200

W Incentives

11,864,825

11,875,025

10,200

Rev Require

Pressure   Beginning   Dependance   Depend	CIAC (Yes or No)	NO	Annual Depreciation Expe	51136				2,109,221	_	LIFE OF THE PI	NOJECT.			
Description										RTEP Projected		RTEP Projected		
Description										Rev. Rea't.From		Rev. Rea't.From		True-up of
Total   Column   Co	Investment	Reginning	Depreciation	Ending	Average	PTEP Pay Pag't	PTEP Pay Pag't	Incentive Rev		•	PTED Pay Pag't True-up	-	PTED Pay Pag't True-up	-
2016   2013-146   156-07   2019-27			•	•	_	•	•				• •			
Section   Sect								•						
2016 By 2010 By 2010 C	2016		1,054,610	98,078,756	98,606,061	11,430,777	11,430,777	\$ -	\$	8,211,582	\$ 3,219,195	\$ 8,211,582	\$ 3,219,195	\$ -
2016 By 2010 By 2010 C	2017	98,078,756	2,109,221	95,969,535	97,024,146	12,318,925	12,318,925	\$ -	\$	9,400,319	\$ 2,918,606	\$ 9,400,319	\$ 2,918,606	\$ -
2010	2018				94.914.925	12.096.975			\$					\$ -
2010   9/16/1884   2/19/227   2									\$					\$ -
2001   00441676   2,103,221   2,232,525									Φ	11,004,023	¢ 10,200	¢ 11,004,025	¢ 10,200	Φ
Section   Sect									) D	-		<b>-</b>	<b>→</b>	<del>-</del>
March   Marc									\$	-	-	\$ -	\$ -	\$ -
2002   8.31.427   2.10.227   7.00.027   7.	2022	87,532,653	2,109,221	85,423,433	86,478,043	11,209,175	11,209,175	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -
2002   8.31.427   2.10.227   7.00.027   7.	2023	85,423,433	2,109,221	83,314,212	84,368,822	10,987,225	10,987,225	\$ -			\$ -		\$ -	\$ -
2026   61,704.000   7,000.201   7,000.20											\$ -		\$ -	\$ -
2006   71,006,777   2,003,274   77,077,050   72,091,050   10,094,045   5   5   5   5   5   5   5   5   5											\$		\$ -	\$ -
2007   Yu, Historical   2,100,27   7,400,750   7,400											<b>¢</b>		6	ф Ф
2008											<b>-</b>		<b>→</b>	<del>-</del>
2009   77,786.00   2100,771   70,086.00   200,772   80,040.00   100,0775   80,040.00   10											-		5	5
2030 70.856.898 2.70.6227 69.44.968 67.67.6786 58 6.71.048 67.7724 58 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5					73,822,720						\$ -		\$ -	\$ -
2011	2029	72,768,109	2,109,221	70,658,889	71,713,499	9,655,524	9,655,524	\$ -			\$ -		\$ -	\$ -
2011	2030	70.658.889	2,109,221	68,549,668	69,604,278	9,433,574	9,433,574	\$ -			\$ -		\$ -	\$ -
2032   (0.440-448)											\$ -		\$ -	\$ -
2033								· ·			¢		6	¢
2034 62.22.2007 2.7.96.221 60.17.2766 61.07.39											Φ -		Φ -	φ -
2005   50.112,786   2,100,221   58.003,565   50.008,170   8.22,822   6.323,823   5   5   5   5   5   5   5   5   5											-		5	5 -
2006											\$ -		\$ -	\$ -
28787   5.5 ps. 4, 346   2, 100, 221   53, 78, 124   44, 280, 730   7,879, 923   7,879, 923   5   5   5   5   5   5   5   5   5	2035	60,112,786	2,109,221	58,003,565	59,058,176	8,323,823	8,323,823	\$ -			\$ -		\$ -	\$ -
28787   5.5 ps. 4, 346   2, 100, 221   53, 78, 124   44, 280, 730   7,879, 923   7,879, 923   5   5   5   5   5   5   5   5   5	2036	58,003,565	2,109,221	55,894,345	56,948,955	8,101,873	8,101,873	\$ -			\$ -		\$ -	\$ -
2038   \$3,785,124   2,109,221   51,675,694   52,730,514   7,657,973   \$   \$   \$   \$   \$   \$   \$   \$   \$											\$ -		\$ -	\$ -
29399   51,675,904   21,002.21   45,566,883   50,621,203   7,480,023   7,480,023   7,480,023   8   8   9   9   9   9   9   9   9   9											¢ _		¢ _	¢ _
2040   44,566,683   2,109,221   47,457,463   45,512,073   7,214,073   5   5   5   5   5   5   5   5   5											φ		÷	φ -
2041 47,47,483 2, 2,109,221 45,348,242 46,942,852 8,092,123 6,991,233 \$ -											<b>-</b>		<del>5</del>	<b>5</b> -
2042   45,948,242   2,109,221   42,29,021   42,29,021   42,29,021   42,29,021   6,707,73   6,707,173   5   5   5   5   5   5   5   5   5											\$ -		\$ -	\$ -
2048	2041	47,457,463	2,109,221	45,348,242	46,402,852	6,992,123	6,992,123	\$ -			\$ -		\$ -	\$ -
2048	2042	45,348,242	2,109,221	43,239,021	44,293,632	6,770,173	6,770,173	\$ -			\$ -		\$ -	\$ -
2044 41,129,801 2,109,221 38,000,580 40,075,191 6,104,222 \$ - \$ 3 - \$ 5 \$ 5 \$ - \$ 2046 89,000,580 2,109,221 34,800,139 93,865,750 6,104,322 \$ - \$ 3 - \$ 5 \$ 5 \$ - \$ 5 \$ 5 \$ - \$ 2046 89,000,580 2,109,221 34,800,139 93,865,750 6,822,372 \$ 5,800,372 \$ - \$ 3 \$ - \$ 5 \$ 5 \$ - \$ 5 \$ 5 \$ - \$ 2047 34,800,139 92,109,221 34,800,139 93,865,750 6,822,372 5,800,372 \$ - \$ 3 \$ - \$ 5 \$ 5 \$ 5 \$ - \$ 5 \$ 5 \$ - \$ 2047 34,800,139 92,109,221 30,950,800 89,472,29 \$ - \$ 3 \$ - \$ 5 \$ 5 \$ 5 \$ - \$ 5 \$ 5 \$ 5 \$ - \$ 2048 90,139 92,109,221 30,950,800 89,472,29 \$ - \$ 3 \$ - \$ 5 \$ 5 \$ 5 \$ - \$ 5 \$ 5 \$ 5 \$ - \$ 5 \$ 5											\$ -		\$ -	\$ -
2045 38,00,680 2,109,221 38,601,360 57,965,870 6,104,322 8 -   2046 38,911,360 2,109,221 34,602,139 35,858,750 5,823,772 5,88,372 8 -   2047 34,802,139 2,109,221 32,602,139 37,478,729 5,600,422 \$ -   2048 32,602,149 2,100,221 2,30,503,000 6,434,774 5,434,772 5 5 5 \$ 5 \$ \$ 5 \$ 5 \$ \$ 5 \$ \$ \$ \$ \$ \$											\$ _		\$ _	\$ -
2046											φ •		÷	ф ф
2047											<b>-</b>		<del>-</del>	<del>-</del>
2046											-		\$ -	-
2049   30,583,698   2,109,221   28,474,478   29,529,088   5,216,522   5,716,522   5   5   5   5   5   5   5   5   5	2047	34,802,139	2,109,221	32,692,919	33,747,529	5,660,422	5,660,422	\$ -			\$ -		\$ -	\$ -
2050   28,474,478   2,109,221   22,365,257   27,419,867   4,994,572   4,994,572   8   \$   \$   \$   \$   \$   \$   \$   \$   \$	2048	32,692,919	2,109,221	30,583,698	31,638,308	5,438,472	5,438,472	\$ -			\$ -		\$ -	\$ -
2050   28,474,478   2,109,221   22,365,257   27,419,867   4,994,572   4,994,572   8   \$   \$   \$   \$   \$   \$   \$   \$   \$	2049	30.583.698	2.109.221	28.474.478	29,529,088	5,216,522	5,216,522	\$ -			\$ -		\$ -	\$ -
2051											\$ -		\$ -	\$ -
2052											¢		<b>¢</b>	¢
2063											<b>9</b>		9	<del>ф</del>
2054   20037,595   2,109,221   17,928,375   18,982,985   4,108,771   4,108,771   5   5   5   5   5   5   5   5   5											-		<b>5</b>	<b>5</b> -
2055   17,928,375   2,109,221   15,519,154   16,673,764   3,884,821   3,884,821   3   5   5   5   5   5   5   5   5   5											\$ -		\$ -	\$ -
2056	2054	20,037,595	2,109,221	17,928,375	18,982,985	4,106,771	4,106,771	\$ -			\$ -		\$ -	\$ -
2056	2055	17,928,375	2,109,221	15,819,154	16,873,764	3,884,821	3,884,821	\$ -			\$ -		\$ -	\$ -
2057   13,709,934   2,109,221   11,600,713   12,655,223   3,440,921   3,440,921   \$ -											\$ -		\$ -	\$ -
2058											\$ -		\$ -	\$ -
2059         9,491,493         2,109,221         7,382,272         8,436,882         2,997,021         2,997,021         \$         -         \$											¢		6	<b>¢</b>
2060         7,382,272         2,109,221         5,273,051         6,327,662         2,775,071         2,775,071         \$         -         \$											Φ -		Φ -	<del>-</del>
2061   5,273,051   2,109,221   3,163,831   4,218,441   2,553,121   2,553,121   5   5   5   5   5   5   5   5   5											-		-	<b>5</b> -
2062         3,163,831         2,109,221         1,054,610         2,109,221         2,331,711         2,331,711         \$         -         \$											\$ -		\$ -	\$ -
2063         1,054,610         1,054,610         -         527,305         1,110,098         1,110,098         \$         -         -         \$	2061	5,273,051	2,109,221	3,163,831	4,218,441	2,553,121	2,553,121	\$ -			\$ -		\$ -	\$ -
2063         1,054,610         1,054,610         -         527,305         1,110,098         1,110,098         \$         -         -         \$	2062	3,163,831	2,109,221	1,054,610	2,109,221	2,331,171	2,331,171	\$ -			\$ -		\$ -	\$ -
2064         -				, , , <u>,                              </u>							\$ -		\$ -	\$ -
2065         -		-	-	_	-	-,,	.,,	Φ.			\$ _		\$ _	¢ -
2066         -		-	-	•	-	-	-	Φ			÷		-   e	φ ¢
2067         -         -         -         -         -         -         -         -         \$         -         -         \$		-	-	-	-	-	-	<b>-</b>					<b>→</b>	<b>5</b> -
2068     -		-	-	-	-	-	-	<b>-</b>			-		<b>-</b>	<b>5</b> -
2069         -         -         -         -         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         -         -         -         -         -		-	-	-	-	-	-	\$ -			\$ -		\$ -	\$ -
2069         -         -         -         -         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         -         -         -         -         -	2068	-	-	-	-	-	-	\$ -			\$ -		-	\$ -
2070         -         -         -         -         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         \$         -         -         -         -         -         -         -         -         -         -         -		-	_		_	-	_	\$ -			\$ -		\$ -	\$ -
2071         -		_	_		_	_	_	\$ -			\$		\$ -	\$ -
2072     -								Φ			•		<b>¢</b>	¢
2073     -     -     -     -     -     -     \$     -       2074     -     -     -     -     -     \$     -     \$     -       2075     -     -     -     -     -     \$     -     \$     -     \$     -		-	-	-	-	-	-	Φ			φ		- Φ	φ - ¢
2074     -     -     -     -     -     -     \$     -       2075     -     -     -     -     -     \$     -     \$     -       2075     -     -     -     -     -     \$     -     -     \$     -		-	-	-	-	-	-	<b>-</b>			<b>-</b>		<b>-</b>	<b>a</b> -
2075 \$ - \$ - \$		-	-	-	-	-	-	5 -			\$ -		<b>5</b> -	\$ -
		-	-	-	-	-	-	\$ -			\$ -		\$ -	\$ -
	2075		-	-	-		-	\$ -			\$ -		\$ -	\$ -
	Project Totals		99,133.366			349,493.078	349,493.078	-						

