

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2013 and Projected Net Plant at Year-End 2014

OHIO POWER COMPANY

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 138)			\$287,049,492
2	REVENUE CREDITS	(Note A) (Worksheet E)	15,756,755	DA 1.00000	\$ 15,756,755
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			\$ 271,292,738

MEMO: The Carrying Charge Calculations on lines 6 to 11 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 4 is included in the total on line 3.

4	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J)		12,202,156	DA 1.00000	\$ 12,202,156
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	((In 1 - In 105 - In 106) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			21.95%
7	Monthly Rate	(In 6 / 12)			1.83%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((In 1 - In 105 - In 106 - In 111 - In 112) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			18.44%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	((In 1 - In 105 - In 106 - In 111 - In 112 - In 133 - In 134) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100))			9.84%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J)				-

REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES					
14	Total Load Dispatch & Scheduling (Account 561)	Line 85 Below			15,039,473
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				6,515,903
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				1,533,165
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			6,990,405

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	(1)	(2)	(3)	(4)	(5)
	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>
Line No.	GROSS PLANT IN SERVICE				
18	Production	(Worksheet A In 1.C)	-	NA	0.00000
19	Less: Production ARO (Enter Negative)	(Worksheet A In 2.C)	-	NA	0.00000
20	Transmission	(Worksheet A In 3.C & Ln 142)	2,005,287,961	DA	2,005,287,961
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.C & Ln 143)	(3,120)	TP	1.00000
22	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.D)		144,323,403	DA	1.00000
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I, In 22.D)		-	DA	1.00000
24	Distribution	(Worksheet A In 5.C)	3,872,948,452	NA	0.00000
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.C)	-	NA	0.00000
26	General Plant	(Worksheet A In 7.C)	241,517,580	W/S	0.06682
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	(455,006)	W/S	0.06682
28	Intangible Plant	(Worksheet A In 9.C)	84,978,521	W/S	0.06682
29	TOTAL GROSS PLANT	(sum lns 18 to 28)	6,348,597,791		2,171,393,367
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	Production	(Worksheet A In 12.C)	-	NA	0.00000
32	Less: Production ARO (Enter Negative)	(Worksheet A In 13.C)	-	NA	0.00000
33	Transmission	(Worksheet A In 14.C & 28.C)	802,575,084	TP1=	1.00000
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	(2,920)	TP1=	1.00000
35	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.I)		1,082,269	DA	1.00000
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I In. 24.D)		-	DA	1.00000
37	Plus: Additional Transmission Depreciation for 2014 (In 111)		44,608,268	TP1	1.00000
38	Plus: Additional General & Intangible Depreciation for 2014 (In 113 + In 114)		33,597,293	W/S	0.06682
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I In 23.D)		-	DA	1.00000
40	Distribution	(Worksheet A In 16.C)	1,417,094,199	NA	0.00000
41	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.C)	-	NA	0.00000
42	General Plant	(Worksheet A In 18.C)	93,855,639	W/S	0.06682
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	(192,853)	W/S	0.06682
44	Intangible Plant	(Worksheet A In 20.C)	69,392,281	W/S	0.06682
45	TOTAL ACCUMULATED DEPRECIATION	(sum lns 31 to 44)	2,462,009,261		861,402,443
46	NET PLANT IN SERVICE				
47	Production	(In 18 + In 19 - In 31 - In 32)	-		-
48	Transmission	(In 20 + In 21 - In 33 - In 34)	1,202,712,677		1,202,712,677
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		143,241,134		143,241,134
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		-		-
51	Plus: Additional Transmission Depreciation for 2014 (-In 37)		(44,608,268)		(44,608,268)
52	Plus: Additional General & Intangible Depreciation for 2014 (-In 38)		(33,597,293)		(2,244,874)
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		-		-
54	Distribution	(In 24 + In 25 - In 40 - In 41)	2,455,854,253		-
55	General Plant	(In 26 + In 27 - In 42 - In 43)	147,399,788		9,848,828
56	Intangible Plant	(In 28 - In 44)	15,586,240		1,041,427
57	TOTAL NET PLANT IN SERVICE	(sum lns 47 to 56)	3,886,588,530		1,309,990,924
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE				
59	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.C)	-	NA	-
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	(773,836,397)	DA	(246,824,260)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(535,487,620)	DA	(42,223,910)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	139,094,496	DA	19,223,288
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	(164,574)	DA	(90,780)
64	TOTAL ADJUSTMENTS	(sum lns 59 to 63)	(1,170,394,095)		(269,915,662)
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	11,222,779	DA	6,002,010
66	REGULATORY ASSETS	(Worksheet A In 36. (C))	-	DA	-
67	WORKING CAPITAL				
68	Cash Working Capital	(1/8 * In 88)	4,534,522		4,534,522
69	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	1,090,901	TP	1.00000
70	A&G Materials & Supplies	(Worksheet C, In 3.(D))	187,747	W/S	0.06682
71	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	0.32672
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 6.G)	206,224,533	W/S	0.06682
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 6.F)	2,232,188	GP(h)	0.32672
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 6.E)	92,712	DA	1.00000
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 6.D)	(205,395,858)	NA	0.00000
76	TOTAL WORKING CAPITAL	(sum lns 68 to 75)	8,966,745		20,239,310
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	(2,464,505)	DA	1.00000
78	RATE BASE (sum lns 57, 64, 65, 66, 76, 77)		2,733,919,454		1,063,852,077

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Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator	(5) Total Transmission
79	OPERATION & MAINTENANCE EXPENSE				
79	Production	321.80.b	2,343,350,481		
80	Distribution	322.156.b	136,595,522		
81	Customer Related Expense	322.164,171,178.b	328,930,152		
82	Regional Marketing Expenses	322.131.b	6,696,684		
83	Transmission	321.112.b	39,545,144		
84	TOTAL O&M EXPENSES	(sum lns 79 to 83)	2,855,117,983		
85	Less: Total Account 561	(Note G) (Worksheet F, ln 14.C)	15,039,473		
86	Less: Account 565	(Note H) 321.96.b	21,913,647		
87	Less: State Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, ln 4.C)	(33,684,148)		
88	Total O&M Allocable to Transmission	(lns 83 - 85 - 86 - 87)	36,276,172	TP 1.00000	36,276,172
89	Administrative and General	323.197.b (Note J)	137,830,159		
90	Less: Acct. 924, Property Insurance	323.185.b	6,106,176		
91	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	701,233		
92	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
93	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(509,325)		
94	Acct. 928, Reg. Com. Exp.	323.189.b	702,829		
95	Acct. 930.1, Gen. Advert. Exp.	323.191.b	5,708,038		
96	Acct. 930.2, Misc. Gen. Exp.	323.192.b	2,664,954		
97	Balance of A & G	(ln 89 - sum ln 90 to ln 96)	122,456,254	W/S 0.06682	8,182,173
98	Plus: Acct. 924, Property Insurance	(ln 90)	6,106,176	GP(h) 0.32672	1,995,019
99	Acct. 928 - Transmission Specific	Worksheet F ln 18.(E) (Note L)	-	TP 1.00000	-
100	Acct 930.1 - Only safety related ads -Direct	Worksheet F ln 33.(E) (Note L)	-	TP 1.00000	-
101	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F ln 40.(E) (Note L)	282,796	DA 1.00000	282,796
102	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 6, (Note M)	(660,626)	W/S 0.06682	(44,141)
103	A & G Subtotal	(sum lns 97 to 102)	128,184,600		10,415,847
104	O & M EXPENSE SUBTOTAL	(ln 88 + ln 103)	164,460,772		46,692,019
105	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA 1.00000	-
106	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		1,378,542	DA 1.00000	1,378,542
107	TOTAL O & M EXPENSE	(ln 104 + ln 105 + ln 106)	165,839,314		48,070,561
108	DEPRECIATION AND AMORTIZATION EXPENSE				
109	Production	336.2-6.f	177,533,359	NA 0.00000	-
110	Distribution	336.8.f	102,265,955	NA 0.00000	-
111	Transmission	336.7.f	44,608,268	TP1 1.00000	44,608,268
112	Plus: Transmission Plant-in-Service Additions (Worksheet I ln 21.I)		1,082,269	DA 1.00000	1,082,269
113	General	336.10.f	2,891,709	W/S 0.06682	193,216
114	Intangible	336.1.f	30,705,584	W/S 0.06682	2,051,658
115	TOTAL DEPRECIATION AND AMORTIZATION	(Lns 109+110+111 +112+113+114)	359,087,144		47,935,411
116	TAXES OTHER THAN INCOME	(Note N)			
117	Labor Related				
118	Payroll	Worksheet H ln 22.(D)	13,999,384	W/S 0.06682	935,398
119	Plant Related				
120	Property	Worksheet H ln 22.(C) & ln 46.(C)	223,443,926	DA	76,529,046
121	Gross Receipts/Sales & Use	Worksheet H ln 22.(F)	163,178,404	NA 0.00000	-
122	Other	Worksheet H ln 22.(E)	5,119,599	GP(h) 0.32672	1,672,683
123	TOTAL OTHER TAXES	(sum lns 118 to 122)	405,741,313		79,137,127
124	INCOME TAXES	(Note O)			
125	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		35.89%		
126	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		31.57%		
127	where WCLTD=(ln 162) and WACC = (ln 165)				
128	and FIT, SIT & p are as given in Note O.				
129	$GRCF=1 / (1 - T) =$ (from ln 125)		1.5598		
130	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	(1,360,938)		
131	Income Tax Calculation	(ln 126 * ln 134)	69,423,292		27,014,737
132	ITC adjustment	(ln 129 * ln 130)	(2,122,821)	NP(h) 0.31757	(674,140)
133	TOTAL INCOME TAXES	(sum lns 131 to 132)	67,300,472		26,340,597
134	RETURN ON RATE BASE (Rate Base * WACC)	(ln 78 * ln 165)	219,889,588		85,565,796
135	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, ln 2.(B))		-	DA 1.00000	-
136	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, ln 4, Cols. ((F) & (H))		-		-
137	Tax Impact on (Gains) / Losses on Sales of Plant Held for Future Use (ln 136 * ln126)		-		-
138	TOTAL REVENUE REQUIREMENT		1,217,857,831		287,049,492
	(sum lns 107, 115, 123, 133, 134, 135, 136, 137)				

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
139	Total transmission plant	(In 20)						2,005,287,961
140	Less transmission plant excluded from PJM Tariff	(Note P)						-
141	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 23, Col. (C)) (Note Q)						-
142	Transmission plant included in PJM Tariff	(In 139 - In 140 - In 141)						<u>2,005,287,961</u>
143	Percent of transmission plant in PJM Tariff	(In 142 / In 139)					TP	1.00000
144	WAGES & SALARY ALLOCATOR (W/S)	(Note R)		Payroll Billed from				
145	Production	354.20.b	Direct Payroll	AEP Service Corp.	Total			-
146	Transmission	354.21.b	93,682,440	24,946,164	118,628,604	NA	0.00000	-
147	Regional Market Expenses	354.22.b	5,967,381	7,905,477	13,872,858	TP	1.00000	13,872,858
148	Distribution	354.23.b	0	0	-	NA	0.00000	-
149	Other (Excludes A&G)	354.24,25,26.b	40,627,746	4,024,663	44,652,409	NA	0.00000	-
150	Total	(sum lns 145 to 149)	17,368,288	13,102,182	30,470,470	NA	0.00000	-
			<u>157,645,855</u>	<u>49,978,486</u>	<u>207,624,341</u>			<u>13,872,858</u>
151	Transmission related amount						W/S=	0.06682
152	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
153	Long Term Interest	(Worksheet L, In. 43, col. (D))						<u>143,317,564</u>
154	Preferred Dividends	(Worksheet L, In. 49, col. (D))						-
155	<u>Development of Common Stock:</u>							
156	Proprietary Capital	(FF1 p 112, Ln 16.c)						1,625,265,129
157	Less: Preferred Stock	(FF1 p 112, Ln 3.c)						-
158	Less: Account 216.1	(FF1 p 112, Ln 12.c)						4,915,704
159	Less: Account 219	(FF1 p 112, Ln 15.c)						<u>7,079,463</u>
160	Common Stock	(In 156 - In 157 - In 158 - In 159)						<u>1,613,269,962</u>
161							Cost	
162	Long Term Debt (Note T) Worksheet L, In 43, col. (B))		\$	%		(Note S)	Weighted	
163	Preferred Stock (In 157)		2,473,284,996	60.52%		0.0579	0.0351	
164	Common Stock (In 160)		-	0.00%		-	0.0000	
165	Total (Sum lns 162 to 164)		<u>1,613,269,962</u>	<u>39.48%</u>		<u>11.49%</u>	<u>0.0454</u>	
			<u>4,086,554,958</u>			WACC=	0.0804	

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OHIO POWER COMPANY

Letter

Notes

General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
See Worksheet E for details.
- B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's.
- C Transmission Plant balances in this study are projected as of December 31, 2014. Other ratebase amounts are as of December 31, 2013.
- D The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 88. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 85.
2) AEP transmission equalization transfers, as shown on line 86
3) The impact of state regulatory deferrals and amortizations, as shown on line 87
4) All A&G Expenses, as shown on line 103.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 77 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 135.
- G Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 15 & 16 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 88. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on lines 105 and 106 to determine the total O&M collected in the formula. The amounts on lines 105 and 106 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11.
The addbacks on lines 105 and 106 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.
The company records referenced on lines 105 and 106 is the OHIO POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K These deductions on lines 91 through 93 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O, and the process for updating the annual total is documented on Attachment F, Allowable PBOP Expense Formula.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)
(ln 130) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.
- | | | |
|------------------|-------|---|
| Inputs Required: | FIT = | 35.00% |
| | SIT = | 1.37% (State Income Tax Rate or Composite SIT. Worksheet G) |
| | p = | 0.00% (percent of federal income tax deductible for state purposes) |
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (ln 153) / long term debt (ln 162). Preferred Stock cost rate = preferred dividends (ln 154) / preferred outstanding (ln 163). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO membership.
In the Projected & Historic templates, the interest expense on long-term debt is the sum of a full year's interest expense at the coupon rate for each issuance outstanding as of December 31 of the historic year. The projected expense for variable rate debt will be based on the effective rate at December 31. These conventions ensure that the expense used in the projection will reflect a full year, similar to the actual expense that will appear in the subsequent true-up of the projection, and minimize the impact on the true-up of using a partial year interest expense. The projection will reflect the actual historic-year expense recorded for issuance expenses, discounts and premiums, and gains or losses on reacquired debt. Eligible hedging gains or losses will be limited to five basis points of the projected capital structure.
Details and calculations are shown on Worksheet L.
- T This note only applies to Indiana Michigan Power Company.
- U This note only applies to the true-up template.

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Line No.			Total	Allocator	Transmission Amount
166	REVENUE REQUIREMENT (w/o incentives)	(In 303)			\$275,767,110
167	REVENUE CREDITS	(Note A) (Worksheet E)	15,756,755	DA 1.00000	\$ 15,756,755
168	REVENUE REQUIREMENT For All Company Facilities	(In 166 less In 167)			\$ 260,010,355

MEMO: The Carrying Charge Calculations on lines 171 to 176 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 169 is included in the total on line 168.

169	Not applicable on this template				
170	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
171	Annual Rate	((In 166 - In 270 - In 271) / In 213 x 100)			22.81%
172	Monthly Rate	(In 171 / 12)			1.90%
173	NET PLANT CARRYING CHARGE ON LINE 171 , w/o depreciation or ROE incentives (Note B)				
174	Annual Rate	((In 166 - In 270 - In 271 - In 276) / In 213 x 100)			19.11%
175	NET PLANT CARRYING CHARGE ON LINE 174, w/o Return, income taxes or ROE incentives (Note B)				
176	Annual Rate	((In 166 - In 270 - In 271 - In 276 - In 298 - In 299) / In 213 x 100)			10.65%
177	Not applicable on this template				
178	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
179	Total Load Dispatch & Scheduling (Account 561)	Line 250 Below			15,039,473
180	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				6,515,903
181	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				1,533,165
182	Total 561 Internally Developed Costs	(Line 179 - Line 180 - Line 181)			6,990,405

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2013 with Year-End Rate Base Balances

OHIO POWER COMPANY

	(1)	(2)	(3)	(4)	(5)
Line No.	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>
183	GROSS PLANT IN SERVICE				
183	Production	(Worksheet A In 1.C)	-	NA	0.00000
184	Less: Production ARO (Enter Negative)	(Worksheet A In 2.C)	-	NA	0.00000
185	Transmission	(Worksheet A In 3.C & Ln 307)	2,005,287,961	DA	2,005,287,961
186	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.C & Ln 308)	(3,120)	TP	1.00000
187	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	0.00000
188	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	0.00000
189	Distribution	(Worksheet A In 5.C)	3,872,948,452	NA	0.00000
190	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.C)	-	NA	0.00000
191	General Plant	(Worksheet A In 7.C)	241,517,580	W/S	0.06682
192	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	(455,006)	W/S	0.06682
193	Intangible Plant	(Worksheet A In 9.C)	84,978,521	W/S	0.06682
194	TOTAL GROSS PLANT	(sum Ins 183 to 193)	6,204,274,388	GP(h)=	0.326722
				GTD=	0.34114
195	ACCUMULATED DEPRECIATION AND AMORTIZATION				
196	Production	(Worksheet A In 12.C)	-	NA	0.00000
197	Less: Production ARO (Enter Negative)	(Worksheet A In 13.C)	-	NA	0.00000
198	Transmission	(Worksheet A In 14.C & 28.C)	802,575,084	TP1=	1.00000
199	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	(2,920)	TP1=	1.00000
200	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA	1.00000
201	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
202	Plus: Additional Transmission Depreciation for 2014 (In 276)		N/A	TP1	1.00000
203	Plus: Additional General & Intangible Depreciation for 2014 (In 275 + In 276)		N/A	W/S	0.06682
204	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
205	Distribution	(Worksheet A In 16.C)	1,417,094,199	NA	0.00000
206	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.C)	-	NA	0.00000
207	General Plant	(Worksheet A In 18.C)	93,855,639	W/S	0.06682
208	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	(192,853)	W/S	0.06682
209	Intangible Plant	(Worksheet A In 20.C)	69,392,281	W/S	0.06682
210	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 196 to 209)	2,382,721,431		813,467,032
211	NET PLANT IN SERVICE				
212	Production	(In 183 + In 184 - In 196 - In 197)	-		-
213	Transmission	(In 185 + In 186 - In 198 - In 199)	1,202,712,677		1,202,712,677
214	Plus: Transmission Plant-in-Service Additions (In 187 - In 200)		N/A		N/A
215	Plus: Additional Trans Plant on Transferred Assets (In 188 - In 201)		N/A		N/A
216	Plus: Additional Transmission Depreciation for 2014 (-In 202)		N/A		N/A
217	Plus: Additional General & Intangible Depreciation for 2014 (-In 203)		N/A		N/A
218	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 204)		N/A		N/A
219	Distribution	(In 189 + In 190 - In 205 - In 206)	2,455,854,253		-
220	General Plant	(In 191 + In 192 - In 207 - In 208)	147,399,788		9,848,828
221	Intangible Plant	(In 193 - In 209)	15,586,240		1,041,427
222	TOTAL NET PLANT IN SERVICE	(sum Ins 212 to 221)	3,821,552,957	NP(h)=	0.317568
223	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
224	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.C)	-	NA	-
225	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	(773,836,397)	DA	(246,824,260)
226	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(535,487,620)	DA	(42,223,910)
227	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	139,094,496	DA	19,223,288
228	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	(164,574)	DA	(90,780)
229	TOTAL ADJUSTMENTS	(sum Ins 224 to 228)	(1,170,394,095)		(269,915,662)
230	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	11,222,779	DA	6,002,010
231	REGULATORY ASSETS	(Worksheet A In 36. (C))	-	DA	-
232	WORKING CAPITAL	(Note E)			
233	Cash Working Capital	(1/8 * In 253)	4,534,522		4,534,522
234	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	1,090,901	TP	1.00000
235	A&G Materials & Supplies	(Worksheet C, In 3.(D))	187,747	W/S	0.06682
236	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	0.32672
237	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 6.G)	206,224,533	W/S	0.06682
238	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 6.F)	2,232,188	GP(h)	0.32672
239	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 6.E)	92,712	DA	1.00000
240	Prepayments (Account 165) - Unallocable	(Worksheet C, In 6.D)	(205,395,858)	NA	0.00000
241	TOTAL WORKING CAPITAL	(sum Ins 233 to 240)	8,966,745		20,239,310
242	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	(2,464,505)	DA	1.00000
243	RATE BASE (sum Ins 222, 229, 230, 231, 241, 242)		2,668,883,881		967,464,085

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Historic Cost Data for 2013 with Year-End Rate Base Balances

