

**AEP East Companies**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet Q - True-up With Interest**

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018 <span style="background-color: #e0f7fa; display: block; text-align: center; padding: 2px;">\$499,679</span>	-	2017 Forecasted Revenue Requirement For Year 2017 <span style="background-color: #e0f7fa; display: block; text-align: center; padding: 2px;">\$1,471,630</span>	=	True-up Adjustment - Over (Under) Recovery <span style="background-color: #e0f7fa; display: block; text-align: center; padding: 2px;">\$971,951</span>
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Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3420%				

An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorata over 2019

<u>Calculation of Interest</u>					<u>Monthly</u>	
January	Year 2017	80,996	0.3420%	12	(3,324)	(84,320)
February	Year 2017	80,996	0.3420%	11	(3,047)	(84,043)
March	Year 2017	80,996	0.3420%	10	(2,770)	(83,766)
April	Year 2017	80,996	0.3420%	9	(2,493)	(83,489)
May	Year 2017	80,996	0.3420%	8	(2,216)	(83,212)
June	Year 2017	80,996	0.3420%	7	(1,939)	(82,935)
July	Year 2017	80,996	0.3420%	6	(1,662)	(82,658)
August	Year 2017	80,996	0.3420%	5	(1,385)	(82,381)
September	Year 2017	80,996	0.3420%	4	(1,108)	(82,104)
October	Year 2017	80,996	0.3420%	3	(831)	(81,827)
November	Year 2017	80,996	0.3420%	2	(554)	(81,550)
December	Year 2017	80,996	0.3420%	1	(277)	(81,273)
					(21,606)	(993,557)
					<u>Annual</u>	
January through December	Year 2018	(993,557)	0.3420%	12	(40,776)	(1,034,333)
					<u>Monthly</u>	
January	Year 2019	1,034,333	0.3420%		(3,537)	(949,748)
February	Year 2019	949,748	0.3420%		(3,248)	(864,874)
March	Year 2019	864,874	0.3420%		(2,958)	(779,709)
April	Year 2019	779,709	0.3420%		(2,667)	(694,253)
May	Year 2019	694,253	0.3420%		(2,374)	(608,505)
June	Year 2019	608,505	0.3420%		(2,081)	(522,463)
July	Year 2019	522,463	0.3420%		(1,787)	(436,128)
August	Year 2019	436,128	0.3420%		(1,492)	(349,497)
September	Year 2019	349,497	0.3420%		(1,195)	(262,570)
October	Year 2019	262,570	0.3420%		(898)	(175,345)
November	Year 2019	175,345	0.3420%		(600)	(87,822)
December	Year 2019	87,822	0.3420%		(300)	0
					(23,137)	
True-Up Adjustment with Interest						(1,057,470)
Less Over (Under) Recovery						971,951
Total Interest						(85,519)

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.

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Actual/Projected FERC Form 1 Data

Twelve Months Ended **2019**

**Indiana Michigan Pover Company**

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (v/o incentives)	(ln 130)			\$133,479,226
2	REVENUE CREDITS	(vorksheets E Ln 8) (Note A)	149,744	DA 1.00000	\$ 149,744
3	Facility Credits under PJM OATT Section 30.9	(vorksheets E Ln 9) (Note X)			\$ -
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)			\$ 133,329,482

**MEMO: The Carrying Charge Calculations on lines 7 to 12 below are used in calculating project revenue requirements billed through PJM Schedule 12, Transmission Enhancement Charges. The total non-incentive revenue requirements for these projects shown on line 5 is included in the total on line 4.**

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)		5,249,721	DA 1.00000	\$ 5,249,721
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	( (ln 1 - ln 95) / ((ln 42) x 100) )			13.52%
8	Monthly Rate	(ln 7 / 12)			1.13%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	( (ln 1 - ln 95 - ln 100) / ((ln 42) x 100) )			10.36%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	( (ln 1 - ln 95 - ln 100 - ln 125 - ln 126) / ((ln 42) x 100) )			3.81%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				
14	<b>REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES</b>				
15	Total Load Dispatch & Scheduling (Account 561)	Line 75 Below			7,877,000
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				4,695,000
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				1,532,000
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			1,650,000

AEP East Companies  
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Indiana Michigan Pover Company

	(1)	(2)	(3)	(4)	(5)
	<b>RATE BASE CALCULATION</b>	<b>Data Sources (See "General Notes")</b>	<b>TO Total NOTE C</b>	<b>Allocator</b>	<b>Total Transmission</b>
Line No.					
19	GROSS PLANT IN SERVICE				
19	Production	(Worksheet A In 14.(b))	4,513,624,000	NA	0.00000
20	Less: Production ARO (Enter Negative)	(Worksheet A In 14.(c))	(149,744,000)	NA	0.00000
21	Transmission	(Worksheet A In 14.(d) & TCOS Ln 134)	1,601,157,000	DA	1,542,143,000
22	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP	0.96314
23	Distribution	(Worksheet A In 14.(f))	2,370,993,000	NA	0.00000
24	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.(g))	-	NA	0.00000
25	General Plant	(Worksheet A In 14.(h))	161,039,000	W/S	0.03886
26	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	-	W/S	0.03886
27	Intangible Plant	(Worksheet A In 14.(j))	251,445,000	W/S	0.03886
28	TOTAL GROSS PLANT	(sum Ins 19 to 27)	8,748,514,000	<b>GP</b>	<b>0.178107</b>
				<b>GTD=</b>	<b>0.38824</b>
29	ACCUMULATED DEPRECIATION AND AMORTIZATION				
30	Production	(Worksheet A In 28.(b))	1,972,504,000	NA	0.00000
31	Less: Production ARO (Enter Negative)	(Worksheet A In 28.(c))	(112,854,000)	NA	0.00000
32	Transmission	(Worksheet A In 28.(d) & In 43.(c))	564,257,000	TP1=	0.98281
33	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1=	0.98281
34	Distribution	(Worksheet A In 28.(f))	679,353,000	NA	0.00000
35	Less: Distribution ARO (Enter Negative)	(Worksheet A In 28.(g))	-	NA	0.00000
36	General Plant	(Worksheet A In 28.(h))	33,259,000	W/S	0.03886
37	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	-	W/S	0.03886
38	Intangible Plant	(Worksheet A In 28.(j))	107,066,000	W/S	0.03886
39	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 30 to 38)	3,243,585,000		560,012,457
40	NET PLANT IN SERVICE				
41	Production	(In 19 + In 20 - In 30 - In 31)	2,504,230,000		-
42	Transmission	(In 21 + In 22 - In 32 - In 33)	1,036,900,000		987,583,000
43	Distribution	(In 23 + In 24 - In 34 - In 35)	1,691,640,000		-
44	General Plant	(In 25 + In 26 - In 36 - In 37)	127,780,000		4,965,010
45	Intangible Plant	(In 27 - In 38)	144,379,000		5,609,979
46	TOTAL NET PLANT IN SERVICE	(sum Ins 41 to 45)	5,504,929,000	<b>NP</b>	<b>0.181321</b>
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
48	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	(30,272,149)	NA	-
49	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(942,100,286)	DA	(246,204,944)
50	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(804,629,068)	DA	773,791
51	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	731,958,400	DA	6,653,508
52	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(0)	DA	-
53	TOTAL ADJUSTMENTS	(sum Ins 48 to 52)	(1,045,043,103)		(238,777,644)
54	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e) & In 45.(e))	1,445,000	DA	241,000
55	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA	-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))	(47,000)	W/S	0.03886
57	WORKING CAPITAL	(Note E)			
58	Cash Working Capital	(1/8 * In 78)	2,743,000		2,641,901
59	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	555,639	TP	0.96314
60	A&G Materials & Supplies	(Worksheet C, In 3.(F))	-	W/S	0.03886
61	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.17811
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	252,717,590	W/S	0.03886
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	8,499,296	GP	0.17811
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000
65	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(247,328,524)	NA	0.00000
66	TOTAL WORKING CAPITAL	(sum Ins 58 to 65)	17,187,001		14,510,419
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	(3,267,007)	DA	1.00000
68	RATE BASE (sum Ins 46, 53, 54, 55, 56, 66, 67)		<u>4,475,203,891</u>		<u>770,862,931</u>

AEP East Companies  
Transmission Cost of Service Formula Rate  
Utilizing Actual/Projected FERC Form 1 Data

Indiana Michigan Pover Company

	(1)	(2)	(3)	(4)	(5)
Line	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
69	OPERATION & MAINTENANCE EXPENSE				
69	Production	321.80.b	1,101,990,000		
70	Distribution	322.156.b	68,075,000		
71	Customer Related Expense	322 & 323.164,171,178.b	50,512,000		
72	Regional Marketing Expenses	322.131.b	5,157,000		
73	Transmission	321.112.b	156,965,000		
74	TOTAL O&M EXPENSES	(sum Ins 69 to 73)	1,382,699,000		
75	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	7,877,000		
76	Less: Account 565	(Note H) 321.96.b	127,144,000		
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
78	Total O&M Allocable to Transmission	(Ins 73 - 75 - 76 - 77)	21,944,000	TP	0.96314
79	Administrative and General	323.197.b (Notes J and M)	106,117,000		
80	Less: Acct. 924, Property Insurance	323.185.b	3,612,000		
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(7,779,030)		
82	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
83	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(562,339)		
84	Acct. 928, Reg. Com. Exp.	323.189.b	12,067,000		
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	76,000		
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	3,642,000		
87	Balance of A & G	(In 79 - sum In 80 to In 86)	95,061,369	W/S	0.03886
88	Plus: Acct. 924, Property Insurance	(In 80)	3,612,000	GP	0.17811
89	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	47,000	TP	0.96314
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP	0.96314
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 45.(E) (Note L)	130,918	DA	1.00000
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	(35,318,595)	W/S	0.03886
93	A & G Subtotal	(sum Ins 87 to 92)	63,532,692		
94	O & M EXPENSE SUBTOTAL	(In 78 + In 93)	85,476,692		
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	1.00000
96	TOTAL O & M EXPENSE	(In 94 + In 95)	85,476,692		
97	DEPRECIATION AND AMORTIZATION EXPENSE				
98	Production	336.2-6.f	199,428,000	NA	0.00000
99	Distribution	336.8.f	86,892,000	NA	0.00000
100	Transmission	336.7.f	31,683,000	TP1	0.98281
101	General	336.10.f	5,518,000	W/S	0.03886
102	Intangible	336.1.f	38,803,000	W/S	0.03886
103	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 98+99+100+101+102) (Note N)	362,324,000		
104	TAXES OTHER THAN INCOME				
105	Labor Related				
106	Payroll	Worksheet H In 23.(D)	13,827,000	W/S	0.03886
107	Plant Related				
108	Property	Worksheet H-1 In 3.(C) & 3.(G)	66,540,000	DA	10,479,766
109	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	22,985,000	NA	0.00000
110	Other	Worksheet H In 23.(E)	2,631,000	GP	0.17811
111	TOTAL OTHER TAXES	(sum Ins 106 to 110)	105,983,000		
112	INCOME TAXES	(Note O)			
113	T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =		25.20%		
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		22.26%		
115	where WCLTD=(In 154) and WACC = (In 157)				
116	and FIT, SIT & p are as given in Note O.				
117	GRCF=1 / (1 - T) = (from In 113)		1.3369		
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	(5,214,000)		
119	Excess Deferred Income Tax	(Note U)	(40,355,976)	DA	(1,969,439)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	14,390,556	DA	1,495,050
121	Income Tax Calculation	(In 114 * In 126)	70,399,729		
122	ITC adjustment	(In 117 * In 118)	(6,970,849)	GP	0.17811
123	Excess Deferred Income Tax	(In 117 * In 119)	(53,953,859)		
124	Tax Effect of Permanent and Flow-Through Differences	(In 117 * In 120)	19,239,431		
125	TOTAL INCOME TAXES	(sum Ins 121 to 124)	28,714,452		
126	RETURN ON RATE BASE (Rate Base*WACC)	(In 68 * In 157)	316,287,131		
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		125,071	DA	1.00000
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 128 * In114)		-		
130	TOTAL REVENUE REQUIREMENT	(sum Ins 96, 103, 111, 125, 126, 127, 128, 129)	898,910,346		
					133,479,226