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

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

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

#### A. Base Plan Facilities

**Project Description:** 

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Rev Require W Incentives Incentive Amounts 6,293,605 Prior Yr Projected 6,293,605 Prior Yr True-Up 6,313,520 6,313,520 True-Up Adjustment 19,915 19,915

Details 52,217,632 Current Year 2019 Investment Service Year (yyyy) Service Month (1-12) 201 6 ROE increase accepted by FERC (Basis Points) 12 FCR w/o incentives, less depreciation 10.52% 10.52% 1,111,013 FCR w/incentives approved for these facilities, less dep.
No Annual Depreciation Expense Useful life CIAC (Yes or No)

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

CIAC (Yes or No)	No A	Annual Depreciation Expe	ense				1,111,013	LIFE OF THE P	ROJECT.			
								RTEP Projected		RTEP Projected		
1								Rev. Req't.From		Rev. Req't.From		True-up of
Investment	Beginning	Depreciation	Ending	Average	RTEP Rev. Req't.	RTEP Rev. Req't.	Incentive Rev.	Prior Year WS J	RTEP Rev Req't True-up	Prior Year WS J	RTEP Rev Req't True-up	Incentive
Year	Balance	Expense	Balance	Balance	w/o Incentives	with Incentives **	Requirement ##	w/o Incentives	w/o Incentives	with Incentives **	with Incentives **	with Incentives **
2016	52,217,632	-	52,217,632	52,217,632	5,494,783	5,494,783		\$ 5,279,934				
2017	52,217,632	1,111,013	51,106,618	51,662,125	6,547,341	6,547,341		\$ 5,667,478				
2018	51,106,618	1,111,013	49,995,605	50,551,112	6,430,431	6,430,431		\$ 4,860,385			\$ 1,570,046	
2019	49,995,605	1,111,013	48,884,591	49,440,098	6,313,520	6,313,520		\$ 6,293,605	\$ 19,915	\$ 6,293,605	\$ 19,915	\$ -
2020	48,884,591	1,111,013	47,773,578	48,329,085	6,196,610	6,196,610		\$ -	-	-	-	\$ -
2021	47,773,578	1,111,013	46,662,565	47,218,071	6,079,700	6,079,700		\$ -	-	-	<b>\$</b>	\$ -
2022	46,662,565	1,111,013	45,551,551	46,107,058	5,962,790	5,962,790		\$ -	-	\$ -	-	\$ -
2023	45,551,551	1,111,013	44,440,538	44,996,044	5,845,879	5,845,879			-		<b>\$</b>	\$ -
2024	44,440,538	1,111,013	43,329,524	43,885,031	5,728,969	5,728,969			-		<b>\$</b> -	\$ -
2025	43,329,524	1,111,013	42,218,511	42,774,018	5,612,059	5,612,059			-		-	\$ -
2026	42,218,511	1,111,013	41,107,497	41,663,004	5,495,149	5,495,149			-		-	\$ -
2027	41,107,497	1,111,013	39,996,484	40,551,991	5,378,238	5,378,238			-		-	\$ -
2028	39,996,484	1,111,013	38,885,470	39,440,977	5,261,328	5,261,328			-		-	\$ -
2029	38,885,470	1,111,013	37,774,457	38,329,964	5,144,418	5,144,418			-		-	\$ -
2030	37,774,457	1,111,013	36,663,444	37,218,950	5,027,507	5,027,507			-		-	\$ -
2031	36,663,444	1,111,013	35,552,430	36,107,937	4,910,597	4,910,597			-		-	\$ -
2032	35,552,430	1,111,013	34,441,417	34,996,923	4,793,687	4,793,687			-		-	\$ -
2033	34,441,417	1,111,013	33,330,403	33,885,910	4,676,777	4,676,777			-		-	\$ -
2034	33,330,403	1,111,013	32,219,390	32,774,897	4,559,866	4,559,866			<del>-</del>		<b>-</b>	<b>5</b> -
2035	32,219,390	1,111,013	31,108,376	31,663,883	4,442,956	4,442,956			-		-	\$ -
2036	31,108,376	1,111,013	29,997,363	30,552,870	4,326,046	4,326,046			<del>-</del>		<b>-</b>	<b>5</b> -
2037	29,997,363	1,111,013	28,886,350	29,441,856	4,209,136	4,209,136			- e		÷ -	<b>5</b>
2038	28,886,350	1,111,013	27,775,336	28,330,843	4,092,225	4,092,225			- -		<b>-</b>	<b>5</b>
2039 2040	27,775,336	1,111,013	26,664,323 25,553,309	27,219,829	3,975,315	3,975,315			- e		<del>-</del>	<b>Ъ</b> -
	26,664,323	1,111,013		26,108,816 24,997,802	3,858,405	3,858,405			<b>-</b>		<del>-</del>	Ф •
2041 2042	25,553,309 24,442,296	1,111,013	24,442,296 23,331,282		3,741,494 3,624,584	3,741,494 3,624,584			<b>-</b>		<del>-</del>	Ф -
2042	23,331,282	1,111,013 1,111,013	22,220,269	23,886,789 22,775,776	3,507,674	3,507,674			Ф е		<del>-</del>	Ф -
2044	22,220,269	1,111,013	21,109,255	21,664,762	3,390,764	3,390,764			<b>-</b>		ф ф	Ф •
2045	21,109,255	1,111,013	19,998,242	20,553,749	3,273,853	3,273,853			ф - ¢ _		Ф •	Φ - ¢ -
2046	19,998,242	1,111,013	18,887,229	19,442,735	3,156,943	3,156,943			ф <u>-</u>		\$ ¢	φ - ¢ -
2047	18,887,229	1,111,013	17,776,215	18,331,722	3,040,033	3,040,033			φ - \$ -		\$ -	\$ -
2048	17,776,215	1,111,013	16,665,202	17,220,708	2,923,123	2,923,123			Ψ \$ -		\$ -	\$ -
2049	16,665,202	1,111,013	15,554,188	16,109,695	2,806,212	2,806,212			\$ -		\$ -	\$ -
2050	15,554,188	1,111,013	14,443,175	14,998,681	2,689,302	2,689,302			\$ -		\$ -	\$ -
2051	14,443,175	1,111,013	13,332,161	13,887,668	2,572,392	2,572,392			\$ -		\$ -	\$ -
2052	13,332,161	1,111,013	12,221,148	12,776,655	2,455,482	2,455,482			\$ -		\$ -	\$ -
2053	12,221,148	1,111,013	11,110,134	11,665,641	2,338,571	2,338,571			\$ -		\$ -	\$ -
2054	11,110,134	1,111,013	9,999,121	10,554,628	2,221,661	2,221,661			\$ -		\$ -	\$ -
2055	9,999,121	1,111,013	8,888,108	9,443,614	2,104,751	2,104,751			\$ -		\$ -	\$ -
2056	8,888,108	1,111,013	7,777,094	8,332,601	1,987,840	1,987,840			\$ -		\$ -	\$ -
2057	7,777,094	1,111,013	6,666,081	7,221,587	1,870,930	1,870,930			\$ -		\$ -	\$ -
2058	6,666,081	1,111,013	5,555,067	6,110,574	1,754,020	1,754,020			\$ -		\$ -	\$ -
2059	5,555,067	1,111,013	4,444,054	4,999,560	1,637,110	1,637,110			\$ -		\$ -	\$ -
2060	4,444,054	1,111,013	3,333,040	3,888,547	1,520,199	1,520,199			\$ -		\$ -	\$ -
2061	3,333,040	1,111,013	2,222,027	2,777,534	1,403,289	1,403,289			\$ -		\$ -	\$ -
2062	2,222,027	1,111,013	1,111,013	1,666,520	1,286,379	1,286,379			\$ -		\$ -	\$ -
2063	1,111,013	1,111,013	-	555,507	1,169,469	1,169,469			\$ -		\$ -	\$ -
2064	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2065	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2066	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2067	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2068	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2069	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2070	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2071	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2072	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2073	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2074	-	-	-	-	-	-	\$ -		-		\$ -	\$ -
2075	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
Project Totals		52,217,632			186,839,807	186,839,807	-					

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

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

#### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

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

Rev Require
W Incentive Amounts
6,058,461
Prior Yr True-Up
6,062,640
Frior Yr True-Up