OHIO POWER COMPANY

	(1)	(2)	(3)	(4)	(5)
Line No.	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
244	OPERATION & MAINTENANCE EXPENSE				
244	Production	321.80.b	2,343,350,481		
245	Distribution	322.156.b	136,595,522		
246	Customer Related Expense	322 & 323.164,171,178.b	328,930,152		
247	Regional Marketing Expenses	322.131.b	6,696,684		
248	Transmission	321.112.b	39,545,144		
249	TOTAL O&M EXPENSES	(sum Ins 244 to 248)	2,855,117,983		
250	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	15,039,473		
251	Less: Account 565	(Note H) 321.96.b	21,913,647		
252	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	(33,684,148)		
253	Total O&M Allocable to Transmission	(Ins 248 - 250 - 251 - 252)	36,276,172	TP	1.00000
254	Administrative and General	323.197.b (Note J)	137,830,159		
255	Less: Acct. 924, Property Insurance	323.185.b	6,106,176		
256	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	701,233		
257	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
258	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(509,325)		
259	Acct. 928, Reg. Com. Exp.	323.189.b	702,829		
260	Acct. 930.1, Gen. Advert. Exp.	323.191.b	5,708,038		
261	Acct. 930.2, Misc. Gen. Exp.	323.192.b	2,664,954		
262	Balance of A & G	(In 254 - sum In 255 to In 261)	122,456,254	W/S	0.06682
263	Plus: Acct. 924, Property Insurance	(In 255)	6,106,176	GP(h)	0.32672
264	Acct. 928 - Transmission Specific	Worksheet F In 18.(E) (Note L)	-	TP	1.00000
265	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 33.(E) (Note L)	-	TP	1.00000
266	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 40.(E) (Note L)	282,796	DA	1.00000
267	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 6, (Note M)	(660,626)	W/S	0.06682
268	A & G Subtotal	(sum Ins 262 to 267)	128,184,600		
269	O & M EXPENSE SUBTOTAL	(In 253 + In 268)	164,460,772		
270	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA	1.00000
271	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		1,378,542	DA	1.00000
272	TOTAL O & M EXPENSE	(In 269 + In 270 + In 271)	165,839,314		
273	DEPRECIATION AND AMORTIZATION EXPENSE				
274	Production	336.2-6.f	177,533,359	NA	0.00000
275	Distribution	336.8.f	102,265,955	NA	0.00000
276	Transmission	336.7.f	44,608,268	TP1	1.00000
277	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
278	General	336.10.f	2,891,709	W/S	0.06682
279	Intangible	336.1.f	30,705,584	W/S	0.06682
280	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 274+275+276+277+278+279) (Note N)	358,004,875		
281	TAXES OTHER THAN INCOME				
282	Labor Related				
283	Payroll	Worksheet H In 22.(D)	13,999,384	W/S	0.06682
284	Plant Related				
285	Property	Worksheet H In 22.(C) & In 46.(C)	223,443,926	DA	
286	Gross Receipts/Sales & Use	Worksheet H In 22.(F)	163,178,404	NA	0.00000
287	Other	Worksheet H In 22.(E)	5,119,599	GP(h)	0.32672
288	TOTAL OTHER TAXES	(sum Ins 283 to 287)	405,741,313		
289	INCOME TAXES	(Note O)			
290	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		35.89%		
291	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		31.57%		
292	where WCLTD=(In 327) and WACC = (In 330)				
293	and FIT, SIT & p are as given in Note O.				
294	$GRCF=1 / (1 - T) =$ (from In 290)		1.5598		
295	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	(1,360,938)		
296	Income Tax Calculation	(In 291 * In 299)	67,771,823		
297	ITC adjustment	(In 294 * In 295)	(2,122,821)	NP(h)	0.31757
298	TOTAL INCOME TAXES	(sum Ins 296 to 297)	65,649,002		
299	RETURN ON RATE BASE (Rate Base*WACC)	(In 243 * In 330)	214,658,767		
300	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	1.00000
301	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		
302	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 301 * In291)		-		
303	TOTAL REVENUE REQUIREMENT	(sum Ins 272, 280, 288, 298, 299, 300, 301, 302)	1,209,893,271		

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OHIO POWER COMPANY

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
304	Total transmission plant	(In 185)						2,005,287,961
305	Less transmission plant excluded from PJM Tariff	(Note P)						-
306	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 23, Col. (C)) (Note Q)						-
307	Transmission plant included in PJM Tariff	(In 304 - In 305 - In 306)						2,005,287,961
308	Percent of transmission plant in PJM Tariff	(In 307 / In 304)					TP=	1.00000
309	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
310	Production	354.20.b	93,682,440	24,946,164	118,628,604	NA	0.00000	-
311	Transmission	354.21.b	5,967,381	7,905,477	13,872,858	TP	1.00000	13,872,858
312	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000	-
313	Distribution	354.23.b	40,627,746	4,024,663	44,652,409	NA	0.00000	-
314	Other (Excludes A&G)	354.24,25,26.b	17,368,288	13,102,182	30,470,470	NA	0.00000	-
315	Total	(sum Ins 310 to 314)	157,645,855	49,978,486	207,624,341			13,872,858
316	Transmission related amount						W/S=	0.06682
317	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
318	Long Term Interest	(Worksheet L, In. 43, col. (D))						143,317,564
319	Preferred Dividends	(Worksheet L, In. 49, col. (D))						-
320	Development of Common Stock:							
321	Proprietary Capital	(FF1 p 112, Ln 16.c)						1,625,265,129
322	Less: Preferred Stock	(FF1 p 112, Ln 3.c)						-
323	Less: Account 216.1	(FF1 p 112, Ln 12 .c)						4,915,704
324	Less: Account 219	(FF1 p 112, Ln 15.c)						7,079,463
325	Common Stock	(In 321 - In 322 - In 323 - In 324)						1,613,269,962
326			\$	%			Cost (Note S)	Weighted
327	Long Term Debt (Note T) Worksheet L, In 43, col. (B))		2,473,284,996	60.52%			0.0579	0.0351
328	Preferred Stock (In 322)		-	0.00%			-	0.0000
329	Common Stock (In 325)		1,613,269,962	39.48%			11.49%	0.0454
330	Total (Sum Ins 327 to 329)		4,086,554,958				WACC=	0.0804

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OHIO POWER COMPANY

Letter

Notes

General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
See Worksheet E for details.
- B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's.
- C Transmission Plant balances in this study are historic as of December 31, 2013.
- D The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 253. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 250.
2) AEP transmission equalization transfers, as shown on line 251
3) The impact of state regulatory deferrals and amortizations, as shown on line 252
4) All A&G Expenses, as shown on line 268.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 242 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 300.
- G Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 180 & 181 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 253. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on lines 270 and 271 to determine the total O&M collected in the formula. The amounts on lines 270 and 271 are also excluded in the calculation of the FCR percentage calculated on lines 170 through 176.
The addbacks on lines 270 and 271 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.
The company records referenced on lines 270 and 271 is the OHIO POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K These deductions on lines 256 through 258 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O, and the process for updating the annual total is documented on Attachment F, Allowable PBOP Expense Formula.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)
(In 295) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT= 1.37% (State Income Tax Rate or Composite SIT. Worksheet G))
p = 0.00% (percent of federal income tax deductible for state purposes)
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (In 318) / long term debt (In 327). Preferred Stock cost rate = preferred dividends (In 319) / preferred outstanding (In 328).
Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for remaining a member of the PJM RTO.
- In the Projected & Historic templates, the interest expense on long-term debt is the sum of a full year's interest expense at the coupon rate for each issuance outstanding as of December 31 of the historic year. The projected expense for variable rate debt will be based on the effective rate at December 31. These conventions ensure that the expense used in the projection will reflect a full year, similar to the actual expense that will appear in the subsequent true-up of the projection, and minimize the impact on the true-up of using a partial year interest expense. The projection will reflect the actual historic-year expense recorded for issuance expenses, discounts and premiums, and gains or losses on reacquired debt. Eligible hedging gains or losses will be limited to five basis points of the projected capital structure. Details and calculations are shown on Worksheet L.
- T This note only applies to Indiana Michigan Power Company.
- U This note only applies to the true-up template.

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Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 138)			\$286,447,230
2	REVENUE CREDITS	(Note A) (Worksheet E)	15,756,755	DA 1.00000	\$ 15,756,755
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			\$ 270,690,476
MEMO: The Carrying Charge Calculations on lines 6 to 11 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 4 is included in the total on line 3.					
4	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet K)		4,216,745	DA 1.00000	\$ 4,216,745
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	((In 1 - In 105 - In 106) / In 48 x 100)			24.16%
7	Monthly Rate	(In 6 / 12)			2.01%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	((In 1 - In 105 - In 106 - In 111) / In 48 x 100)			20.44%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	((In 1 - In 105 - In 106 - In 111 - In 133 - In 134) / In 48 x 100)			10.66%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet K)				-
13	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
14	Total Load Dispatch & Scheduling (Account 561)	Line 85 Below			15,039,473
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				6,515,903
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				1,533,165
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			6,990,405

AEP East Companies
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Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

OHIO POWER COMPANY

	(1)	(2)	(3)	(4)	(5)
	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>
Line No.	GROSS PLANT IN SERVICE				
18	Production	(Worksheet A In 1.E)	4,817,853,664	NA	0.00000
19	Less: Production ARO (Enter Negative)	(Worksheet A In 2.E)	(78,390,661)	NA	0.00000
20	Transmission	(Worksheet A In 3.E & Ln 142)	2,006,511,706	DA	1,977,008,772
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 143)	(3,120)	TP	0.98530
22	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	0.00000
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	0.00000
24	Distribution	(Worksheet A In 5.E)	3,795,530,962	NA	0.00000
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.E)	-	NA	0.00000
26	General Plant	(Worksheet A In 7.E)	242,557,667	W/S	0.06583
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	(380,524)	W/S	0.06583
28	Intangible Plant	(Worksheet A In 9.E)	111,971,247	W/S	0.06583
29	TOTAL GROSS PLANT	(sum Ins 18 to 28)	10,895,650,940	GP(h)=	0.18359
				GTD=	0.00000
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	Production	(Worksheet A In 12.E)	2,124,131,777	NA	0.00000
32	Less: Production ARO (Enter Negative)	(Worksheet A In 13.E)	(41,589,362)	NA	0.00000
33	Transmission	(Worksheet A In 14.E & 28.E)	809,889,398	TP1=	0.98408
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.E)	(2,856)	TP1=	0.98408
35	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA	1.00000
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
37	Plus: Additional Transmission Depreciation for 2014 (In 111)		N/A	TP1	0.98408
38	Plus: Additional General & Intangible Depreciation for 2014 (In 110 + In 111)		N/A	W/S	0.06583
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	1.00000
40	Distribution	(Worksheet A In 16.E)	1,404,386,659	NA	0.00000
41	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.E)	-	NA	0.00000
42	General Plant	(Worksheet A In 18.E)	92,819,598	W/S	0.06583
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	(188,668)	W/S	0.06583
44	Intangible Plant	(Worksheet A In 20.E)	95,083,352	W/S	0.06583
45	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 31 to 44)	4,484,529,897		809,354,793
46	NET PLANT IN SERVICE				
47	Production	(In 18 + In 19 - In 31 - In 32)	2,656,920,587		-
48	Transmission	(In 20 + In 21 - In 33 - In 34)	1,196,622,044		1,180,009,010
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		N/A		N/A
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		N/A		N/A
51	Plus: Additional Transmission Depreciation for 2014 (-In 37)		N/A		N/A
52	Plus: Additional General & Intangible Depreciation for 2014 (-In 38)		N/A		N/A
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		N/A		N/A
54	Distribution	(In 24 + In 25 - In 40 - In 41)	2,391,144,303		-
55	General Plant	(In 26 + In 27 - In 42 - In 43)	149,546,214		9,845,324
56	Intangible Plant	(In 28 - In 44)	16,887,895		1,111,809
57	TOTAL NET PLANT IN SERVICE	(sum Ins 47 to 56)	6,411,121,043	NP(h)=	0.18577
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
59	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	(188,328,870)	NA	-
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(1,269,315,610)	DA	(232,084,420)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(569,782,378)	DA	(31,465,729)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	249,333,649	DA	20,034,729
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(243,465)	DA	(141,141)
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	(1,778,336,675)		(243,656,560)
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	13,905,861	DA	6,002,010
66	REGULATORY ASSETS	(Worksheet A In 36. (E))	-	DA	-
67	WORKING CAPITAL	(Note E)			
68	Cash Working Capital	(1/8 * In 88)	4,534,522		4,467,848
69	Transmission Materials & Supplies	(Worksheet C, In 2.F)	1,346,838	TP	0.98530
70	A&G Materials & Supplies	(Worksheet C, In 3.F)	205,801	W/S	0.06583
71	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	0.18359
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	326,730,041	W/S	0.06583
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	3,338,146	GP(h)	0.18359
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	48,826	DA	1.00000
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(319,676,403)	NA	0.00000
76	TOTAL WORKING CAPITAL	(sum Ins 68 to 75)	16,527,770		27,980,264
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8 (B))	(2,464,505)	DA	1.00000
78	RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)		4,660,753,494		978,827,351

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

OHIO POWER COMPANY

	(1)	(2)	(3)	(4)	(5)
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
Line No.	OPERATION & MAINTENANCE EXPENSE				
79	Production	321.80.b	2,343,350,481		
80	Distribution	322.156.b	136,595,522		
81	Customer Related Expense	322.164,171,178.b	328,930,152		
82	Regional Marketing Expenses	322.131.b	6,696,684		
83	Transmission	321.112.b	39,545,144		
84	TOTAL O&M EXPENSES	(sum Ins 79 to 83)	2,855,117,983		
85	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	15,039,473		
86	Less: Account 565	(Note H) 321.96.b	21,913,647		
87	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	(33,684,148)		
88	Total O&M Allocable to Transmission	(Ins 83 - 85 - 86 - 87)	36,276,172	TP	0.98530
89	Administrative and General	323.197.b (Note J)	137,830,159		
90	Less: Acct. 924, Property Insurance	323.185.b	6,106,176		
91	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	701,233		
92	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
93	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(509,325)		
94	Acct. 928, Reg. Com. Exp.	323.189.b	702,829		
95	Acct. 930.1, Gen. Advert. Exp.	323.191.b	5,708,038		
96	Acct. 930.2, Misc. Gen. Exp.	323.192.b	2,664,954		
97	Balance of A & G	(In 89 - sum In 90 to In 96)	122,456,254	W/S	0.06583
98	Plus: Acct. 924, Property Insurance	(In 90)	6,106,176	GP(h)	0.18359
99	Acct. 928 - Transmission Specific	Worksheet F In 18.(E) (Note L)	-	TP	1.00000
100	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 33.(E) (Note L)	-	TP	1.00000
101	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 40.(E) (Note L)	282,796	DA	1.00000
102	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 6, (Note M)	(660,626)	W/S	0.06583
103	A & G Subtotal	(sum Ins 97 to 102)	128,184,600		
104	O & M EXPENSE SUBTOTAL	(In 88 + In 103)	164,460,772		45,164,978
105	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA	1.00000
106	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		1,378,542	DA	1.00000
107	TOTAL O & M EXPENSE	(In 104 + In 105 + In 106)	165,839,314		46,543,520
108	DEPRECIATION AND AMORTIZATION EXPENSE				
109	Production	336.2-6.f	177,533,359	NA	0.00000
110	Distribution	336.8.f	102,265,955	NA	0.00000
111	Transmission	336.7.f	44,608,268	TP1	0.98408
112	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
113	General	336.10.f	2,891,709	W/S	0.06583
114	Intangible	336.1.f	30,705,584	W/S	0.06583
115	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 109+110+111+112+113+114)	358,004,875		46,110,166
116	TAXES OTHER THAN INCOME	(Note N)			
117	Labor Related				
118	Payroll	Worksheet H In 22.(D)	13,999,384	W/S	0.06583
119	Plant Related				
120	Property	Worksheet H In 22.(C) & In 46.(C)	223,443,926	DA	
121	Gross Receipts/Sales & Use	Worksheet H In 22.(F)	163,178,404	NA	0.00000
122	Other	Worksheet H In 22.(E)	5,119,599	GP(h)	0.18359
123	TOTAL OTHER TAXES	(sum Ins 118 to 122)	405,741,313		78,390,592
124	INCOME TAXES	(Note O)			
125	$T=1 - \{[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)\} =$		35.89%		
126	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		37.03%		
127	where WCLTD=(In 162) and WACC = (In 165)				
128	and FIT, SIT & p are as given in Note O.				
129	$GRCF=1 / (1 - T) =$ (from In 125)		1.5598		
130	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	(1,360,938)		
131	Income Tax Calculation	(In 126 * In 134)	149,004,860		31,293,230
132	ITC adjustment	(In 129 * In 130)	(2,122,821)	NP(h)	0.18577
133	TOTAL INCOME TAXES	(sum Ins 131 to 132)	146,882,039		30,898,883
134	RETURN ON RATE BASE (Rate Base*WACC)	(In 78 * In 165)	402,371,917		84,504,070
135	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA	1.00000
136	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
137	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 136 * In126)		-		-
138	TOTAL REVENUE REQUIREMENT		1,478,839,459		286,447,230
	(sum Ins 107, 115, 123, 133, 134, 135)				

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

OHIO POWER COMPANY

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
139	Total transmission plant	(In 20)						2,006,511,706
140	Less transmission plant excluded from PJM Tariff	(Note P)						-
141	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 23, Col. (C))	(Note Q)					29,502,934
142	Transmission plant included in PJM Tariff	(In 139 - In 140 - In 141)						1,977,008,772
143	Percent of transmission plant in PJM Tariff	(In 142 / In 139)					TF	0.98530
144	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
145	Production	354.20.b	93,682,440	24,946,164	118,628,604	NA	0.00000	-
146	Transmission	354.21.b	5,967,381	7,905,477	13,872,858	TP	0.98530	13,668,877
147	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000	-
148	Distribution	354.23.b	40,627,746	4,024,663	44,652,409	NA	0.00000	-
149	Other (Excludes A&G)	354.24,25,26.b	17,368,288	13,102,182	30,470,470	NA	0.00000	-
150	Total	(sum Ins 145 to 149)	157,645,855	49,978,486	207,624,341			13,668,877
151	Transmission related amount						W/S=	0.06583
152	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
153	Long Term Interest	(Worksheet M, In. 21, col. (E))						184,216,605
154	Preferred Dividends	(Worksheet M, In. 56, col. (E))						-
155	<u>Development of Common Stock:</u>							Average
156	Proprietary Capital	(Worksheet M, In. 1, col. (E))						3,057,232,892
157	Less: Preferred Stock	(Worksheet M, In. 2, col. (E))						-
158	Less: Account 216.1	(Worksheet M, In. 3, col. (E))						3,560,252
159	Less: Account 219	(Worksheet M, In. 4, col. (E))						(79,322,545)
160	Common Stock	(In 156 - In 157 - In 158 - In 159)						3,132,995,184
161		Average \$						
162	Long Term Debt (Note T) W/S M, In 11, In 22, col. (E))	3,170,554,998					0.0581	0.0292
163	Preferred Stock (In 157)	-					-	0.0000
164	Common Stock (In 160)	3,132,995,184					11.49%	0.0571
165	Total (Sum Ins 162 to 164)	6,303,550,182					WACC=	0.0863
166	Capital Structure Equity Limit (Note U)	51.0%						

AEP East Companies
Transmission Cost of Service Formula Rate
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

OHIO POWER COMPANY

Letter

Notes

General Notes: a) References to data from Worksheets are indicated as: Worksheet X, Line#.Column.X

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
See Worksheet E for details.
- B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's.
- C Transmission Plant balances in this study reflect the average of the balances at December 31, 2012 and December 31, 2013.
- D The total-company balances shown for Accounts 281, 282, 283, 190 only reflect ADIT that relates to utility operations. The balance of Account 255 is reduced by prior flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 88. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 85.
2) AEP transmission equalization transfers, as shown on line 86
3) The impact of state regulatory deferrals and amortizations, as shown on line 87
4) All A&G Expenses, as shown on line 103.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 77 is equal to the balance of IPP System Upgrade Credits owed to transmission customers that made contributions toward the construction of System upgrades, and includes accrued interest and unreturned balance of contributions. The annual interest expense is included on line 135.
- G Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 15 & 16 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
- H Removes cost of transmission service provided by others to determine the basis of cash working capital on line 88. To the extent such service is incurred to provide the PJM service at issue, e.g. transmission equalization agreement, such costs are added back on lines 105 and 106 to determine the total O&M collected in the formula. The amounts on lines 105 and 106 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11.
The addbacks on lines 105 and 106 of activity recorded in 565 represents inter-company sales or purchases of transmission capacity necessary to meet each AEP company's transmission load relative to their available transmission capacity.
The company records referenced on lines 105 and 106 is the OHIO POWER COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from O&M expense. applicable only for state regulatory purposes.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K These deductions on lines 91 through 93 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O, and the process for updating the annual total is documented on Attachment F, Allowable PBOP Expense Formula.
- N Includes only FICA, unemployment, highway, property and other assessments charged in the current year. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)
(In 130) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT= 1.37% (State Income Tax Rate or Composite SIT. Worksheet G))
p = 0.00% (percent of federal income tax deductible for state purposes)
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (In 153) / long term debt (In 162). Preferred Stock cost rate = preferred dividends (In 154) / preferred outstanding (In 163).
Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO membership.
Interest expense for the true-up WACC is based on actual expenses for the true-up year. The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the true-up capital structure. Details and calculations of the true-up weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains and Losses are defined in the Formula Protocols in the tariff, and on Worksheet M.
- T This note only applies to Indiana Michigan Power Company.
- U Per Settlement, equity for OHIO POWER COMPANY is limited to 51% of Capital Structure. If the percentage of equity exceeds the cap, the excess is included in weighted percentage of long term debt in the capital structure.
During the period ended December 31, 2011 the equity cap is in effect. During this period, a change in the cap percentage must be approved via a 205 filing with the FERC.

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet A Supporting Plant Balances
OHIO POWER COMPANY

<u>Line</u>	(A)	(B)	(C)	(D)	(E)
<u>Number</u>	<u>Rate Base Item & Supporting Balance</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2013</u>	<u>Balance @ December 31, 2012</u>	<u>Average Balance for 2013</u>
NOTE: Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.					
Plant Investment Balances					
1	Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 46	-	9,635,707,327	4,817,853,664
2	Production Asset Retirement Obligation (ARO)	FF1, page 205&204, Col.(g)&(b), lns 15,24,34,44	-	156,781,322	78,390,661
3	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	2,005,287,961	2,007,735,450	2,006,511,706
4	Transmission Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	3,120	3,120	3,120
5	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 75	3,872,948,452	3,718,113,471	3,795,530,962
6	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 74	-	-	-
7	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	241,517,580	243,597,754	242,557,667
8	General Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	455,006	306,041	380,524
9	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5	84,978,521	138,963,972	111,971,247
10	Total Property Investment Balance	(Sum of Lines: 3, 1, 5, 7, 9)	6,204,732,514	15,744,117,974	10,974,425,244
11	Total ARO Balance (included in total on line 10)	(Sum of Lines: 4, 2, 6, 8)	458,126	157,090,483	78,774,305
Accumulated Depreciation & Amortization Balances					
12	Production Accumulated Depreciation	FF1, page 219, lns 20-24, Col. (b)	-	4,248,263,554	2,124,131,777
13	Production ARO Accumulated Depreciation	Company Records - Note 1	-	83,178,723	41,589,362
14	Transmission Accumulated Depreciation	FF1, page 219, ln 25, Col. (b)	802,575,084	817,203,711	809,889,398
15	Transmission ARO Accumulated Depreciation	Company Records - Note 1	2,920	2,793	2,856
16	Distribution Accumulated Depreciation	FF1, page 219, ln 26, Col. (b)	1,417,094,199	1,391,679,118	1,404,386,659
17	Distribution ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
18	General Accumulated Depreciation	FF1, page 219, ln 28, Col. (b)	93,855,639	91,783,557	92,819,598
19	General ARO Accumulated Depreciation	Company Records - Note 1	192,853	184,484	188,668
20	Intangible Accumulated Amortization	FF1, page 200, ln 21, Col. (b)	69,392,281	120,774,423	95,083,352
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 12, 16, 18, 20)	2,382,917,203	6,669,704,363	4,526,310,783
22	Total ARO Balance (included in total on line 21)	(Sum of Lines: 15, 13, 17, 19)	195,772	83,366,000	41,780,886
Generation Step-Up Units					
23	GSU Investment Amount	Company Records - Note 1	-	59,005,867	29,502,934
24	GSU Accumulated Depreciation	Company Records - Note 1	-	25,779,798	12,889,899
25	GSU Net Balance	(Line 23 - Line 24)	-	33,226,069	16,613,035
Transmission Accumulated Depreciation Net of GSU Accumulated Depreciation					
26	Transmission Accumulated Depreciation	(Line 14 Above)	802,575,084	817,203,711	809,889,398
27	Less: GSU Accumulated Depreciation	(Line 24 Above)	-	25,779,798	12,889,899
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)	802,575,084	791,423,913	796,999,499
Plant Held For Future Use					
29	Plant Held For Future Use	FF1, page 214, ln 47, Col. (d)	11,222,779	16,588,944	13,905,861
30	Transmission Plant Held For Future	Company Records - Note 1	6,002,010	6,002,010	6,002,010
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.					
31					-
32					-
33					-
34					-
35					-
36	Total Regulatory Deferrals Included in Ratebase		-	-	-

NOTE 1 On this worksheet, "Company Records" refers to AEP's property accounting ledger.