AEP East Companies  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet A Rate Base  
 Indiana Michigan Pover Company

		Gross Plant In Service								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34.44	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	4,393,609,000	149,744,000	1,569,941,000		2,287,483,000		155,771,000		226,830,000
2	January	4,400,522,000	149,744,000	1,573,881,000		2,298,641,000		158,993,000		236,482,000
3	February	4,399,756,000	149,744,000	1,577,221,000		2,309,063,000		160,732,000		243,619,000
4	March	4,399,627,000	149,744,000	1,587,704,000		2,320,174,000		160,709,000		247,936,000
5	April	4,400,028,000	149,744,000	1,590,280,000		2,332,509,000		160,947,000		251,931,000
6	May	4,400,286,000	149,744,000	1,599,735,000		2,347,001,000		161,175,000		255,932,000
7	June	4,569,578,000	149,744,000	1,602,241,000		2,362,047,000		161,395,000		245,126,000
8	July	4,592,238,000	149,744,000	1,604,965,000		2,377,782,000		161,610,000		249,222,000
9	August	4,592,358,000	149,744,000	1,614,298,000		2,394,775,000		161,901,000		253,318,000
10	September	4,594,897,000	149,744,000	1,616,651,000		2,411,024,000		162,190,000		257,422,000
11	October	4,617,395,000	149,744,000	1,618,297,000		2,427,303,000		162,444,000		261,934,000
12	November	4,650,877,000	149,744,000	1,622,250,000		2,443,991,000		162,695,000		266,859,000
13	December of Rate Year	4,665,945,000	149,744,000	1,637,580,000		2,511,114,000		162,945,000		272,179,000
14	Average of the 13 Monthly Balances	4,513,624,000	149,744,000	1,601,157,000	-	2,370,993,000	-	161,039,000	-	251,445,000

		Accumulated Depreciation								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 219, Ins 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 26, Col. (b)	Company Records (Included in total in Column (f))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
15	December Prior to Rate Year	1,902,784,000	111,945,000	559,598,000		652,996,000		32,818,000		95,922,000
16	January	1,914,281,000	112,097,000	560,464,000		657,364,000		32,879,000		98,898,000
17	February	1,925,827,000	112,248,000	561,196,000		661,571,000		32,949,000		102,000,000
18	March	1,937,219,000	112,400,000	561,934,000		665,817,000		33,025,000		105,195,000
19	April	1,948,759,000	112,551,000	562,687,000		669,967,000		33,100,000		108,447,000
20	May	1,960,297,000	112,703,000	563,445,000		674,496,000		33,176,000		111,752,000
21	June	1,971,796,000	112,854,000	564,206,000		679,057,000		33,253,000		100,278,000
22	July	1,983,747,000	113,006,000	564,984,000		683,494,000		33,330,000		103,413,000
23	August	1,995,761,000	113,158,000	565,765,000		688,072,000		33,408,000		106,600,000
24	September	2,007,432,000	113,309,000	566,561,000		692,680,000		33,487,000		109,840,000
25	October	2,019,446,000	113,461,000	567,362,000		697,303,000		33,566,000		113,132,000
26	November	2,031,527,000	113,612,000	568,164,000		702,013,000		33,647,000		116,482,000
27	December of Rate Year	2,043,679,000	113,764,000	568,973,000		706,761,000		33,728,000		119,894,000
28	Average of the 13 Monthly Balances	1,972,504,000	112,854,000	564,257,000	-	679,353,000	-	33,259,000	-	107,066,000

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c) <small>Company Records (included in total in column (b) of accumulated depreciation above)</small>	Excluded Plant - Plant In Service (d) <small>Company Records</small>	Excluded Plant - Accumulated Depreciation (e) <small>Company Records</small>
	<b>(Note A)</b>	<small>Company Records (included in total in column (d) of gross plant above)</small>	<small>Company Records (included in total in column (b) of accumulated depreciation above)</small>	<small>Company Records</small>	<small>Company Records</small>
29	December Prior to Rate Year	59,014,000	9,134,000		
30	January	59,014,000	9,227,000		
31	February	59,014,000	9,321,000		
32	March	59,014,000	9,415,000		
33	April	59,014,000	9,509,000		
34	May	59,014,000	9,603,000		
35	June	59,014,000	9,697,000		
36	July	59,014,000	9,791,000		
37	August	59,014,000	9,885,000		
38	September	59,014,000	9,979,000		
39	October	59,014,000	10,072,000		
40	November	59,014,000	10,166,000		
41	December of Rate Year	59,014,000	10,260,000		
42	Average of the 13 Monthly Balances	59,014,000	9,697,000	-	-

43 Transmission Accum Depreciation net of GSU 554,560,000

<u>Plant Held For Future Use</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2019</u>	<u>Balance @ December 31, 2018</u>	<u>Average Balance for 2019</u>
(a)	(b)	(c)	(d)	(e)
44 <u>Plant Held For Future Use</u>	FF1, page 214, In 47, Col. (d)	1,445,000	1,445,000	1,445,000
45 <u>Transmission Plant Held For Future Use (Included in total on line 44)</u>	Company Records - Note 1	241,000	241,000	241,000

**Regulatory Assets and Liabilities Approved for Recovery In Ratebase**

Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.

46				-
47				-
48				-
49				-
50				-
51	Total Regulatory Deferrals Included in Ratebase			-

**Unfunded Reserves Summary (Company Records)**

	<u>Description</u>	<u>Account</u>			
52					
53a	Accum Prv I/D Worker's Com		47,000	47,000	47,000
53b					-
54		Total	47,000	47,000	47,000

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

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet B Supporting ADIT and ITC Balances  
Indiana Michigan Pover Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2019</u>	<u>(D) Balance @ December 31, 2018</u>	<u>(E) Average Balance for 2019</u>
1	<b><u>Account 281</u></b>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	30,310,657	30,233,641	30,272,149
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	30,310,657	30,233,641	30,272,149
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<b><u>Account 282</u></b>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	943,910,674	940,289,898	942,100,286
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	30,013,585	30,013,585	30,013,585
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	667,546,964	664,216,551	665,881,757
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	246,350,124	246,059,763	246,204,944
11	<b><u>Account 283</u></b>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	805,343,326	803,914,811	804,629,068
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	629,574,019	629,574,019	629,574,019
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	176,544,082	175,113,598	175,828,840
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	(774,775)	(772,807)	(773,791)
16	<b><u>Account 190</u></b>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	731,958,400	731,958,400	731,958,400
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	661,604,925	661,604,925	661,604,925
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	63,699,967	63,699,967	63,699,967
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	6,653,508	6,653,508	6,653,508
21	<b><u>Account 255</u></b>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	23,954,762	29,168,982	26,561,872
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	23,954,762	29,168,982	26,561,872
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	0	0	0
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.167(l)-(h)(6)(ii). Line item detail 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.





AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet C Supporting Working Capital Rate Base Adjustments  
Indiana Michigan Pover Company

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<b>Materials &amp; Supplies</b>								
Line Number	Source	Balance @ December 31, 2019	Balance @ December 31, 2018	Average Balance for 2019				
1								
2	Transmission Materials & Supplies	FF1, p. 227, In 8, Col. (c) & (b)	555,639	555,639	555,639			
3	General Materials & Supplies	FF1, p. 227, In 11, Col. (c) & (b)	0	0	-			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, In 16, Col. (c) & (b)	0	0	-			

**Prepayment Balance Summary (Note 1)**

	Average of YE Balances	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	
5							
6	Totals as of December 31, 2019	14,443,362	(257,212,147)	0	8,838,941	262,816,568	271,655,509
7	Totals as of December 31, 2018	13,333,361	(237,444,902)	-	8,159,652	242,618,612	250,778,264
8	<b>Average Balance</b>	<b>13,888,362</b>	<b>(247,328,524)</b>	<b>-</b>	<b>8,499,296</b>	<b>252,717,590</b>	<b>261,216,886</b>

**Prepayments Account 165 - Balance @ 12/31/2019**

9	Acc. No.	Description	2019 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	6,107,277	-	-	6,107,277	-	6,107,277	Plant Related Insurance Policies
11	165000219	Prepaid Taxes	1,050,501	1,050,501	-	-	-	-	Prepaid Taxes-Distribution
12	1650003	Prepaid Rents	9,911	9,911	-	-	-	-	River Transport
13	1650005	Prepaid Employee Benefits	0	-	-	-	-	-	-
14	1650006	Other Prepayments	2,818,633	2,818,633	-	-	-	-	Relates to EPRI dues
15	1650009	Prepaid Carry Cost-Factored AR	177,768	177,768	-	-	-	-	AR Factoring
16	1650010	Prepaid Pension Benefits	187,921,604	-	-	-	187,921,604	187,921,604	Prefunded Pension Expense
17	1650014	FAS 158 Qual Contra Asset	(187,921,604)	(187,921,604)	-	-	-	-	SFAS 158 Offset
18	165001119	Prepaid Sales Taxes	881,203	881,203	-	-	-	-	Prepaid Sales Tax - Distribution
19	165001219	Prepaid Use Taxes	158,385	158,385	-	-	-	-	Prepaid Use Tax - Distribution
20	1650021	Prepaid Insurance - EIS	2,225,957	-	-	2,225,957	-	2,225,957	Energy INS Services
21	1650022	Prepaid SNF Container Costs	0	-	-	-	-	-	-
22	1650023	Prepaid Lease	505,707	-	-	505,707	-	505,707	Trans. Laydown Yard
23	1650026	Prepaid SNF Costs	0	-	-	-	-	-	-
24	1650030	Other Prepayments	508,020	508,020	-	-	-	-	Other Prepaid-Distribution
25	1650031	Prepaid OCIP Work Comp	0	-	-	-	-	-	-
26	1650033	Prepaid OCIP Work Comp-Aff	0	-	-	-	-	-	-
27	1650035	PRW without MED-D Benefits	74,894,964	-	-	-	74,894,964	74,894,964	Med-D Benefits
28	1650036	PRW for Med-D Benefits	0	-	-	-	-	-	-
29	1650037	FAS 158 Contra-PRW Exc Med-D	(74,894,964)	(74,894,964)	-	-	-	-	SFAS 158 Offset
30	1650032	Prepaid OCIP WC LT	0	-	-	-	-	-	-
31	1650034	Prepaid OCIP WC LT-Aff	0	-	-	-	-	-	-
		<b>Subtotal - Form 1, p 111.57.c</b>	<b>14,443,362</b>	<b>(257,212,147)</b>	<b>0</b>	<b>8,838,941</b>	<b>262,816,568</b>	<b>271,655,509</b>	

**Prepayments Account 165 - Balance @ 12/31/ 2018**

32	Acc. No.	Description	2018 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
33	1650001	Prepaid Insurance	5,637,921	-	-	5,637,921	-	5,637,921	Plant Related Insurance Policies
34	165000218	Prepaid Taxes	969,768	969,768	-	-	-	-	Prepaid Taxes-Distribution
35	1650003	Prepaid Rents	9,149	9,149	-	-	-	-	River Transport
36	1650005	Prepaid Employee Benefits	0	-	-	-	-	-	-
37	1650006	Other Prepayments	2,602,016	2,602,016	-	-	-	-	Relates to EPRI dues
38	1650009	Prepaid Carry Cost-Factored AR	164,106	164,106	-	-	-	-	AR Factoring
39	1650010	Prepaid Pension Benefits	173,479,470	-	-	-	173,479,470	173,479,470	Prefunded Pension Expense
40	1650014	FAS 158 Qual Contra Asset	(173,479,470)	(173,479,470)	-	-	-	-	SFAS 158 Offset
41	165001118	Prepaid Sales Taxes	813,481	813,481	-	-	-	-	Prepaid Sales Tax - Distribution
42	165001218	Prepaid Use Taxes	146,213	146,213	-	-	-	-	Prepaid Use Tax - Distribution
43	1650021	Prepaid Insurance - EIS	2,054,888	-	-	2,054,888	-	2,054,888	Energy INS Services
44	1650022	Prepaid SNF Container Costs	0	-	-	-	-	-	-
45	1650023	Prepaid Lease	466,842	-	-	466,842	-	466,842	Trans. Laydown Yard
46	1650026	Prepaid SNF Costs	0	-	-	-	-	-	-
47	1650030	Other Prepayments	468,978	468,978	-	-	-	-	Other Prepaid-Distribution
48	1650031	Prepaid OCIP Work Comp	0	-	-	-	-	-	-
49	1650033	Prepaid OCIP Work Comp-Aff	0	-	-	-	-	-	-
50	1650035	PRW without MED-D Benefits	69,139,142	-	-	-	69,139,142	69,139,142	Med-D Benefits
51	1650036	PRW for Med-D Benefits	0	-	-	-	-	-	-
52	1650037	FAS 158 Contra-PRW Exc Med-D	(69,139,142)	(69,139,142)	-	-	-	-	SFAS 158 Offset
53	1650032	Prepaid OCIP WC LT	0	-	-	-	-	-	-
54	1650034	Prepaid OCIP WC LT-Aff	0	-	-	-	-	-	-
		<b>Subtotal - Form 1, p 111.57.d</b>	<b>13,333,361</b>	<b>(237,444,902)</b>	<b>-</b>	<b>8,159,652</b>	<b>242,618,612</b>	<b>250,778,264</b>	

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; (ii) outstanding income tax refunds due to the company 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).