Details				
Investment	50,142,658	Current Year		2019
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)		-
Service Month (1-12)	12	FCR w/o incentives, less depreciation		10.52%
Useful life	47	FCR w/incentives approved for these facilities, less dep.		10.52%
CIAC (Yes or No)	No	Annual Depreciation Expense		1,066,865

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

4,179

4,179

True-Up Adjustment

CIAC (Yes or No)	No	Annual Depreciation Exp	ense	<u> </u>			1,066,865	_	LIFE OF THE P	ROJECT.			
									RTEP Projected		RTEP Projected		
				_					Rev. Req't.From		Rev. Req't.From		True-up of
Investment	Beginning	Depreciation	Ending	Average	RTEP Rev. Req't.	RTEP Rev. Req't.	Incentive Rev.		Prior Year WS J	RTEP Rev Req't True-up	Prior Year WS J	RTEP Rev Req't True-up	Incentive
Year	Balance FO 142 659	Expense	Balance 50.142.659	Balance	w/o Incentives	with Incentives **	Requirement ##	L	w/o Incentives	w/o Incentives	with Incentives **	with Incentives **	with Incentives **
2016 2017	50,142,658 50,142,658	- 1,066,865	50,142,658 49,075,793	50,142,658 49,609,226	5,276,436 6,287,169	5,276,436 6,287,169			4,514,116 7,261,914				
2017	49,075,793	1,066,865	48,008,928	48,542,361	6,174,904	6,174,904			5,720,037	, ,		,	
2019	48,008,928	1,066,865	46,942,063	47,475,496	6,062,640	6,062,640			6,058,461				
2020	46,942,063	1,066,865	45,875,198	46,408,631	5,950,375	5,950,375			5 -	\$ -	\$ -	\$ -	\$ -
2021	45,875,198	1,066,865	44,808,333	45,341,766	5,838,111	5,838,111			-	\$ -	\$ -	\$ -	\$ -
2022	44,808,333	1,066,865	43,741,468	44,274,901	5,725,846	5,725,846			-	\$ -	\$ -	\$ -	\$ -
2023	43,741,468	1,066,865	42,674,603	43,208,035	5,613,581	5,613,581				\$ -	•	\$ -	\$ -
2024	42,674,603	1,066,865	41,607,738	42,141,170	5,501,317	5,501,317				\$ -		\$ -	\$ -
2025	41,607,738	1,066,865	40,540,873	41,074,305	5,389,052	5,389,052	\$ -			\$ -		\$ -	\$ -
2026	40,540,873	1,066,865	39,474,008	40,007,440	5,276,788	5,276,788				\$ -		\$ -	\$ -
2027	39,474,008	1,066,865	38,407,143	38,940,575	5,164,523	5,164,523				\$ -		\$ -	\$ -
2028	38,407,143	1,066,865	37,340,278	37,873,710	5,052,258	5,052,258				\$ -		\$ -	\$ -
2029	37,340,278	1,066,865	36,273,412	36,806,845	4,939,994	4,939,994				-		\$ -	-
2030	36,273,412	1,066,865	35,206,547	35,739,980	4,827,729	4,827,729				-		-	-
2031	35,206,547	1,066,865	34,139,682	34,673,115	4,715,465	4,715,465				-		-	-
2032	34,139,682	1,066,865	33,072,817	33,606,250	4,603,200	4,603,200				-		-	-
2033	33,072,817	1,066,865	32,005,952	32,539,385	4,490,935	4,490,935				-		-	-
2034	32,005,952	1,066,865	30,939,087	31,472,520	4,378,671	4,378,671				<b>-</b>		\$ ¢	-
2035 2036	30,939,087 29,872,222	1,066,865	29,872,222 28,805,357	30,405,655 29,338,789	4,266,406	4,266,406 4,154,142				- -		<b>э</b>	- e
2037	28,805,357	1,066,865 1,066,865	27,738,492	28,271,924	4,154,142 4,041,877	4,041,877				ф е		<b>-</b>	ф •
2038	27,738,492	1,066,865	26,671,627	27,205,059	3,929,612	3,929,612				\$ \$		÷ -	ф - ф -
2039	26,671,627	1,066,865	25,604,762	26,138,194	3,817,348	3,817,348				\$ \$		\$ -	\$ -
2040	25,604,762	1,066,865	24,537,897	25,071,329	3,705,083	3,705,083				\$ -		\$ -	\$ -
2041	24,537,897	1,066,865	23,471,032	24,004,464	3,592,819	3,592,819				\$ -		\$ -	\$ -
2042	23,471,032	1,066,865	22,404,167	22,937,599	3,480,554	3,480,554				\$ -		\$ -	\$ -
2043	22,404,167	1,066,865	21,337,301	21,870,734	3,368,289	3,368,289				\$ -		\$ -	\$ -
2044	21,337,301	1,066,865	20,270,436	20,803,869	3,256,025	3,256,025				\$ -		\$ -	\$ -
2045	20,270,436	1,066,865	19,203,571	19,737,004	3,143,760	3,143,760	\$ -			\$ -		\$ -	\$ -
2046	19,203,571	1,066,865	18,136,706	18,670,139	3,031,496	3,031,496				\$ -		\$ -	\$ -
2047	18,136,706	1,066,865	17,069,841	17,603,274	2,919,231	2,919,231				\$ -		\$ -	\$ -
2048	17,069,841	1,066,865	16,002,976	16,536,409	2,806,966	2,806,966				\$ -		\$ -	\$ -
2049	16,002,976	1,066,865	14,936,111	15,469,544	2,694,702	2,694,702				-		-	-
2050	14,936,111	1,066,865	13,869,246	14,402,678	2,582,437	2,582,437				-		-	-
2051	13,869,246	1,066,865	12,802,381	13,335,813	2,470,173	2,470,173				-		-	-
2052	12,802,381	1,066,865	11,735,516	12,268,948	2,357,908	2,357,908				-		-	-
2053	11,735,516	1,066,865	10,668,651	11,202,083	2,245,643	2,245,643				\$ -		\$ ¢	-
2054	10,668,651	1,066,865	9,601,786	10,135,218	2,133,379	2,133,379 2,021,114				- -		<del>-</del>	- -
2055 2056	9,601,786 8,534,921	1,066,865 1,066,865	8,534,921 7,468,056	9,068,353 8,001,488	2,021,114 1,908,850	1,908,850				<b>-</b>		<b>-</b>	ф •
2057	7,468,056	1,066,865	6,401,190	6,934,623	1,796,585	1,796,585				\$ \$		÷ -	ф - ф -
2058	6,401,190	1,066,865	5,334,325	5,867,758	1,684,320	1,684,320				\$ \$		\$ -	\$ -
2059	5,334,325	1,066,865	4,267,460	4,800,893	1,572,056	1,572,056				\$ -		\$ -	\$ -
2060	4,267,460	1,066,865	3,200,595	3,734,028	1,459,791	1,459,791				\$ -		\$ -	\$ -
2061	3,200,595	1,066,865	2,133,730	2,667,163	1,347,527	1,347,527				\$ -		\$ -	\$ -
2062	2,133,730	1,066,865	1,066,865	1,600,298	1,235,262	1,235,262				\$ -		\$ -	\$ -
2063	1,066,865	1,066,865	-	533,433	1,122,997	1,122,997				\$ -		\$ -	\$ -
2064	-	-	-	-	-	-	\$ -			\$ -		\$ -	\$ -
2065	-	-	-	-	-	-	\$ -			\$ -		\$ -	\$ -
2066	-	-	-	-	-	-	\$ -			\$ -		\$ -	\$ -
2067	-	-	-	-	-	-	\$ -			\$ -		\$ -	\$ -
2068	-	-	-	-	-	-	\$ -			<b>-</b>		\$ -	\$ -
2069	-	-	-	-	-	-	\$ -			-		\$ -	-
2070	-	-	-	-	-	-	\$ -			-		\$ -	-
2071	-	-	-	-	-	-	\$ -			-		\$ -	-
2072	-	-	-	-	-	-	\$ -			-		-	
2073	-	-	-	-	-	-	ф С			ф е		<b>-</b>	<b>ф</b> -
2074 2075	-	-	-	<u>-</u>	-	-	Φ - \$			Ф ¢		Φ - ¢	Ф •
Project Totals	-	- 50,142,658		-	- 179,415,348	- 179,415,348	Ψ -			Ψ -		Ψ -	Ψ -
r roject rotals		50,142,058			179,410,348	179,410,340	-						

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

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

#### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

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

2019	Rev Require		Incentive Amounts		
Prior Yr Projected		7,533,264	7,533,264		-
Prior Yr True-Up		7,542,565	7,542,565		-
True-Up Adjustment		9,301	9,301		-

Details									
nvestment	62,382,766	Current Year	nt Year						
Service Year (yyyy)	2016	ROE increase accepted	increase accepted by FERC (Basis Points)						
Service Month (1-12)	12	FCR w/o incentives, less	w/o incentives, less depreciation						
Jseful life	47	FCR w/incentives appro	w/incentives approved for these facilities, less dep.						
CIAC (Yes or No)	No	Annual Depreciation Exp	al Depreciation Expense						

