

**PJM Formula Rate - Questions on 2019 True-up  
FERC Docket No ER17-405-000 and ER17406-000 2019 ATRR**

**Responses to Joint Customers  
Set PC of Data Requests**

**Data Request JCG-2019-05-Follow up:**

**Question posed by Jessica Rozier of GDS:**

Thank you for offering to clarify AEP's response to JCG-2019-05. The data and response appeared to reflect a decrease in Account 254 (i.e. less of a credit) for the excess ADIT which would be refunded to the customers. It was our understanding that there should be an increase (i.e. a larger credit) in the amount to be refunded. The detailed information requested was intended to allow us to verify the income tax adjustments as a result of the amended returns and the impact on the transmission formula rate. The data provided was not detailed enough to allow us to understand each income tax adjustment that were summarized in the data and the impact on each transmission formula rate for ADIT and excess/deficient ADIT.

For each OpCo and Transco, please provide the following:

- a. A detailed description of each income tax adjustment (e.g. NOL carrybacks, repairs deductions, hurricane casualty losses, mixed service cost, and IRS audit adjustments from prior years, etc.) in the amended tax returns.
- b. Separate journal entries, with detailed narratives, supporting each income tax adjustment made as a result of the amended returns. The narrative description for each journal entry should explain the impact to excess and deficient ADIT balances.
- c. An Excel spreadsheet illustrating the adjustment to ADIT balance for each income tax adjustment, the computation of excess and deficient ADIT associated with each income tax adjustment, and the method to allocate the excess and deficient ADIT to the regulatory liability and regulatory asset included in the wholesale formula rate.

Let us know if you have any questions or think a call might be beneficial.

Thanks,  
Jessica

**Response:**

**NOTE:**

**The response to this question is considered Confidential or Highly Sensitive.**

**For access to this response, a signed Confidentiality Agreement is required.**

**Please Contact David Weiss, Regulatory Case Manager at AEP for more information.**

**[dbweiss@aep.com](mailto:dbweiss@aep.com)**

**Date:** 4/8/2021