AEP East Companies  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet D Supporting IPP Credits  
 Indiana Michigan Pover Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2019</u>
1	Net Funds from IPP Customers 12/31/2018 (2019 FORM 1, P269)	(3,204,471)
2	Interest Accrual (Company Records - Note 1)	(125,071)
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2019 (2019 FORM 1, P269)	<u>(3,329,542)</u>
8	Average Balance for Year as Indicated in Column B ((In 1 + In 7)/2)	<u>(3,267,007)</u>

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

AEP East Companies  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet E Supporting Revenue Credits  
 Indiana Michigan Pover Company

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non-Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	5,202,000	5,202,000	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	4,828,000	4,762,000	66,000
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	9,717,000	7,250,000	2,467,000
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	1,989,000	1,600,000	389,000
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	27,996,000	27,996,000	
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	49,732,000	46,810,000	2,922,000
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	49,732,000	46,810,000	2,922,000

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or Indiana Michigan Pover 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)

9	Facility Credits under PJM OATT Section 30.9			-
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AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses  
Indiana Michigan Pover Company

<u>Line Number</u>	<u>(A) Item No.</u>	<u>(B) Description</u>	<u>(C) 2019 Expense</u>	<u>(D) 100% Non-Transmission</u>	<u>(E) 100% Transmission Specific</u>	<u>(F) Explanation</u>
<b>Regulatory O&amp;M Deferrals &amp; Amortizations</b>						
1						
2						
3						
4		<b>Total</b>	<u>0</u>			
<b>Detail of Account 561 Per FERC Form 1</b>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability				
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	1,650,000			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling				
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	4,695,000			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development				
11	FF1 p 321.90.b	561.6 - Transmission Service Studies				
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies				
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	1,532,000			
14		<b>Total of Account 561</b>	<u>7,877,000</u>			
<b>Account 928</b>						
15	9280000	Regulatory Commission Exp	12,020,000	12,020,000	-	12020000
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	-	-	-	
18	9280003	FERC - Transmission Commission Exp	47,000	-	47,000	
19						
20		<b>Total (FERC Form 1 p.323.189.b)</b>	<u>12,067,000</u>	<u>12,020,000</u>	<u>47,000</u>	
<b>Account 930.1</b>						
21	9301000	General Advertising Expenses	76,000	76,000	-	
22	9301001	Newspaper Advertising Space	-	-	-	
23	9301002	Radio Station Advertising Time	-	-	-	
24	9301003	TV Station Advertising Time	-	-	-	
25	9301006	Spec Corporate Comm Info Proj	-	-	-	
26	9301007	Special Adv Space & Prod Exp	-	-	-	
27	9301008	Direct Mail and Handouts	-	-	-	
28	9301009	Fairs, Shows, and Exhibits	-	-	-	
29	9301010	Publicity	-	-	-	
30	9301011	Dedications, Tours, & Openings	-	-	-	
31	9301012	Public Opinion Surveys	-	-	-	
32	9301013	Movies Slide Films & Speeches	-	-	-	
33	9301014	Video Communications	-	-	-	
34	9301015	Other Corporate Comm Exp	-	-	-	
35						
36						
37		<b>Total (FERC Form 1 p.323.191.b)</b>	<u>76,000</u>	<u>76,000</u>	<u>-</u>	
<b>Account 930.2</b>						
38	9302000	Misc General Expenses	2,889,000	2,889,000	-	
39	9302003	Corporate & Fiscal Expenses	-	-	-	
40	9302004	Research, Develop&Demonstr Exp	-	-	-	
41	9302005	Nucl Fac Ins - Replce Engy Cst	-	-	-	
42	9302006	Assoc Business Development Materials Sold	-	-	-	
43	9302007	Assoc Business Development Exp	754,000	623,082	130,918	
44	9302458	AEPSC nonaffiliated expense	-	-	-	
45		<b>Total (FERC Form 1 p.323.192.b)</b>	<u>3,643,000</u>	<u>3,512,082</u>	<u>130,918</u>	

AEP East Companies  
 Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
 Worksheet G Supporting - Development of Composite State Income Tax Rate  
 Indiana Michigan Pover Company

Indiana Corporate Income Tax Rate	5.63%	
Apportionment Factor - Note 2	72.76%	
Effective State Tax Rate		4.09%
Michigan Single Business Tax Rate	6.00%	
Apportionment Factor - Note 2	14.74%	
Effective State Tax Rate		0.88%
West Virginia Corporation Income Tax Rate	6.50%	
Apportionment Factor - Note 2	2.29%	
Effective State Tax Rate		0.15%
Ohio Franchise Tax Rate	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Kentucky Corporation Income Tax Rate	5.00%	
Apportionment Factor - Note 2	1.12%	
Effective State Tax Rate		0.06%
Missouri Corporation Income Tax Rate	6.25%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Illinois Corporation Income Tax Rate	9.50%	
Apportionment Factor - Note 2	1.50%	
Effective State Tax Rate		0.14%
Total Effective State Income Tax Rate		<u>5.32%</u>

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

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet H Supporting Taxes Other than Income  
Indiana Michigan Pover Company

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
		NOTE 1				
1	<b>Revenue Taxes</b>					
2	Gross Receipts Tax	22,877,000				22,877,000
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - Michigan	45,364,000	45,364,000			
5	Real and Personal Property - Indiana	21,168,000	21,168,000			
6	Real and Personal Property - Other Jurisdictions	8,000	8,000			
7	<b>Payroll Taxes</b>					
8	Federal Insurance Contribution (FICA )	13,447,000		13,447,000		
9	Federal Unemployment Tax	64,000		64,000		
10	State Unemployment Insurance	316,000		316,000		
11	<b>Production Taxes</b>					
12	State Severance Taxes	-				-
13	<b>Miscellaneous Taxes</b>					
14	State Business & Occupation Tax	-				-
15	State Public Service Commission Fees	2,631,000			2,631,000	
16	State Franchise Taxes	-			-	
17	State Lic/Registration Fee	-			-	
18	Misc. State and Local Tax	-			-	
19	Sales & Use	108,000				108,000
20	Federal Excise Tax	-				-
21	Michigan Single Business Tax	-				-
22						
23	Total Taxes by Allocable Basis	105,983,000	66,540,000	13,827,000	2,631,000	22,985,000

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

NOTE 1: The detail of each total company number and its source in the FERC Form 1 is shown on WS H-1.

**Functional Property Tax Allocation**

	Production	Transmission	Distribution	General	Total	
24	Functionalized Net Plant (TCOS, Lns 41 thru 46)	2,504,230,000	1,036,900,000	1,691,640,000	127,780,000	5,360,550,000
	<b>MICHIGAN JURISDICTION</b>					
25	Percentage of Plant in MICHIGAN JURISDICTION	77.45%	16.00%	19.62%	18.06%	
26	Net Plant in MICHIGAN JURISDICTION (Ln 24 * Ln 25)	1,939,526,135	165,904,000	331,899,768	23,077,068	2,460,406,971
27	Less: Net Value of Exempted Generation Plant	299,595,383				
28	Taxable Property Basis (Ln 26 - Ln 27)	1,639,930,752	165,904,000	331,899,768	23,077,068	2,160,811,588
29	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
30	Weighted Net Plant (Ln 28 * Ln 29)	1,639,930,752	165,904,000	331,899,768	23,077,068	
31	General Plant Allocator (Ln 30 / (Total - General Plant))	76.71%	7.76%	15.53%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	17,703,224	1,790,951	3,582,893	(23,077,068)	-
33	Weighted MICHIGAN JURISDICTION Plant (Ln 30 + 32)	1,657,633,976	167,694,951	335,482,661	-	2,160,811,588
34	Functional Percentage (Ln 33/Total Ln 33)	76.71%	7.76%	15.53%		
	<b>INDIANA JURISDICTION</b>					
35	Percentage of Plant in INDIANA JURISDICTION	22.55%	84.00%	80.38%	81.89%	
36	Net Plant in INDIANA JURISDICTION (Ln 24 * Ln 35)	564,703,865	870,996,000	1,359,740,232	104,639,042	2,900,079,139
37	Less: Net Value of Exempted Generation Plant	145,557,928				
38	Taxable Property Basis (Ln 36 - Ln 37)	419,145,937	870,996,000	1,359,740,232	104,639,042	2,754,521,211
39	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
40	Weighted Net Plant (Ln 38 * Ln 39)	419,145,937	870,996,000	1,359,740,232	104,639,042	
41	General Plant Allocator (Ln 40 / (Total - General Plant))	15.82%	32.87%	51.31%	-100.00%	
42	Functionalized General Plant (Ln 41 * General Plant)	16,551,313	34,394,053	53,693,676	(104,639,042)	-
43	Weighted INDIANA JURISDICTION Plant (Ln 40 + 42)	435,697,250	905,390,053	1,413,433,908	-	2,754,521,211
44	Functional Percentage (Ln 43/Total Ln 43)	15.82%	32.87%	51.31%		
45	Total Other Jurisdictions: (Line 6 * Net Plant Allocator)	-	1,451	-	-	8,000

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet H-1 Form 1 Source Reference of Company Amounts on WS H  
Indiana Michigan Pover Company

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
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1	<b>Revenue Taxes</b>			
2	Gross Receipts Tax	22,877,000	22,877,000	

Line No.	(A) Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
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3	<b>Real Estate and Personal Property Taxes Total</b> (Ln 4 + Ln 5 + Ln 6 + Ln 7)		66,540,000				10,479,766
4	Real and Personal Property - Michigan		45,364,000	45,364,000		7.76%	3,520,582
5	Real and Personal Property - Indiana		21,168,000	21,168,000		32.87%	6,957,760
6	Real and Personal Property - Other		8,000	8,000		17.81%	1,425
7	Real and Personal Property - Other Jurisdictions		-				-

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
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8	<b>Payroll Taxes</b>			
9	Federal Insurance Contribution (FICA )	13,447,000	13,447,000	
10	Federal Unemployment Tax	64,000	64,000	
11	State Unemployment Insurance	316,000	316,000	
12	<b>Production Taxes</b>			
13	State Severance Taxes	-		
14	<b>Miscellaneous Taxes</b>			
15	State Business & Occupation Tax	-		
16	State Public Service Commission Fees	2,631,000	2,631,000	
17	State Franchise Taxes	-		
18	State Lic/Registration Fee	-		
19	Misc. State and Local Tax	-		
20	Sales & Use	108,000	108,000	
21	Federal Excise Tax	-		
22	Michigan Single Business Tax	-		
23	<b>Total Taxes by Allocable Basis</b> (Total Company Amount Ties to FFI p.114, Ln 14,(c))	105,983,000	105,983,000	

Note 1: The taxes assessed on each operating company can differ from year to year and between operating 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 operating 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.