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

CIAC (Yes or No)	NO	Annual Depreciation Expe	51156				1,327,293		LIFE OF THE P	NOJECT.			
									RTEP Projected		RTEP Projected		
									Rev. Reg't.From		Rev. Req't.From		True-up of
Investment	Beginning	Depreciation	Ending	Average	RTEP Rev. Req't.	RTEP Rev. Req't.	Incentive Rev.		Prior Year WS J	RTEP Rev Reg't True-up	Prior Year WS J	RTEP Rev Reg't True-up	Incentive
Year	Balance	Expense	Balance	Balance	w/o Incentives	with Incentives **	Requirement ##		w/o Incentives	w/o Incentives	with Incentives **	with Incentives **	with Incentives **
		Expense					•						
2016	62,382,766	-	62,382,766	62,382,766	6,564,444	6,564,444		\$	5,764,647				\$ -
2017	62,382,766	1,327,293	61,055,473	61,719,120	7,821,903	7,821,903	\$ -	\$	7,201,236	\$ 620,667	\$ 7,201,236	\$ 620,667	\$ -
2018	61,055,473	1,327,293	59,728,180	60,391,827	7,682,234	7,682,234	\$ -	\$	7,115,546	\$ 566,688	\$ 7,115,546	\$ 566,688	\$ -
2019	59,728,180	1,327,293	58,400,887	59,064,534	7,542,565	7,542,565		\$	7,533,264	\$ 9,301	\$ 7,533,264	\$ 9,301	\$ -
2020	58,400,887	1,327,293	57,073,594	57,737,241	7,402,896	7,402,896		•	7,000,20-7	© 5,551	¢ 7,000,204	¢ 5,551	•
								Φ	_	Φ -	9	φ •	φ -
2021	57,073,594	1,327,293	55,746,302	56,409,948	7,263,227	7,263,227		\$	-	-	-	-	\$ -
2022	55,746,302	1,327,293	54,419,009	55,082,655	7,123,558	7,123,558	\$ -	\$	-	\$ -	\$ -	\$ -	\$ -
2023	54,419,009	1,327,293	53,091,716	53,755,362	6,983,889	6,983,889	\$ -			\$ -		\$ -	\$ -
2024	53,091,716	1,327,293	51,764,423	52,428,069	6,844,220	6,844,220				\$ -		\$ -	\$ -
2025	51,764,423	1,327,293	50,437,130	51,100,776	6,704,551	6,704,551				¢ _		\$	¢ _
										φ		φ •	÷
2026	50,437,130	1,327,293	49,109,837	49,773,484	6,564,882	6,564,882				<b>5</b>		<b>5</b> -	5 -
2027	49,109,837	1,327,293	47,782,544	48,446,191	6,425,212	6,425,212				\$ -		\$ -	\$ -
2028	47,782,544	1,327,293	46,455,251	47,118,898	6,285,543	6,285,543	\$ -			\$ -		\$ -	\$ -
2029	46,455,251	1,327,293	45,127,958	45,791,605	6,145,874	6,145,874	\$ -			\$ -		\$ -	\$ -
2030	45,127,958	1,327,293	43,800,665	44,464,312	6,006,205	6,006,205				\$ -		\$ -	\$ -
2031	43,800,665	1,327,293	42,473,373	43,137,019	5,866,536	5,866,536				¢		¢	¢
										Φ -		φ •	φ -
2032	42,473,373	1,327,293	41,146,080	41,809,726	5,726,867	5,726,867				-		5	\$ -
2033	41,146,080	1,327,293	39,818,787	40,482,433	5,587,198	5,587,198	\$ -			\$ -		\$ -	\$ -
2034	39,818,787	1,327,293	38,491,494	39,155,140	5,447,529	5,447,529	\$ -			\$ -		\$ -	\$ -
2035	38,491,494	1,327,293	37,164,201	37,827,847	5,307,860	5,307,860				\$ -		\$ -	\$ -
2036	37,164,201	1,327,293	35,836,908	36,500,555	5,168,191	5,168,191				•		•	<b>¢</b>
										φ •		φ •	φ - •
2037	35,836,908	1,327,293	34,509,615	35,173,262	5,028,522	5,028,522				-		-	\$ -
2038	34,509,615	1,327,293	33,182,322	33,845,969	4,888,853	4,888,853				\$ -		\$ -	\$ -
2039	33,182,322	1,327,293	31,855,029	32,518,676	4,749,184	4,749,184	\$ -			\$ -		\$ -	\$ -
2040	31,855,029	1,327,293	30,527,737	31,191,383	4,609,515	4,609,515				\$ -		\$ -	\$ -
2041	30,527,737	1,327,293	29,200,444	29,864,090	4,469,846	4,469,846				¢ _		\$	¢ _
										φ		φ •	ф Ф
2042	29,200,444	1,327,293	27,873,151	28,536,797	4,330,177	4,330,177				<b>5</b>		<b>5</b> -	5 -
2043	27,873,151	1,327,293	26,545,858	27,209,504	4,190,508	4,190,508				\$ -		\$ -	\$ -
2044	26,545,858	1,327,293	25,218,565	25,882,211	4,050,839	4,050,839	\$ -			\$ -		\$ -	\$ -
2045	25,218,565	1,327,293	23,891,272	24,554,919	3,911,170	3,911,170	\$ -			\$ -		\$ -	\$ -
2046	23,891,272	1,327,293	22,563,979	23,227,626	3,771,501	3,771,501				\$ -		\$ -	\$ -
2047	22,563,979	1,327,293	21,236,686	21,900,333	3,631,832	3,631,832				¢		¢	<b>¢</b>
										Φ -		φ -	φ -
2048	21,236,686	1,327,293	19,909,393	20,573,040	3,492,163	3,492,163				5		\$ -	\$ -
2049	19,909,393	1,327,293	18,582,101	19,245,747	3,352,494	3,352,494				\$ -		\$ -	\$ -
2050	18,582,101	1,327,293	17,254,808	17,918,454	3,212,825	3,212,825	\$ -			\$ -		\$ -	\$ -
2051	17,254,808	1,327,293	15,927,515	16,591,161	3,073,156	3,073,156				\$ -		\$ -	\$ -
2052	15,927,515	1,327,293	14,600,222	15,263,868	2,933,487	2,933,487				\$ -		\$ -	\$ -
										<b>6</b>		¢	<b>¢</b>
2053	14,600,222	1,327,293	13,272,929	13,936,575	2,793,818	2,793,818						ъ •	ъ -
2054	13,272,929	1,327,293	11,945,636	12,609,282	2,654,149	2,654,149				\$ -		\$ -	\$ -
2055	11,945,636	1,327,293	10,618,343	11,281,990	2,514,480	2,514,480	\$ -			\$ -		\$ -	\$ -
2056	10,618,343	1,327,293	9,291,050	9,954,697	2,374,811	2,374,811	\$ -			\$ -		\$ -	\$ -
2057	9,291,050	1,327,293	7,963,757	8,627,404	2,235,142	2,235,142				\$ -		\$ -	\$ -
2058	7,963,757	1,327,293	6,636,464	7,300,111	2,095,473	2,095,473				<b>\$</b>		\$	\$ -
										-		- Φ	Ψ •
2059	6,636,464	1,327,293	5,309,172	5,972,818	1,955,804	1,955,804				<b>-</b>		<b>5</b>	<b>5</b>
2060	5,309,172	1,327,293	3,981,879	4,645,525	1,816,134	1,816,134				\$ -		\$ -	\$ -
2061	3,981,879	1,327,293	2,654,586	3,318,232	1,676,465	1,676,465	\$ -			\$ -		\$ -	\$ -
2062	2,654,586	1,327,293	1,327,293	1,990,939	1,536,796	1,536,796	\$ -			\$ -		\$ -	\$ -
2063	1,327,293	1,327,293	, ,	663,646	1,397,127	1,397,127				\$ -		\$ -	\$ -
2064	1,027,200	1,027,200	ŏ	000,040	1,007,127	0				¢		¢	¢
	U	U	-	U	U	U	5 -			Φ -		φ <u>-</u>	φ -
2065	-	-	-	-	-	-	\$			5		\$ -	\$ -
2066	-	-	-	-	-	-	\$ -			\$ -		\$ -	\$ -
2067	-	-	-	-	-	-	\$ -			\$ -		-	\$ -
2068	_	_		_	_	_	\$ -			\$ -		\$ -	\$ -
2069							¢			•		¢	¢
	-	-	-	-	-	-	\$ -			φ - •		- Φ	φ -
2070	-	-	-	-	-	-	\$ -			<b>-</b>		<del>-</del>	<b>Ъ</b>
2071	-	-	-	-	-	-	\$ -			\$ -		\$ -	\$ -
2072	-	-	-	-	-	-	\$ -			\$ -		-	\$ -
2073	_			-	-	-	\$ -			\$ -		\$ -	\$ -
2074	_	_	_	_	_	_	\$ -			\$		\$	\$ -
2075	_	_	_	_	_	_	\$ -			\$		\$	\$ _
	-	-	-	-	-	-	Ψ -			Ψ -		Ψ -	Ψ -
Project Totals		62,382,766			223,211,654	223,211,654	-						

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

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

#### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

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

32,360,310	Current Year	2019
2017	ROE increase accepted by FERC (Basis Points)	-
8	FCR w/o incentives, less depreciation	10.52%
47	FCR w/incentives approved for these facilities, less dep.	10.52%
No	Annual Depreciation Expense	688,517
	2017 8 47	32,360,310 Current Year  2017 ROE increase accepted by FERC (Basis Points)  8 FCR w/o incentives, less depreciation  47 FCR w/incentives approved for these facilities, less dep.  Annual Depreciation Expense

2019	Rev Require	W	/ Incentives	Incentive Amounts	
Prior Yr Projected		3,932,147	3,932,147		-
Prior Yr True-Up		3,960,916	3,960,916		-
True-Up Adjustment		28,769	28,769		-

#### TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

CIAC (Yes or No)	No	Annual Depreciation Exp	ense				688,517		LIFE OF THE PR	OJECT.			
									RTEP Projected		RTEP Projected		
l	Da almain a	Dammadatian	En din n		DTED Day Dayle	DTED Day Dayle	la contina Dan		ev. Req't.From	DTED Day Dayle Taylor	Rev. Req't.From	DTED Day David Tours on	True-up of
Investment	Beginning Balance	Depreciation	Ending	Average Balance	RTEP Rev. Req't.	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##		Prior Year WS J	RTEP Rev Req't True-up w/o Incentives	Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	Incentive with Incentives **
Year		Expense	Balance		w/o Incentives		•	ф V	w/o Incentives				
2017 2018	32,360,310 32,130,804	229,506 688,517	32,130,804 31,442,287	32,245,557 31,786,545	3,622,657 4,033,367	3,622,657 4,033,367		Φ	3,283,917 3,670,194	\$ 338,740 \$ 363,173			
2019	31,442,287	688,517	30,753,770	31,098,028	3,960,916	3,960,916		Φ	3,932,147	\$ 28,769			
2020	30,753,770	688,517	30,065,252	30,409,511	3,888,464	3,888,464		\$	3,932,147	\$ -	\$ 3,932,147	\$ 20,709	\$ -
2021	30,065,252	688,517	29,376,735	29,720,994	3,816,013	3,816,013		\$	_	\$ -	\$ -	\$	\$ -
2022	29,376,735	688,517	28,688,218	29,032,477	3,743,561	3,743,561		\$	_	\$ -	\$ -	\$	\$ -
2023	28,688,218	688,517	27,999,701	28,343,959	3,671,109	3,671,109		\$	-	\$ -	\$ -	\$ -	\$ -
2024	27,999,701	688,517	27,311,183	27,655,442	3,598,658	3,598,658				\$ -		\$ -	\$ -
2025	27,311,183	688,517	26,622,666	26,966,925	3,526,206	3,526,206				\$ -		\$ -	\$ -
2026	26,622,666	688,517	25,934,149	26,278,408	3,453,754	3,453,754				\$ -		\$	\$ -
2027	25,934,149	688,517	25,245,632	25,589,890	3,381,303	3,381,303				\$ -		\$	\$ -
2028	25,245,632	688,517	24,557,115	24,901,373	3,308,851	3,308,851				\$ -		\$ -	\$ -
2029	24,557,115	688,517	23,868,597	24,212,856	3,236,400	3,236,400				\$ -		\$ -	\$ -
2030	23,868,597	688,517	23,180,080	23,524,339	3,163,948	3,163,948				-		-	\$ -
2031	23,180,080	688,517	22,491,563	22,835,821	3,091,496	3,091,496				-		-	-
2032	22,491,563	688,517	21,803,046	22,147,304	3,019,045	3,019,045				<del>-</del>		-	-
2033	21,803,046	688,517	21,114,528	21,458,787	2,946,593	2,946,593				<b>-</b>		÷	<b>5</b> -
2034 2035	21,114,528 20,426,011	688,517 688,517	20,426,011 19,737,494	20,770,270 20,081,753	2,874,141 2,801,690	2,874,141 2,801,690				<b>-</b>		÷	ф С
2036	19,737,494	688,517	19,048,977	19,393,235	2,729,238	2,729,238				φ <u>-</u>		÷	ф С
2037	19,048,977	688,517	18,360,459	18,704,718	2,656,787	2,656,787				\$ \$		\$	\$ -
2038	18,360,459	688,517	17,671,942	18,016,201	2,584,335	2,584,335				φ \$ -		\$	\$ -
2039	17,671,942	688,517	16,983,425	17,327,684	2,511,883	2,511,883				\$ -		\$	\$ -
2040	16,983,425	688,517	16,294,908	16,639,166	2,439,432	2,439,432				\$ -		\$	\$ -
2041	16,294,908	688,517	15,606,391	15,950,649	2,366,980	2,366,980				<del>-</del>		\$	\$ -
2042	15,606,391	688,517	14,917,873	15,262,132	2,294,528	2,294,528				\$ -		\$ -	\$ -
2043	14,917,873	688,517	14,229,356	14,573,615	2,222,077	2,222,077				\$ -		\$ -	\$ -
2044	14,229,356	688,517	13,540,839	13,885,097	2,149,625	2,149,625				\$ -		\$ -	\$ -
2045	13,540,839	688,517	12,852,322	13,196,580	2,077,173	2,077,173				\$ -		\$	\$ -
2046	12,852,322	688,517	12,163,804	12,508,063	2,004,722	2,004,722				\$ -		\$ -	\$ -
2047	12,163,804	688,517	11,475,287	11,819,546	1,932,270					\$ -		\$ -	\$ -
2048	11,475,287	688,517	10,786,770	11,131,029	1,859,819	1,859,819				-		\$ -	\$ -
2049	10,786,770	688,517	10,098,253	10,442,511	1,787,367	1,787,367				-		-	\$ -
2050	10,098,253	688,517	9,409,735	9,753,994	1,714,915	1,714,915				-		-	-
2051	9,409,735	688,517	8,721,218	9,065,477	1,642,464	1,642,464				<del>-</del>		-	-
2052	8,721,218	688,517	8,032,701	8,376,960	1,570,012	1,570,012				<b>-</b>		<del>-</del>	<b>5</b> -
2053 2054	8,032,701 7,344,184	688,517 688,517	7,344,184 6,655,667	7,688,442 6,999,925	1,497,560 1,425,109	1,497,560 1,425,109				<b>-</b>		÷	ф С
2055	6,655,667	688,517	5,967,149	6,311,408	1,352,657	1,352,657				\$ \$		\$	\$ -
2056	5,967,149	688,517	5,278,632	5,622,891	1,280,206	1,280,206				φ \$ -		\$	\$ -
2057	5,278,632	688,517	4,590,115	4,934,373	1,207,754	1,207,754				\$ -		\$	\$ -
2058	4,590,115	688,517	3,901,598	4,245,856	1,135,302	1,135,302				<del>-</del>		\$	\$ -
2059	3,901,598	688,517	3,213,080	3,557,339	1,062,851	1,062,851				- \$		\$ -	\$ -
2060	3,213,080	688,517	2,524,563	2,868,822	990,399	990,399				\$ -		\$ -	\$ -
2061	2,524,563	688,517	1,836,046	2,180,305	917,947	917,947	\$ -			\$ -		\$	\$ -
2062	1,836,046	688,517	1,147,529	1,491,787	845,496	845,496				\$ -		\$ -	\$ -
2063	1,147,529	688,517	459,011	803,270	773,044	773,044				\$ -		\$ -	\$ -
2064	459,011	459,011	-	229,506	483,162	483,162	\$ -			\$ -		\$	\$ -
2065	-	-	-	-	-	-	\$ -			-		\$ -	\$ -
2066	-	-	-	-	-	-	\$ -			-		-	\$ -
2067	-	-	-	-	-	-	\$ -			-		-	-
2068	-	-	-	-	-	-	\$ -			<del>-</del>		-	-
2069	-	-	-	-	-	-	ф -			Ф <del>-</del>		ф -	ф •
2070 2071	-	-	-	-	-	-	\$ - ¢			Ф - Ф		Ф С	φ •
2071	-	-	-	-	-	-	φ ¢			Ψ - (		φ - ¢	φ <b>c</b>
2072	-	<u>-</u>	<u> </u>	<u>-</u>	<u>-</u>	<u>-</u>	\$ -			Ψ - \$		φ <u>-</u> \$	φ \$
2073 2074	-	<u> </u>	<u> </u>	<u> </u>			\$			\$ -		\$ -	\$ -
2075	_	_	_	_	_	_	\$ -			\$ -		\$ -	\$ -
2076	-	-	-	-	-	-	\$ -			· \$		\$ -	\$ -
Project Totals	<u> </u>	32,360,310	<u> </u>		114,653,286	114,653,286	-						•
•		, , -			,,	,,							

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

8,427,428 Current Year

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

#### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Details

Project Description: RTEP ID: b1465.5 (Switching Improvements at Sullivan Jefferson 765kV stations)

2019	Rev Require	W	Incentives	Incentive Amounts	
Prior Yr Projected		1,008,642	1,008,642		-
Prior Yr True-Up		1,007,936	1,007,936		-
True-Up Adjustment		(706)	(706)		-