NOTE: The ratebase should not include the unamortized balance of hedging gains or losses.

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
OHIO POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2013</u>	<u>(D) Balance @ December 31, 2012</u>	<u>(E) Average Balance for 2013</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	-	376,657,740	188,328,870
3	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
4	Less: Other Excluded Deferrals	Company Records - Note 1	-	376,657,740	188,328,870
5	Transmission Related Deferrals	Ln 2 - In 3 - In 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	773,836,397	1,764,794,823	1,269,315,610
8	Less: ARO Related Deferrals	Company Records - Note 1	509,252	143,372,308	71,940,780
9	Less: Other Excluded Deferrals	Company Records - Note 1	526,502,885	1,404,077,936	965,290,411
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	246,824,260	217,344,579	232,084,420
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	535,487,620	604,077,136	569,782,378
13	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
14	Less: Other Excluded Deferrals	Company Records - Note 1	493,263,711	583,369,588	538,316,650
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	42,223,910	20,707,548	31,465,729
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	139,094,496	359,572,801	249,333,649
18	Less: ARO Related Deferrals	Company Records - Note 1	273,972	92,573,078	46,423,525
19	Less: Other Excluded Deferrals	Company Records - Note 1	119,597,236	246,153,553	182,875,395
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	19,223,288	20,846,170	20,034,729
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	388,143	11,643,327	6,015,735
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	223,569	11,320,971	5,772,270
24	ITC Balances Includeable Ratebase	Ln 22 - In 23	164,574	322,356	243,465
25	Transmission Related Deferrals	Company Records - Note 1	90,780	191,502	141,141

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax accounting ledger.

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

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
OHIO POWER COMPANY

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
<u>Line Number</u>	<u>Source</u>	<u>Balance @ December 31, 2013</u>	<u>Balance @ December 31, 2012</u>	<u>Average Balance for 2013</u>				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	1,090,901	1,602,775	1,346,838			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	187,747	223,854	205,801			
4	Stores Expense (Undistributed)	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary

	<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>
5						
6	Totals as of December 31, 2013	3,153,575	(205,395,858)	92,712	2,232,188	206,224,533
7	Totals as of December 31, 2012	17,727,644	(433,956,947)	4,940	4,444,103	447,235,548
8	Average Balance	10,440,610	(319,676,403)	48,826	3,338,146	326,730,041

Prepayments Account 165 - Balance @ 12/31/2013

9	<u>Acc. No.</u>	<u>Description</u>	<u>2013 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>
10	1650001	Prepaid Insurance	987,337	-	-	987,337	-	987,337	Plant Related Insurance Policies
11	1650003	Prepaid Rents	0	-	-	-	-	-	-
12	1650004	Prepaid Interest	0	-	-	-	-	-	-
13	1650005	Prepaid Employee Benefits	0	-	-	-	-	-	-
14	1650006	Other Prepayments	477,300	-	-	477,300	-	477,300	Relates to Towers
15	1650009	Prepaid Carry Cost-Factored AR	728,676	728,676	-	-	-	-	AR Factoring - Retail Only
16	1650010	Prepaid Pension Benefits	206,224,533	-	-	-	206,224,533	206,224,533	Prepaid Pension Expense
17	165001213	Prepaid Taxes	100,000	100,000	-	-	-	-	Prepaid Taxes-Distribution
18	1650013	Gavin JMG ST Prepaid Exp - Aff	0	-	-	-	-	-	-
19	1650014	FAS 158 Qual Contra Asset	(206,224,533)	(206,224,533)	-	-	-	-	FAS 158 Liability
20	1650016	FAS 112 ASSETS	0	-	-	-	-	-	-
21	1650017	Prepayments - Coal	0	-	-	-	-	-	-
22	1650019	Prepaid Pension Expense - CG&E	74,964	-	74,964	-	-	-	Prepaid Pension Expense
23	1650020	Prepaid Pension Expense - DP&L	17,748	-	17,748	-	-	-	Prepaid Pension Expense
24	1650021	Prepaid Insurance - EIS	767,551	-	-	767,551	-	767,551	Energy INS Services
25	1650023	Prepaid Lease	0	-	-	-	-	-	-
		Subtotal - Form 1, p 111.57.c	3,153,575	(205,395,858)	92,712	2,232,188	206,224,533	208,456,721	

Prepayments Account 165 - Balance @ 12/31/ 2012

26	<u>Acc. No.</u>	<u>Description</u>	<u>2012 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>
27	1650001	Prepaid Insurance	2,862,276	-	-	2,862,276	-	2,862,276	Plant Related Insurance Policies
28	1650003	Prepaid Rents	46,896	46,896	-	-	-	-	Prepaid Rents Generation
29	1650004	Prepaid Interest	0	-	-	-	-	-	-
30	1650005	Prepaid Employee Benefits	0	-	-	-	-	-	-
31	1650006	Other Prepayments	4,940	-	4,940	-	-	4,940	Relates to Towers
32	1650009	Prepaid Carry Cost-Factored AR	125,583	125,583	-	-	-	-	AR Factoring - Retail Only
33	1650010	Prepaid Pension Benefits	447,235,548	-	-	-	447,235,548	447,235,548	Prepaid Pension Expense
34	165001212	Prepaid Taxes	140,000	140,000	-	-	-	-	Prepaid Taxes
35	1650013	Gavin JMG ST Prepaid Exp - Aff	0	-	-	-	-	-	-
36	1650014	FAS 158 Qual Contra Asset	(447,235,548)	(447,235,548)	-	-	-	-	FAS 158 Liability
37	1650016	FAS 112 ASSETS	0	-	-	-	-	-	-
38	1650017	Prepayments - Coal	0	-	-	-	-	-	-
39	1650019	Prepaid Pension Expense - CG&E	4,770,193	4,770,193	-	-	-	-	Prepaid Pension Expense
40	1650020	Prepaid Pension Expense - DP&L	8,195,929	8,195,929	-	-	-	-	Prepaid Pension Expense
41	1650021	Prepaid Insurance - EIS	1,581,827	-	-	1,581,827	-	1,581,827	Energy INS Services
42	1650023	Prepaid Lease	0	-	-	-	-	-	-
		Subtotal - Form 1, p 111.57.d	17,727,644	(433,956,947)	4,940	4,444,103	447,235,548	451,684,591	

AEP East Companies
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet D Supporting IPP Credits
 OHIO POWER COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2013</u>
1	Net Funds from IPP Customers 12/31/2012 (2013 FORM 1, P269, line 9.b)	(2,464,505.00)
2	Interest Accrual (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2013 (2013 FORM 1, P269, line 12.f)	(2,464,505.00)
8	Average Balance for Year as Indicated in Column ((In 1 + In 7)/2)	(2,464,505.00)

Note 1 On this worksheet Company Records refers to OHIO POWER COMPANY's general ledger.

AEP East Companies
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet E Supporting Revenue Credits
 OHIO POWER 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)	2,988,847	2,988,847	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	8,400,190	8,280,333	119,857
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	34,221,310	19,668,821	14,552,489
4	Account 4560015, Associated Business Development - (Company Records - Note 1)	1,991,298	1,757,258	234,040
5	Account 456 - Other Electric Revenues - (Company Records - Note 1)	136,307,321	135,456,952	850,369
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	183,908,966	168,152,211	15,756,755
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	183,908,966	168,152,211	15,756,755

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or OHIO POWER COMPANY's general ledger. The functional amounts identified as transmission revenue also come from the general ledger.

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
OHIO POWER COMPANY

<u>Line Number</u>	<u>(A) Item No.</u>	<u>(B) Description</u>	<u>(C) 2013 Expense</u>	<u>(D) 100% Non-Transmission</u>	<u>(E) 100% Transmission Specific</u>	<u>(F) Explanation</u>
Regulatory O&M Deferrals & Amortizations						
1	5660005	Ohio E-TCR Rider UnderRecovery	(33,684,148)			
2			-			
3						
4		Total	(33,684,148)			
Detail of Account 561 Per FERC Form 1						
5	FF1 p 321.84.b	561 - Load Dispatching	0			
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	57,893			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	6,034,401			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	0			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	6,515,903			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	898,111			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	0			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	0			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Servi	1,533,165			
14		Total of Account 561	15,039,473			
Account 928						
15	9280000	Regulatory Commission Exp	8,622	2,272	-	
16	9280001	Regulatory Commission Exp-Adm	376,020	361,418	-	
17	9280002	Regulatory Commission Exp-Case	318,187	1,363,182	-	
18		Total	702,829	1,726,872	-	
Account 930.1						
19	9301000	General Advertising Expenses	138,264	138,264	-	
20	9301001	Newspaper Advertising Space	20	20	-	
21	9301002	Radio Station Advertising Time	418	418	-	
22	9301003	TV Station Advertising Time	240,000	240,000	-	
23	9301006	Spec Corporate Comm Info Project	-	-	-	
24	9301007	Special Adv Space & Prod Exp	167,145	167,145	-	
25	9301008	Direct Mail and Handouts	-	-	-	
26	9301009	Fairs, Shows, and Exhibits	(94,151)	(94,151)	-	
27	9301010	Publicity	9,393	9,393	-	
28	9301011	Dedications, Tours, & Openings	-	-	-	
29	9301012	Public Opinion Surveys	43,027	43,027	-	
30	9301013	Movies Slide Films & Speeches	-	-	-	
31	9301014	Video Communications	57	57	-	
32	9301015	Other Corporate Comm Exp	5,203,865	5,203,865	-	
33		Total	5,708,039	5,708,039	-	
Account 930.2						
34	9302000	Misc General Expenses	1,462,999	1,462,999		
35	9302003	Corporate & Fiscal Expenses	168,244	168,244		
36	9302004	Research, Develop&Demonstr Exp	18,494	18,494		
37	9302007	Assoc Business Development Exp	1,064,316	781,520	282,796	
38	9302019	gSMART-Ov/Und Misc Gen Exp	(49,736)	-49,736		
39	9302458	AEPSC Non-affiliated Exp	637	637		
40		Total	2,664,954	2,382,158	282,796	

AEP East Companies
 Cost of Service Formula Rate Using 2013 FF1 Balances
 Worksheet G Supporting - Development of Composite State Income Tax Rate
 OHIO POWER COMPANY

Formula Rate
 OPGO WS G State Tax Rate
 Page 22 of 56

West Virginia Corporate Income Tax	7.0000%	
Apportionment Factor - Note 2	<u>8.3133%</u>	
Effective State Tax Rate		0.58%
Illinois Corporation Income Tax	9.5000%	
Apportionment Factor - Note 2	<u>1.7342%</u>	
Effective State Tax Rate		0.16%
Michigan Business Income Tax	6.0000%	
Apportionment Factor - Note 2	<u>0.1205%</u>	
Effective State Tax Rate		0.01%
Kentucky Business Income Tax	6.0000%	
Apportionment Factor - Note 2	<u>0.8354%</u>	
Effective State Tax Rate		0.05%
Ohio Municipal Net Income Tax	0.7048%	
Apportionment Factor - Note 2	<u>80.2400%</u>	
Effective State Tax Rate		0.57%
Ohio Franchise Tax Rate	0.0000%	
Phase-out Factor Note 1	0.0000%	
Apportionment Factor - Note 2	<u>0.0000%</u>	
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate		<u><u>1.37%</u></u>

Note 1 The Ohio State Income Tax is being phased-out prorata over a 5 year period from 2005 through 2009. The taxable portion of income is 0% in 2009. The phase-out factors can be found in the Ohio Revised Code at 5733.01(G)2(a)(v). This tax has been replaced with a Commercial Activities Tax that is included in Schedule H and H-1.

Note 2 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 2013 FF1 Balances
Worksheet H Supporting Taxes Other than Income
OHIO POWER COMPANY

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
		NOTE 1				
1	Revenue Taxes					
2	Gross Receipts Tax	151,785,221				151,785,221
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - Ohio	211,609,358	211,609,358			
5	Real and Personal Property - West VA.	11,793,352	11,793,352			
6	Real and Personal Property - Other	41,216	41,216			
7	Payroll Taxes					
8	Federal Insurance Contribution (FICA)	12,285,644		12,285,644		
9	Federal Unemployment Tax	286,868		286,868		
10	State Unemployment Insurance	403,653		403,653		
11	Payroll Taxes	1,023,219		1,023,219		
12	Production Taxes					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Public Service Commission Fees	5,108,999			5,108,999	
16	State Franchise Taxes	(3,988)			(3,988)	
17	State Lic/Registration Fee	14,588			14,588	
18	Misc. State and Local Tax	-			-	
19	Sales & Use	28				28
20	Federal Excise Tax	20,536				20,536
21	State B & O Taxes	11,372,619				11,372,619
22	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	405,741,313	223,443,926	13,999,384	5,119,599	163,178,404
	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	Transmsission	Distribution	General	Total
23	Functionalized Net Plant (Hist. TCOS, Lns 212 thru 222)	-	1,202,712,677	2,455,854,253	147,399,788	3,805,966,717
	OHIO JURISDICTION					
24	Percentage of Plant in OHIO JURISDICTION	0.00%	94.37%	99.99%	98.91%	
25	Net Plant in OHIO JURISDICTION (Ln 23 * Ln 24)	-	1,134,999,953	2,455,608,668	145,793,130	3,736,401,751
26	Less: Net Value Exempted Generation Plant	-	-	-	-	-
27	Taxable Property Basis (Ln 25 - Ln 26)	-	1,134,999,953	2,455,608,668	145,793,130	3,736,401,751
28	Relative Valuation Factor	24%	85%	85%	24%	
29	Weighted Net Plant (Ln 27 * Ln 28)	-	964,749,960	2,087,267,367	34,990,351	
30	General Plant Allocator (Ln 29 / (Total - General Plant))	0.00%	31.61%	68.39%	-100.00%	
31	Functionalized General Plant (Ln 30 * General Plant)	-	11,060,534	23,929,818	(34,990,351)	-
30a	Ohio Company Merger Mitigation adjustment (Note 2)	31,000,000	(31,000,000)			-
32	Weighted OHIO JURISDICTION Plant (Ln 29 + 31 + 30a)	31,000,000	944,810,493	2,111,197,185	0	3,087,007,679
33	Functional Percentage (Ln 32/Total Ln 32)	1.00%	30.61%	68.39%		
34	Functionalized Payment in OHIO JURISDICTION	2,125,000	64,765,223	144,719,135		211,609,358
	WEST VA JURISDICTION					
35	Net Plant in WEST VA JURISDICTION (Ln - Ln 24)	-	67,712,724	245,585	1,606,658	69,564,967
36	Less: Net Value Exempted Generation Plant	-	-	-	-	-
37	Taxable Property Basis	-	67,712,724	245,585	1,606,658	69,564,967
38	Relative Valuation Factor	100%	100%	100%	100%	
39	Weighted Net Plant (Ln 37 * Ln 38)	-	67,712,724	245,585	1,606,658	
40	General Plant Allocator (Ln 39 / (Total - General Plant))	0.00%	99.64%	0.36%	-100.00%	
41	Functionalized General Plant (Ln 41 * General Plant)	-	1,600,852	5,806	(1,606,658)	
42	Weighted WEST VA JURISDICTION Plant (Ln 39 + 41)	-	69,313,576	251,391	(0)	69,564,967
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	99.64%	0.36%		
44	Functionalized Payment in WEST VA JURISDICTION	-	11,750,734	42,618		11,793,352
45	Total Other Jurisdictions: (Line 7 * Net Plant Allocator)		13,089			41,216
46	Total Functionalized Property Taxes (Sum Lns 33, 44, 45)	2,125,000	76,529,046	144,761,753		223,443,926

Note 2: This adjustment will apply to AEP Ohio only. This adjustment will be in effect for the Annual Updates prepared in 2012, 2013, 2014, 2015 and 2016.

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet H-1 Form 1 Source Reference of Company Amounts on WS H
OHIO POWER 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
1	Revenue Taxes			
2	Gross Receipts Tax	151,785,221	(1,071,877)	P.263 ln 9 (i)
			8,427,511	P.263 ln 10 (i)
			(133,937)	P.263 ln 11 (i)
			144,073,843	P.263 ln 14 (i)
			489,681	P.263.2 ln 21 (i)
3	Real Estate and Personal Property Taxes			
4	Real and Personal Property - Ohio	211,609,358	607	P.263.1 ln 3 (i)
			620	P.263.1 ln 4 (i)
			627	P.263.1 ln 5 (i)
			624	P.263.1 ln 6 (i)
			637	P.263.1 ln 7 (i)
			250,932	P.263.1 ln 8 (i)
			210,763,821	P.263.1 ln 9 (i)
			240	P.263.1 ln 10 (i)
			1,033	P.263.1 ln 12 (i)
			-	P.263.1 ln 13 (i)
			213,217	P.263.1 ln 14 (i)
			377,000	P.263.1 ln 18 (i)
5	Real and Personal Property - West VA.	11,793,352	6,251,949	P.263.1 ln 21 (i)
			5,537,970	P.263.1 ln 22 (i)
			(318)	P.263.1 ln 25 (i)
			1,099	P.263.1 ln 26 (i)
			2,652	P.263.1 ln 27 (i)
6	Real and Personal Property - Other	41,216	2,394	P.263.1 ln 33 (i)
			2,156	P.263.1 ln 34 (i)
			166	P.263.1 ln 38 (i)
			36,500	P.263.1 ln 39 (i)
7	Payroll Taxes			
8	Federal Insurance Contribution (FICA)	12,285,644	12,285,644	P.263 ln 3 (i)
9	Federal Unemployment Tax	286,868	286,868	P.263 ln 4 (i)
10	State Unemployment Insurance	403,653	334,485	P.263 ln 17 (i)
			69,168	P.263 ln 34 (i)
11	Payroll Taxes	1,023,219	1,023,219	P.263.2 ln 13 (i)
12	Production Taxes			
13	State Severance Taxes	-	-	
14	Miscellaneous Taxes			
15	State Public Service Commission Fees	5,108,999	5,108,999	P.263 ln 12 (i)
16	State Franchise Taxes	(3,988)	(2,225)	P.263 ln 31 (i)
			(5,904)	P.263 ln 32 (i)
			3,901	P.263 ln 33 (i)
			240	P.263.2 ln 19 (i)
17	State Lic/Registration Fee	14,588	14,588	P.263.2 ln 5 (i)
18	Misc. State and Local Tax	-	-	
19	Sales & Use	28	-	P.263 ln 15 (i)
			28	P.263 ln 16 (i)
			-	P.263 ln 35 (i)
			-	P.263 ln 36 (i)
20	Federal Excise Tax	20,536	20,536	P.263 ln 6 (i)
21	State B & O Taxes	11,372,619	154,381	P.263 ln 37 (i)
			14,872,938	P.263 ln 38 (i)
			(3,654,700)	P.263 ln 39 (i)
22	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	405,741,313	405,741,313	

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 of the Ferc Form 1.