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.

**AEP East Companies**  
**Cost of Service Formula Rate Using 2019 FF1 Balances**  
**Worksheet I RESERVED FOR FUTURE USE**  
**Indiana Michigan Pover Company**

AEP East Companies  
Cost of Service Formula Rate Using 2019 FF1 Balances  
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones  
Indiana Michigan Pover Company

Page 1 of 10

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

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

ROE w/o incentives (TCOS, ln 156)			10.35%
Project ROE Incentive Adder			
ROE with additional basis point incentive			10.35%
Determine R ( cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through156)			
	<u>%</u>	<u>Cost</u>	<u>Weighted cost</u>
Long Term Debt	54.89%	4.37%	2.399%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	45.11%	10.35%	<u>4.669%</u>
		R =	7.068%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
	Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2019	5,249,721	5,249,721 \$ -

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

Rate Base (TCOS, ln 68)	770,862,931
R (from A. above)	7.068%
Return (Rate Base x R)	54,481,099

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

Return (from B. above)	54,481,099
Effective Tax Rate (TCOS, ln 114)	22.26%
Income Tax Calculation (Return x CIT)	12,126,496
ITC Adjustment	(1,241,556)
Excess Deferred Income Tax	(2,633,038)
Tax Affect of Permanent Differences	<u>1,998,805</u>
Income Taxes	10,250,706

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

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

Annual Revenue Requirement (TCOS, ln 1)	133,479,226
Lease Payments (TCOS, ln 95)	-
Return (TCOS, ln 126)	54,481,099
Income Taxes (TCOS, ln 125)	<u>10,250,706</u>
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	68,747,421

**B. Determine Annual Revenue Requirement with hypothetical basis point increase in ROE.**

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	68,747,421
Return (from I.B. above)	54,481,099
Income Taxes (from I.C. above)	<u>10,250,706</u>
Annual Revenue Requirement, with Basis Point ROE increase	133,479,226
Depreciation (TCOS, ln 100)	<u>31,138,514</u>
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	102,340,712

**C. Determine FCR with hypothetical basis point ROE increase.**

Net Transmission Plant (TCOS, ln 42)	987,583,000
Annual Revenue Requirement, with Basis Point ROE increase	133,479,226
FCR with Basis Point increase in ROE	13.52%
Annual Rev. Req. w/ Basis Point ROE increase, less Dep.	102,340,712
FCR with Basis Point ROE increase, less Depreciation	10.36%
FCR less Depreciation (TCOS, ln 10)	<u>10.36%</u>
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

**III. Calculation of Composite Depreciation Rate**

Average Transmission Plant Balance for 2019 (TCOS, ln 21)	1,542,143,000
Annual Depreciation and Amortization Expense (TCOS, ln 100)	31,138,514
Composite Depreciation Rate	2.02%
Depreciable Life for Composite Depreciation Rate	49.53
Round to nearest whole year	50

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

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)

Current Projected Year ARR	856,880
Current Projected Year ARR w/ Incentive	856,880
Current Projected Year Incentive ARR	-

Project Description: RTEP ID: b0839 (Replace existing 450 MVA transformer at Twin Branch 345 / 138 kV with a 675 MVA transformer)

Details		2019
Investment	8,327,150	Current Year
Service Year (yyyy)	2009	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	6	FCR w/o incentives, less depreciation
Useful life	50	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
2009	8,327,150	83,272	8,243,879	941,878	941,878	\$ -		
2010	8,243,879	166,543	8,077,336	1,012,206	1,012,206	\$ -	\$ 1,408,114	\$ 1,408,114
2011	8,077,336	166,543	7,910,793	994,947	994,947	\$ -	\$ 1,487,355	\$ 1,487,355
2012	7,910,793	166,543	7,744,250	977,689	977,689	\$ -	\$ 1,319,695	\$ 1,319,695
2013	7,744,250	166,543	7,577,707	960,431	960,431	\$ -	\$ 1,272,484	\$ 1,272,484
2014	7,577,707	166,543	7,411,164	943,172	943,172	\$ -	\$ 1,249,385	\$ 1,249,385
2015	7,411,164	166,543	7,244,621	925,914	925,914	\$ -	\$ 1,278,273	\$ 1,278,273
2016	7,244,621	166,543	7,078,078	908,655	908,655	\$ -	\$ 1,254,654	\$ 1,254,654
2017	7,078,078	166,543	6,911,535	891,397	891,397	\$ -	\$ 1,132,871	\$ 1,132,871
2018	6,911,535	166,543	6,744,992	874,139	874,139	\$ -	\$ 933,326	\$ 933,326
2019	6,744,992	166,543	6,578,449	856,880	856,880	\$ -		
2020	6,578,449	166,543	6,411,906	839,622	839,622	\$ -		
2021	6,411,906	166,543	6,245,363	822,363	822,363	\$ -		
2022	6,245,363	166,543	6,078,820	805,105	805,105	\$ -		
2023	6,078,820	166,543	5,912,277	787,846	787,846	\$ -		
2024	5,912,277	166,543	5,745,734	770,588	770,588	\$ -		
2025	5,745,734	166,543	5,579,191	753,330	753,330	\$ -		
2026	5,579,191	166,543	5,412,648	736,071	736,071	\$ -		
2027	5,412,648	166,543	5,246,105	718,813	718,813	\$ -		
2028	5,246,105	166,543	5,079,562	701,554	701,554	\$ -		
2029	5,079,562	166,543	4,913,019	684,296	684,296	\$ -		
2030	4,913,019	166,543	4,746,476	667,037	667,037	\$ -		
2031	4,746,476	166,543	4,579,933	649,779	649,779	\$ -		
2032	4,579,933	166,543	4,413,390	632,521	632,521	\$ -		
2033	4,413,390	166,543	4,246,847	615,262	615,262	\$ -		
2034	4,246,847	166,543	4,080,304	598,004	598,004	\$ -		
2035	4,080,304	166,543	3,913,761	580,745	580,745	\$ -		
2036	3,913,761	166,543	3,747,218	563,487	563,487	\$ -		
2037	3,747,218	166,543	3,580,675	546,228	546,228	\$ -		
2038	3,580,675	166,543	3,414,132	528,970	528,970	\$ -		
2039	3,414,132	166,543	3,247,589	511,712	511,712	\$ -		
2040	3,247,589	166,543	3,081,046	494,453	494,453	\$ -		
2041	3,081,046	166,543	2,914,503	477,195	477,195	\$ -		
2042	2,914,503	166,543	2,747,960	459,936	459,936	\$ -		
2043	2,747,960	166,543	2,581,417	442,678	442,678	\$ -		
2044	2,581,417	166,543	2,414,874	425,419	425,419	\$ -		
2045	2,414,874	166,543	2,248,331	408,161	408,161	\$ -		
2046	2,248,331	166,543	2,081,788	390,903	390,903	\$ -		
2047	2,081,788	166,543	1,915,245	373,644	373,644	\$ -		
2048	1,915,245	166,543	1,748,702	356,386	356,386	\$ -		
2049	1,748,702	166,543	1,582,159	339,127	339,127	\$ -		
2050	1,582,159	166,543	1,415,616	321,869	321,869	\$ -		
2051	1,415,616	166,543	1,249,073	304,610	304,610	\$ -		
2052	1,249,073	166,543	1,082,530	287,352	287,352	\$ -		
2053	1,082,530	166,543	915,987	270,094	270,094	\$ -		
2054	915,987	166,543	749,444	252,835	252,835	\$ -		
2055	749,444	166,543	582,901	235,577	235,577	\$ -		
2056	582,901	166,543	416,358	218,318	218,318	\$ -		
2057	416,358	166,543	249,815	201,060	201,060	\$ -		
2058	249,815	166,543	83,272	183,801	183,801	\$ -		
2059	83,272	83,272	-	87,586	87,586	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
Project Totals	8,327,150	8,327,150	30,331,644	30,331,644	30,331,644	-		

\*\* 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.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

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

Current Projected Year ARR	65,156
Current Projected Year ARR w/ Incentive	65,156
Current Projected Year Incentive ARR	-

Details		Current Year	2019
Investment	585,981		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	10.36%
Useful life	50	FCR w/incentives approved for these facilities, less dep.	10.36%
CIAC (Yes or No)	No	Annual Depreciation Expense	11,720

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	585,981	5,860	580,121	66,280	66,280	\$ -
2014	580,121	11,720	568,402	71,229	71,229	\$ -
2015	568,402	11,720	556,682	70,014	70,014	\$ -
2016	556,682	11,720	544,962	68,800	68,800	\$ -
2017	544,962	11,720	533,243	67,585	67,585	\$ -
2018	533,243	11,720	521,523	66,371	66,371	\$ -
2019	521,523	11,720	509,803	65,156	65,156	\$ -
2020	509,803	11,720	498,084	63,942	63,942	\$ -
2021	498,084	11,720	486,364	62,728	62,728	\$ -
2022	486,364	11,720	474,645	61,513	61,513	\$ -
2023	474,645	11,720	462,925	60,299	60,299	\$ -
2024	462,925	11,720	451,205	59,084	59,084	\$ -
2025	451,205	11,720	439,486	57,870	57,870	\$ -
2026	439,486	11,720	427,766	56,655	56,655	\$ -
2027	427,766	11,720	416,047	55,441	55,441	\$ -
2028	416,047	11,720	404,327	54,226	54,226	\$ -
2029	404,327	11,720	392,607	53,012	53,012	\$ -
2030	392,607	11,720	380,888	51,797	51,797	\$ -
2031	380,888	11,720	369,168	50,583	50,583	\$ -
2032	369,168	11,720	357,448	49,368	49,368	\$ -
2033	357,448	11,720	345,729	48,154	48,154	\$ -
2034	345,729	11,720	334,009	46,939	46,939	\$ -
2035	334,009	11,720	322,290	45,725	45,725	\$ -
2036	322,290	11,720	310,570	44,510	44,510	\$ -
2037	310,570	11,720	298,850	43,296	43,296	\$ -
2038	298,850	11,720	287,131	42,081	42,081	\$ -
2039	287,131	11,720	275,411	40,867	40,867	\$ -
2040	275,411	11,720	263,691	39,653	39,653	\$ -
2041	263,691	11,720	251,972	38,438	38,438	\$ -
2042	251,972	11,720	240,252	37,224	37,224	\$ -
2043	240,252	11,720	228,533	36,009	36,009	\$ -
2044	228,533	11,720	216,813	34,795	34,795	\$ -
2045	216,813	11,720	205,093	33,580	33,580	\$ -
2046	205,093	11,720	193,374	32,366	32,366	\$ -
2047	193,374	11,720	181,654	31,151	31,151	\$ -
2048	181,654	11,720	169,934	29,937	29,937	\$ -
2049	169,934	11,720	158,215	28,722	28,722	\$ -
2050	158,215	11,720	146,495	27,508	27,508	\$ -
2051	146,495	11,720	134,776	26,293	26,293	\$ -
2052	134,776	11,720	123,056	25,079	25,079	\$ -
2053	123,056	11,720	111,336	23,864	23,864	\$ -
2054	111,336	11,720	99,617	22,650	22,650	\$ -
2055	99,617	11,720	87,897	21,435	21,435	\$ -
2056	87,897	11,720	76,178	20,221	20,221	\$ -
2057	76,178	11,720	64,458	19,006	19,006	\$ -
2058	64,458	11,720	52,738	17,792	17,792	\$ -
2059	52,738	11,720	41,019	16,578	16,578	\$ -
2060	41,019	11,720	29,299	15,363	15,363	\$ -
2061	29,299	11,720	17,579	14,149	14,149	\$ -
2062	17,579	11,720	5,860	12,934	12,934	\$ -
2063	5,860	5,860	-	6,163	6,163	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals	585,981	585,981		2,134,436	2,134,436	-

RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
\$ 92,625	\$ 92,625
\$ 87,393	\$ 87,393
\$ 87,463	\$ 87,463
\$ 85,936	\$ 85,936
\$ 77,494	\$ 77,494
\$ 70,215	\$ 70,215

\*\* 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.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

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: b1465.3 (Transpose the Rockport - Sullivan 765 kV line and the Rockport - Jefferson 765 kV line)

Current Projected Year ARR	2,433,873
Current Projected Year ARR w/ Incentive	2,433,873
Current Projected Year Incentive ARR	-

Details		Current Year	2019
Investment	21,957,101		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	4	FCR w/o incentives, less depreciation	10.36%
Useful life	50	FCR w/incentives approved for these facilities, less dep.	10.36%
CIAC (Yes or No)	No	Annual Depreciation Expense	439,142

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	21,957,101	292,761	21,664,340	2,552,951	2,552,951	\$ -
2014	21,664,340	439,142	21,225,198	2,661,409	2,661,409	\$ -
2015	21,225,198	439,142	20,786,056	2,615,902	2,615,902	\$ -
2016	20,786,056	439,142	20,346,914	2,570,394	2,570,394	\$ -
2017	20,346,914	439,142	19,907,772	2,524,887	2,524,887	\$ -
2018	19,907,772	439,142	19,468,630	2,479,380	2,479,380	\$ -
2019	19,468,630	439,142	19,029,488	2,433,873	2,433,873	\$ -
2020	19,029,488	439,142	18,590,346	2,388,366	2,388,366	\$ -
2021	18,590,346	439,142	18,151,203	2,342,859	2,342,859	\$ -
2022	18,151,203	439,142	17,712,061	2,297,351	2,297,351	\$ -
2023	17,712,061	439,142	17,272,919	2,251,844	2,251,844	\$ -
2024	17,272,919	439,142	16,833,777	2,206,337	2,206,337	\$ -
2025	16,833,777	439,142	16,394,635	2,160,830	2,160,830	\$ -
2026	16,394,635	439,142	15,955,493	2,115,323	2,115,323	\$ -
2027	15,955,493	439,142	15,516,351	2,069,816	2,069,816	\$ -
2028	15,516,351	439,142	15,077,209	2,024,308	2,024,308	\$ -
2029	15,077,209	439,142	14,638,067	1,978,801	1,978,801	\$ -
2030	14,638,067	439,142	14,198,925	1,933,294	1,933,294	\$ -
2031	14,198,925	439,142	13,759,783	1,887,787	1,887,787	\$ -
2032	13,759,783	439,142	13,320,641	1,842,280	1,842,280	\$ -
2033	13,320,641	439,142	12,881,499	1,796,773	1,796,773	\$ -
2034	12,881,499	439,142	12,442,357	1,751,265	1,751,265	\$ -
2035	12,442,357	439,142	12,003,215	1,705,758	1,705,758	\$ -
2036	12,003,215	439,142	11,564,073	1,660,251	1,660,251	\$ -
2037	11,564,073	439,142	11,124,931	1,614,744	1,614,744	\$ -
2038	11,124,931	439,142	10,685,789	1,569,237	1,569,237	\$ -
2039	10,685,789	439,142	10,246,647	1,523,730	1,523,730	\$ -
2040	10,246,647	439,142	9,807,505	1,478,222	1,478,222	\$ -
2041	9,807,505	439,142	9,368,363	1,432,715	1,432,715	\$ -
2042	9,368,363	439,142	8,929,221	1,387,208	1,387,208	\$ -
2043	8,929,221	439,142	8,490,079	1,341,701	1,341,701	\$ -
2044	8,490,079	439,142	8,050,937	1,296,194	1,296,194	\$ -
2045	8,050,937	439,142	7,611,795	1,250,687	1,250,687	\$ -
2046	7,611,795	439,142	7,172,653	1,205,179	1,205,179	\$ -
2047	7,172,653	439,142	6,733,511	1,159,672	1,159,672	\$ -
2048	6,733,511	439,142	6,294,369	1,114,165	1,114,165	\$ -
2049	6,294,369	439,142	5,855,227	1,068,658	1,068,658	\$ -
2050	5,855,227	439,142	5,416,085	1,023,151	1,023,151	\$ -
2051	5,416,085	439,142	4,976,943	977,644	977,644	\$ -
2052	4,976,943	439,142	4,537,801	932,136	932,136	\$ -
2053	4,537,801	439,142	4,098,659	886,629	886,629	\$ -
2054	4,098,659	439,142	3,659,517	841,122	841,122	\$ -
2055	3,659,517	439,142	3,220,375	795,615	795,615	\$ -
2056	3,220,375	439,142	2,781,233	750,108	750,108	\$ -
2057	2,781,233	439,142	2,342,091	704,601	704,601	\$ -
2058	2,342,091	439,142	1,902,949	659,093	659,093	\$ -
2059	1,902,949	439,142	1,463,807	613,586	613,586	\$ -
2060	1,463,807	439,142	1,024,665	568,079	568,079	\$ -
2061	1,024,665	439,142	585,523	522,572	522,572	\$ -
2062	585,523	439,142	146,381	477,065	477,065	\$ -
2063	146,381	146,381	-	153,965	153,965	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals		21,957,101		79,599,515	79,599,515	-

RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
\$ 1,301,059	\$ 1,301,059
\$ 3,243,481	\$ 3,243,481
\$ 3,604,460	\$ 3,604,460
\$ 3,506,792	\$ 3,506,792
\$ 3,162,406	\$ 3,162,406
\$ 2,623,914	\$ 2,623,914

\*\* 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.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

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 (Fort Wayne - Marion: Relocate 138 kV line due to new 765 kV build into Sorenson)

Current Projected Year ARR	125,631
Current Projected Year ARR w/ Incentive	125,631
Current Projected Year Incentive ARR	-

Details		2019
Investment	1,063,758	Current Year
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	10	FCR w/o incentives, less depreciation
Useful life	50	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	1,063,758	3,546	1,060,212	113,597	113,597	\$ -
2017	1,060,212	21,275	1,038,937	130,040	130,040	\$ -
2018	1,038,937	21,275	1,017,662	127,835	127,835	\$ -
2019	1,017,662	21,275	996,387	125,631	125,631	\$ -
2020	996,387	21,275	975,112	123,426	123,426	\$ -
2021	975,112	21,275	953,836	121,221	121,221	\$ -
2022	953,836	21,275	932,561	119,016	119,016	\$ -
2023	932,561	21,275	911,286	116,812	116,812	\$ -
2024	911,286	21,275	890,011	114,607	114,607	\$ -
2025	890,011	21,275	868,736	112,402	112,402	\$ -
2026	868,736	21,275	847,461	110,198	110,198	\$ -
2027	847,461	21,275	826,185	107,993	107,993	\$ -
2028	826,185	21,275	804,910	105,788	105,788	\$ -
2029	804,910	21,275	783,635	103,584	103,584	\$ -
2030	783,635	21,275	762,360	101,379	101,379	\$ -
2031	762,360	21,275	741,085	99,174	99,174	\$ -
2032	741,085	21,275	719,810	96,970	96,970	\$ -
2033	719,810	21,275	698,534	94,765	94,765	\$ -
2034	698,534	21,275	677,259	92,560	92,560	\$ -
2035	677,259	21,275	655,984	90,355	90,355	\$ -
2036	655,984	21,275	634,709	88,151	88,151	\$ -
2037	634,709	21,275	613,434	85,946	85,946	\$ -
2038	613,434	21,275	592,159	83,741	83,741	\$ -
2039	592,159	21,275	570,883	81,537	81,537	\$ -
2040	570,883	21,275	549,608	79,332	79,332	\$ -
2041	549,608	21,275	528,333	77,127	77,127	\$ -
2042	528,333	21,275	507,058	74,923	74,923	\$ -
2043	507,058	21,275	485,783	72,718	72,718	\$ -
2044	485,783	21,275	464,508	70,513	70,513	\$ -
2045	464,508	21,275	443,232	68,309	68,309	\$ -
2046	443,232	21,275	421,957	66,104	66,104	\$ -
2047	421,957	21,275	400,682	63,899	63,899	\$ -
2048	400,682	21,275	379,407	61,694	61,694	\$ -
2049	379,407	21,275	358,132	59,490	59,490	\$ -
2050	358,132	21,275	336,857	57,285	57,285	\$ -
2051	336,857	21,275	315,582	55,080	55,080	\$ -
2052	315,582	21,275	294,306	52,876	52,876	\$ -
2053	294,306	21,275	273,031	50,671	50,671	\$ -
2054	273,031	21,275	251,756	48,466	48,466	\$ -
2055	251,756	21,275	230,481	46,262	46,262	\$ -
2056	230,481	21,275	209,206	44,057	44,057	\$ -
2057	209,206	21,275	187,931	41,852	41,852	\$ -
2058	187,931	21,275	166,655	39,648	39,648	\$ -
2059	166,655	21,275	145,380	37,443	37,443	\$ -
2060	145,380	21,275	124,105	35,238	35,238	\$ -
2061	124,105	21,275	102,830	33,034	33,034	\$ -
2062	102,830	21,275	81,555	30,829	30,829	\$ -
2063	81,555	21,275	60,280	28,624	28,624	\$ -
2064	60,280	21,275	39,004	26,419	26,419	\$ -
2065	39,004	21,275	17,729	24,215	24,215	\$ -
2066	17,729	17,729	-	18,648	18,648	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals		1,063,758		3,911,483	3,911,483	-

RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
\$ 226,163	\$ 226,163
\$ 7,946	\$ 7,946
\$ 18,182	\$ 18,182

\*\* 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.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

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 (Tanners Creek - Support for Transformer A/B Replacement)

Current Projected Year ARR	91,807
Current Projected Year ARR w/ Incentive	91,807
Current Projected Year Incentive ARR	-

Details		Current Year	2019
Investment	818,037		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	10.36%
Useful life	50	FCR w/incentives approved for these facilities, less dep.	10.36%
CIAC (Yes or No)	No	Annual Depreciation Expense	16,361