#### 2019 10.52%

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

investment		Current Year					2019		RUE UP OF PROJECT REVENUE RE			
Service Year (yyyy)		ROE increase accepted					-	CUMULATIVE HIST	ORY OF TRUED-UP ANNUAL REVE	NUE REQUIREMENTS:		
Service Month (1-12)	5	FCR w/o incentives, less	s depreciation				10.52%	INPUT TRUE-	UP ARR (WITH & WITHOUT INCENTI	VES) FROM EACH PRI	OR YEAR	
Useful life	47	FCR w/incentives approv	ved for these facilities, le	ss dep.			10.52%	TEMPLATE B	ELOW TO MAINTAIN HISTORY OF TR	RUED-UP ARRS OVER	THE	
CIAC (Yes or No)		Annual Depreciation Exp		•			179,307	LIFE OF THE	PROJECT.			
,		'					,	RTEP Projected		RTEP Projected		
								Rev. Reg't.From		Rev. Reg't.From		True-up of
Investment	Beginning	Depreciation	Ending	Average	RTEP Rev. Req't.	RTEP Rev. Reg't.	Incentive Rev.	Prior Year WS J	RTEP Rev Reg't True-up	Prior Year WS J	RTEP Rev Reg't True-up	•
Year	Balance	Expense	Balance	Balance	w/o Incentives	with Incentives **	Requirement ##	w/o Incentives	w/o Incentives	with Incentives **	with Incentives **	with Incentives **
							e	t w/o incentives	the transfer of the transfer o	e	e with incentives	Φ.
2016	8,427,428	-	8,322,832	8,375,130	985,898	985,898	ф -	<b>-</b>		<b>5</b> -	<del>-</del>	<b>5</b> -
2017	8,322,832		8,143,525	8,233,179	1,045,672	1,045,672	5	5	5	<b>5</b> -	-	5
2018	8,143,525		7,964,218	8,053,872	1,026,804	1,026,804	\$ -	\$ -		<b>\$</b>	-	\$ -
2019	7,964,218		7,784,911	7,874,565	1,007,936	1,007,936	\$ -	\$ 1,008,642	\$ (706	1,008,642	\$ (706)	-
2020	7,784,911	179,307	7,605,604	7,695,258	989,067	989,067	\$ -	<b>\$</b>	-	\$ -	-	\$ -
2021	7,605,604		7,426,297	7,515,951	970,199	970,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	7,426,297	179,307	7,246,990	7,336,644	951,331	951,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	7,246,990	179,307	7,067,683	7,157,337	932,463	932,463	\$ -		\$ -		\$ -	\$ -
2024	7,067,683	179,307	6,888,376	6,978,030	913,595	913,595	\$ -		\$ -		\$ -	\$ -
2025	6,888,376	179,307	6,709,069	6,798,723	894,726	894,726	\$ -		\$ -		\$ -	\$ -
2026	6,709,069	179,307	6,529,762	6,619,416	875,858	875,858	\$ -		\$ -		\$ -	\$ -
2027	6,529,762		6,350,455	6,440,109	856,990	856,990			\$ -		\$ -	\$ -
2028	6,350,455		6,171,149	6,260,802	838,122	838,122			\$ -		\$ -	\$ -
2029	6,171,149		5,991,842	6,081,495	819,254	819,254			\$ -		-	\$ -
2030	5,991,842		5,812,535	5,902,188	800,385	800,385			\$ -		· \$	\$ -
2031	5,812,535		5,633,228	5,722,881	781,517	781,517			\$ -		-	\$ -
2032	5,633,228		5,453,921	5,543,574	762,649	762,649			\$ -		\$ -	\$ -
2033	5,453,921	179,307	5,274,614	5,364,267	743,781	743,781			\$		Ψ •	\$ -
2034	5,274,614		5,095,307	5,184,960	743,761	724,913			•		Φ •	ψ ¢
2035	5,095,307	179,307	4,916,000	5,005,653	724,913	724,913			<b>\$</b>		<del>\$</del>	¢
2036	4,916,000		4,736,693	4,826,346	687,176	687,176					-	Φ -
2037							ф •		ф ф		- -	ф •
	4,736,693		4,557,386	4,647,039	668,308	668,308	ф •				<del>-</del>	
2038	4,557,386		4,378,079	4,467,732	649,440	649,440	<b>5</b>				-	<b>5</b>
2039	4,378,079		4,198,772	4,288,425	630,571	630,571	5		-		-	5
2040	4,198,772		4,019,465	4,109,118	611,703	611,703			-		-	5 -
2041	4,019,465		3,840,158	3,929,811	592,835	592,835			-		-	\$ -
2042	3,840,158			3,750,504	573,967	573,967			-		-	-
2043	3,660,851	179,307	3,481,544	3,571,197	555,099	555,099			-		-	-
2044	3,481,544		3,302,237	3,391,890	536,230	536,230			-		-	\$ -
2045	3,302,237	179,307	3,122,930	3,212,583	517,362	517,362			-		-	\$ -
2046	3,122,930		2,943,623	3,033,276	498,494	498,494			-		-	\$ -
2047	2,943,623		2,764,316	2,853,969	479,626	479,626			\$ -		\$ -	\$ -
2048	2,764,316		2,585,009	2,674,662	460,758	460,758			\$ -		\$ -	\$ -
2049	2,585,009		2,405,702	2,495,355	441,889	441,889			\$ -		\$ -	\$ -
2050	2,405,702		2,226,395	2,316,048	423,021	423,021			\$ -		\$ -	\$ -
2051	2,226,395	179,307	2,047,088	2,136,741	404,153	404,153	\$ -		\$ -		\$ -	\$ -
2052	2,047,088	179,307	1,867,781	1,957,435	385,285	385,285	\$ -		\$ -		\$ -	\$ -
2053	1,867,781	179,307	1,688,474	1,778,128	366,417	366,417	\$ -		\$ -		\$ -	\$ -
2054	1,688,474	179,307	1,509,167	1,598,821	347,548	347,548	\$ -		\$ -		\$ -	\$ -
2055	1,509,167	179,307	1,329,860	1,419,514	328,680	328,680	\$ -		\$ -		\$ -	\$ -
2056	1,329,860		1,150,553	1,240,207	309,812				\$ -		\$ -	\$ -
2057	1,150,553		971,246	1,060,900	290,944	290,944			\$ -		\$ -	\$ -
2058	971,246		791,939	881,593	272,076	272,076			\$ -		\$ -	\$ -
2059	791,939		612,632	702,286	253,207	253,207			\$ -		\$ -	\$ -
2060	612,632		433,325	522,979	234,339	234,339			\$		\$ -	\$ -
2061	433,325		254,018	343,672	215,471	215,471			\$ -		\$ -	\$ -
2062	254,018		74,711	164,365	196,603	196,603			\$ -		\$ -	\$ -
2063	74,711	74,711	- 1,7,7,7	37,356	78,642	78,642			\$ -		-	\$ -
2064	-	, 7,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	_	-	-	70,042	\$ -		\$ -		\$ -	\$ -
2065			_ [	_			\$ -		\$		- \$	\$ -
2066	•			<u>-</u> -	- -		\$		\$		- &	\$
2067	-	<u> </u>	·	-	_	_	ψ - ¢		- ·		-   <del>e</del>	- Φ
	-	<u> </u>	·	-	-	_	φ •		ψ ¢		-   <del> </del>	φ •
2068	-		·	-	•		φ - Φ		φ ¢		<del>-</del>	Φ -
2069	-	-	·	-	-	-	φ - ¢		Φ Φ		<del>-</del>	Φ -
2070	-	_	·	-	-	-	Ф -		Ф ф		<del>-</del>	ф -
2071	-	-	-	-	-	-	φ - ¢		Ф ф		<del>-</del>	ф •
2072	-	<u> </u>	·	-	-	-	ф -		ф ф		<b>-</b>	<b>-</b>
2073	-	-	-	-	-	-	<b>ф</b> -		ф ф		- -	<b>5</b>
2074 2075	-	_	·	-	-	-	φ - ¢		Ф ¢		Ф С	ф -
Project Totals	-	- 8,427,428	-	<u>-</u>		- 00 000 000	ψ -		Ψ -		Ψ -	φ -
PROPER LOTAIC		8.427.428			29,636,860	29,636,860	-					

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

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

Formula Rate WS K TRUE-UP RTEP RR Page 35 of 46

Formula Rate
WS L RESERVED
Page 36 of 46

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

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

AEP Indiana Michigan Transmission Company

			Averag	e Balance of Commo	on Equity	
				Less Undistributed		
Line				Sub Earnings (Acc	t	Average Balance of
No	Month	Proprietary Capital	Less: Preferred Stock	216.1)	Less AOCI (Acct 219.1)	Common Equity
	(a)	(b)	(c)	(d)	(e)	(f)=(b)-( c)-(d)-( e)
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	973,068,651	-	-	-	973,068,651
2	January	988,197,712				988,197,712
3	February	1,001,069,110				1,001,069,110
4	March	1,001,098,531				1,001,098,531
5	April	1,011,999,200				1,011,999,200
6	May	1,027,078,731				1,027,078,731
7	June	1,042,431,583				1,042,431,583
8	July	1,057,827,338				1,057,827,338
9	August	1,067,759,392				1,067,759,392
10	September	1,077,654,691				1,077,654,691
11	October	1,087,649,616				1,087,649,616
12	November	1,098,208,315				1,098,208,315
13	December of Rate Year	1,106,623,065				1,106,623,065
14	Average of the 13 Monthly Balances	1,041,589,687	-	-	-	1,041,589,687

				Average Balance	of Long Term Debt		
				Acct 223	Acct 224		Gross Proceeds
Line			Less: Reacquired	LT Advances from	Senior Unsecured	Less: Fair Value	Outstanding Long-Term
No	Month	Bonds	Bonds	Assoc. Companies	Notes	Hedges	Debt
	(a)	(b)	(c)	(d)	(e)	<b>(f)</b>	(g)=(b)-( c)+(d)+( e)-(f)
						FF1, page 257, Col. (h) -	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	Note 1	
15	December Prior to Rate Year			777,550,000			777,550,000
16	January			777,550,000			777,550,000
17	February			777,550,000			777,550,000
18	March			777,550,000			777,550,000
19	April			777,550,000			777,550,000
20	May			777,550,000			777,550,000
21	June			885,550,000			885,550,000
22	July			885,550,000			885,550,000
23	August			885,550,000			885,550,000
24	September			940,550,000			940,550,000
25	October			940,550,000			940,550,000
26	November			918,950,000			918,950,000
27	December of Rate Year			918,950,000			918,950,000
28	Average of the 13 Monthly Balances	-	-	849,303,846	-	-	849,303,846

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

#### AEPTCo subsidiaries in PJM

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

	(a)	<b>(b)</b>	(c)	<b>(d)</b>	(e)	<b>(f</b> )	<b>(g)</b>
29	Annual Interest Expense for 2019						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			32,356,029			
	Less: Total Hedge Gain/Expense Accumulated from p 256-257, co	ol. (i) of FERC Form 1					
31	included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			533,471			
33	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)						
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			30,860			
35	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
36	Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)			32,858,640			
37	Average Cost of Debt for 2019 (Ln 36/ In 28 (g))			3.87%			

#### CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

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

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

#### **Development of Cost of Preferred Stock**

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

#DIV/0!

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

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

	(A)	t held for future use related to general (B)	(C) Function	(D)	(E)	(F)	(G) Functional	(H) Functionalized	(I) FERC
Line	Date	Property Description	(T) or (G) T = Transmiss G = General	<b>Basis</b> ion	Proceeds	(Gain) / Loss	Allocator	Proceeds (Gain) / Loss	Account
1			G = Gorierar			-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4				Net (Gain) or Lo			-		

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

PBOP	(A)	<b>(B)</b>
1	Calculation of PBOP Expenses	
2	AEP System PBOP Rate	
3	Total AEP System PBOP expenses	-\$80,135,777
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$80,135,777
6	Total AEP System Direct Labor Expense	\$1,454,108,109
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.055
8	Currently Approved PBOP Rate	-\$0.043
9	Base PBOP TransCo labor expensed in current year	7,685,243
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$330,465
10	Allowable Trails Corbor Expense for current year (Eli o Eli 9)	-\$330,403
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$719,454
15	Actual PBOP Expense (Sum Lines 11-14)	-\$719,454
16	PBOP Adjustment Line 10 less Line 15	\$388,989

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

As part of the annual update process, AEP will provide to transmission customers and include in its informational filing an independently prepared actuarial report that includes a ten (10) year forecast of PBOP expenses. During the annual update process conducted for rate year 2018 and every four years thereafter, Worksheet O will be used to determine whether the PBOP allowance rate (\$PBOP per \$Direct O&M Labor) should be adjusted going forward for the next four years. If the annual actuarial report issued during the year of any PBOP rate review projects PBOP costs during the next four years that, when allocated to the AEP Transmission Companies based on their projected direct labor expenses over that same projected four-year period, absent a change in the PBOP Rate, will likely cause the AEP East Transmission Companies to over or under collect their cumulative PBOP expenses by more than 20% of the projected next four year's total PBOP expense, taking into account the net over or under collection of such expenses during the previous four years, the PBOP rate shall be adjusted. In order to determine whether continued use of the then approved PBOP rate is likely to result in the AEP Companies' incurrence of a cumulative allowance of PBOP costs under the formula rate will result in a cumulative over or under-recoery of actual PBOP expenses exceeding 20% over the subsequent four year period, Worksheet 0 will be used to determine (a) the level of cumulative over or under collections of PBOP expense during the time since the PBOP allowance rate was last set, including carrying costs based on the weighted average cost of capital each year from the formula rate actual transmission cost-of-service (b) the cumulative net present value of projected PBOP costs during the next four years as estimated by the then current actuarial report, assuming a discount rate equal to the actual transmission cost of service average cost of capital for the immediately prior calendar year and (c) the cumulative net present value of continued collections over the next four years based on the projected AEP Transmission Companies direct labor expenses and the then effective PBOP allowance rate assuming a discount rate equal to the prior year weighted average cost of capital. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance rate used in the formula rate calculation shall be changed to the value that will cause the projected result of (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years, (a)+(b)-(c), is less than 20% of (b), then the PBOP Rate will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP Rate stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