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet I Supporting Transmission Plant in Service Additions
OHIO POWER COMPANY

(A) (B) (C) (D) (E) (F) (G) (H) (I)

I. Calculation of Composite Depreciation Rate

1	Transmission Plant @ Beginning of Historic Period (2013) (P.206, ln 58,(b)):	2,007,735,450
2	Transmission Plant @ End of Historic Period (2013) (P.207, ln 58,(g)):	2,005,287,961
3		4,013,023,411
4	Average Balance of Transmission Investment	2,006,511,706
5	Annual Depreciation Expense, Historic TCOS, ln 276	44,608,268
6	Composite Depreciation Rate	2.22%
7	Round to 2.22% to Reflect a Composite Life of 45 Years	2.22%

II. Calculation of Property Placed in Service by Month and the Related Depreciation Expense

8	Month in Service	Capitalized Balance	Composite Annual Depreciation Rate	Annual Depreciation	Monthly Depreciation	No. Months Depreciation	First Year Depreciation Expense
9	January	\$ 5,732,579	2.22%	\$ 127,263	\$ 10,605	11	\$ 116,655
10	February	\$ 6,877,493	2.22%	\$ 152,680	\$ 12,723	10	\$ 127,230
11	March	\$ 3,302,104	2.22%	\$ 73,307	\$ 6,109	9	\$ 54,981
12	April	\$ 5,506,177	2.22%	\$ 122,237	\$ 10,186	8	\$ 81,488
13	May	\$ 22,968,760	2.22%	\$ 509,906	\$ 42,492	7	\$ 297,444
14	June	\$ 24,849,078	2.22%	\$ 551,650	\$ 45,971	6	\$ 275,826
15	July	\$ 4,029,750	2.22%	\$ 89,460	\$ 7,455	5	\$ 37,275
16	August	\$ 5,682,195	2.22%	\$ 126,145	\$ 10,512	4	\$ 42,048
17	September	\$ 3,240,451	2.22%	\$ 71,938	\$ 5,995	3	\$ 17,985
18	October	\$ 3,300,820	2.22%	\$ 73,278	\$ 6,107	2	\$ 12,214
19	November	\$ 10,336,560	2.22%	\$ 229,472	\$ 19,123	1	\$ 19,123
20	December	\$ 48,497,436	2.22%	\$ 1,076,643	\$ 89,720	0	\$ -
21	Investment	<u>\$ 144,323,403</u>				Depreciation Expense	<u>\$ 1,082,269</u>

III. Plant Transferred

22	\$ -	<== This input area is for original cost plant
23	\$ -	<== This input area is for accumulated depreciation that may be associated with capital expenditures. It would have an impact if a company had assets transferred from a subsidiary.
24 (Ln 7 * Ln 22)	\$ -	<== This input area is for additional Depreciation Expense

IV. List of Major Projects Expected to be In-Service in 2014

	<u>Estimated Cost</u> <u>(000's)</u>	<u>Month in Service</u>
25 Major Zonal Projects		
26 Canal-Mound Relocation	\$6,826	Feb-14
27 2013 Asset Replacement Program	\$17,038	Various
28 Vassell Project	\$15,245	Various
29 West Millersport 345/138 kV Improvement Program	\$8,721	Various
30		
31	Subtotal	\$47,830
32 PJM Socialized/Beneficiary Allocated Regional Projects		
33	\$0	
34	Subtotal	\$0

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
OHIO POWER COMPANY

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 (Projected TCOS, In 164)			11.49%
Project ROE Incentive Adder			<==ROE Adder Cannot Exceed 125 Basis Points
ROE with additional basis point incentive			11.49% <== ROE Including Incentives Cannot Exceed 12.74% Until July 1, 2012
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the Projected TCOS, Ins 162 through 164)			
	%	Cost	Weighted cost
Long Term Debt	60.52%	5.79%	3.507%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	39.48%	11.49%	4.536%
		R =	8.043%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
PROJECTED YEAR	Rev Require	W Incentives	Incentive Amounts
2014	12,202,156	12,202,156	\$ -

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

Rate Base (Projected TCOS, In 78)	1,063,852,077
R (from A. above)	8.043%
Return (Rate Base x R)	85,565,796

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

Return (from B. above)	85,565,796
Effective Tax Rate (Projected TCOS, In 126)	31.57%
Income Tax Calculation (Return x CIT)	27,014,737
ITC Adjustment	(674,140)
Income Taxes	26,340,597

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 (Projected TCOS, In 1)	287,049,492
T.E.A. & Lease Payments (Projected TCOS, Lns 105 & 106)	1,378,542
Return (Projected TCOS, In 134)	85,565,796
Income Taxes (Projected TCOS, In 133)	26,340,597
Annual Revenue Requirement, Less TEA Charges, Return and Taxes	173,764,557

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	173,764,557
Return (from I.B. above)	85,565,796
Income Taxes (from I.C. above)	26,340,597
Annual Revenue Requirement, with Basis Point ROE increase	285,670,950
Depreciation (Projected TCOS, In 111)	44,608,268
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	241,062,682

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (Projected TCOS, In 48)	1,202,712,677
Annual Revenue Requirement, with Basis Point ROE increase	285,670,950
FCR with Basis Point increase in ROE	23.75%
Annual Rev. Req. w/ Basis Point ROE increase, less Dep.	241,062,682
FCR with Basis Point ROE increase, less Depreciation	20.04%
FCR less Depreciation (Projected TCOS, In 9)	18.44%
Incremental FCR with Basis Point ROE increase, less Depreciation	1.60%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Historic Period (2013) (P.206, In 58,(b)):	2,007,735,450
Transmission Plant @ End of Historic Period (2013) (P.207, In 58,(g)):	2,005,287,961
Subtotal	4,013,023,411
Average Transmission Plant Balance for 2013	2,006,511,706
Annual Depreciation Rate (Projected TCOS, In 111)	44,608,268
Composite Depreciation Rate	2.22%
Depreciable Life for Composite Depreciation Rate	44.98
Round to nearest whole year	45

OPCo 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: b504 (765 kV circuit breaker installations at Hanging Rock)

Current Projected Year ARR	1,005,359
Current Projected Year ARR w/ Incentive	1,005,359
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	5,491,719		
Service Year (yyyy)	2009	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	3	FCR w/o incentives, less depreciation	18.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	18.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	122,038

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	5,491,719	91,529	5,400,190	1,087,375	1,087,375	\$ -	\$ 894,796	\$ 894,796
2010	5,400,190	122,038	5,278,152	1,095,379	1,095,379	\$ -	\$ 1,094,271	\$ 1,094,271
2011	5,278,152	122,038	5,156,114	1,072,874	1,072,874	\$ -	\$ 1,210,680	\$ 1,210,680
2012	5,156,114	122,038	5,034,076	1,050,369	1,050,369	\$ -	\$ 1,057,666	\$ 1,057,666
2013	5,034,076	122,038	4,912,038	1,027,864	1,027,864	\$ -	\$ 1,051,933	\$ 1,051,933
2014	4,912,038	122,038	4,789,999	1,005,359	1,005,359	\$ -		
2015	4,789,999	122,038	4,667,961	982,854	982,854	\$ -		
2016	4,667,961	122,038	4,545,923	960,349	960,349	\$ -		
2017	4,545,923	122,038	4,423,885	937,844	937,844	\$ -		
2018	4,423,885	122,038	4,301,847	915,339	915,339	\$ -		
2019	4,301,847	122,038	4,179,808	892,834	892,834	\$ -		
2020	4,179,808	122,038	4,057,770	870,329	870,329	\$ -		
2021	4,057,770	122,038	3,935,732	847,824	847,824	\$ -		
2022	3,935,732	122,038	3,813,694	825,319	825,319	\$ -		
2023	3,813,694	122,038	3,691,656	802,814	802,814	\$ -		
2024	3,691,656	122,038	3,569,617	780,309	780,309	\$ -		
2025	3,569,617	122,038	3,447,579	757,804	757,804	\$ -		
2026	3,447,579	122,038	3,325,541	735,299	735,299	\$ -		
2027	3,325,541	122,038	3,203,503	712,794	712,794	\$ -		
2028	3,203,503	122,038	3,081,465	690,289	690,289	\$ -		
2029	3,081,465	122,038	2,959,426	667,784	667,784	\$ -		
2030	2,959,426	122,038	2,837,388	645,279	645,279	\$ -		
2031	2,837,388	122,038	2,715,350	622,774	622,774	\$ -		
2032	2,715,350	122,038	2,593,312	600,269	600,269	\$ -		
2033	2,593,312	122,038	2,471,274	577,764	577,764	\$ -		
2034	2,471,274	122,038	2,349,235	555,259	555,259	\$ -		
2035	2,349,235	122,038	2,227,197	532,754	532,754	\$ -		
2036	2,227,197	122,038	2,105,159	510,249	510,249	\$ -		
2037	2,105,159	122,038	1,983,121	487,744	487,744	\$ -		
2038	1,983,121	122,038	1,861,083	465,239	465,239	\$ -		
2039	1,861,083	122,038	1,739,044	442,734	442,734	\$ -		
2040	1,739,044	122,038	1,617,006	420,229	420,229	\$ -		
2041	1,617,006	122,038	1,494,968	397,724	397,724	\$ -		
2042	1,494,968	122,038	1,372,930	375,219	375,219	\$ -		
2043	1,372,930	122,038	1,250,892	352,714	352,714	\$ -		
2044	1,250,892	122,038	1,128,853	330,209	330,209	\$ -		
2045	1,128,853	122,038	1,006,815	307,704	307,704	\$ -		
2046	1,006,815	122,038	884,777	285,199	285,199	\$ -		
2047	884,777	122,038	762,739	262,694	262,694	\$ -		
2048	762,739	122,038	640,701	240,189	240,189	\$ -		
2049	640,701	122,038	518,662	217,684	217,684	\$ -		
2050	518,662	122,038	396,624	195,179	195,179	\$ -		
2051	396,624	122,038	274,586	172,674	172,674	\$ -		
2052	274,586	122,038	152,548	150,169	150,169	\$ -		
2053	152,548	122,038	30,510	127,664	127,664	\$ -		
2054	30,510	30,510	-	30,510	30,510	\$ -		
2055	-	-	-	-	-	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
Project Totals				28,024,847	28,024,847	-		

** 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.

OPCo 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. [redacted] (e.g. ER05-925-000)

Current Projected Year ARR	1,247,628
Current Projected Year ARR w/ Incentive	1,247,628
Current Projected Year Incentive ARR	-

Project Description: RTEP ID: B1231 (Replace the existing 138/69-12 kV transformer at West Moulton Station with a 138/69 kV transformer and a 69/12 kV transformer)

Details		2014
Investment	6,298,153	Current Year
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	11	FCR w/o incentives, less depreciation
Useful life	45	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 **
2012	6,298,153	11,663	6,286,490	1,170,951	1,170,951	\$ -	\$ 832,082	\$ 832,082
2013	6,286,490	139,959	6,146,531	1,273,437	1,273,437	\$ -	\$ 1,210,587	\$ 1,210,587
2014	6,146,531	139,959	6,006,572	1,247,628	1,247,628	\$ -		
2015	6,006,572	139,959	5,866,613	1,221,818	1,221,818	\$ -		
2016	5,866,613	139,959	5,726,654	1,196,008	1,196,008	\$ -		
2017	5,726,654	139,959	5,586,695	1,170,198	1,170,198	\$ -		
2018	5,586,695	139,959	5,446,736	1,144,389	1,144,389	\$ -		
2019	5,446,736	139,959	5,306,777	1,118,579	1,118,579	\$ -		
2020	5,306,777	139,959	5,166,818	1,092,769	1,092,769	\$ -		
2021	5,166,818	139,959	5,026,859	1,066,959	1,066,959	\$ -		
2022	5,026,859	139,959	4,886,900	1,041,150	1,041,150	\$ -		
2023	4,886,900	139,959	4,746,941	1,015,340	1,015,340	\$ -		
2024	4,746,941	139,959	4,606,982	989,530	989,530	\$ -		
2025	4,606,982	139,959	4,467,023	963,720	963,720	\$ -		
2026	4,467,023	139,959	4,327,064	937,911	937,911	\$ -		
2027	4,327,064	139,959	4,187,105	912,101	912,101	\$ -		
2028	4,187,105	139,959	4,047,146	886,291	886,291	\$ -		
2029	4,047,146	139,959	3,907,188	860,481	860,481	\$ -		
2030	3,907,188	139,959	3,767,229	834,671	834,671	\$ -		
2031	3,767,229	139,959	3,627,270	808,862	808,862	\$ -		
2032	3,627,270	139,959	3,487,311	783,052	783,052	\$ -		
2033	3,487,311	139,959	3,347,352	757,242	757,242	\$ -		
2034	3,347,352	139,959	3,207,393	731,432	731,432	\$ -		
2035	3,207,393	139,959	3,067,434	705,623	705,623	\$ -		
2036	3,067,434	139,959	2,927,475	679,813	679,813	\$ -		
2037	2,927,475	139,959	2,787,516	654,003	654,003	\$ -		
2038	2,787,516	139,959	2,647,557	628,193	628,193	\$ -		
2039	2,647,557	139,959	2,507,598	602,384	602,384	\$ -		
2040	2,507,598	139,959	2,367,639	576,574	576,574	\$ -		
2041	2,367,639	139,959	2,227,680	550,764	550,764	\$ -		
2042	2,227,680	139,959	2,087,721	524,954	524,954	\$ -		
2043	2,087,721	139,959	1,947,762	499,145	499,145	\$ -		
2044	1,947,762	139,959	1,807,803	473,335	473,335	\$ -		
2045	1,807,803	139,959	1,667,844	447,525	447,525	\$ -		
2046	1,667,844	139,959	1,527,885	421,715	421,715	\$ -		
2047	1,527,885	139,959	1,387,926	395,906	395,906	\$ -		
2048	1,387,926	139,959	1,247,967	370,096	370,096	\$ -		
2049	1,247,967	139,959	1,108,008	344,286	344,286	\$ -		
2050	1,108,008	139,959	968,049	318,476	318,476	\$ -		
2051	968,049	139,959	828,090	292,667	292,667	\$ -		
2052	828,090	139,959	688,132	266,857	266,857	\$ -		
2053	688,132	139,959	548,173	241,047	241,047	\$ -		
2054	548,173	139,959	408,214	215,237	215,237	\$ -		
2055	408,214	139,959	268,255	189,428	189,428	\$ -		
2056	268,255	139,959	128,296	163,618	163,618	\$ -		
2057	128,296	128,296	-	128,296	128,296	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
Project Totals				32,914,462	32,914,462	-		

** 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.

OPCo 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: b0570 (Reconductor EAST LIMA-STERLING 138 KV LINE)

Current Projected Year ARR	203,042
Current Projected Year ARR w/ Incentive	203,042
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	1,012,755		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	18.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	18.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	22,506

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 **
2013	1,012,755	11,253	1,001,502	195,939	195,939	\$ -	\$ 219,263	\$ 219,263
2014	1,001,502	22,506	978,997	203,042	203,042	\$ -		
2015	978,997	22,506	956,491	198,892	198,892	\$ -		
2016	956,491	22,506	933,985	194,741	194,741	\$ -		
2017	933,985	22,506	911,480	190,591	190,591	\$ -		
2018	911,480	22,506	888,974	186,441	186,441	\$ -		
2019	888,974	22,506	866,468	182,291	182,291	\$ -		
2020	866,468	22,506	843,963	178,140	178,140	\$ -		
2021	843,963	22,506	821,457	173,990	173,990	\$ -		
2022	821,457	22,506	798,951	169,840	169,840	\$ -		
2023	798,951	22,506	776,446	165,690	165,690	\$ -		
2024	776,446	22,506	753,940	161,539	161,539	\$ -		
2025	753,940	22,506	731,434	157,389	157,389	\$ -		
2026	731,434	22,506	708,929	153,239	153,239	\$ -		
2027	708,929	22,506	686,423	149,089	149,089	\$ -		
2028	686,423	22,506	663,917	144,938	144,938	\$ -		
2029	663,917	22,506	641,412	140,788	140,788	\$ -		
2030	641,412	22,506	618,906	136,638	136,638	\$ -		
2031	618,906	22,506	596,400	132,487	132,487	\$ -		
2032	596,400	22,506	573,895	128,337	128,337	\$ -		
2033	573,895	22,506	551,389	124,187	124,187	\$ -		
2034	551,389	22,506	528,883	120,037	120,037	\$ -		
2035	528,883	22,506	506,378	115,886	115,886	\$ -		
2036	506,378	22,506	483,872	111,736	111,736	\$ -		
2037	483,872	22,506	461,366	107,586	107,586	\$ -		
2038	461,366	22,506	438,861	103,436	103,436	\$ -		
2039	438,861	22,506	416,355	99,285	99,285	\$ -		
2040	416,355	22,506	393,849	95,135	95,135	\$ -		
2041	393,849	22,506	371,344	90,985	90,985	\$ -		
2042	371,344	22,506	348,838	86,835	86,835	\$ -		
2043	348,838	22,506	326,332	82,684	82,684	\$ -		
2044	326,332	22,506	303,827	78,534	78,534	\$ -		
2045	303,827	22,506	281,321	74,384	74,384	\$ -		
2046	281,321	22,506	258,815	70,234	70,234	\$ -		
2047	258,815	22,506	236,310	66,083	66,083	\$ -		
2048	236,310	22,506	213,804	61,933	61,933	\$ -		
2049	213,804	22,506	191,298	57,783	57,783	\$ -		
2050	191,298	22,506	168,793	53,633	53,633	\$ -		
2051	168,793	22,506	146,287	49,482	49,482	\$ -		
2052	146,287	22,506	123,781	45,332	45,332	\$ -		
2053	123,781	22,506	101,276	41,182	41,182	\$ -		
2054	101,276	22,506	78,770	37,032	37,032	\$ -		
2055	78,770	22,506	56,264	32,881	32,881	\$ -		
2056	56,264	22,506	33,759	28,731	28,731	\$ -		
2057	33,759	22,506	11,253	24,581	24,581	\$ -		
2058	11,253	11,253	-	11,253	11,253	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals				5,214,891	5,214,891	-		

** 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.

OPCo 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: b1034.1 (South Canton - West Canton 138kV line (replacing Torrey - West Canton) and Wagenhals - Wayview 138kV)

Current Projected Year ARR	1,017,894
Current Projected Year ARR w/ Incentive	1,017,894
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	5,034,288		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	18.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	18.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	111,873

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 **
2013	5,034,288	9,323	5,024,965	935,974	935,974	\$ -	\$ -	\$ -
2014	5,024,965	111,873	4,913,092	1,017,894	1,017,894	\$ -	\$ 528,784	\$ 528,784
2015	4,913,092	111,873	4,801,219	997,263	997,263	\$ -		
2016	4,801,219	111,873	4,689,346	976,633	976,633	\$ -		
2017	4,689,346	111,873	4,577,473	956,002	956,002	\$ -		
2018	4,577,473	111,873	4,465,600	935,372	935,372	\$ -		
2019	4,465,600	111,873	4,353,727	914,741	914,741	\$ -		
2020	4,353,727	111,873	4,241,854	894,111	894,111	\$ -		
2021	4,241,854	111,873	4,129,981	873,481	873,481	\$ -		
2022	4,129,981	111,873	4,018,108	852,850	852,850	\$ -		
2023	4,018,108	111,873	3,906,235	832,220	832,220	\$ -		
2024	3,906,235	111,873	3,794,362	811,589	811,589	\$ -		
2025	3,794,362	111,873	3,682,488	790,959	790,959	\$ -		
2026	3,682,488	111,873	3,570,615	770,328	770,328	\$ -		
2027	3,570,615	111,873	3,458,742	749,698	749,698	\$ -		
2028	3,458,742	111,873	3,346,869	729,067	729,067	\$ -		
2029	3,346,869	111,873	3,234,996	708,437	708,437	\$ -		
2030	3,234,996	111,873	3,123,123	687,806	687,806	\$ -		
2031	3,123,123	111,873	3,011,250	667,176	667,176	\$ -		
2032	3,011,250	111,873	2,899,377	646,546	646,546	\$ -		
2033	2,899,377	111,873	2,787,504	625,915	625,915	\$ -		
2034	2,787,504	111,873	2,675,631	605,285	605,285	\$ -		
2035	2,675,631	111,873	2,563,758	584,654	584,654	\$ -		
2036	2,563,758	111,873	2,451,885	564,024	564,024	\$ -		
2037	2,451,885	111,873	2,340,012	543,393	543,393	\$ -		
2038	2,340,012	111,873	2,228,139	522,763	522,763	\$ -		
2039	2,228,139	111,873	2,116,266	502,132	502,132	\$ -		
2040	2,116,266	111,873	2,004,392	481,502	481,502	\$ -		
2041	2,004,392	111,873	1,892,519	460,872	460,872	\$ -		
2042	1,892,519	111,873	1,780,646	440,241	440,241	\$ -		
2043	1,780,646	111,873	1,668,773	419,611	419,611	\$ -		
2044	1,668,773	111,873	1,556,900	398,980	398,980	\$ -		
2045	1,556,900	111,873	1,445,027	378,350	378,350	\$ -		
2046	1,445,027	111,873	1,333,154	357,719	357,719	\$ -		
2047	1,333,154	111,873	1,221,281	337,089	337,089	\$ -		
2048	1,221,281	111,873	1,109,408	316,458	316,458	\$ -		
2049	1,109,408	111,873	997,535	295,828	295,828	\$ -		
2050	997,535	111,873	885,662	275,197	275,197	\$ -		
2051	885,662	111,873	773,789	254,567	254,567	\$ -		
2052	773,789	111,873	661,916	233,937	233,937	\$ -		
2053	661,916	111,873	550,043	213,306	213,306	\$ -		
2054	550,043	111,873	438,170	192,676	192,676	\$ -		
2055	438,170	111,873	326,296	172,045	172,045	\$ -		
2056	326,296	111,873	214,423	151,415	151,415	\$ -		
2057	214,423	111,873	102,550	130,784	130,784	\$ -		
2058	102,550	102,550	-	102,550	102,550	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals				26,309,440	26,309,440	-		

** 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.

OPCo 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: b1034.6 (138kV circuit breakers at South Canton Station)

Current Projected Year ARR	372,954
Current Projected Year ARR w/ Incentive	372,954
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	1,841,443		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	18.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	18.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	40,921

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 **
2013	1,841,443	-	1,841,443	339,579	339,579	\$ -	\$ -	\$ -
2014	1,841,443	40,921	1,800,522	372,954	372,954	\$ -	\$ 424,916	\$ 424,916
2015	1,800,522	40,921	1,759,601	365,408	365,408	\$ -		
2016	1,759,601	40,921	1,718,680	357,862	357,862	\$ -		
2017	1,718,680	40,921	1,677,759	350,316	350,316	\$ -		
2018	1,677,759	40,921	1,636,838	342,769	342,769	\$ -		
2019	1,636,838	40,921	1,595,917	335,223	335,223	\$ -		
2020	1,595,917	40,921	1,554,996	327,677	327,677	\$ -		
2021	1,554,996	40,921	1,514,075	320,131	320,131	\$ -		
2022	1,514,075	40,921	1,473,154	312,585	312,585	\$ -		
2023	1,473,154	40,921	1,432,233	305,038	305,038	\$ -		
2024	1,432,233	40,921	1,391,312	297,492	297,492	\$ -		
2025	1,391,312	40,921	1,350,392	289,946	289,946	\$ -		
2026	1,350,392	40,921	1,309,471	282,400	282,400	\$ -		
2027	1,309,471	40,921	1,268,550	274,853	274,853	\$ -		
2028	1,268,550	40,921	1,227,629	267,307	267,307	\$ -		
2029	1,227,629	40,921	1,186,708	259,761	259,761	\$ -		
2030	1,186,708	40,921	1,145,787	252,215	252,215	\$ -		
2031	1,145,787	40,921	1,104,866	244,669	244,669	\$ -		
2032	1,104,866	40,921	1,063,945	237,122	237,122	\$ -		
2033	1,063,945	40,921	1,023,024	229,576	229,576	\$ -		
2034	1,023,024	40,921	982,103	222,030	222,030	\$ -		
2035	982,103	40,921	941,182	214,484	214,484	\$ -		
2036	941,182	40,921	900,261	206,938	206,938	\$ -		
2037	900,261	40,921	859,340	199,391	199,391	\$ -		
2038	859,340	40,921	818,419	191,845	191,845	\$ -		
2039	818,419	40,921	777,498	184,299	184,299	\$ -		
2040	777,498	40,921	736,577	176,753	176,753	\$ -		
2041	736,577	40,921	695,656	169,207	169,207	\$ -		
2042	695,656	40,921	654,735	161,660	161,660	\$ -		
2043	654,735	40,921	613,814	154,114	154,114	\$ -		
2044	613,814	40,921	572,893	146,568	146,568	\$ -		
2045	572,893	40,921	531,972	139,022	139,022	\$ -		
2046	531,972	40,921	491,051	131,475	131,475	\$ -		
2047	491,051	40,921	450,131	123,929	123,929	\$ -		
2048	450,131	40,921	409,210	116,383	116,383	\$ -		
2049	409,210	40,921	368,289	108,837	108,837	\$ -		
2050	368,289	40,921	327,368	101,291	101,291	\$ -		
2051	327,368	40,921	286,447	93,744	93,744	\$ -		
2052	286,447	40,921	245,526	86,198	86,198	\$ -		
2053	245,526	40,921	204,605	78,652	78,652	\$ -		
2054	204,605	40,921	163,684	71,106	71,106	\$ -		
2055	163,684	40,921	122,763	63,560	63,560	\$ -		
2056	122,763	40,921	81,842	56,013	56,013	\$ -		
2057	81,842	40,921	40,921	48,467	48,467	\$ -		
2058	40,921	40,921	-	40,921	40,921	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals				9,651,771	9,651,771	-		