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	818,037	-	818,037	84,771	84,771	\$ -
2014	818,037	16,361	801,676	100,284	100,284	\$ -
2015	801,676	16,361	785,316	98,589	98,589	\$ -
2016	785,316	16,361	768,955	96,893	96,893	\$ -
2017	768,955	16,361	752,594	95,198	95,198	\$ -
2018	752,594	16,361	736,233	93,502	93,502	\$ -
2019	736,233	16,361	719,873	91,807	91,807	\$ -
2020	719,873	16,361	703,512	90,112	90,112	\$ -
2021	703,512	16,361	687,151	88,416	88,416	\$ -
2022	687,151	16,361	670,790	86,721	86,721	\$ -
2023	670,790	16,361	654,430	85,025	85,025	\$ -
2024	654,430	16,361	638,069	83,330	83,330	\$ -
2025	638,069	16,361	621,708	81,634	81,634	\$ -
2026	621,708	16,361	605,347	79,939	79,939	\$ -
2027	605,347	16,361	588,987	78,244	78,244	\$ -
2028	588,987	16,361	572,626	76,548	76,548	\$ -
2029	572,626	16,361	556,265	74,853	74,853	\$ -
2030	556,265	16,361	539,904	73,157	73,157	\$ -
2031	539,904	16,361	523,544	71,462	71,462	\$ -
2032	523,544	16,361	507,183	69,767	69,767	\$ -
2033	507,183	16,361	490,822	68,071	68,071	\$ -
2034	490,822	16,361	474,461	66,376	66,376	\$ -
2035	474,461	16,361	458,101	64,680	64,680	\$ -
2036	458,101	16,361	441,740	62,985	62,985	\$ -
2037	441,740	16,361	425,379	61,289	61,289	\$ -
2038	425,379	16,361	409,019	59,594	59,594	\$ -
2039	409,019	16,361	392,658	57,899	57,899	\$ -
2040	392,658	16,361	376,297	56,203	56,203	\$ -
2041	376,297	16,361	359,936	54,508	54,508	\$ -
2042	359,936	16,361	343,576	52,812	52,812	\$ -
2043	343,576	16,361	327,215	51,117	51,117	\$ -
2044	327,215	16,361	310,854	49,421	49,421	\$ -
2045	310,854	16,361	294,493	47,726	47,726	\$ -
2046	294,493	16,361	278,133	46,031	46,031	\$ -
2047	278,133	16,361	261,772	44,335	44,335	\$ -
2048	261,772	16,361	245,411	42,640	42,640	\$ -
2049	245,411	16,361	229,050	40,944	40,944	\$ -
2050	229,050	16,361	212,690	39,249	39,249	\$ -
2051	212,690	16,361	196,329	37,554	37,554	\$ -
2052	196,329	16,361	179,968	35,858	35,858	\$ -
2053	179,968	16,361	163,607	34,163	34,163	\$ -
2054	163,607	16,361	147,247	32,467	32,467	\$ -
2055	147,247	16,361	130,886	30,772	30,772	\$ -
2056	130,886	16,361	114,525	29,076	29,076	\$ -
2057	114,525	16,361	98,164	27,381	27,381	\$ -
2058	98,164	16,361	81,804	25,686	25,686	\$ -
2059	81,804	16,361	65,443	23,990	23,990	\$ -
2060	65,443	16,361	49,082	22,295	22,295	\$ -
2061	49,082	16,361	32,721	20,599	20,599	\$ -
2062	32,721	16,361	16,361	18,904	18,904	\$ -
2063	16,361	16,361	0	17,208	17,208	\$ -
2064	0	0	-	0	0	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals		818,037		3,022,085	3,022,085	-

RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
\$ -	\$ -
\$ 139,756	\$ 139,756
\$ 133,078	\$ 133,078
\$ 132,118	\$ 132,118
\$ 119,121	\$ 119,121
\$ 98,812	\$ 98,812

\*\* 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.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

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)

Current Projected Year ARR	1,164,196
Current Projected Year ARR w/ Incentive	1,164,196
Current Projected Year Incentive ARR	-

Details		Current Year	2019
Investment	10,216,228		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	10.36%
Useful life	50	FCR w/incentives approved for these facilities, less dep.	10.36%
CIAC (Yes or No)	No	Annual Depreciation Expense	204,325

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	10,216,228	34,054	10,182,174	1,090,971	1,090,971	\$ -
2015	10,182,174	204,325	9,977,849	1,248,890	1,248,890	\$ -
2016	9,977,849	204,325	9,773,525	1,227,717	1,227,717	\$ -
2017	9,773,525	204,325	9,569,200	1,206,543	1,206,543	\$ -
2018	9,569,200	204,325	9,364,876	1,185,370	1,185,370	\$ -
2019	9,364,876	204,325	9,160,551	1,164,196	1,164,196	\$ -
2020	9,160,551	204,325	8,956,227	1,143,022	1,143,022	\$ -
2021	8,956,227	204,325	8,751,902	1,121,849	1,121,849	\$ -
2022	8,751,902	204,325	8,547,577	1,100,675	1,100,675	\$ -
2023	8,547,577	204,325	8,343,253	1,079,501	1,079,501	\$ -
2024	8,343,253	204,325	8,138,928	1,058,328	1,058,328	\$ -
2025	8,138,928	204,325	7,934,604	1,037,154	1,037,154	\$ -
2026	7,934,604	204,325	7,730,279	1,015,981	1,015,981	\$ -
2027	7,730,279	204,325	7,525,955	994,807	994,807	\$ -
2028	7,525,955	204,325	7,321,630	973,633	973,633	\$ -
2029	7,321,630	204,325	7,117,306	952,460	952,460	\$ -
2030	7,117,306	204,325	6,912,981	931,286	931,286	\$ -
2031	6,912,981	204,325	6,708,656	910,112	910,112	\$ -
2032	6,708,656	204,325	6,504,332	888,939	888,939	\$ -
2033	6,504,332	204,325	6,300,007	867,765	867,765	\$ -
2034	6,300,007	204,325	6,095,683	846,591	846,591	\$ -
2035	6,095,683	204,325	5,891,358	825,418	825,418	\$ -
2036	5,891,358	204,325	5,687,034	804,244	804,244	\$ -
2037	5,687,034	204,325	5,482,709	783,071	783,071	\$ -
2038	5,482,709	204,325	5,278,384	761,897	761,897	\$ -
2039	5,278,384	204,325	5,074,060	740,723	740,723	\$ -
2040	5,074,060	204,325	4,869,735	719,550	719,550	\$ -
2041	4,869,735	204,325	4,665,411	698,376	698,376	\$ -
2042	4,665,411	204,325	4,461,086	677,202	677,202	\$ -
2043	4,461,086	204,325	4,256,762	656,029	656,029	\$ -
2044	4,256,762	204,325	4,052,437	634,855	634,855	\$ -
2045	4,052,437	204,325	3,848,113	613,681	613,681	\$ -
2046	3,848,113	204,325	3,643,788	592,508	592,508	\$ -
2047	3,643,788	204,325	3,439,463	571,334	571,334	\$ -
2048	3,439,463	204,325	3,235,139	550,161	550,161	\$ -
2049	3,235,139	204,325	3,030,814	528,987	528,987	\$ -
2050	3,030,814	204,325	2,826,490	507,813	507,813	\$ -
2051	2,826,490	204,325	2,622,165	486,640	486,640	\$ -
2052	2,622,165	204,325	2,417,841	465,466	465,466	\$ -
2053	2,417,841	204,325	2,213,516	444,292	444,292	\$ -
2054	2,213,516	204,325	2,009,192	423,119	423,119	\$ -
2055	2,009,192	204,325	1,804,867	401,945	401,945	\$ -
2056	1,804,867	204,325	1,600,542	380,772	380,772	\$ -
2057	1,600,542	204,325	1,396,218	359,598	359,598	\$ -
2058	1,396,218	204,325	1,191,893	338,424	338,424	\$ -
2059	1,191,893	204,325	987,569	317,251	317,251	\$ -
2060	987,569	204,325	783,244	296,077	296,077	\$ -
2061	783,244	204,325	578,920	274,903	274,903	\$ -
2062	578,920	204,325	374,595	253,730	253,730	\$ -
2063	374,595	204,325	170,270	232,556	232,556	\$ -
2064	170,270	170,270	-	179,093	179,093	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
<b>Project Totals</b>		10,216,228		37,565,505	37,565,505	-

RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
\$ -	\$ -
\$ 248,467	\$ 248,467
\$ 562,247	\$ 562,247
\$ 1,427,903	\$ 1,427,903
\$ 1,271,398	\$ 1,271,398

\*\* 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.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.

I & M Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

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

Current Projected Year ARR	374,139
Current Projected Year ARR w/ Incentive	374,139
Current Projected Year Incentive ARR	-

Details		2019
Investment	3,158,727	Current Year
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	50	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2016	3,158,727	-	3,158,727	327,331	327,331	\$ -
2017	3,158,727	63,175	3,095,552	387,232	387,232	\$ -
2018	3,095,552	63,175	3,032,378	380,685	380,685	\$ -
2019	3,032,378	63,175	2,969,203	374,139	374,139	\$ -
2020	2,969,203	63,175	2,906,029	367,592	367,592	\$ -
2021	2,906,029	63,175	2,842,854	361,046	361,046	\$ -
2022	2,842,854	63,175	2,779,680	354,499	354,499	\$ -
2023	2,779,680	63,175	2,716,505	347,952	347,952	\$ -
2024	2,716,505	63,175	2,653,331	341,406	341,406	\$ -
2025	2,653,331	63,175	2,590,156	334,859	334,859	\$ -
2026	2,590,156	63,175	2,526,982	328,313	328,313	\$ -
2027	2,526,982	63,175	2,463,807	321,766	321,766	\$ -
2028	2,463,807	63,175	2,400,633	315,219	315,219	\$ -
2029	2,400,633	63,175	2,337,458	308,673	308,673	\$ -
2030	2,337,458	63,175	2,274,283	302,126	302,126	\$ -
2031	2,274,283	63,175	2,211,109	295,579	295,579	\$ -
2032	2,211,109	63,175	2,147,934	289,033	289,033	\$ -
2033	2,147,934	63,175	2,084,760	282,486	282,486	\$ -
2034	2,084,760	63,175	2,021,585	275,940	275,940	\$ -
2035	2,021,585	63,175	1,958,411	269,393	269,393	\$ -
2036	1,958,411	63,175	1,895,236	262,846	262,846	\$ -
2037	1,895,236	63,175	1,832,062	256,300	256,300	\$ -
2038	1,832,062	63,175	1,768,887	249,753	249,753	\$ -
2039	1,768,887	63,175	1,705,713	243,206	243,206	\$ -
2040	1,705,713	63,175	1,642,538	236,660	236,660	\$ -
2041	1,642,538	63,175	1,579,364	230,113	230,113	\$ -
2042	1,579,364	63,175	1,516,189	223,567	223,567	\$ -
2043	1,516,189	63,175	1,453,014	217,020	217,020	\$ -
2044	1,453,014	63,175	1,389,840	210,473	210,473	\$ -
2045	1,389,840	63,175	1,326,665	203,927	203,927	\$ -
2046	1,326,665	63,175	1,263,491	197,380	197,380	\$ -
2047	1,263,491	63,175	1,200,316	190,834	190,834	\$ -
2048	1,200,316	63,175	1,137,142	184,287	184,287	\$ -
2049	1,137,142	63,175	1,073,967	177,740	177,740	\$ -
2050	1,073,967	63,175	1,010,793	171,194	171,194	\$ -
2051	1,010,793	63,175	947,618	164,647	164,647	\$ -
2052	947,618	63,175	884,444	158,100	158,100	\$ -
2053	884,444	63,175	821,269	151,554	151,554	\$ -
2054	821,269	63,175	758,094	145,007	145,007	\$ -
2055	758,094	63,175	694,920	138,461	138,461	\$ -
2056	694,920	63,175	631,745	131,914	131,914	\$ -
2057	631,745	63,175	568,571	125,367	125,367	\$ -
2058	568,571	63,175	505,396	118,821	118,821	\$ -
2059	505,396	63,175	442,222	112,274	112,274	\$ -
2060	442,222	63,175	379,047	105,728	105,728	\$ -
2061	379,047	63,175	315,873	99,181	99,181	\$ -
2062	315,873	63,175	252,698	92,634	92,634	\$ -
2063	252,698	63,175	189,524	86,088	86,088	\$ -
2064	189,524	63,175	126,349	79,541	79,541	\$ -
2065	126,349	63,175	63,175	72,994	72,994	\$ -
2066	63,175	63,175	-	66,448	66,448	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals		3,158,727		11,669,329	11,669,329	-

RTEP Projected Rev. Req't. From Prior Year Template w/o Incentives	RTEP Projected Rev. Req't. From Prior Year Template with Incentives **
\$ 486,138	\$ 486,138
\$ 574,408	\$ 574,408
\$ 355,679	\$ 355,679

\*\* 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.

In order to calculate the proper monthly RTEP billing amount, PJM requires a 12 month revenue requirement for each RTEP project. As a result, notwithstanding the fact that the project was in service for a partial year, the project revenue requirement in the year that the project goes into service has been annualized (shown at the full-year level) so that PJM will collect the correct monthly billings.