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

#### **AEP Indiana Michigan Transmission Company**

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

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

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

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

### AEP East Consolidated Utility Capital Structure Consolidation of Operating Companies' Capital Structure @ December 31, 2019 Worksheet Q Page 1

Line  Development of Long Term Debt Balances at Year End	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
1 Bonds (112.18.c&d) 2 Less: Reacquired Bonds (112.19.c&d) 3 LT Advances from Assoc. Companies (112.20.c&d) 4 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund 5 Less: Fair Value Hedges (See Note on Ln 7 below) 6 Total Long Term Debt Balance	-	-	<del>-</del>	-	-	-	- - - - -
7 NOTE: The balance of fair value hedges on outstanding long term debt are to be	excluded from the balance	e of long term debt incl	uded in the formula's	capital structure. (p	oage 257, Column H	of the FF1)	
Development of Long Term Debt Interest Expense  8 Interest on Long Term Debt (256-257.33.i)  9 Amort of Debt Discount & Expense (117.63.c)  10 Amort of Loss on Reacquired Debt (117.64.c)  11 Less: Amort of Premium on Debt (117.65.c)  12 Less: Amort of Gain on Reacquired Debt (117.66.c)  13 Less: Hedge Interest on pp 256-257(i)  14 LTD Interest Expense	_	_	_		_		- - - - -
Development of Cost of Preferred Stock and Preferred Dividends  15 Dividend Rate (p. 250-251. 7.a)  16 Par Value (p. 250-251. 8.c)  17 Shares Outstanding (p.250-251. 8.e)  18 Monetary Value (Ln 16 * Ln 17)		_	<u>-</u>	_	_	_	_
19 Dividend Amount (Ln 15 * Ln 18)  20 Dividend Rate (p. 250-251. 7.a) 21 Par Value (p. 250-251. 8.c) 22 Shares Outstanding (p.250-251. 8.e) 23 Monetary Value (Ln 21 * Ln 22)	-	-	- -	-	-	- -	<u>-</u>
24 Dividend Amount (Ln 20 * Ln 23)  25 Dividend Rate (p. 250-251. 7.a)  26 Par Value (p. 250-251. 8.c)  27 Shares Outstanding (p.250-251. 8.e)  28 Monetary Value (Ln 26 * Ln 27)	-	-	- -	-	-	-	-
29 Dividend Amount (Ln 25 * Ln 28)  30 Dividend Rate (p. 250-251. 7.a) 31 Par Value (p. 250-251. 8.c) 32 Shares Outstanding (p.250-251. 8.e) 33 Monetary Value (Ln 31 * Ln 32) 34 Dividend Amount (Ln 30 * Ln 33)	- -	- -	- - -	- - -	- -	- -	-    -
35 Preferred Stock (Lns 18, 23, 28,33) 36 Preferred Dividends (Lns 19, 24, 29,34)	-	- -	- -	-	- -	-	- -
Development of Common Equity  37 Proprietary Capital (112.16.c)  38 Less: Preferred Stock (Ln 35 Above)  39 Less: Account 216.1 (112.12.c)  40 Less: Account 219.1 (112.15.c)  41 Balance of Common Equity	- -	- -	- - -	- - -	- -	- - -	- - - - -
Calculation of Capital Shares  42 Long Term Debt (Ln 6 Above)  43 Preferred Stock (Ln 35 Above)  44 Common Equity (Ln 41 Above)  45 Total Company Structure	- - - -	- - -	- - - -	- - - -	- - - -	- - - -	- - - -
46 LTD Capital Shares (Ln 42 / Ln 45) 47 Preferred Stock Capital Shares (Ln 43 / Ln 45) 48 Common Equity Capital Shares (Ln 44 / Ln 45)	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!
49 Reserved 50 Reserved 51 Reserved 52 Reserved							
Calculation of Capital Cost Rate  53 LTD Capital Cost Rate (Ln 14 / Ln 6)  54 Preferred Stock Capital Cost Rate (Ln 36 / Ln 35)  55 Common Equity Capital Cost Rate	#DIV/0! 0.00% 11.49%	#DIV/0! 0.00% 11.49%		#DIV/0! 0.00% 11.49%	#DIV/0! 0.00% 11.49%	#DIV/0! 0.00% 11.49%	
Calculation of Weighted Capital Cost Rate  56 LTD Weighted Capital Cost Rate (Ln 46 * Ln 53)  57 Preferred Stock Capital Cost Rate (Ln 47 * Ln 54)  58 Common Equity Capital Cost Rate (Ln 48 * Ln 55)  59 Total Company Structure	#DIV/0! #DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0! #DIV/0!

**AEP East** 

### AEP East Consolidated Utility Capital Structure Consolidation of Operating Companies' Capital Structure @ December 31, 2018 Worksheet Q Page 2

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	Operating Companies' Consolidated Capital Structure
Development of Long Term Debt Balances at Year End 60 Bonds (112.18.c&d) 61 Less: Reacquired Bonds (112.19.c&d) 62 LT Advances from Assoc. Companies (112.20.c&d)							- - -
<ul><li>63 Senior Unsecured Notes (112.21.c&amp;d) Excludes Spent Nuc Fuel Disp Fund</li><li>64 Less: Fair Value Hedges (See Note on Ln 66 below)</li><li>65 Total Long Term Debt Balance</li></ul>	<u>-</u>	<del>-</del>	-	<u>-</u>	-	-	- - -
66 NOTE: The balance of fair value hedges on outstanding long term debt are to be ex	cluded from the balance	of long term debt inclu	ided in the formula's	capital structure. (p	o. 257, Column H of t	the FF1)	
Development of Long Term Debt Interest Expense 67 Interest on Long Term Debt (256-257.33.i) 68 Amort of Debt Discount & Expense (117.63.c) 69 Amort of Loss on Reacquired Debt (117.64.c) 70 Less: Amort of Premium on Debt (117.65.c) 71 Less: Amort of Gain on Reacquired Debt (117.66.c) 72 Less: Hedge Interest on pp 256-257(i) 73 LTD Interest Expense		<u>-</u>	-	_	-	-	- - - - -
<u>Development of Cost of Preferred Stock and Preferred Dividends</u> 74 Dividend Rate (p. 250-251. 7.a) 75 Par Value (p. 250-251. 8.c)							
76 Shares Outstanding (p.250-251. 8.e) 77 Monetary Value (Ln 75 * Ln 76) 78 Dividend Amount (Ln 74 * Ln 77)	<u>:</u> :	- - -	- - -	- - -	- - -	- -	- -
79 Dividend Rate (p. 250-251. 7.a) 80 Par Value (p. 250-251. 8.c) 81 Shares Outstanding (p.250-251. 8.e) 82 Monetary Value (Ln 80 * Ln 81) 83 Dividend Amount (Ln 79 * Ln 82)	- -	- -	- -	<u>-</u>	- -	- -	- -
84 Dividend Rate (p. 250-251. 7.a) 85 Par Value (p. 250-251. 8.c) 86 Shares Outstanding (p.250-251. 8.e)							
87 Monetary Value (Ln 85 * Ln 86) 88 Dividend Amount (Ln 84 * Ln 87) 89 Dividend Rate (p. 250-251. 7.a)	-	- -	- -	- -	- -	- -	<del>-</del> -
90 Par Value (p. 250-251. 8.c) 91 Shares Outstanding (p.250-251. 8.e) 92 Monetary Value (Ln 90 * Ln 91) 93 Dividend Amount (Ln 89 * Ln 92)	- -	- -	<del>-</del> -	- -	- -	- -	- -
94 Preferred Stock (Lns 77, 82, 87,92) 95 Preferred Dividends (Lns 78, 83, 88,93)	-		- -	-	-	-	-
Development of Common Equity 96 Proprietary Capital (112.16.c) 97 Less: Preferred Stock (Ln 94 Above) 98 Less: Account 216.1 (112.12.c)	-	<del>-</del>	<u>-</u>	<del>-</del>	<del>-</del>	<del>-</del>	- - -
99 Less: Account 219.1 (112.15.c) 100 Balance of Common Equity  Calculation of Capital Shares	-	<u>-</u>	<u>-</u>	<del>-</del>	<u>-</u>	-	<del>-</del>
101 Long Term Debt (Ln 65 Above) 102 Preferred Stock (Ln 94 Above) 103 Common Equity (Ln 100 Above) 104 Total Company Structure	- - -	- - -	- - -	- - -	- - -	- - -	- - -
105 LTD Capital Shares (Ln 101 / Ln 104) 106 Preferred Stock Capital Shares (Ln 102 / Ln 104) 107 Common Equity Capital Shares (Ln 103 / Ln 104)	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!
108 Reserved							
109 Reserved 110 Reserved 111 Reserved							
Calculation of Capital Cost Rate  112 LTD Capital Cost Rate (Ln 73 / Ln 65)  113 Preferred Stock Capital Cost Rate (Ln 95 / Ln 94)  114 Common Equity Capital Cost Rate	#DIV/0! 0.00% 11.49%	#DIV/0! 0.00% 11.49%	#DIV/0! 0.00% 11.49%	#DIV/0! 0.00% 11.49%	#DIV/0! 0.00% 11.49%	#DIV/0! 0.00% 11.49%	#DIV/0! 0.00% 11.49%
Calculation of Weighted Capital Cost Rate  115 LTD Weighted Capital Cost Rate (Ln 105 * Ln 112)  116 Preferred Stock Capital Cost Rate (Ln 106 * Ln 113)  117 Common Equity Capital Cost Rate (Ln 107 * Ln 114)  118 Total Company Structure	#DIV/0! #DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!	#DIV/0! #DIV/0! #DIV/0!