** 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.

OPCo 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. [redacted] (e.g. ER05-925-000)

Project Description: RTEP ID: b1864.1 (Add two additional 345/138 kV transformers at Kammer)

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

Details		2014
Investment	-	Current Year
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	11	FCR w/o incentives, less depreciation
Useful life	45	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 **
2013	-	-	-	-	-	\$ -		
2014	-	-	-	-	-	\$ -		
2015	-	-	-	-	-	\$ -		
2016	-	-	-	-	-	\$ -		
2017	-	-	-	-	-	\$ -		
2018	-	-	-	-	-	\$ -		
2019	-	-	-	-	-	\$ -		
2020	-	-	-	-	-	\$ -		
2021	-	-	-	-	-	\$ -		
2022	-	-	-	-	-	\$ -		
2023	-	-	-	-	-	\$ -		
2024	-	-	-	-	-	\$ -		
2025	-	-	-	-	-	\$ -		
2026	-	-	-	-	-	\$ -		
2027	-	-	-	-	-	\$ -		
2028	-	-	-	-	-	\$ -		
2029	-	-	-	-	-	\$ -		
2030	-	-	-	-	-	\$ -		
2031	-	-	-	-	-	\$ -		
2032	-	-	-	-	-	\$ -		
2033	-	-	-	-	-	\$ -		
2034	-	-	-	-	-	\$ -		
2035	-	-	-	-	-	\$ -		
2036	-	-	-	-	-	\$ -		
2037	-	-	-	-	-	\$ -		
2038	-	-	-	-	-	\$ -		
2039	-	-	-	-	-	\$ -		
2040	-	-	-	-	-	\$ -		
2041	-	-	-	-	-	\$ -		
2042	-	-	-	-	-	\$ -		
2043	-	-	-	-	-	\$ -		
2044	-	-	-	-	-	\$ -		
2045	-	-	-	-	-	\$ -		
2046	-	-	-	-	-	\$ -		
2047	-	-	-	-	-	\$ -		
2048	-	-	-	-	-	\$ -		
2049	-	-	-	-	-	\$ -		
2050	-	-	-	-	-	\$ -		
2051	-	-	-	-	-	\$ -		
2052	-	-	-	-	-	\$ -		
2053	-	-	-	-	-	\$ -		
2054	-	-	-	-	-	\$ -		
2055	-	-	-	-	-	\$ -		
2056	-	-	-	-	-	\$ -		
2057	-	-	-	-	-	\$ -		
2058	-	-	-	-	-	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		

Project Totals

** 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.

OPCo 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. [Redacted] (e.g. ER05-925-000)

Project Description: RTEP ID: b2021 (Add 345/138 kV Transformers at Sporn, Kanawha River, and Muskingum River stations)

Current Projected Year ARR	7,389,592
Current Projected Year ARR w/ Incentive	7,389,592
Current Projected Year Incentive ARR	-

Details			
Investment	36,609,200	Current Year	2014
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	18.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	18.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	813,538

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 **
2013	36,609,200	135,590	36,473,610	6,861,668	6,861,668	\$ -	\$ 0	\$ 0
2014	36,473,610	813,538	35,660,073	7,389,592	7,389,592	\$ -		
2015	35,660,073	813,538	34,846,535	7,239,568	7,239,568	\$ -		
2016	34,846,535	813,538	34,032,997	7,089,544	7,089,544	\$ -		
2017	34,032,997	813,538	33,219,459	6,939,520	6,939,520	\$ -		
2018	33,219,459	813,538	32,405,921	6,789,496	6,789,496	\$ -		
2019	32,405,921	813,538	31,592,384	6,639,472	6,639,472	\$ -		
2020	31,592,384	813,538	30,778,846	6,489,448	6,489,448	\$ -		
2021	30,778,846	813,538	29,965,308	6,339,424	6,339,424	\$ -		
2022	29,965,308	813,538	29,151,770	6,189,400	6,189,400	\$ -		
2023	29,151,770	813,538	28,338,233	6,039,376	6,039,376	\$ -		
2024	28,338,233	813,538	27,524,695	5,889,352	5,889,352	\$ -		
2025	27,524,695	813,538	26,711,157	5,739,328	5,739,328	\$ -		
2026	26,711,157	813,538	25,897,619	5,589,303	5,589,303	\$ -		
2027	25,897,619	813,538	25,084,081	5,439,279	5,439,279	\$ -		
2028	25,084,081	813,538	24,270,544	5,289,255	5,289,255	\$ -		
2029	24,270,544	813,538	23,457,006	5,139,231	5,139,231	\$ -		
2030	23,457,006	813,538	22,643,468	4,989,207	4,989,207	\$ -		
2031	22,643,468	813,538	21,829,930	4,839,183	4,839,183	\$ -		
2032	21,829,930	813,538	21,016,393	4,689,159	4,689,159	\$ -		
2033	21,016,393	813,538	20,202,855	4,539,135	4,539,135	\$ -		
2034	20,202,855	813,538	19,389,317	4,389,111	4,389,111	\$ -		
2035	19,389,317	813,538	18,575,779	4,239,087	4,239,087	\$ -		
2036	18,575,779	813,538	17,762,241	4,089,063	4,089,063	\$ -		
2037	17,762,241	813,538	16,948,704	3,939,039	3,939,039	\$ -		
2038	16,948,704	813,538	16,135,166	3,789,015	3,789,015	\$ -		
2039	16,135,166	813,538	15,321,628	3,638,991	3,638,991	\$ -		
2040	15,321,628	813,538	14,508,090	3,488,967	3,488,967	\$ -		
2041	14,508,090	813,538	13,694,553	3,338,943	3,338,943	\$ -		
2042	13,694,553	813,538	12,881,015	3,188,919	3,188,919	\$ -		
2043	12,881,015	813,538	12,067,477	3,038,895	3,038,895	\$ -		
2044	12,067,477	813,538	11,253,939	2,888,871	2,888,871	\$ -		
2045	11,253,939	813,538	10,440,401	2,738,846	2,738,846	\$ -		
2046	10,440,401	813,538	9,626,864	2,588,822	2,588,822	\$ -		
2047	9,626,864	813,538	8,813,326	2,438,798	2,438,798	\$ -		
2048	8,813,326	813,538	7,999,788	2,288,774	2,288,774	\$ -		
2049	7,999,788	813,538	7,186,250	2,138,750	2,138,750	\$ -		
2050	7,186,250	813,538	6,372,713	1,988,726	1,988,726	\$ -		
2051	6,372,713	813,538	5,559,175	1,838,702	1,838,702	\$ -		
2052	5,559,175	813,538	4,745,637	1,688,678	1,688,678	\$ -		
2053	4,745,637	813,538	3,932,099	1,538,654	1,538,654	\$ -		
2054	3,932,099	813,538	3,118,561	1,388,630	1,388,630	\$ -		
2055	3,118,561	813,538	2,305,024	1,238,606	1,238,606	\$ -		
2056	2,305,024	813,538	1,491,486	1,088,582	1,088,582	\$ -		
2057	1,491,486	813,538	677,948	938,558	938,558	\$ -		
2058	677,948	677,948	-	677,948	677,948	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals				190,758,914	190,758,914	-		

** 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.

OPCo 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: b2032 (Rebuild 138 kV Elliott Tap-Poston line)

Current Projected Year ARR	25,862
Current Projected Year ARR w/ Incentive	25,862
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	130,107		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	1	FCR w/o incentives, less depreciation	18.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	18.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	2,891

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 **
2013	130,107	2,650	127,457	26,155	26,155	\$ -		
2014	127,457	2,891	124,565	25,862	25,862	\$ -		
2015	124,565	2,891	121,674	25,329	25,329	\$ -		
2016	121,674	2,891	118,783	24,796	24,796	\$ -		
2017	118,783	2,891	115,892	24,263	24,263	\$ -		
2018	115,892	2,891	113,000	23,730	23,730	\$ -		
2019	113,000	2,891	110,109	23,196	23,196	\$ -		
2020	110,109	2,891	107,218	22,663	22,663	\$ -		
2021	107,218	2,891	104,327	22,130	22,130	\$ -		
2022	104,327	2,891	101,435	21,597	21,597	\$ -		
2023	101,435	2,891	98,544	21,064	21,064	\$ -		
2024	98,544	2,891	95,653	20,531	20,531	\$ -		
2025	95,653	2,891	92,761	19,997	19,997	\$ -		
2026	92,761	2,891	89,870	19,464	19,464	\$ -		
2027	89,870	2,891	86,979	18,931	18,931	\$ -		
2028	86,979	2,891	84,088	18,398	18,398	\$ -		
2029	84,088	2,891	81,196	17,865	17,865	\$ -		
2030	81,196	2,891	78,305	17,331	17,331	\$ -		
2031	78,305	2,891	75,414	16,798	16,798	\$ -		
2032	75,414	2,891	72,523	16,265	16,265	\$ -		
2033	72,523	2,891	69,631	15,732	15,732	\$ -		
2034	69,631	2,891	66,740	15,199	15,199	\$ -		
2035	66,740	2,891	63,849	14,666	14,666	\$ -		
2036	63,849	2,891	60,958	14,132	14,132	\$ -		
2037	60,958	2,891	58,066	13,599	13,599	\$ -		
2038	58,066	2,891	55,175	13,066	13,066	\$ -		
2039	55,175	2,891	52,284	12,533	12,533	\$ -		
2040	52,284	2,891	49,392	12,000	12,000	\$ -		
2041	49,392	2,891	46,501	11,467	11,467	\$ -		
2042	46,501	2,891	43,610	10,933	10,933	\$ -		
2043	43,610	2,891	40,719	10,400	10,400	\$ -		
2044	40,719	2,891	37,827	9,867	9,867	\$ -		
2045	37,827	2,891	34,936	9,334	9,334	\$ -		
2046	34,936	2,891	32,045	8,801	8,801	\$ -		
2047	32,045	2,891	29,154	8,267	8,267	\$ -		
2048	29,154	2,891	26,262	7,734	7,734	\$ -		
2049	26,262	2,891	23,371	7,201	7,201	\$ -		
2050	23,371	2,891	20,480	6,668	6,668	\$ -		
2051	20,480	2,891	17,589	6,135	6,135	\$ -		
2052	17,589	2,891	14,697	5,602	5,602	\$ -		
2053	14,697	2,891	11,806	5,068	5,068	\$ -		
2054	11,806	2,891	8,915	4,535	4,535	\$ -		
2055	8,915	2,891	6,023	4,002	4,002	\$ -		
2056	6,023	2,891	3,132	3,469	3,469	\$ -		
2057	3,132	2,891	241	2,936	2,936	\$ -		
2058	241	241	-	241	241	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals				659,952	659,952	-		

** 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.

OPCo 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: b1034.2 (Loop the existing South Canton - Wayview 138kV circuit in-and-out of West Canton)

Current Projected Year ARR	646,572
Current Projected Year ARR w/ Incentive	646,572
Current Projected Year Incentive ARR	-

Details			
Investment	3,341,948	Current Year	2014
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	18.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	18.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	74,266

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 **
2014	3,341,948	37,133	3,304,815	646,572	646,572	\$ -		
2015	3,304,815	74,266	3,230,550	670,009	670,009	\$ -		
2016	3,230,550	74,266	3,156,284	656,314	656,314	\$ -		
2017	3,156,284	74,266	3,082,019	642,619	642,619	\$ -		
2018	3,082,019	74,266	3,007,753	628,924	628,924	\$ -		
2019	3,007,753	74,266	2,933,488	615,228	615,228	\$ -		
2020	2,933,488	74,266	2,859,222	601,533	601,533	\$ -		
2021	2,859,222	74,266	2,784,957	587,838	587,838	\$ -		
2022	2,784,957	74,266	2,710,691	574,143	574,143	\$ -		
2023	2,710,691	74,266	2,636,426	560,447	560,447	\$ -		
2024	2,636,426	74,266	2,562,160	546,752	546,752	\$ -		
2025	2,562,160	74,266	2,487,895	533,057	533,057	\$ -		
2026	2,487,895	74,266	2,413,629	519,362	519,362	\$ -		
2027	2,413,629	74,266	2,339,364	505,666	505,666	\$ -		
2028	2,339,364	74,266	2,265,098	491,971	491,971	\$ -		
2029	2,265,098	74,266	2,190,833	478,276	478,276	\$ -		
2030	2,190,833	74,266	2,116,567	464,580	464,580	\$ -		
2031	2,116,567	74,266	2,042,302	450,885	450,885	\$ -		
2032	2,042,302	74,266	1,968,036	437,190	437,190	\$ -		
2033	1,968,036	74,266	1,893,771	423,495	423,495	\$ -		
2034	1,893,771	74,266	1,819,505	409,799	409,799	\$ -		
2035	1,819,505	74,266	1,745,240	396,104	396,104	\$ -		
2036	1,745,240	74,266	1,670,974	382,409	382,409	\$ -		
2037	1,670,974	74,266	1,596,708	368,714	368,714	\$ -		
2038	1,596,708	74,266	1,522,443	355,018	355,018	\$ -		
2039	1,522,443	74,266	1,448,177	341,323	341,323	\$ -		
2040	1,448,177	74,266	1,373,912	327,628	327,628	\$ -		
2041	1,373,912	74,266	1,299,646	313,933	313,933	\$ -		
2042	1,299,646	74,266	1,225,381	300,237	300,237	\$ -		
2043	1,225,381	74,266	1,151,115	286,542	286,542	\$ -		
2044	1,151,115	74,266	1,076,850	272,847	272,847	\$ -		
2045	1,076,850	74,266	1,002,584	259,152	259,152	\$ -		
2046	1,002,584	74,266	928,319	245,456	245,456	\$ -		
2047	928,319	74,266	854,053	231,761	231,761	\$ -		
2048	854,053	74,266	779,788	218,066	218,066	\$ -		
2049	779,788	74,266	705,522	204,370	204,370	\$ -		
2050	705,522	74,266	631,257	190,675	190,675	\$ -		
2051	631,257	74,266	556,991	176,980	176,980	\$ -		
2052	556,991	74,266	482,726	163,285	163,285	\$ -		
2053	482,726	74,266	408,460	149,589	149,589	\$ -		
2054	408,460	74,266	334,195	135,894	135,894	\$ -		
2055	334,195	74,266	259,929	122,199	122,199	\$ -		
2056	259,929	74,266	185,664	108,504	108,504	\$ -		
2057	185,664	74,266	111,398	94,808	94,808	\$ -		
2058	111,398	74,266	37,133	81,113	81,113	\$ -		
2059	37,133	37,133	-	37,133	37,133	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
2073	-	-	-	-	-	\$ -		
Project Totals				17,208,401	17,208,401	-		

** 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.

OPCo 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: b1034.7 (Replace all obsolete 138kV circuit breakers at the Torrey and Wagenhals stations)

Current Projected Year ARR	95,797
Current Projected Year ARR w/ Incentive	95,797
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	475,397		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	9	FCR w/o incentives, less depreciation	18.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	18.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	10,564

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 **
2013	475,397	2,641	472,756	89,822	89,822	\$ -	\$ 0	\$ 0
2014	472,756	10,564	462,192	95,797	95,797	\$ -		
2015	462,192	10,564	451,627	93,849	93,849	\$ -		
2016	451,627	10,564	441,063	91,901	91,901	\$ -		
2017	441,063	10,564	430,498	89,952	89,952	\$ -		
2018	430,498	10,564	419,934	88,004	88,004	\$ -		
2019	419,934	10,564	409,370	86,056	86,056	\$ -		
2020	409,370	10,564	398,805	84,108	84,108	\$ -		
2021	398,805	10,564	388,241	82,160	82,160	\$ -		
2022	388,241	10,564	377,677	80,211	80,211	\$ -		
2023	377,677	10,564	367,112	78,263	78,263	\$ -		
2024	367,112	10,564	356,548	76,315	76,315	\$ -		
2025	356,548	10,564	345,983	74,367	74,367	\$ -		
2026	345,983	10,564	335,419	72,419	72,419	\$ -		
2027	335,419	10,564	324,855	70,471	70,471	\$ -		
2028	324,855	10,564	314,290	68,522	68,522	\$ -		
2029	314,290	10,564	303,726	66,574	66,574	\$ -		
2030	303,726	10,564	293,161	64,626	64,626	\$ -		
2031	293,161	10,564	282,597	62,678	62,678	\$ -		
2032	282,597	10,564	272,033	60,730	60,730	\$ -		
2033	272,033	10,564	261,468	58,782	58,782	\$ -		
2034	261,468	10,564	250,904	56,833	56,833	\$ -		
2035	250,904	10,564	240,340	54,885	54,885	\$ -		
2036	240,340	10,564	229,775	52,937	52,937	\$ -		
2037	229,775	10,564	219,211	50,989	50,989	\$ -		
2038	219,211	10,564	208,646	49,041	49,041	\$ -		
2039	208,646	10,564	198,082	47,093	47,093	\$ -		
2040	198,082	10,564	187,518	45,144	45,144	\$ -		
2041	187,518	10,564	176,953	43,196	43,196	\$ -		
2042	176,953	10,564	166,389	41,248	41,248	\$ -		
2043	166,389	10,564	155,825	39,300	39,300	\$ -		
2044	155,825	10,564	145,260	37,352	37,352	\$ -		
2045	145,260	10,564	134,696	35,404	35,404	\$ -		
2046	134,696	10,564	124,131	33,455	33,455	\$ -		
2047	124,131	10,564	113,567	31,507	31,507	\$ -		
2048	113,567	10,564	103,003	29,559	29,559	\$ -		
2049	103,003	10,564	92,438	27,611	27,611	\$ -		
2050	92,438	10,564	81,874	25,663	25,663	\$ -		
2051	81,874	10,564	71,310	23,715	23,715	\$ -		
2052	71,310	10,564	60,745	21,766	21,766	\$ -		
2053	60,745	10,564	50,181	19,818	19,818	\$ -		
2054	50,181	10,564	39,616	17,870	17,870	\$ -		
2055	39,616	10,564	29,052	15,922	15,922	\$ -		
2056	29,052	10,564	18,488	13,974	13,974	\$ -		
2057	18,488	10,564	7,923	12,026	12,026	\$ -		
2058	7,923	7,923	-	7,923	7,923	\$ -		
2059	-	-	-	-	-	\$ -		
2060	-	-	-	-	-	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
Project Totals				2,469,837	2,469,837	-		

** 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.

OPCo 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: b1970 (Reconductor 13 miles of Kammer-West Bellaire 345 kV line)

Current Projected Year ARR	99,055
Current Projected Year ARR w/ Incentive	99,055
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	537,148		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	18.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	18.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	11,937

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 **
2014	537,148	-	537,148	99,055	99,055	\$ -		
2015	537,148	11,937	525,211	108,791	108,791	\$ -		
2016	525,211	11,937	513,275	106,589	106,589	\$ -		
2017	513,275	11,937	501,338	104,388	104,388	\$ -		
2018	501,338	11,937	489,402	102,187	102,187	\$ -		
2019	489,402	11,937	477,465	99,986	99,986	\$ -		
2020	477,465	11,937	465,528	97,784	97,784	\$ -		
2021	465,528	11,937	453,592	95,583	95,583	\$ -		
2022	453,592	11,937	441,655	93,382	93,382	\$ -		
2023	441,655	11,937	429,718	91,181	91,181	\$ -		
2024	429,718	11,937	417,782	88,980	88,980	\$ -		
2025	417,782	11,937	405,845	86,778	86,778	\$ -		
2026	405,845	11,937	393,909	84,577	84,577	\$ -		
2027	393,909	11,937	381,972	82,376	82,376	\$ -		
2028	381,972	11,937	370,035	80,175	80,175	\$ -		
2029	370,035	11,937	358,099	77,973	77,973	\$ -		
2030	358,099	11,937	346,162	75,772	75,772	\$ -		
2031	346,162	11,937	334,225	73,571	73,571	\$ -		
2032	334,225	11,937	322,289	71,370	71,370	\$ -		
2033	322,289	11,937	310,352	69,168	69,168	\$ -		
2034	310,352	11,937	298,416	66,967	66,967	\$ -		
2035	298,416	11,937	286,479	64,766	64,766	\$ -		
2036	286,479	11,937	274,542	62,565	62,565	\$ -		
2037	274,542	11,937	262,606	60,364	60,364	\$ -		
2038	262,606	11,937	250,669	58,162	58,162	\$ -		
2039	250,669	11,937	238,732	55,961	55,961	\$ -		
2040	238,732	11,937	226,796	53,760	53,760	\$ -		
2041	226,796	11,937	214,859	51,559	51,559	\$ -		
2042	214,859	11,937	202,923	49,357	49,357	\$ -		
2043	202,923	11,937	190,986	47,156	47,156	\$ -		
2044	190,986	11,937	179,049	44,955	44,955	\$ -		
2045	179,049	11,937	167,113	42,754	42,754	\$ -		
2046	167,113	11,937	155,176	40,553	40,553	\$ -		
2047	155,176	11,937	143,239	38,351	38,351	\$ -		
2048	143,239	11,937	131,303	36,150	36,150	\$ -		
2049	131,303	11,937	119,366	33,949	33,949	\$ -		
2050	119,366	11,937	107,430	31,748	31,748	\$ -		
2051	107,430	11,937	95,493	29,546	29,546	\$ -		
2052	95,493	11,937	83,556	27,345	27,345	\$ -		
2053	83,556	11,937	71,620	25,144	25,144	\$ -		
2054	71,620	11,937	59,683	22,943	22,943	\$ -		
2055	59,683	11,937	47,746	20,742	20,742	\$ -		
2056	47,746	11,937	35,810	18,540	18,540	\$ -		
2057	35,810	11,937	23,873	16,339	16,339	\$ -		
2058	23,873	11,937	11,937	14,138	14,138	\$ -		
2059	11,937	11,937	0	11,937	11,937	\$ -		
2060	0	0	-	0	0	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
2073	-	-	-	-	-	\$ -		
Project Totals				2,815,417	2,815,417	-		

** 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.

OPCo 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: b2018 (Loop Conesville-Bixby 345 kV circuit into Ohio Central)

Current Projected Year ARR	98,401
Current Projected Year ARR w/ Incentive	98,401
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	533,601		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	18.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	18.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	11,858