AEP East Companies  
Cost of Service Formula Rate Using 2019 FF1 Balances  
Worksheet L Reserved for Future Use  
Indiana Michigan Pover Company

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

Line No	Month (a)	Average Balance of Common Equity				Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
		Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	
(Note A)		(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	2,310,400,000			(11,904,000)	2,322,304,000
2	January	2,339,770,000			(11,876,000)	2,351,646,000
3	February	2,318,857,000			(11,847,000)	2,330,704,000
4	March	2,338,403,000			(11,818,000)	2,350,221,000
5	April	2,338,610,000			(11,790,000)	2,350,400,000
6	May	2,320,300,000			(11,761,000)	2,332,061,000
7	June	2,326,692,000			(11,732,000)	2,338,424,000
8	July	2,357,132,000			(11,704,000)	2,368,836,000
9	August	2,351,804,000			(11,675,000)	2,363,479,000
10	September	2,358,547,000			(11,647,000)	2,370,194,000
11	October	2,358,392,000			(11,618,000)	2,370,010,000
12	November	2,341,876,000			(11,589,000)	2,353,465,000
13	December of Rate Year	2,384,936,000			(11,561,000)	2,396,497,000
14	Average of the 13 Monthly Balances	2,341,978,385	-	-	(11,732,462)	2,353,710,846

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Acct 221 Bonds (b)	Less: Acct 222 Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
(Note A)		(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year		-		2,654,609,803		2,654,609,803
16	January		-		2,654,609,803		2,654,609,803
17	February		-		2,654,609,803		2,654,609,803
18	March		-		2,654,609,803		2,654,609,803
19	April		-		2,654,609,803		2,654,609,803
20	May		-		2,654,609,803		2,654,609,803
21	June		-		3,054,609,803		3,054,609,803
22	July		-		3,054,609,803		3,054,609,803
23	August		-		3,054,609,803		3,054,609,803
24	September		-		3,054,609,803		3,054,609,803
25	October		-		3,029,609,803		3,029,609,803
26	November		-		3,029,609,803		3,029,609,803
27	December of Rate Year		-		3,029,609,803		3,029,609,803
28	Average of the 13 Monthly Balances	-	-	-	2,864,225,188	-	2,864,225,188

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)

**Development of Cost of Long Term Debt Based on Average Outstanding Balance**

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	<b>Annual Interest Expense for 2019</b>						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)				121,516,000		
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.				2,028,229		
32	Plus: Allowed Hedge Recovery From Ln 55 below.				2,028,229		
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)				2,156,000		
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)				1,499,000		
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
37	<b>Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)</b>				125,171,000		
38	<b>Average Cost of Debt for 2019 (Ln 37/ Ln 28 (g))</b>				<b>4.37%</b>		

**CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES**

39 NOTE: The net amount of hedging gains or losses recorded in account 427 to be recovered in this formula rate should be limited to the effective portion of pre-issuance cash flow hedges that are amortized over the life of the underlying debt issuances. The recovery of a net loss or passback of a net gain will be limited to five basis points of the total Capital Structure. Amounts related to the ineffective portion of pre-issuance hedges, cash settlements of fair value hedges issued on Long Term Debt, post-issuance cash flow hedges, and cash flow hedges of variable rate debt issuances are not recoverable in this formula and are to be recorded in the "Excludable" column below.

HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2019	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Amortization Period		
				Remaining Unamortized Balance	Beginning	Ending
40 Senior Unsecured Notes - Series G	-	-	-	-	December-05	November-15
41 Senior Unsecured Notes - Series H	421,740	-	421,740	8,065,784	November-16	February-37
42 Senior Unsecured Notes - Series J	1,606,489	-	1,606,489	8,367,132	March-13	March-23
43						
44						
45						
46						
47						
48						
49					16,432,916	
50 Total Hedge Amortization	2,028,229	-				
51 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			2,028,229			
52 Total Average Capital Structure Balance for 2019 (TCOS, Ln 157)			5,217,936,034			
53 Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
54 Limit of Recoverable Amount			2,608,968			
55 Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			<b>2,028,229</b>			

**Development of Cost of Preferred Stock**

Preferred Stock	Average
56 4.125% Series - 100 - Dividend Rate (p. 250-251)	4.125%
57 4.125% Series - 100 - Par Value (p. 250-251)	\$ 100.00 \$ 100.00
58 4.125% Series - 100 - Shares O/S (p.250-251)	-
59 4.125% Series - 100 - Monetary Value (Ln 57 * Ln 58)	-
60 4.125% Series - 100 - Dividend Amount (Ln 56 * Ln 59)	-
61 4.12% Series - 100 - Dividend Rate (p. 250-251)	4.120%

62 4.12% Series - 100 - Par Value (p. 250-251)	\$	100.00	\$	100.00	
63 4.12% Series - 100 - Shares O/S (p.250-251)		-		-	
64 4.12% Series - 100 - Monetary Value (Ln 62 * Ln 63)		-		-	-
65 4.12% Series - 100 - Dividend Amount (Ln 61 * Ln 64)		-		-	-
66 4.56% Series - 100 - Dividend Rate (p. 250-251)		4.560%		4.560%	
67 4.56% Series - 100 - Par Value (p. 250-251)	\$	100.00	\$	100.00	
68 4.56% Series - 100 - Shares O/S (p.250-251)		-		-	
69 4.56% Series - 100 - Monetary Value (Ln 67 * Ln 68)		-		-	-
70 4.56% Series - 100 - Dividend Amount (Ln 66 * Ln 69)		-		-	-
71 <b>Balance of Preferred Stock (Lns 59, 64, 69)</b>		-		-	- Year End Total Agrees to FF1 p.112, Ln 3, col (c ) & (d)
72 <b>Dividends on Preferred Stock (Lns 60, 65, 70)</b>		-		-	
73 <b>Average Cost of Preferred Stock (Ln 72/71)</b>		0.00%		0.00%	<b>0.00%</b>

**AEP East Companies**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use**  
**Indiana Michigan Pover Company**

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectiely. 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.

Line	(A) Date	(B) Property Description	(C) Function (T) or (G) T = Transmission G = General	(D) Basis	(E) Proceeds	(F) (Gain) / Loss	(G) Functional Allocator	(H) Functionalized Proceeds (Gain) / Loss	(I) FERC Account
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4					Net (Gain) or Loss for 2019	<u>-</u>		<u>-</u>	

AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet O - Calculation of Postemployment Benefits Other than Pensions Expenses Allocable to Transmission Service  
Indiana Michigan Pover Company

1 Total AEP East Operating Company PBOP Settlement Amount (127,041,505)

**Allocation of PBOP Settlement Amount for 2019**

Line#	Company	Total Company Amount						
		Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 2019	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * -127041505	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
2	APCo	(10,786,934)	35.95%	(45,673,479)	8.520%	(919,002)	(3,891,191)	2,972,189
3	I&M	(8,341,369)	27.80%	(35,318,595)	3.886%	(324,112)	(1,372,337)	1,048,225
4	KPCo	(2,497,070)	8.32%	(10,572,965)	7.403%	(184,863)	(782,737)	597,874
5	KNGP	(238,736)	0.80%	(1,010,844)	10.505%	(25,079)	(106,188)	81,109
6	OPCo	(7,704,846)	25.68%	(32,623,461)	11.590%	(892,964)	(3,780,944)	2,887,979
7	WPCo	(435,072)	1.45%	(1,842,161)	2.524%	(10,981)	(46,495)	35,514
8	<b>Sum of Lines 2 to 7</b>	<b>(30,004,027)</b>		<b>(127,041,505)</b>		<b>(2,357,001)</b>	<b>(9,979,892)</b>	<b>7,622,891</b>

**Detail of Actual PBOP Expenses to be Removed in Cost of Service**

	APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report	(10,200,682)	(7,960,375)	(2,383,555)	(210,469)	(6,946,810)	(266,258)	(27,968,149)
10 Additional PBOP Ledger Entries (from Company Records)	222,743	181,345	119,014	(2,018)	(67,394)	(141,891)	
11 Medicare Subsidy							-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(9,977,939)	(7,779,030)	(2,264,541)	(212,487)	(7,014,204)	(408,149)	(27,656,349)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(808,995)	(562,339)	(232,529)	(26,249)	(690,642)	(26,923)	(2,347,678)
14 Company PBOP Expense (Ln 12 + Ln 13)	(10,786,934)	(8,341,369)	(2,497,070)	(238,736)	(7,704,846)	(435,072)	(30,004,027)

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the actual formula rate; (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 formula rate weighted average cost of capital for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowacance 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 expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

AEP EAST COMPANIES  
Worksheet - P CALCULATION OF  
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNT  
EFFECTIVE AS OF 6/1/2015  
FOR MULTIPLE JURISDICTION COMPANIES  
APPALACHIAN POWER COMPANY

	VIRGINIA			WEST VIRGINIA			FERC WHOLESAL			FERC KINGSPORT			COMPANY	
	(1) PLANT ACCT.	VA SCC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(2) PSC OF WV APPROVED RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(3) FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(4) FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	WTD AVG. DEPREC. RATE
<b>TRANSMISSION PLANT</b>														
Land Rights - Va.	350.1	0.66%	1.000000	0.66%										0.66%
Energy Storage Equip	1489.0				6.67%	1.000000	6.67%							6.67%
Structures & Improvements	352.0	1.55%	0.469583	0.73%	1.52%	0.437847	0.67%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.60%
Station Equipment	353.0	1.95%	0.469583	0.92%	1.68%	0.437847	0.74%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.86%
Towers & Fixtures	354.0	1.14%	0.469583	0.54%	1.54%	0.437847	0.67%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.41%
Poles & Fixtures	355.0	2.77%	0.469583	1.30%	2.64%	0.437847	1.16%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	2.66%
Overhead Conductor	356.0	1.01%	0.469583	0.47%	1.19%	0.437847	0.52%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.19%
Underground Conduit	357.0	1.23%	0.469583	0.58%	1.45%	0.437847	0.63%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.41%
Underground Conductors	358.0	3.18%	0.469583	1.49%	7.23%	0.437847	3.17%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	4.86%

(1) As approved in VA Case No. PUE 2011-00037 on Nov. 30, 2011.  
Depreciation rates were made effective on January 1, 2012.

(3) Approved by FERC March 2, 1990 in Docket ER90-132.

(2) Approved by PSC of WV Order dated May 26, 2015 in  
Case No. 14-1151-E-D effective June 1, 2015.

(4) Approved by FERC March 2, 1990 in Docket ER90-133.

(5) Transmission allocation factors are changed annually in January based on  
September factors as per the PJM tariff approved in FERC Docket ER08-1329  
Attachment H-14B, Part II, pg. 15 of 21.

(6) Energy Storage Equipment is a new account established per FERC Order 784.

**GENERAL NOTES:**

The rates for each AEP company have been approved by their respective regulatory commissions. APCo falls under the authority of Virginia, West Virginia and the FERC. Therefore, APCo's rates are a composite of the jurisdictions under which it operates. Each jurisdiction's rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate for the company. AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES  
Worksheet - P CALCULATION OF  
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES  
FOR TRANSMISSION PLANT PROPERTY ACCOUNT  
EFFECTIVE AS OF October 31, 2018  
FOR MULTIPLE JURISDICTION COMPANIES  
INDIANA MICHIGAN POWER COMPANY

	INDIANA				MICHIGAN			FERC WHOLESALE			COMPANY
	(1)			WTD AVG.	(2)		WTD AVG.	(3)		WTD AVG.	WTD AVG.
PLANT ACCT.	IURC RATES	ALLOCATION FACTOR (4)	DEPREC. RATE	MPSC APPROVED RATES	ALLOCATION FACTOR (4)	DEPREC. RATE	FERC RATES	ALLOCATION FACTOR (4)	DEPREC. RATE	DEPREC. RATE	DEPREC. RATE
<b>TRANSMISSION PLANT</b>											
Land Improvements	350.1	1.4800%	0.652103	0.9651%	1.4400%	0.144206	0.2077%	1.4400%	0.203691	0.2933%	1.47%
Structures & Improvements	352.0	1.5500%	0.652103	1.0108%	1.5000%	0.144206	0.2163%	1.5000%	0.203691	0.3055%	1.53%
Station Equipment	353.0	1.8600%	0.652103	1.2129%	1.8400%	0.144206	0.2653%	1.8400%	0.203691	0.3748%	1.85%
Towers & Fixtures	354.0	1.6900%	0.652103	1.1021%	1.5700%	0.144206	0.2264%	1.5700%	0.203691	0.3198%	1.65%
Poles & Fixtures	355.0	2.8500%	0.652103	1.8585%	2.8300%	0.144206	0.4081%	2.8300%	0.203691	0.5764%	2.84%
Overhead Conductors	356.0	1.9700%	0.652103	1.2846%	1.8900%	0.144206	0.2725%	1.8900%	0.203691	0.3850%	1.94%
Underground Conduit	357.0	1.8600%	0.652103	1.2129%	1.7700%	0.144206	0.2552%	1.7700%	0.203691	0.3605%	1.83%
Underground Conductors	358.0	1.7000%	0.652103	1.1086%	1.6600%	0.144206	0.2394%	1.6600%	0.203691	0.3381%	1.69%
Trails & Roads	359.0	1.5000%	0.652103	0.9782%	1.4800%	0.144206	0.2134%	1.4800%	0.203691	0.3015%	1.49%

(1) As approved in Indiana Case No. 44967.