#### AEP East Consolidated Utility Capital Structure Consolidation of Operating Companies' Average Capital Structure Worksheet Q Page 3

Line  Development of Average Long Term Debt	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
	# <b>D</b> # #61	"D" (/61	"D" //O!	"B" //61	"D" //61	"DD 1/61	"D" //01
119 Average Bonds (Ln 1 + Ln 60) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
120 Less: Average Reacquired Bonds (Ln 2 + Ln 61) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
121 Average LT Advances from Assoc. Companies (Ln 3 + Ln 62) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
122 Average Senior Unsecured Notes (Ln 4 + Ln 63) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
123 Less: Average Fair Value Hedges (See Note on Ln 125 below)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
124 Average Balance of Long Term Debt	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
125 NOTE: The balance of fair value hedges on outstanding long term debt are to be	pe excluded from the balance	e of long term debt incl	uded in the formula's	capital structure. (	p. 257, Column H of t	he FF1)	
Development of Long Term Debt Interest Expense							
126 Interest on Long Term Debt (256-257.33.i)	-	-	-	-	-	-	-
127 Amort of Debt Discount & Expense (117.63.c)	-	-	-	-	-	-	-
128 Amort of Loss on Reacquired Debt (117.64.c)	-	-	-	-	-	-	-
129 Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
130 Less: Amort of Gain on Reacquired Debt (117.66.c)	-	-	-	-	-	-	-
131 Less: Hedge Interest on pp 256-257(i)	-	-	-	-	-	-	-
132 LTD Interest Expense	-	-	-	-	-	-	-
Cost of Preferred Stock and Preferred Dividends							
133 Average Balance of Preferred Stock (Ln 35 + Ln 94) / 2	_	_	_	_	_	_	_
134 Preferred Dividends (Ln 36)	-	-	-	-	-	-	-
Development of Average Common Equity							
	#DD //OL	"DI\ //OI	"DI) //OI	"DIV //OI	//DIV //OI	//DI) //OI	"DIV //OI
135 Average Proprietary Capital (Ln 37 + Ln 96) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
136 Less: Average Preferred Stock (Ln 133 Above)	-	-	-	-	-	-	-
137 Less: Average Account 216.1 (Ln 39 + Ln 98) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
138 Less: Average Account 219.1 (Ln 40 + Ln 99) / 2	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
139 Average Balance of Common Equity	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Calculation of Capital Shares							
140 Average Balance of Long Term Debt (Ln 124 Above)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
141 Average Balance of Preferred Stock (Ln 133 Above)	-	-	-	-	-	-	-
142 Average Balance of Common Equity (Ln 139 Above)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
143 Average of Total Company Structure	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
144 Average Balance of LTD Capital Shares (Ln 140 / Ln 143)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
145 Average Balance of Preferred Stock Capital Shares (Ln 141 / Ln 143)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
146 Average Balance of Common Equity Capital Shares (Ln 142 / Ln 143)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
147 Reserved							
148 Reserved 149 Reserved 150 Reserved							
Calculation of Capital Cost Rate							
151 LTD Capital Cost Rate (Ln 132 / Ln 124)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
152 Preferred Stock Capital Cost Rate (Ln 134 / Ln 133)	0.00%	0.00%		0.00%	0.00%	0.00%	
153 Common Equity Capital Cost Rate	11.49%	11.49%		11.49%	11.49%	11.49%	
Calculation of Weighted Capital Cost Rate							
154 LTD Weighted Capital Cost Rate (Ln 144 * Ln 151)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
154 LTD Weighted Capital Cost Rate (Ln 144 * Ln 151)  155 Preferred Stock Capital Cost Rate (Ln 145 * Ln 152)	#DIV/0! #DIV/0!	#DIV/0! #DIV/0!		#DIV/0! #DIV/0!	#DIV/0! #DIV/0!	#DIV/0! #DIV/0!	#DIV/0! #DIV/0!
156 Common Equity Capital Cost Rate (Ln 145 * Ln 152)	#DIV/0! #DIV/0!	#DIV/0! #DIV/0!	#DIV/0! #DIV/0!	#DIV/0! #DIV/0!	#DIV/0! #DIV/0!	#DIV/0! #DIV/0!	#DIV/0!
157 ACTUAL WEIGHTED AVG COST OF CAPITAL	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
10/ ACTUAL WEIGHTED AVG COST OF CAPITAL	#DIV/U!	#DI V/U!	#DIV/U!	#DIV/U!	#UIV/U!	#UIV/U!	#UIV/U!

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

Reconciliation Revenue
Requirement For Year 2017
Available May 25, 2018

\$0

\$0

True-up Adjustment Over (Under)
Recovery

\$0

\$0

\$0

\$0

\$0

\$0

February Year 2017 - 0.3420% 11	Interest Rate on Ar or Surcharges (No		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate 0.3420%	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
anuary Year 2017	An over or under c	collection will be recovere	d prorata over 2017, held for 2018 and	d returned prorate ov	er 2019			
anuary Year 2017	Calculation of In	iterest				Monthly		
Aarch Year 2017	January		-	0.3420%	12	-		-
Agril Year 2017	February	Year 2017	-	0.3420%	11	-		-
Any Year 2017 - 0.3420% 8	March	Year 2017	-	0.3420%	10	-		-
une Year 2017 - 0.3420% 7	April	Year 2017	-	0.3420%	9	-		-
uly       Year 2017       0.3420%       6       -         ugust       Year 2017       0.3420%       5       -         Deciber       Year 2017       0.3420%       3       -         Actober       Year 2017       0.3420%       2       -         Annual         anuary through December Year 2018       -       0.3420%       12       -         Annual         anuary through December Year 2018       -       0.3420%       12       -         Annuary       Year 2019       0.3420%       12       -       -         See (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months       Monthly         Annuary       Year 2019       0.3420%       12       -       -         April December Year 2019       0.3420%	May	Year 2017	-	0.3420%	8	-		-
Nagust Year 2017 - 0.3420% 5	June	Year 2017	-	0.3420%	7	-		-
September   Year 2017	July	Year 2017	-	0.3420%	6	-		-
Colober   Year 2017   -	August	Year 2017	-	0.3420%	5	-		-
November Year 2017 - 0.3420% 2	September	Year 2017	-	0.3420%	4	-		-
Near 2017   Near 2017   Near 2018   Near 2018   Near 2019   Near	October	Year 2017	-	0.3420%	3	-		-
Annuary through December Year 2018 - 0.3420% 12	November	Year 2017	-	0.3420%	2	-		-
Annuary through December   Year 2018   -	December	Year 2017	-	0.3420%	1	-		-
Annuary through December   Year 2018   -						-		-
September   Year 2019   - 0.3420%	January through De	ecember Year 2018	-	0.3420%	12	Annual -		-
September   Year 2019   - 0.3420%	Over (Under) Reco	very Plus Interest Amorti	zed and Recovered Over 12 Months			Monthly		
February Year 2019 - 0.3420%	January	· ·	-	0.3420%		-	-	-
Arch Year 2019 - 0.3420%	February	Year 2019	-	0.3420%		-	-	-
May       Year 2019       -       0.3420%       -       -         June       Year 2019       -       0.3420%       -       -         July       Year 2019       -       0.3420%       -       -         Jugust       Year 2019       -       0.3420%       -       -         Joechber       Year 2019       -       0.3420%       -       -         Jovember       Year 2019       -       0.3420%       -       -         Joecember       Year 2019       -       0.3420%       -       -       -         Joecember	March		-	0.3420%		-	-	-
May       Year 2019       -       0.3420%       -       -         June       Year 2019       -       0.3420%       -       -         July       Year 2019       -       0.3420%       -       -         Jugust       Year 2019       -       0.3420%       -       -         Joechber       Year 2019       -       0.3420%       -       -         Jovember       Year 2019       -       0.3420%       -       -         Joecember       Year 2019       -       0.3420%       -       -       -         Joecember	April	Year 2019	-	0.3420%		-	-	-
June       Year 2019       -       0.3420%       -       -         July       Year 2019       -       0.3420% <t< td=""><td>May</td><td>Year 2019</td><td>-</td><td>0.3420%</td><td></td><td>-</td><td>-</td><td>-</td></t<>	May	Year 2019	-	0.3420%		-	-	-
August Year 2019 - 0.3420%	June	Year 2019	-	0.3420%		-	-	-
September       Year 2019       -       0.3420%       - <td>July</td> <td>Year 2019</td> <td>-</td> <td>0.3420%</td> <td></td> <td>-</td> <td>-</td> <td>-</td>	July	Year 2019	-	0.3420%		-	-	-
September       Year 2019       -       0.3420%       - <td>August</td> <td>Year 2019</td> <td>-</td> <td>0.3420%</td> <td></td> <td>-</td> <td>-</td> <td>-</td>	August	Year 2019	-	0.3420%		-	-	-
November Year 2019 - 0.3420%	September	Year 2019	-	0.3420%		-	-	-
December Year 2019 - 0.3420%	October	Year 2019	-	0.3420%		-	-	-
rue-Up Adjustment with Interest .ess Over (Under) Recovery -	November	Year 2019	-	0.3420%		-	-	-
Less Over (Under) Recovery -	December	Year 2019	-	0.3420%			-	-
Less Over (Under) Recovery -	Truck I In Addition and	t with Internet				-		
·							-	
otal interest -		recovery					-	
	Total Interest						-	

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

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

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018

\$0

2017 Forecasted Revenue Requirement For Year 2017

\$0

True-up Adjustment - Over (Under) Recovery

\$0

Average Over (Under) Recovery Surcharge (Refund) **Monthly Interest** Owed Plus Interest Rate **Interest Rate on Amount of Refunds Calculated Interest** Amortization Months or Surcharges (Note 1) 0.3420% An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorate over 2019 **Calculation of Interest** Monthly 0.3420% January Year 2017 12 February Year 2017 0.3420% 11 March Year 2017 0.3420% 10 April Year 2017 0.3420% 9 May Year 2017 0.3420% 8 Year 2017 0.3420% June July Year 2017 0.3420% Year 2017 0.3420% August September Year 2017 0.3420% 3 October Year 2017 0.3420% Year 2017 0.3420% 2 November December Year 2017 0.3420% 1 Annual January through December 0.3420% Year 2018 12 Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months Monthly Year 2019 0.3420% January February Year 2019 0.3420% Year 2019 March 0.3420% Year 2019 0.3420% April May Year 2019 0.3420% June Year 2019 0.3420% Year 2019 July 0.3420% Year 2019 0.3420% August September Year 2019 0.3420% 0.3420% October Year 2019 Year 2019 0.3420% November December Year 2019 0.3420% True-Up Adjustment with Interest Less Over (Under) Recovery Total Interest

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