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 **
2014	533,601	-	533,601	98,401	98,401	\$ -		
2015	533,601	11,858	521,743	108,072	108,072	\$ -		
2016	521,743	11,858	509,885	105,885	105,885	\$ -		
2017	509,885	11,858	498,028	103,699	103,699	\$ -		
2018	498,028	11,858	486,170	101,512	101,512	\$ -		
2019	486,170	11,858	474,312	99,325	99,325	\$ -		
2020	474,312	11,858	462,454	97,139	97,139	\$ -		
2021	462,454	11,858	450,596	94,952	94,952	\$ -		
2022	450,596	11,858	438,739	92,765	92,765	\$ -		
2023	438,739	11,858	426,881	90,579	90,579	\$ -		
2024	426,881	11,858	415,023	88,392	88,392	\$ -		
2025	415,023	11,858	403,165	86,205	86,205	\$ -		
2026	403,165	11,858	391,307	84,019	84,019	\$ -		
2027	391,307	11,858	379,450	81,832	81,832	\$ -		
2028	379,450	11,858	367,592	79,645	79,645	\$ -		
2029	367,592	11,858	355,734	77,459	77,459	\$ -		
2030	355,734	11,858	343,876	75,272	75,272	\$ -		
2031	343,876	11,858	332,018	73,085	73,085	\$ -		
2032	332,018	11,858	320,161	70,898	70,898	\$ -		
2033	320,161	11,858	308,303	68,712	68,712	\$ -		
2034	308,303	11,858	296,445	66,525	66,525	\$ -		
2035	296,445	11,858	284,587	64,338	64,338	\$ -		
2036	284,587	11,858	272,729	62,152	62,152	\$ -		
2037	272,729	11,858	260,872	59,965	59,965	\$ -		
2038	260,872	11,858	249,014	57,778	57,778	\$ -		
2039	249,014	11,858	237,156	55,592	55,592	\$ -		
2040	237,156	11,858	225,298	53,405	53,405	\$ -		
2041	225,298	11,858	213,440	51,218	51,218	\$ -		
2042	213,440	11,858	201,583	49,032	49,032	\$ -		
2043	201,583	11,858	189,725	46,845	46,845	\$ -		
2044	189,725	11,858	177,867	44,658	44,658	\$ -		
2045	177,867	11,858	166,009	42,471	42,471	\$ -		
2046	166,009	11,858	154,151	40,285	40,285	\$ -		
2047	154,151	11,858	142,294	38,098	38,098	\$ -		
2048	142,294	11,858	130,436	35,911	35,911	\$ -		
2049	130,436	11,858	118,578	33,725	33,725	\$ -		
2050	118,578	11,858	106,720	31,538	31,538	\$ -		
2051	106,720	11,858	94,862	29,351	29,351	\$ -		
2052	94,862	11,858	83,005	27,165	27,165	\$ -		
2053	83,005	11,858	71,147	24,978	24,978	\$ -		
2054	71,147	11,858	59,289	22,791	22,791	\$ -		
2055	59,289	11,858	47,431	20,605	20,605	\$ -		
2056	47,431	11,858	35,573	18,418	18,418	\$ -		
2057	35,573	11,858	23,716	16,231	16,231	\$ -		
2058	23,716	11,858	11,858	14,044	14,044	\$ -		
2059	11,858	11,858	0	11,858	11,858	\$ -		
2060	0	0	-	0	0	\$ -		
2061	-	-	-	-	-	\$ -		
2062	-	-	-	-	-	\$ -		
2063	-	-	-	-	-	\$ -		
2064	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	\$ -		
2073	-	-	-	-	-	\$ -		
Project Totals				2,796,826	2,796,826	-		

** 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 2013 FF1 Balances
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
OHIO POWER COMPANY

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

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

ROE w/o incentives (True-Up TCOS, In 164)			11.49%
Project ROE Incentive Adder		0	<==ROE Adder Cannot Exceed 100 Basis Points
ROE with additional 0 basis point incentive			11.49% <== ROE Including Incentives Cannot Exceed 12.5% Until July 1, 2012
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the True-Up TCOS, lns 162 through164)			
	%	Cost	Weighted cost
Long Term Debt	50.30%	5.81%	2.922%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	49.70%	11.49%	5.711%
		R =	8.633%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR	2013	Rev Require	W Incentives	Incentive Amounts
As Projected in Prior Year WS J		\$ 3,768,661	\$ 3,768,661	\$ -
Actual after True-up		\$ 4,216,745	\$ 4,216,745	\$ -
True-up of ARR For 2013		448,084	448,084	-

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

Rate Base (True-Up TCOS, In 78)	978,827,351
R (from A. above)	8.633%
Return (Rate Base x R)	84,504,070

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

Return (from B. above)	84,504,070
Effective Tax Rate (True-Up TCOS, In 126)	37.03%
Income Tax Calculation (Return x CIT)	31,293,230
ITC Adjustment	(394,347)
Income Taxes	30,898,883

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

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

Annual Revenue Requirement (True-Up TCOS, In 1)	286,447,230
T.E.A. & Lease Payments (True-Up TCOS, Lns 105 & 106)	1,378,542
Return (True-Up TCOS, In 134)	84,504,070
Income Taxes (True-Up TCOS, In 133)	30,898,883
Annual Revenue Requirement, Less TEA Charges, Return and Taxes	169,665,735

B. Determine Annual Revenue Requirement with hypothetical 0 basis point increase in ROE.

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	169,665,735
Return (from I.B. above)	84,504,070
Income Taxes (from I.C. above)	30,898,883
Annual Revenue Requirement, with 0 Basis Point ROE increase	285,068,688
Depreciation (True-Up TCOS, In 111)	43,898,299
Annual Rev. Req, w/ 0 Basis Point ROE increase, less Depreciation	241,170,389

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

Net Transmission Plant (True-Up TCOS, In 48)	1,180,009,010
Annual Revenue Requirement, with 0 Basis Point ROE increase	285,068,688
FCR with 0 Basis Point increase in ROE	24.16%

Annual Rev. Req, w/ 0 Basis Point ROE increase, less Dep.	241,170,389
FCR with 0 Basis Point ROE increase, less Depreciation	20.44%
FCR less Depreciation (True-Up TCOS, In 9)	20.44%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Historic Period () (P.206, In 58,(b)):	2,007,735,450
Transmission Plant @ End of Historic Period () (P.207, In 58,(g)):	2,005,287,961
Subtotal	4,013,023,411
Average Transmission Plant Balance for	2,006,511,706
Annual Depreciation Rate (True-Up TCOS, In 111)	44,608,268
Composite Depreciation Rate	2.22%
Depreciable Life for Composite Depreciation Rate	44.98
Round to nearest whole year	45

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED] (e.g. ER05-925-000)

Project Description: RTEP ID: b504 (765 kV circuit breaker installations at Hanging Rock)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,051,933	1,051,933	-
Prior Yr True-Up	1,138,432	1,138,432	-
True-Up Adjustment	86,499	86,499	-

Details	Current Year	2013
Investment	5,491,719	
Service Year (yyyy)	2009	
Service Month (1-12)	3	
Useful life	45	
CIAC (Yes or No)	No	
	ROE increase accepted by FERC (Basis Points)	-
	FCR w/o incentives, less depreciation	20.44%
	FCR w/incentives approved for these facilities, less dep.	20.44%
	Annual Depreciation Expense	122,038

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2009	5,491,719	91,529	5,400,190	5,445,955	1,204,574	1,204,574		\$ 894,796	\$ 309,778	\$ 894,796	\$ 309,778	\$ -
2010	5,400,190	122,038	5,278,152	5,339,171	1,213,259	1,213,259		\$ 1,094,271	\$ 118,987	\$ 1,094,271	\$ 118,987	\$ -
2011	5,278,152	122,038	5,156,114	5,217,133	1,188,317	1,188,317		\$ 1,210,680	\$ (22,363)	\$ 1,210,680	\$ (22,363)	\$ -
2012	5,156,114	122,038	5,034,076	5,095,095	1,163,374	1,163,374		\$ 1,057,666	\$ 105,708	\$ 1,057,666	\$ 105,708	\$ -
2013	5,034,076	122,038	4,912,038	4,973,057	1,138,432	1,138,432		\$ 1,051,933	\$ 86,499	\$ 1,051,933	\$ 86,499	\$ -
2014	4,912,038	122,038	4,789,999	4,851,018	1,113,490	1,113,490						\$ -
2015	4,789,999	122,038	4,667,961	4,728,980	1,088,548	1,088,548						\$ -
2016	4,667,961	122,038	4,545,923	4,606,942	1,063,606	1,063,606						\$ -
2017	4,545,923	122,038	4,423,885	4,484,904	1,038,663	1,038,663						\$ -
2018	4,423,885	122,038	4,301,847	4,362,866	1,013,721	1,013,721						\$ -
2019	4,301,847	122,038	4,179,808	4,240,827	988,779	988,779						\$ -
2020	4,179,808	122,038	4,057,770	4,118,789	963,837	963,837						\$ -
2021	4,057,770	122,038	3,935,732	3,996,751	938,895	938,895						\$ -
2022	3,935,732	122,038	3,813,694	3,874,713	913,952	913,952						\$ -
2023	3,813,694	122,038	3,691,656	3,752,675	889,010	889,010						\$ -
2024	3,691,656	122,038	3,569,617	3,630,636	864,068	864,068						\$ -
2025	3,569,617	122,038	3,447,579	3,508,598	839,126	839,126						\$ -
2026	3,447,579	122,038	3,325,541	3,386,560	814,184	814,184						\$ -
2027	3,325,541	122,038	3,203,503	3,264,522	789,242	789,242						\$ -
2028	3,203,503	122,038	3,081,465	3,142,484	764,299	764,299						\$ -
2029	3,081,465	122,038	2,959,426	3,020,445	739,357	739,357						\$ -
2030	2,959,426	122,038	2,837,388	2,898,407	714,415	714,415						\$ -
2031	2,837,388	122,038	2,715,350	2,776,369	689,473	689,473						\$ -
2032	2,715,350	122,038	2,593,312	2,654,331	664,531	664,531						\$ -
2033	2,593,312	122,038	2,471,274	2,532,293	639,588	639,588						\$ -
2034	2,471,274	122,038	2,349,235	2,410,254	614,646	614,646						\$ -
2035	2,349,235	122,038	2,227,197	2,288,216	589,704	589,704						\$ -
2036	2,227,197	122,038	2,105,159	2,166,178	564,762	564,762						\$ -
2037	2,105,159	122,038	1,983,121	2,044,140	539,820	539,820						\$ -
2038	1,983,121	122,038	1,861,083	1,922,102	514,878	514,878						\$ -
2039	1,861,083	122,038	1,739,044	1,800,063	489,935	489,935						\$ -
2040	1,739,044	122,038	1,617,006	1,678,025	464,993	464,993						\$ -
2041	1,617,006	122,038	1,494,968	1,555,987	440,051	440,051						\$ -
2042	1,494,968	122,038	1,372,930	1,433,949	415,109	415,109						\$ -
2043	1,372,930	122,038	1,250,892	1,311,911	390,167	390,167						\$ -
2044	1,250,892	122,038	1,128,853	1,189,872	365,224	365,224						\$ -
2045	1,128,853	122,038	1,006,815	1,067,834	340,282	340,282						\$ -
2046	1,006,815	122,038	884,777	945,796	315,340	315,340						\$ -
2047	884,777	122,038	762,739	823,758	290,398	290,398						\$ -
2048	762,739	122,038	640,701	701,720	265,456	265,456						\$ -
2049	640,701	122,038	518,662	579,681	240,514	240,514						\$ -
2050	518,662	122,038	396,624	457,643	215,571	215,571						\$ -
2051	396,624	122,038	274,586	335,605	190,629	190,629						\$ -
2052	274,586	122,038	152,548	213,567	165,687	165,687						\$ -
2053	152,548	122,038	30,510	91,529	140,745	140,745						\$ -
2054	30,510	30,510	-	15,255	33,627	33,627						\$ -
2055	-	-	-	-	-	-						\$ -
2056	-	-	-	-	-	-						\$ -
2057	-	-	-	-	-	-						\$ -
2058	-	-	-	-	-	-						\$ -
2059	-	-	-	-	-	-						\$ -
2060	-	-	-	-	-	-						\$ -
2061	-	-	-	-	-	-						\$ -
2062	-	-	-	-	-	-						\$ -
2063	-	-	-	-	-	-						\$ -
2064	-	-	-	-	-	-						\$ -
2065	-	-	-	-	-	-						\$ -
2066	-	-	-	-	-	-						\$ -
2067	-	-	-	-	-	-						\$ -
2068	-	-	-	-	-	-						\$ -
Project Totals					31,026,278	31,026,278						

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED]

(e.g. ER05-925-000)

Project Description: RTEP ID: B1231 (Replace the existing 138/69-12 kV transformer at West Moulton Station with a 138/69 kV transformer and a 69/12 kV transformer)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,210,587	1,210,587	-
Prior Yr True-Up	1,410,830	1,410,830	-
True-Up Adjustment	200,243	200,243	-

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

Details	2012	Current Year	2013
Investment	6,299,669		
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	20.44%
Useful life	45	FCR w/incentives approved for these facilities, less dep.	20.44%
CIAC (Yes or No)	No	Annual Depreciation Expense	139,993

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2012	6,299,669	11,666.05	6,288,003	6,293,836	1,298,001	1,298,001	\$ -	\$ 832,082	\$ 465,919	\$ 832,082	\$ 465,919	\$ -
2013	6,288,003	139,993	6,148,010	6,218,007	1,410,830	1,410,830	\$ -	\$ 1,210,587	\$ 200,243	\$ 1,210,587	\$ 200,243	\$ -
2014	6,148,010	139,993	6,008,018	6,078,014	1,382,218	1,382,218	\$ -					\$ -
2015	6,008,018	139,993	5,868,025	5,938,021	1,353,606	1,353,606	\$ -					\$ -
2016	5,868,025	139,993	5,728,032	5,798,029	1,324,994	1,324,994	\$ -					\$ -
2017	5,728,032	139,993	5,588,040	5,658,036	1,296,383	1,296,383	\$ -					\$ -
2018	5,588,040	139,993	5,448,047	5,518,043	1,267,771	1,267,771	\$ -					\$ -
2019	5,448,047	139,993	5,308,054	5,378,051	1,239,159	1,239,159	\$ -					\$ -
2020	5,308,054	139,993	5,168,062	5,238,058	1,210,548	1,210,548	\$ -					\$ -
2021	5,168,062	139,993	5,028,069	5,098,065	1,181,936	1,181,936	\$ -					\$ -
2022	5,028,069	139,993	4,888,077	4,958,073	1,153,324	1,153,324	\$ -					\$ -
2023	4,888,077	139,993	4,748,084	4,818,080	1,124,712	1,124,712	\$ -					\$ -
2024	4,748,084	139,993	4,608,091	4,678,088	1,096,101	1,096,101	\$ -					\$ -
2025	4,608,091	139,993	4,468,099	4,538,095	1,067,489	1,067,489	\$ -					\$ -
2026	4,468,099	139,993	4,328,106	4,398,102	1,038,877	1,038,877	\$ -					\$ -
2027	4,328,106	139,993	4,188,113	4,258,110	1,010,266	1,010,266	\$ -					\$ -
2028	4,188,113	139,993	4,048,121	4,118,117	981,654	981,654	\$ -					\$ -
2029	4,048,121	139,993	3,908,128	3,978,124	953,042	953,042	\$ -					\$ -
2030	3,908,128	139,993	3,768,135	3,838,132	924,430	924,430	\$ -					\$ -
2031	3,768,135	139,993	3,628,143	3,698,139	895,819	895,819	\$ -					\$ -
2032	3,628,143	139,993	3,488,150	3,558,146	867,207	867,207	\$ -					\$ -
2033	3,488,150	139,993	3,348,157	3,418,154	838,595	838,595	\$ -					\$ -
2034	3,348,157	139,993	3,208,165	3,278,161	809,984	809,984	\$ -					\$ -
2035	3,208,165	139,993	3,068,172	3,138,168	781,372	781,372	\$ -					\$ -
2036	3,068,172	139,993	2,928,179	2,998,176	752,760	752,760	\$ -					\$ -
2037	2,928,179	139,993	2,788,187	2,858,183	724,148	724,148	\$ -					\$ -
2038	2,788,187	139,993	2,648,194	2,718,191	695,537	695,537	\$ -					\$ -
2039	2,648,194	139,993	2,508,202	2,578,198	666,925	666,925	\$ -					\$ -
2040	2,508,202	139,993	2,368,209	2,438,205	638,313	638,313	\$ -					\$ -
2041	2,368,209	139,993	2,228,216	2,298,213	609,702	609,702	\$ -					\$ -
2042	2,228,216	139,993	2,088,224	2,158,220	581,090	581,090	\$ -					\$ -
2043	2,088,224	139,993	1,948,231	2,018,227	552,478	552,478	\$ -					\$ -
2044	1,948,231	139,993	1,808,238	1,878,235	523,866	523,866	\$ -					\$ -
2045	1,808,238	139,993	1,668,246	1,738,242	495,255	495,255	\$ -					\$ -
2046	1,668,246	139,993	1,528,253	1,598,249	466,643	466,643	\$ -					\$ -
2047	1,528,253	139,993	1,388,260	1,458,257	438,031	438,031	\$ -					\$ -
2048	1,388,260	139,993	1,248,268	1,318,264	409,420	409,420	\$ -					\$ -
2049	1,248,268	139,993	1,108,275	1,178,271	380,808	380,808	\$ -					\$ -
2050	1,108,275	139,993	968,282	1,038,279	352,196	352,196	\$ -					\$ -
2051	968,282	139,993	828,290	898,286	323,584	323,584	\$ -					\$ -
2052	828,290	139,993	688,297	758,293	294,973	294,973	\$ -					\$ -
2053	688,297	139,993	548,305	618,301	266,361	266,361	\$ -					\$ -
2054	548,305	139,993	408,312	478,308	237,749	237,749	\$ -					\$ -
2055	408,312	139,993	268,319	338,316	209,138	209,138	\$ -					\$ -
2056	268,319	139,993	128,327	198,323	180,526	180,526	\$ -					\$ -
2057	128,327	139,993	-	64,163	141,440	141,440	\$ -					\$ -
2058	-	-	-	-	-	-	\$ -					\$ -
2059	-	-	-	-	-	-	\$ -					\$ -
2060	-	-	-	-	-	-	\$ -					\$ -
2061	-	-	-	-	-	-	\$ -					\$ -
2062	-	-	-	-	-	-	\$ -					\$ -
2063	-	-	-	-	-	-	\$ -					\$ -
2064	-	-	-	-	-	-	\$ -					\$ -
2065	-	-	-	-	-	-	\$ -					\$ -
2066	-	-	-	-	-	-	\$ -					\$ -
2067	-	-	-	-	-	-	\$ -					\$ -
2068	-	-	-	-	-	-	\$ -					\$ -
2069	-	-	-	-	-	-	\$ -					\$ -
2070	-	-	-	-	-	-	\$ -					\$ -
2071	-	-	-	-	-	-	\$ -					\$ -
Project Totals					36,449,263	36,449,263	-					

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED]

(e.g. ER05-925-000)

Project Description: RTEP ID: b0570 (Reconductor EAST LIMA-STERLING 138 KV LINE)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	219,263	219,263	-
Prior Yr True-Up	217,090	217,090	-
True-Up Adjustment	(2,173)	(2,173)	-

Details		Current Year	2013
Investment	1,012,755	ROE increase accepted by FERC (Basis Points)	-
Service Year (yyyy)	2013	FCR w/o incentives, less depreciation	20.44%
Service Month (1-12)	6	FCR w/incentives approved for these facilities, less dep.	20.44%
Useful life	45	Annual Depreciation Expense	22,506
CIAC (Yes or No)	No		

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2013	1,012,755	11,253	1,001,502	1,007,129	217,090	217,090	\$ -	\$ 219,263	\$ (2,173)	\$ 219,263	\$ (2,173)	\$ -
2014	1,001,502	22,506	978,997	990,249	224,893	224,893	\$ -					\$ -
2015	978,997	22,506	956,491	967,744	220,293	220,293	\$ -					\$ -
2016	956,491	22,506	933,985	945,238	215,694	215,694	\$ -					\$ -
2017	933,985	22,506	911,480	922,732	211,094	211,094	\$ -					\$ -
2018	911,480	22,506	888,974	900,227	206,494	206,494	\$ -					\$ -
2019	888,974	22,506	866,468	877,721	201,894	201,894	\$ -					\$ -
2020	866,468	22,506	843,963	855,215	197,295	197,295	\$ -					\$ -
2021	843,963	22,506	821,457	832,710	192,695	192,695	\$ -					\$ -
2022	821,457	22,506	798,951	810,204	188,095	188,095	\$ -					\$ -
2023	798,951	22,506	776,446	787,698	183,496	183,496	\$ -					\$ -
2024	776,446	22,506	753,940	765,193	178,896	178,896	\$ -					\$ -
2025	753,940	22,506	731,434	742,687	174,296	174,296	\$ -					\$ -
2026	731,434	22,506	708,929	720,181	169,696	169,696	\$ -					\$ -
2027	708,929	22,506	686,423	697,676	165,097	165,097	\$ -					\$ -
2028	686,423	22,506	663,917	675,170	160,497	160,497	\$ -					\$ -
2029	663,917	22,506	641,412	652,664	155,897	155,897	\$ -					\$ -
2030	641,412	22,506	618,906	630,159	151,298	151,298	\$ -					\$ -
2031	618,906	22,506	596,400	607,653	146,698	146,698	\$ -					\$ -
2032	596,400	22,506	573,895	585,147	142,098	142,098	\$ -					\$ -
2033	573,895	22,506	551,389	562,642	137,498	137,498	\$ -					\$ -
2034	551,389	22,506	528,883	540,136	132,899	132,899	\$ -					\$ -
2035	528,883	22,506	506,378	517,630	128,299	128,299	\$ -					\$ -
2036	506,378	22,506	483,872	495,125	123,699	123,699	\$ -					\$ -
2037	483,872	22,506	461,366	472,619	119,100	119,100	\$ -					\$ -
2038	461,366	22,506	438,861	450,113	114,500	114,500	\$ -					\$ -
2039	438,861	22,506	416,355	427,608	109,900	109,900	\$ -					\$ -
2040	416,355	22,506	393,849	405,102	105,300	105,300	\$ -					\$ -
2041	393,849	22,506	371,344	382,596	100,701	100,701	\$ -					\$ -
2042	371,344	22,506	348,838	360,091	96,101	96,101	\$ -					\$ -
2043	348,838	22,506	326,332	337,585	91,501	91,501	\$ -					\$ -
2044	326,332	22,506	303,827	315,079	86,902	86,902	\$ -					\$ -
2045	303,827	22,506	281,321	292,574	82,302	82,302	\$ -					\$ -
2046	281,321	22,506	258,815	270,068	77,702	77,702	\$ -					\$ -
2047	258,815	22,506	236,310	247,562	73,102	73,102	\$ -					\$ -
2048	236,310	22,506	213,804	225,057	68,503	68,503	\$ -					\$ -
2049	213,804	22,506	191,298	202,551	63,903	63,903	\$ -					\$ -
2050	191,298	22,506	168,793	180,045	59,303	59,303	\$ -					\$ -
2051	168,793	22,506	146,287	157,540	54,704	54,704	\$ -					\$ -
2052	146,287	22,506	123,781	112,528	45,504	45,504	\$ -					\$ -
2053	123,781	22,506	101,276	90,023	40,905	40,905	\$ -					\$ -
2054	101,276	22,506	78,770	67,517	36,305	36,305	\$ -					\$ -
2055	78,770	22,506	56,264	45,011	31,705	31,705	\$ -					\$ -
2056	56,264	22,506	33,759	22,506	27,105	27,105	\$ -					\$ -
2057	33,759	22,506	11,253	5,626	12,403	12,403	\$ -					\$ -
2058	11,253	11,253	-	-	-	-	\$ -					\$ -
2059	-	-	-	-	-	-	\$ -					\$ -
2060	-	-	-	-	-	-	\$ -					\$ -
2061	-	-	-	-	-	-	\$ -					\$ -
2062	-	-	-	-	-	-	\$ -					\$ -
2063	-	-	-	-	-	-	\$ -					\$ -
2064	-	-	-	-	-	-	\$ -					\$ -
2065	-	-	-	-	-	-	\$ -					\$ -
2066	-	-	-	-	-	-	\$ -					\$ -
2067	-	-	-	-	-	-	\$ -					\$ -
2068	-	-	-	-	-	-	\$ -					\$ -
2069	-	-	-	-	-	-	\$ -					\$ -
2070	-	-	-	-	-	-	\$ -					\$ -
2071	-	-	-	-	-	-	\$ -					\$ -
2072	-	-	-	-	-	-	\$ -					\$ -
Project Totals					5,773,456	5,773,456	-					