(2) As approved in MICHIGAN Case No. U18370.

(3) FERC wholesale formula rate agreements specify that the depreciation rates in the formula rates change upon approval of MPSC rates in the Michigan jurisdiction.

(4) The rates approved for each jurisdiction are updated when approved by that commission. These demand-based allocation factors for all jurisdictions are updated when new rates are approved in one of the jurisdictions. These allocation factors reflect I&M's 12 monthly Coincident Peaks during test year of the most recent rate case.

**GENERAL NOTES:**

The rates for each AEP company have been approved by their respective regulatory commissions.

I&M falls under the authority of Indiana, Michigan and the FERC. Therefore, I&M's rates are a composite of the jurisdictions under which it operates. Each jurisdiction's rate is multiplied by an allocation factor, and the product for each jurisdiction is added with the other jurisdictions to derive the composite rate for the company.

AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES  
PJM FORMULA RATE  
WORKSHEET P - TRANSMISSION DEPRECIATION RATES  
EFFECTIVE AS OF 09/1/2016  
FOR SINGLE JURISDICTION COMPANIES  
KINGSPORT POWER COMPANY

	<b>PLANT ACCT.</b>	<b>RATES</b> Note 1
<hr/> <b>TRANSMISSION PLANT</b> <hr/>		
Structures & Improvements	352.0	1.04%
Station Equipment	353.0	1.49%
Towers & Fixtures	354.0	0.12%
Poles & Fixtures	355.0	2.14%
Overhead Conductors	356.0	0.77%
Underground Conduit	357.0	Note 2
Underground Conductors	358.0	Note 2
<b>Composite Transmission Depreciation Rate</b>		<b>1.46%</b>
 <b>GENERAL PLANT</b>		
Structures & Improvements	390.0	1.71%
Office Furniture & Equipment	391.0	2.82%
Stores Equipment	393.0	2.22%
Tools Shop & Garage Equipment	394.0	3.12%
Laboratory Equipment	395.0	3.17%
Communication Equipment	397.0	3.32%
Miscellaneous Equipment	398.0	4.92%
<b>Total General Plant</b>		<b>3.25%</b>

Reference:

Note 1: Rates Approved In Tennessee Regulatory Authority Docket No. 16-00001.

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Note 2: Kingsport Power Company does not have investment in plant accounts 357 or 358. Therefore, there are no depreciation rates approved

**General Note**

AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES  
PJM FORMULA RATE  
WORKSHEET P - TRANSMISSION DEPRECIATION RATES  
EFFECTIVE AS OF 07/1/2015  
FOR SINGLE JURISDICTION COMPANIES  
KENTUCKY POWER COMPANY

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<hr/> <b>TRANSMISSION PLANT</b> <hr/>		
Land Rights	350.1	1.44%
Structures & Improvements	352.0	2.08%
Station Equipment	353.0	2.15%
Towers & Fixtures	354.0	2.61%
Poles & Fixtures	355.0	3.95%
Overhead Conductors	356.0	2.91%
Underground Conduit	357.0	2.99%
Underground Conductors	358.0	2.62%

Reference:

Note 1: Rates Approved in KPSC Case No. 2014-00396.

**General Note**

AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES  
PJM FORMULA RATE  
WORKSHEET P - TRANSMISSION DEPRECIATION RATES  
EFFECTIVE AS OF 1/1/2012  
FOR SINGLE JURISDICTION COMPANIES  
OHIO POWER COMPANY

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b><i>TRANSMISSION PLANT</i></b>		
Structures & Improvements	352.0	2.02%
Station Equipment	353.0	2.29%
Twrs and Fixtures Above 69 KV	354.0	1.88%
Twrs and Fixtures Below 69 KV	354.0	1.88%
Poles and Fixtures Above 69 KV	355.0	3.52%
Poles and Fixtures Below 69 KV	355.0	3.52%
Overhead Conductor & Devices Above	356.0	1.91%
Overhead Conductor & Devices MSP	356.0	1.91%
Overhead Conductor & Devices 138KV	356.0	1.91%
Overhead Conductor & Devices 69KV,	356.0	1.91%
Overhead Conductor & Devices CLR	356.0	1.91%
Underground Conduit	357.0	2.26%
Underground Conductors	358.0	3.27%

Reference:

Note 1: These are the weighted average of the depreciation rates in effect for Columbus Southern Power and Ohio Power prior to the merger of Columbus Southern into Ohio Power.

**General Note:**

AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

AEP EAST COMPANIES  
PJM FORMULA RATE  
WORKSHEET P - TRANSMISSION DEPRECIATION RATES  
EFFECTIVE AS OF 06/1/2015  
FOR SINGLE JURISDICTION COMPANIES  
WHEELING POWER COMPANY

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b><i>TRANSMISSION PLANT</i></b>		
Structures & Improvements	352.0	0.69%
Station Equipment	353.0	1.70%
Towers & Fixtures	354.0	0.04%
Poles & Fixtures	355.0	2.65%
Overhead Conductors	356.0	1.12%
Underground Conduit	357.0	2.00%
Underground Conductors	358.0	5.00%
Trails & Roads	359.0	-

Note 1: Rates Approved in WV Public Service Commission Case No. 14-1151-E-D.

**General Note:**

AEP will make a 205 filing whenever a company's rates are changed by their commission(s), or if the methodology to calculate the jurisdictional allocator in multiple-state companies changes. Changes in the allocation factors will not necessitate a 205 filing.

**AEP East Companies**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet Q - True-up With Interest**

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018 <hr/> \$132,312,514	-	2017 Forecasted Revenue Requirement For Year 2017 <hr/> \$132,710,252	=	True-up Adjustment - Over (Under) Recovery <hr/> \$397,738
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Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3420%				
An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorate over 2019						
<u>Calculation of Interest</u>				<u>Monthly</u>		
January	Year 2017	33,145	0.3420%	12	(1,360)	(34,505)
February	Year 2017	33,145	0.3420%	11	(1,247)	(34,392)
March	Year 2017	33,145	0.3420%	10	(1,134)	(34,278)
April	Year 2017	33,145	0.3420%	9	(1,020)	(34,165)
May	Year 2017	33,145	0.3420%	8	(907)	(34,052)
June	Year 2017	33,145	0.3420%	7	(793)	(33,938)
July	Year 2017	33,145	0.3420%	6	(680)	(33,825)
August	Year 2017	33,145	0.3420%	5	(567)	(33,712)
September	Year 2017	33,145	0.3420%	4	(453)	(33,598)
October	Year 2017	33,145	0.3420%	3	(340)	(33,485)
November	Year 2017	33,145	0.3420%	2	(227)	(33,372)
December	Year 2017	33,145	0.3420%	1	(113)	(33,258)
				(8,842)		(406,580)
				<u>Annual</u>		
January through December	Year 2018	(406,580)	0.3420%	12	(16,686)	(423,266)
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				<u>Monthly</u>		
January	Year 2019	423,266	0.3420%		(1,448)	36,061
February	Year 2019	388,652	0.3420%		(1,329)	36,061
March	Year 2019	353,920	0.3420%		(1,210)	36,061
April	Year 2019	319,069	0.3420%		(1,091)	36,061
May	Year 2019	284,100	0.3420%		(972)	36,061
June	Year 2019	249,010	0.3420%		(852)	36,061
July	Year 2019	213,800	0.3420%		(731)	36,061
August	Year 2019	178,470	0.3420%		(610)	36,061
September	Year 2019	143,020	0.3420%		(489)	36,061
October	Year 2019	107,448	0.3420%		(367)	36,061
November	Year 2019	71,754	0.3420%		(245)	36,061
December	Year 2019	35,938	0.3420%		(123)	36,061
				(9,468)		
True-Up Adjustment with Interest						(432,734)
Less Over (Under) Recovery						397,738
Total Interest						(34,996)

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.

**AEP East Companies**  
**Cost of Service Formula Rate Using Actual/Projected FF1 Balances**  
**Worksheet Q - True-up With Interest**

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018 <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <div style="background-color: #e0ffff; padding: 2px 5px; text-align: center;">\$6,345,501</div>	-	2017 Forecasted Revenue Requirement For Year 2017 <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <div style="background-color: #e0ffff; padding: 2px 5px; text-align: center;">\$6,594,270</div>	=	True-up Adjustment - Over (Under) Recovery <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <div style="background-color: #e0ffff; padding: 2px 5px; text-align: center;">\$248,769</div>
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Interest Rate on Amount of Refunds or Surcharge from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3420%				

An over or under collection will be recovered prorata over 2017, held for 2018 and returned prorata over 2019

<u>Calculation of Interest</u>				<u>Monthly</u>		
January	Year 2017	20,731	0.3420%	12	(851)	(21,582)
February	Year 2017	20,731	0.3420%	11	(780)	(21,511)
March	Year 2017	20,731	0.3420%	10	(709)	(21,440)
April	Year 2017	20,731	0.3420%	9	(638)	(21,369)
May	Year 2017	20,731	0.3420%	8	(567)	(21,298)
June	Year 2017	20,731	0.3420%	7	(496)	(21,227)
July	Year 2017	20,731	0.3420%	6	(425)	(21,156)
August	Year 2017	20,731	0.3420%	5	(354)	(21,085)
September	Year 2017	20,731	0.3420%	4	(284)	(21,014)
October	Year 2017	20,731	0.3420%	3	(213)	(20,943)
November	Year 2017	20,731	0.3420%	2	(142)	(20,873)
December	Year 2017	20,731	0.3420%	1	(71)	(20,802)
					(5,530)	(254,299)
				<u>Annual</u>		
January through December	Year 2018	(254,299)	0.3420%	12	(10,436)	(264,736)

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				<u>Monthly</u>		
January	Year 2019	264,736	0.3420%	(905)	22,555	(243,086)
February	Year 2019	243,086	0.3420%	(831)	22,555	(221,363)
March	Year 2019	221,363	0.3420%	(757)	22,555	(199,565)
April	Year 2019	199,565	0.3420%	(683)	22,555	(177,693)
May	Year 2019	177,693	0.3420%	(608)	22,555	(155,746)
June	Year 2019	155,746	0.3420%	(533)	22,555	(133,724)
July	Year 2019	133,724	0.3420%	(457)	22,555	(111,626)
August	Year 2019	111,626	0.3420%	(382)	22,555	(89,453)
September	Year 2019	89,453	0.3420%	(306)	22,555	(67,204)
October	Year 2019	67,204	0.3420%	(230)	22,555	(44,879)
November	Year 2019	44,879	0.3420%	(153)	22,555	(22,478)
December	Year 2019	22,478	0.3420%	(77)	22,555	0
					(5,922)	

True-Up Adjustment with Interest	(270,657)
Less Over (Under) Recovery	248,769
Total Interest	(21,888)

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 true-up through August 31 of the following