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED]

(e.g. ER05-925-000)

Project Description:

RTEP ID: b1034.1 (South Canton - West Canton 138kV line (replacing Torrey - West Canton) and Wagenhals - Wayview 138kV)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	528,784	528,784	-
Prior Yr True-Up	1,021,771	1,021,771	-
True-Up Adjustment	492,987	492,987	-

Details		2013
Investment	4,959,025	Current Year
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	11	FCR w/o incentives, less depreciation
Useful life	45	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2013	4,959,025	9,183	4,949,842	4,954,433	1,021,771	1,021,771	\$ -	\$ 528,784	\$ 492,987	\$ 528,784	\$ 492,987	\$ -
2014	4,949,842	110,201	4,839,641	4,894,741	1,110,588	1,110,588	\$ -					\$ -
2015	4,839,641	110,201	4,729,441	4,784,541	1,088,066	1,088,066	\$ -					\$ -
2016	4,729,441	110,201	4,619,240	4,674,340	1,065,543	1,065,543	\$ -					\$ -
2017	4,619,240	110,201	4,509,039	4,564,140	1,043,020	1,043,020	\$ -					\$ -
2018	4,509,039	110,201	4,398,839	4,453,939	1,020,497	1,020,497	\$ -					\$ -
2019	4,398,839	110,201	4,288,638	4,343,739	997,974	997,974	\$ -					\$ -
2020	4,288,638	110,201	4,178,438	4,233,538	975,452	975,452	\$ -					\$ -
2021	4,178,438	110,201	4,068,237	4,123,337	952,929	952,929	\$ -					\$ -
2022	4,068,237	110,201	3,958,037	4,013,137	930,406	930,406	\$ -					\$ -
2023	3,958,037	110,201	3,847,836	3,902,936	907,883	907,883	\$ -					\$ -
2024	3,847,836	110,201	3,737,636	3,792,736	885,360	885,360	\$ -					\$ -
2025	3,737,636	110,201	3,627,435	3,682,535	862,838	862,838	\$ -					\$ -
2026	3,627,435	110,201	3,517,234	3,572,335	840,315	840,315	\$ -					\$ -
2027	3,517,234	110,201	3,407,034	3,462,134	817,792	817,792	\$ -					\$ -
2028	3,407,034	110,201	3,296,833	3,351,934	795,269	795,269	\$ -					\$ -
2029	3,296,833	110,201	3,186,633	3,241,733	772,746	772,746	\$ -					\$ -
2030	3,186,633	110,201	3,076,432	3,131,532	750,224	750,224	\$ -					\$ -
2031	3,076,432	110,201	2,966,232	3,021,332	727,701	727,701	\$ -					\$ -
2032	2,966,232	110,201	2,856,031	2,911,131	705,178	705,178	\$ -					\$ -
2033	2,856,031	110,201	2,745,831	2,800,931	682,655	682,655	\$ -					\$ -
2034	2,745,831	110,201	2,635,630	2,690,730	660,132	660,132	\$ -					\$ -
2035	2,635,630	110,201	2,525,429	2,580,530	637,610	637,610	\$ -					\$ -
2036	2,525,429	110,201	2,415,229	2,470,329	615,087	615,087	\$ -					\$ -
2037	2,415,229	110,201	2,305,028	2,360,129	592,564	592,564	\$ -					\$ -
2038	2,305,028	110,201	2,194,828	2,249,928	570,041	570,041	\$ -					\$ -
2039	2,194,828	110,201	2,084,627	2,139,727	547,518	547,518	\$ -					\$ -
2040	2,084,627	110,201	1,974,427	2,029,527	524,996	524,996	\$ -					\$ -
2041	1,974,427	110,201	1,864,226	1,919,326	502,473	502,473	\$ -					\$ -
2042	1,864,226	110,201	1,754,026	1,809,126	479,950	479,950	\$ -					\$ -
2043	1,754,026	110,201	1,643,825	1,698,925	457,427	457,427	\$ -					\$ -
2044	1,643,825	110,201	1,533,624	1,588,725	434,904	434,904	\$ -					\$ -
2045	1,533,624	110,201	1,423,424	1,478,524	412,381	412,381	\$ -					\$ -
2046	1,423,424	110,201	1,313,223	1,368,324	389,859	389,859	\$ -					\$ -
2047	1,313,223	110,201	1,203,023	1,258,123	367,336	367,336	\$ -					\$ -
2048	1,203,023	110,201	1,092,822	1,147,922	344,813	344,813	\$ -					\$ -
2049	1,092,822	110,201	982,622	1,037,722	322,290	322,290	\$ -					\$ -
2050	982,622	110,201	872,421	927,521	299,767	299,767	\$ -					\$ -
2051	872,421	110,201	762,221	817,321	277,245	277,245	\$ -					\$ -
2052	762,221	110,201	652,020	707,120	254,722	254,722	\$ -					\$ -
2053	652,020	110,201	541,819	596,920	232,199	232,199	\$ -					\$ -
2054	541,819	110,201	431,619	486,719	209,676	209,676	\$ -					\$ -
2055	431,619	110,201	321,418	376,519	187,153	187,153	\$ -					\$ -
2056	321,418	110,201	211,218	266,318	164,631	164,631	\$ -					\$ -
2057	211,218	110,201	101,017	156,117	142,108	142,108	\$ -					\$ -
2058	101,017	101,017	-	50,509	111,340	111,340	\$ -					\$ -
2059	-	-	-	-	-	-	\$ -					\$ -
2060	-	-	-	-	-	-	\$ -					\$ -
2061	-	-	-	-	-	-	\$ -					\$ -
2062	-	-	-	-	-	-	\$ -					\$ -
2063	-	-	-	-	-	-	\$ -					\$ -
2064	-	-	-	-	-	-	\$ -					\$ -
2065	-	-	-	-	-	-	\$ -					\$ -
2066	-	-	-	-	-	-	\$ -					\$ -
2067	-	-	-	-	-	-	\$ -					\$ -
2068	-	-	-	-	-	-	\$ -					\$ -
2069	-	-	-	-	-	-	\$ -					\$ -
2070	-	-	-	-	-	-	\$ -					\$ -
2071	-	-	-	-	-	-	\$ -					\$ -
2072	-	-	-	-	-	-	\$ -					\$ -
Project Totals					28,692,429	28,692,429	-					

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED]

(e.g. ER05-925-000)

Project Description: RTEP ID: b1034.6 (138kV circuit breakers at South Canton Station)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	424,916	424,916	-
Prior Yr True-Up	353,566	353,566	-
True-Up Adjustment	(71,350)	(71,350)	-

Details		Current Year	2013
Investment	1,729,941	ROE increase accepted by FERC (Basis Points)	-
Service Year (yyyy)	2013	FCR w/o incentives, less depreciation	20.44%
Service Month (1-12)	12	FCR w/incentives approved for these facilities, less dep.	20.44%
Useful life	45	Annual Depreciation Expense	38,443
CIAC (Yes or No)	No		

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2013	1,729,941	-	1,729,941	1,729,941	353,566	353,566	\$ -	\$ 424,916	\$ (71,350)	\$ 424,916	\$ (71,350)	\$ -
2014	1,729,941	38,443	1,691,498	1,710,719	388,080	388,080	\$ -					\$ -
2015	1,691,498	38,443	1,653,055	1,672,276	380,223	380,223	\$ -					\$ -
2016	1,653,055	38,443	1,614,612	1,633,833	372,366	372,366	\$ -					\$ -
2017	1,614,612	38,443	1,576,168	1,595,390	364,509	364,509	\$ -					\$ -
2018	1,576,168	38,443	1,537,725	1,556,947	356,652	356,652	\$ -					\$ -
2019	1,537,725	38,443	1,499,282	1,518,504	348,795	348,795	\$ -					\$ -
2020	1,499,282	38,443	1,460,839	1,480,061	340,938	340,938	\$ -					\$ -
2021	1,460,839	38,443	1,422,396	1,441,618	333,081	333,081	\$ -					\$ -
2022	1,422,396	38,443	1,383,953	1,403,174	325,224	325,224	\$ -					\$ -
2023	1,383,953	38,443	1,345,510	1,364,731	317,367	317,367	\$ -					\$ -
2024	1,345,510	38,443	1,307,067	1,326,288	309,510	309,510	\$ -					\$ -
2025	1,307,067	38,443	1,268,623	1,287,845	301,653	301,653	\$ -					\$ -
2026	1,268,623	38,443	1,230,180	1,249,402	293,796	293,796	\$ -					\$ -
2027	1,230,180	38,443	1,191,737	1,210,959	285,939	285,939	\$ -					\$ -
2028	1,191,737	38,443	1,153,294	1,172,516	278,082	278,082	\$ -					\$ -
2029	1,153,294	38,443	1,114,851	1,134,072	270,225	270,225	\$ -					\$ -
2030	1,114,851	38,443	1,076,408	1,095,629	262,368	262,368	\$ -					\$ -
2031	1,076,408	38,443	1,037,965	1,057,186	254,511	254,511	\$ -					\$ -
2032	1,037,965	38,443	999,521	1,018,743	246,654	246,654	\$ -					\$ -
2033	999,521	38,443	961,078	980,300	238,797	238,797	\$ -					\$ -
2034	961,078	38,443	922,635	941,857	230,940	230,940	\$ -					\$ -
2035	922,635	38,443	884,192	903,414	223,083	223,083	\$ -					\$ -
2036	884,192	38,443	845,749	864,971	215,226	215,226	\$ -					\$ -
2037	845,749	38,443	807,306	826,527	207,369	207,369	\$ -					\$ -
2038	807,306	38,443	768,863	788,084	199,512	199,512	\$ -					\$ -
2039	768,863	38,443	730,420	749,641	191,655	191,655	\$ -					\$ -
2040	730,420	38,443	691,976	711,198	183,798	183,798	\$ -					\$ -
2041	691,976	38,443	653,533	672,755	175,941	175,941	\$ -					\$ -
2042	653,533	38,443	615,090	634,312	168,084	168,084	\$ -					\$ -
2043	615,090	38,443	576,647	595,869	160,227	160,227	\$ -					\$ -
2044	576,647	38,443	538,204	557,425	152,370	152,370	\$ -					\$ -
2045	538,204	38,443	499,761	518,982	144,513	144,513	\$ -					\$ -
2046	499,761	38,443	461,318	480,539	136,656	136,656	\$ -					\$ -
2047	461,318	38,443	422,874	442,096	128,799	128,799	\$ -					\$ -
2048	422,874	38,443	384,431	403,653	120,942	120,942	\$ -					\$ -
2049	384,431	38,443	345,988	365,210	113,085	113,085	\$ -					\$ -
2050	345,988	38,443	307,545	326,767	105,228	105,228	\$ -					\$ -
2051	307,545	38,443	269,102	288,324	97,371	97,371	\$ -					\$ -
2052	269,102	38,443	230,659	249,880	89,514	89,514	\$ -					\$ -
2053	230,659	38,443	192,216	211,437	81,657	81,657	\$ -					\$ -
2054	192,216	38,443	153,773	172,994	73,800	73,800	\$ -					\$ -
2055	153,773	38,443	115,329	134,551	65,943	65,943	\$ -					\$ -
2056	115,329	38,443	76,886	96,108	58,086	58,086	\$ -					\$ -
2057	76,886	38,443	38,443	57,665	50,229	50,229	\$ -					\$ -
2058	38,443	38,443	0	19,222	42,372	42,372	\$ -					\$ -
2059	0	0	-	0	0	0	\$ -					\$ -
2060	-	-	-	-	-	-	\$ -					\$ -
2061	-	-	-	-	-	-	\$ -					\$ -
2062	-	-	-	-	-	-	\$ -					\$ -
2063	-	-	-	-	-	-	\$ -					\$ -
2064	-	-	-	-	-	-	\$ -					\$ -
2065	-	-	-	-	-	-	\$ -					\$ -
2066	-	-	-	-	-	-	\$ -					\$ -
2067	-	-	-	-	-	-	\$ -					\$ -
2068	-	-	-	-	-	-	\$ -					\$ -
2069	-	-	-	-	-	-	\$ -					\$ -
2070	-	-	-	-	-	-	\$ -					\$ -
2071	-	-	-	-	-	-	\$ -					\$ -
2072	-	-	-	-	-	-	\$ -					\$ -
Project Totals					10,038,732	10,038,732	-					

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED] (e.g. ER05-925-000)

Project Description: RTEP ID: b1864.1 (Add two additional 345/138 kV transformers at Kammer)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	333,178	333,178	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	(333,178)	(333,178)	-

Details		2013
Investment	-	Current Year
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	45	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2013	-	-	-	-	-	-	-	\$ 333,178	\$ (333,178)	\$ 333,178	\$ (333,178)	\$ -
2014	-	-	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-
2017	-	-	-	-	-	-	-	-	-	-	-	-
2018	-	-	-	-	-	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	-	-	-	-	-
2024	-	-	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-	-	-
2031	-	-	-	-	-	-	-	-	-	-	-	-
2032	-	-	-	-	-	-	-	-	-	-	-	-
2033	-	-	-	-	-	-	-	-	-	-	-	-
2034	-	-	-	-	-	-	-	-	-	-	-	-
2035	-	-	-	-	-	-	-	-	-	-	-	-
2036	-	-	-	-	-	-	-	-	-	-	-	-
2037	-	-	-	-	-	-	-	-	-	-	-	-
2038	-	-	-	-	-	-	-	-	-	-	-	-
2039	-	-	-	-	-	-	-	-	-	-	-	-
2040	-	-	-	-	-	-	-	-	-	-	-	-
2041	-	-	-	-	-	-	-	-	-	-	-	-
2042	-	-	-	-	-	-	-	-	-	-	-	-
2043	-	-	-	-	-	-	-	-	-	-	-	-
2044	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-
2046	-	-	-	-	-	-	-	-	-	-	-	-
2047	-	-	-	-	-	-	-	-	-	-	-	-
2048	-	-	-	-	-	-	-	-	-	-	-	-
2049	-	-	-	-	-	-	-	-	-	-	-	-
2050	-	-	-	-	-	-	-	-	-	-	-	-
2051	-	-	-	-	-	-	-	-	-	-	-	-
2052	-	-	-	-	-	-	-	-	-	-	-	-
2053	-	-	-	-	-	-	-	-	-	-	-	-
2054	-	-	-	-	-	-	-	-	-	-	-	-
2055	-	-	-	-	-	-	-	-	-	-	-	-
2056	-	-	-	-	-	-	-	-	-	-	-	-
2057	-	-	-	-	-	-	-	-	-	-	-	-
2058	-	-	-	-	-	-	-	-	-	-	-	-
2059	-	-	-	-	-	-	-	-	-	-	-	-
2060	-	-	-	-	-	-	-	-	-	-	-	-
2061	-	-	-	-	-	-	-	-	-	-	-	-
2062	-	-	-	-	-	-	-	-	-	-	-	-
2063	-	-	-	-	-	-	-	-	-	-	-	-
2064	-	-	-	-	-	-	-	-	-	-	-	-
2065	-	-	-	-	-	-	-	-	-	-	-	-
2066	-	-	-	-	-	-	-	-	-	-	-	-
2067	-	-	-	-	-	-	-	-	-	-	-	-
2068	-	-	-	-	-	-	-	-	-	-	-	-
2069	-	-	-	-	-	-	-	-	-	-	-	-
2070	-	-	-	-	-	-	-	-	-	-	-	-
2071	-	-	-	-	-	-	-	-	-	-	-	-
2072	-	-	-	-	-	-	-	-	-	-	-	-
Project Totals												

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED]

(e.g. ER05-925-000)

Project Description: RTEP ID: b2021 (Add 345/138 kV Transformers at Sporn, Kanawha River, and Muskingum River stations)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	0	0	-
Prior Yr True-Up	24,348	24,348	-
True-Up Adjustment	24,348	24,348	-

Details		2013
Investment	117,225	Current Year
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	10	FCR w/o incentives, less depreciation
Useful life	45	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **
2013	117,225	434	116,791	117,008	24,348	24,348	\$ -	\$ 0	24,348	\$ 0	\$ 24,348
2014	116,791	2,605	114,186	115,488	26,209	26,209	\$ -	\$ -	\$ -	\$ -	\$ -
2015	114,186	2,605	111,581	112,883	25,676	25,676	\$ -	\$ -	\$ -	\$ -	\$ -
2016	111,581	2,605	108,976	110,278	25,144	25,144	\$ -	\$ -	\$ -	\$ -	\$ -
2017	108,976	2,605	106,371	107,673	24,611	24,611	\$ -	\$ -	\$ -	\$ -	\$ -
2018	106,371	2,605	103,766	105,068	24,079	24,079	\$ -	\$ -	\$ -	\$ -	\$ -
2019	103,766	2,605	101,161	102,463	23,546	23,546	\$ -	\$ -	\$ -	\$ -	\$ -
2020	101,161	2,605	98,556	99,858	23,014	23,014	\$ -	\$ -	\$ -	\$ -	\$ -
2021	98,556	2,605	95,951	97,253	22,482	22,482	\$ -	\$ -	\$ -	\$ -	\$ -
2022	95,951	2,605	93,346	94,648	21,949	21,949	\$ -	\$ -	\$ -	\$ -	\$ -
2023	93,346	2,605	90,741	92,043	21,417	21,417	\$ -	\$ -	\$ -	\$ -	\$ -
2024	90,741	2,605	88,136	89,438	20,884	20,884	\$ -	\$ -	\$ -	\$ -	\$ -
2025	88,136	2,605	85,531	86,833	20,352	20,352	\$ -	\$ -	\$ -	\$ -	\$ -
2026	85,531	2,605	82,926	84,228	19,820	19,820	\$ -	\$ -	\$ -	\$ -	\$ -
2027	82,926	2,605	80,321	81,623	19,287	19,287	\$ -	\$ -	\$ -	\$ -	\$ -
2028	80,321	2,605	77,716	79,018	18,755	18,755	\$ -	\$ -	\$ -	\$ -	\$ -
2029	77,716	2,605	75,111	76,413	18,222	18,222	\$ -	\$ -	\$ -	\$ -	\$ -
2030	75,111	2,605	72,506	73,808	17,690	17,690	\$ -	\$ -	\$ -	\$ -	\$ -
2031	72,506	2,605	69,901	71,203	17,158	17,158	\$ -	\$ -	\$ -	\$ -	\$ -
2032	69,901	2,605	67,296	68,598	16,625	16,625	\$ -	\$ -	\$ -	\$ -	\$ -
2033	67,296	2,605	64,691	65,993	16,093	16,093	\$ -	\$ -	\$ -	\$ -	\$ -
2034	64,691	2,605	62,086	63,388	15,560	15,560	\$ -	\$ -	\$ -	\$ -	\$ -
2035	62,086	2,605	59,481	60,783	15,028	15,028	\$ -	\$ -	\$ -	\$ -	\$ -
2036	59,481	2,605	56,876	58,178	14,495	14,495	\$ -	\$ -	\$ -	\$ -	\$ -
2037	56,876	2,605	54,271	55,573	13,963	13,963	\$ -	\$ -	\$ -	\$ -	\$ -
2038	54,271	2,605	51,666	52,968	13,431	13,431	\$ -	\$ -	\$ -	\$ -	\$ -
2039	51,666	2,605	49,061	50,363	12,898	12,898	\$ -	\$ -	\$ -	\$ -	\$ -
2040	49,061	2,605	46,456	47,758	12,366	12,366	\$ -	\$ -	\$ -	\$ -	\$ -
2041	46,456	2,605	43,851	45,153	11,833	11,833	\$ -	\$ -	\$ -	\$ -	\$ -
2042	43,851	2,605	41,246	42,548	11,301	11,301	\$ -	\$ -	\$ -	\$ -	\$ -
2043	41,246	2,605	38,641	39,943	10,769	10,769	\$ -	\$ -	\$ -	\$ -	\$ -
2044	38,641	2,605	36,036	37,338	10,236	10,236	\$ -	\$ -	\$ -	\$ -	\$ -
2045	36,036	2,605	33,431	34,733	9,704	9,704	\$ -	\$ -	\$ -	\$ -	\$ -
2046	33,431	2,605	30,826	32,128	9,171	9,171	\$ -	\$ -	\$ -	\$ -	\$ -
2047	30,826	2,605	28,221	29,523	8,639	8,639	\$ -	\$ -	\$ -	\$ -	\$ -
2048	28,221	2,605	25,616	26,918	8,107	8,107	\$ -	\$ -	\$ -	\$ -	\$ -
2049	25,616	2,605	23,011	24,313	7,574	7,574	\$ -	\$ -	\$ -	\$ -	\$ -
2050	23,011	2,605	20,406	21,708	7,042	7,042	\$ -	\$ -	\$ -	\$ -	\$ -
2051	20,406	2,605	17,801	19,103	6,509	6,509	\$ -	\$ -	\$ -	\$ -	\$ -
2052	17,801	2,605	15,196	16,498	5,977	5,977	\$ -	\$ -	\$ -	\$ -	\$ -
2053	15,196	2,605	12,591	13,893	5,445	5,445	\$ -	\$ -	\$ -	\$ -	\$ -
2054	12,591	2,605	9,986	11,288	4,912	4,912	\$ -	\$ -	\$ -	\$ -	\$ -
2055	9,986	2,605	7,381	8,683	4,380	4,380	\$ -	\$ -	\$ -	\$ -	\$ -
2056	7,381	2,605	4,776	6,078	3,847	3,847	\$ -	\$ -	\$ -	\$ -	\$ -
2057	4,776	2,605	2,171	3,473	3,315	3,315	\$ -	\$ -	\$ -	\$ -	\$ -
2058	2,171	2,171	-	1,085	2,393	2,393	\$ -	\$ -	\$ -	\$ -	\$ -
2059	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2060	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals					676,256	676,256	-				

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED]

(e.g. ER05-925-000)

Project Description: **RTEP ID: b1034.2 (Loop the existing South Canton - Wayview 138kV circuit in-and-out of West Canton)**

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	#N/A	#N/A	#N/A
Prior Yr True-Up	#N/A	#N/A	#N/A
True-Up Adjustment	#N/A	#N/A	#N/A

Details		2013
Investment	3,341,948	Current Year
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	6	FCR w/o incentives, less depreciation
Useful life	45	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **
2014	3,341,948	37,133	3,304,815	3,323,382	716,366	716,366	\$ -	\$ -	\$ -	\$ -	\$ -
2015	3,304,815	74,266	3,230,550	3,267,682	742,115	742,115	\$ -	\$ -	\$ -	\$ -	\$ -
2016	3,230,550	74,266	3,156,284	3,193,417	726,936	726,936	\$ -	\$ -	\$ -	\$ -	\$ -
2017	3,156,284	74,266	3,082,019	3,119,151	711,758	711,758	\$ -	\$ -	\$ -	\$ -	\$ -
2018	3,082,019	74,266	3,007,753	3,044,886	696,580	696,580	\$ -	\$ -	\$ -	\$ -	\$ -
2019	3,007,753	74,266	2,933,488	2,970,620	681,401	681,401	\$ -	\$ -	\$ -	\$ -	\$ -
2020	2,933,488	74,266	2,859,222	2,896,355	666,223	666,223	\$ -	\$ -	\$ -	\$ -	\$ -
2021	2,859,222	74,266	2,784,957	2,822,089	651,044	651,044	\$ -	\$ -	\$ -	\$ -	\$ -
2022	2,784,957	74,266	2,710,691	2,747,824	635,866	635,866	\$ -	\$ -	\$ -	\$ -	\$ -
2023	2,710,691	74,266	2,636,426	2,673,558	620,688	620,688	\$ -	\$ -	\$ -	\$ -	\$ -
2024	2,636,426	74,266	2,562,160	2,599,293	605,509	605,509	\$ -	\$ -	\$ -	\$ -	\$ -
2025	2,562,160	74,266	2,487,895	2,525,027	590,331	590,331	\$ -	\$ -	\$ -	\$ -	\$ -
2026	2,487,895	74,266	2,413,629	2,450,762	575,153	575,153	\$ -	\$ -	\$ -	\$ -	\$ -
2027	2,413,629	74,266	2,339,364	2,376,496	559,974	559,974	\$ -	\$ -	\$ -	\$ -	\$ -
2028	2,339,364	74,266	2,265,098	2,302,231	544,796	544,796	\$ -	\$ -	\$ -	\$ -	\$ -
2029	2,265,098	74,266	2,190,833	2,227,965	529,617	529,617	\$ -	\$ -	\$ -	\$ -	\$ -
2030	2,190,833	74,266	2,116,567	2,153,700	514,439	514,439	\$ -	\$ -	\$ -	\$ -	\$ -
2031	2,116,567	74,266	2,042,302	2,079,434	499,261	499,261	\$ -	\$ -	\$ -	\$ -	\$ -
2032	2,042,302	74,266	1,968,036	2,005,169	484,082	484,082	\$ -	\$ -	\$ -	\$ -	\$ -
2033	1,968,036	74,266	1,893,771	1,930,903	468,904	468,904	\$ -	\$ -	\$ -	\$ -	\$ -
2034	1,893,771	74,266	1,819,505	1,856,638	453,725	453,725	\$ -	\$ -	\$ -	\$ -	\$ -
2035	1,819,505	74,266	1,745,240	1,782,372	438,547	438,547	\$ -	\$ -	\$ -	\$ -	\$ -
2036	1,745,240	74,266	1,670,974	1,708,107	423,369	423,369	\$ -	\$ -	\$ -	\$ -	\$ -
2037	1,670,974	74,266	1,596,708	1,633,841	408,190	408,190	\$ -	\$ -	\$ -	\$ -	\$ -
2038	1,596,708	74,266	1,522,443	1,559,576	393,012	393,012	\$ -	\$ -	\$ -	\$ -	\$ -
2039	1,522,443	74,266	1,448,177	1,485,310	377,833	377,833	\$ -	\$ -	\$ -	\$ -	\$ -
2040	1,448,177	74,266	1,373,912	1,411,045	362,655	362,655	\$ -	\$ -	\$ -	\$ -	\$ -
2041	1,373,912	74,266	1,299,646	1,336,779	347,477	347,477	\$ -	\$ -	\$ -	\$ -	\$ -
2042	1,299,646	74,266	1,225,381	1,262,514	332,298	332,298	\$ -	\$ -	\$ -	\$ -	\$ -
2043	1,225,381	74,266	1,151,115	1,188,248	317,120	317,120	\$ -	\$ -	\$ -	\$ -	\$ -
2044	1,151,115	74,266	1,076,850	1,113,983	301,941	301,941	\$ -	\$ -	\$ -	\$ -	\$ -
2045	1,076,850	74,266	1,002,584	1,039,717	286,763	286,763	\$ -	\$ -	\$ -	\$ -	\$ -
2046	1,002,584	74,266	928,319	965,452	271,585	271,585	\$ -	\$ -	\$ -	\$ -	\$ -
2047	928,319	74,266	854,053	891,186	256,406	256,406	\$ -	\$ -	\$ -	\$ -	\$ -
2048	854,053	74,266	779,788	779,788	241,228	241,228	\$ -	\$ -	\$ -	\$ -	\$ -
2049	779,788	74,266	705,522	742,655	226,049	226,049	\$ -	\$ -	\$ -	\$ -	\$ -
2050	705,522	74,266	631,257	668,390	210,871	210,871	\$ -	\$ -	\$ -	\$ -	\$ -
2051	631,257	74,266	556,991	594,124	195,693	195,693	\$ -	\$ -	\$ -	\$ -	\$ -
2052	556,991	74,266	482,726	519,859	180,514	180,514	\$ -	\$ -	\$ -	\$ -	\$ -
2053	482,726	74,266	408,460	445,593	165,336	165,336	\$ -	\$ -	\$ -	\$ -	\$ -
2054	408,460	74,266	334,195	371,328	150,157	150,157	\$ -	\$ -	\$ -	\$ -	\$ -
2055	334,195	74,266	259,929	297,062	134,979	134,979	\$ -	\$ -	\$ -	\$ -	\$ -
2056	259,929	74,266	185,664	222,797	119,801	119,801	\$ -	\$ -	\$ -	\$ -	\$ -
2057	185,664	74,266	111,398	148,531	104,622	104,622	\$ -	\$ -	\$ -	\$ -	\$ -
2058	111,398	74,266	37,133	74,266	89,444	89,444	\$ -	\$ -	\$ -	\$ -	\$ -
2059	37,133	37,133	-	18,566	40,927	40,927	\$ -	\$ -	\$ -	\$ -	\$ -
2060	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2073	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals					19,051,586	19,051,586	-				

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED] (e.g. ER05-925-000)

Project Description: RTEP ID: b1034.7 (Replace all obsolete 138kV circuit breakers at the Torrey and Wagenhals stations)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	0	0	-
Prior Yr True-Up	47,819	47,819	-
True-Up Adjustment	47,819	47,819	-

Details		2013
Investment	228,397	Current Year
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	9	FCR w/o incentives, less depreciation
Useful life	45	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **
2013	228,397	1,269	227,128	227,763	47,819	47,819	\$ -	\$ 0	\$ 47,819	\$ 0	\$ 47,819
2014	227,128	5,075	222,053	224,590	50,977	50,977	\$ -	\$ -	\$ -	\$ -	\$ -
2015	222,053	5,075	216,977	219,515	49,940	49,940	\$ -	\$ -	\$ -	\$ -	\$ -
2016	216,977	5,075	211,902	214,439	48,903	48,903	\$ -	\$ -	\$ -	\$ -	\$ -
2017	211,902	5,075	206,826	209,364	47,865	47,865	\$ -	\$ -	\$ -	\$ -	\$ -
2018	206,826	5,075	201,751	204,288	46,828	46,828	\$ -	\$ -	\$ -	\$ -	\$ -
2019	201,751	5,075	196,675	199,213	45,791	45,791	\$ -	\$ -	\$ -	\$ -	\$ -
2020	196,675	5,075	191,600	194,137	44,753	44,753	\$ -	\$ -	\$ -	\$ -	\$ -
2021	191,600	5,075	186,524	189,062	43,716	43,716	\$ -	\$ -	\$ -	\$ -	\$ -
2022	186,524	5,075	181,449	183,986	42,679	42,679	\$ -	\$ -	\$ -	\$ -	\$ -
2023	181,449	5,075	176,373	178,911	41,641	41,641	\$ -	\$ -	\$ -	\$ -	\$ -
2024	176,373	5,075	171,298	173,835	40,604	40,604	\$ -	\$ -	\$ -	\$ -	\$ -
2025	171,298	5,075	166,222	168,760	39,567	39,567	\$ -	\$ -	\$ -	\$ -	\$ -
2026	166,222	5,075	161,147	163,685	38,529	38,529	\$ -	\$ -	\$ -	\$ -	\$ -
2027	161,147	5,075	156,071	158,609	37,492	37,492	\$ -	\$ -	\$ -	\$ -	\$ -
2028	156,071	5,075	150,996	153,534	36,455	36,455	\$ -	\$ -	\$ -	\$ -	\$ -
2029	150,996	5,075	145,920	148,458	35,417	35,417	\$ -	\$ -	\$ -	\$ -	\$ -
2030	145,920	5,075	140,845	143,383	34,380	34,380	\$ -	\$ -	\$ -	\$ -	\$ -
2031	140,845	5,075	135,769	138,307	33,343	33,343	\$ -	\$ -	\$ -	\$ -	\$ -
2032	135,769	5,075	130,694	133,232	32,305	32,305	\$ -	\$ -	\$ -	\$ -	\$ -
2033	130,694	5,075	125,618	128,156	31,268	31,268	\$ -	\$ -	\$ -	\$ -	\$ -
2034	125,618	5,075	120,543	123,081	30,231	30,231	\$ -	\$ -	\$ -	\$ -	\$ -
2035	120,543	5,075	115,467	118,005	29,193	29,193	\$ -	\$ -	\$ -	\$ -	\$ -
2036	115,467	5,075	110,392	112,930	28,156	28,156	\$ -	\$ -	\$ -	\$ -	\$ -
2037	110,392	5,075	105,316	107,854	27,119	27,119	\$ -	\$ -	\$ -	\$ -	\$ -
2038	105,316	5,075	100,241	102,779	26,081	26,081	\$ -	\$ -	\$ -	\$ -	\$ -
2039	100,241	5,075	95,165	97,703	25,044	25,044	\$ -	\$ -	\$ -	\$ -	\$ -
2040	95,165	5,075	90,090	92,628	24,007	24,007	\$ -	\$ -	\$ -	\$ -	\$ -
2041	90,090	5,075	85,014	87,552	22,969	22,969	\$ -	\$ -	\$ -	\$ -	\$ -
2042	85,014	5,075	79,939	82,477	21,932	21,932	\$ -	\$ -	\$ -	\$ -	\$ -
2043	79,939	5,075	74,863	77,401	20,895	20,895	\$ -	\$ -	\$ -	\$ -	\$ -
2044	74,863	5,075	69,788	72,326	19,857	19,857	\$ -	\$ -	\$ -	\$ -	\$ -
2045	69,788	5,075	64,712	67,250	18,820	18,820	\$ -	\$ -	\$ -	\$ -	\$ -
2046	64,712	5,075	59,637	62,175	17,783	17,783	\$ -	\$ -	\$ -	\$ -	\$ -
2047	59,637	5,075	54,562	57,099	16,745	16,745	\$ -	\$ -	\$ -	\$ -	\$ -
2048	54,562	5,075	49,486	52,024	15,708	15,708	\$ -	\$ -	\$ -	\$ -	\$ -
2049	49,486	5,075	44,411	46,948	14,671	14,671	\$ -	\$ -	\$ -	\$ -	\$ -
2050	44,411	5,075	39,335	41,873	13,633	13,633	\$ -	\$ -	\$ -	\$ -	\$ -
2051	39,335	5,075	34,260	36,797	12,596	12,596	\$ -	\$ -	\$ -	\$ -	\$ -
2052	34,260	5,075	29,184	31,722	11,559	11,559	\$ -	\$ -	\$ -	\$ -	\$ -
2053	29,184	5,075	24,109	26,646	10,521	10,521	\$ -	\$ -	\$ -	\$ -	\$ -
2054	24,109	5,075	19,033	21,571	9,484	9,484	\$ -	\$ -	\$ -	\$ -	\$ -
2055	19,033	5,075	13,958	16,495	8,447	8,447	\$ -	\$ -	\$ -	\$ -	\$ -
2056	13,958	5,075	8,882	11,420	7,409	7,409	\$ -	\$ -	\$ -	\$ -	\$ -
2057	8,882	5,075	3,807	6,344	6,372	6,372	\$ -	\$ -	\$ -	\$ -	\$ -
2058	3,807	3,807	-	1,903	4,196	4,196	\$ -	\$ -	\$ -	\$ -	\$ -
2059	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2060	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals					1,313,703	1,313,703	-				

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. [REDACTED]

(e.g. ER05-925-000)

Project Description: RTEP ID: b1970 (Reconductor 13 miles of Kammer-West Bellaire 345 kV line)

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	#N/A	#N/A	#N/A
Prior Yr True-Up	#N/A	#N/A	#N/A
True-Up Adjustment	#N/A	#N/A	#N/A

Details		2013
Investment	537,148	Current Year
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	45	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **
2014	537,148	-	537,148	537,148	109,782	109,782	\$ -	\$ -	\$ -	\$ -	\$ -
2015	537,148	11,937	525,211	531,180	120,499	120,499	\$ -	\$ -	\$ -	\$ -	\$ -
2016	525,211	11,937	513,275	519,243	118,060	118,060	\$ -	\$ -	\$ -	\$ -	\$ -
2017	513,275	11,937	501,338	507,306	115,620	115,620	\$ -	\$ -	\$ -	\$ -	\$ -
2018	501,338	11,937	489,402	495,370	113,180	113,180	\$ -	\$ -	\$ -	\$ -	\$ -
2019	489,402	11,937	477,465	483,433	110,741	110,741	\$ -	\$ -	\$ -	\$ -	\$ -
2020	477,465	11,937	465,528	471,497	108,301	108,301	\$ -	\$ -	\$ -	\$ -	\$ -
2021	465,528	11,937	453,592	459,560	105,862	105,862	\$ -	\$ -	\$ -	\$ -	\$ -
2022	453,592	11,937	441,655	447,623	103,422	103,422	\$ -	\$ -	\$ -	\$ -	\$ -
2023	441,655	11,937	429,718	435,687	100,982	100,982	\$ -	\$ -	\$ -	\$ -	\$ -
2024	429,718	11,937	417,782	423,750	98,543	98,543	\$ -	\$ -	\$ -	\$ -	\$ -
2025	417,782	11,937	405,845	411,813	96,103	96,103	\$ -	\$ -	\$ -	\$ -	\$ -
2026	405,845	11,937	393,909	399,877	93,664	93,664	\$ -	\$ -	\$ -	\$ -	\$ -
2027	393,909	11,937	381,972	387,940	91,224	91,224	\$ -	\$ -	\$ -	\$ -	\$ -
2028	381,972	11,937	370,035	376,004	88,784	88,784	\$ -	\$ -	\$ -	\$ -	\$ -
2029	370,035	11,937	358,099	364,067	86,345	86,345	\$ -	\$ -	\$ -	\$ -	\$ -
2030	358,099	11,937	346,162	352,130	83,905	83,905	\$ -	\$ -	\$ -	\$ -	\$ -
2031	346,162	11,937	334,225	340,194	81,465	81,465	\$ -	\$ -	\$ -	\$ -	\$ -
2032	334,225	11,937	322,289	328,257	79,026	79,026	\$ -	\$ -	\$ -	\$ -	\$ -
2033	322,289	11,937	310,352	316,320	76,586	76,586	\$ -	\$ -	\$ -	\$ -	\$ -
2034	310,352	11,937	298,416	304,384	74,147	74,147	\$ -	\$ -	\$ -	\$ -	\$ -
2035	298,416	11,937	286,479	292,447	71,707	71,707	\$ -	\$ -	\$ -	\$ -	\$ -
2036	286,479	11,937	274,542	280,511	69,267	69,267	\$ -	\$ -	\$ -	\$ -	\$ -
2037	274,542	11,937	262,606	268,574	66,828	66,828	\$ -	\$ -	\$ -	\$ -	\$ -
2038	262,606	11,937	250,669	256,637	64,388	64,388	\$ -	\$ -	\$ -	\$ -	\$ -
2039	250,669	11,937	238,732	244,701	61,949	61,949	\$ -	\$ -	\$ -	\$ -	\$ -
2040	238,732	11,937	226,796	232,764	59,509	59,509	\$ -	\$ -	\$ -	\$ -	\$ -
2041	226,796	11,937	214,859	220,828	57,069	57,069	\$ -	\$ -	\$ -	\$ -	\$ -
2042	214,859	11,937	202,923	208,891	54,630	54,630	\$ -	\$ -	\$ -	\$ -	\$ -
2043	202,923	11,937	190,986	196,954	52,190	52,190	\$ -	\$ -	\$ -	\$ -	\$ -
2044	190,986	11,937	179,049	185,018	49,751	49,751	\$ -	\$ -	\$ -	\$ -	\$ -
2045	179,049	11,937	167,113	173,081	47,311	47,311	\$ -	\$ -	\$ -	\$ -	\$ -
2046	167,113	11,937	155,176	161,144	44,871	44,871	\$ -	\$ -	\$ -	\$ -	\$ -
2047	155,176	11,937	143,239	149,208	42,432	42,432	\$ -	\$ -	\$ -	\$ -	\$ -
2048	143,239	11,937	131,303	137,271	39,992	39,992	\$ -	\$ -	\$ -	\$ -	\$ -
2049	131,303	11,937	119,366	125,335	37,553	37,553	\$ -	\$ -	\$ -	\$ -	\$ -
2050	119,366	11,937	107,430	113,398	35,113	35,113	\$ -	\$ -	\$ -	\$ -	\$ -
2051	107,430	11,937	95,493	101,461	32,673	32,673	\$ -	\$ -	\$ -	\$ -	\$ -
2052	95,493	11,937	83,556	89,525	30,234	30,234	\$ -	\$ -	\$ -	\$ -	\$ -
2053	83,556	11,937	71,620	77,588	27,794	27,794	\$ -	\$ -	\$ -	\$ -	\$ -
2054	71,620	11,937	59,683	65,651	25,354	25,354	\$ -	\$ -	\$ -	\$ -	\$ -
2055	59,683	11,937	47,746	53,715	22,915	22,915	\$ -	\$ -	\$ -	\$ -	\$ -
2056	47,746	11,937	35,810	41,778	20,475	20,475	\$ -	\$ -	\$ -	\$ -	\$ -
2057	35,810	11,937	23,873	29,842	18,036	18,036	\$ -	\$ -	\$ -	\$ -	\$ -
2058	23,873	11,937	11,937	17,905	15,596	15,596	\$ -	\$ -	\$ -	\$ -	\$ -
2059	11,937	11,937	0	5,968	13,156	13,156	\$ -	\$ -	\$ -	\$ -	\$ -
2060	0	0	-	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2073	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals					3,117,034	3,117,034	-				

** 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No. _____ (e.g. ER05-925-000)

Project Description: **RTEP ID: b2018 (Loop Conesville-Bixby 345 kV circuit into Ohio Central)**

2013	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	#N/A	#N/A	#N/A
Prior Yr True-Up	#N/A	#N/A	#N/A
True-Up Adjustment	#N/A	#N/A	#N/A

Details		2013
Investment	533,601	Current Year
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	45	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average 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 WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **
2014	533,601	-	533,601	533,601	109,057	109,057	\$ -	\$ -	\$ -	\$ -	\$ -
2015	533,601	11,858	521,743	527,672	119,703	119,703	\$ -	\$ -	\$ -	\$ -	\$ -
2016	521,743	11,858	509,885	515,814	117,280	117,280	\$ -	\$ -	\$ -	\$ -	\$ -
2017	509,885	11,858	498,028	503,957	114,856	114,856	\$ -	\$ -	\$ -	\$ -	\$ -
2018	498,028	11,858	486,170	492,099	112,433	112,433	\$ -	\$ -	\$ -	\$ -	\$ -
2019	486,170	11,858	474,312	480,241	110,009	110,009	\$ -	\$ -	\$ -	\$ -	\$ -
2020	474,312	11,858	462,454	468,383	107,586	107,586	\$ -	\$ -	\$ -	\$ -	\$ -
2021	462,454	11,858	450,596	456,525	105,162	105,162	\$ -	\$ -	\$ -	\$ -	\$ -
2022	450,596	11,858	438,739	444,668	102,739	102,739	\$ -	\$ -	\$ -	\$ -	\$ -
2023	438,739	11,858	426,881	432,810	100,316	100,316	\$ -	\$ -	\$ -	\$ -	\$ -
2024	426,881	11,858	415,023	420,952	97,892	97,892	\$ -	\$ -	\$ -	\$ -	\$ -
2025	415,023	11,858	403,165	409,094	95,469	95,469	\$ -	\$ -	\$ -	\$ -	\$ -
2026	403,165	11,858	391,307	397,236	93,045	93,045	\$ -	\$ -	\$ -	\$ -	\$ -
2027	391,307	11,858	379,450	385,379	90,622	90,622	\$ -	\$ -	\$ -	\$ -	\$ -
2028	379,450	11,858	367,592	373,521	88,198	88,198	\$ -	\$ -	\$ -	\$ -	\$ -
2029	367,592	11,858	355,734	361,663	85,775	85,775	\$ -	\$ -	\$ -	\$ -	\$ -
2030	355,734	11,858	343,876	349,805	83,351	83,351	\$ -	\$ -	\$ -	\$ -	\$ -
2031	343,876	11,858	332,018	337,947	80,928	80,928	\$ -	\$ -	\$ -	\$ -	\$ -
2032	332,018	11,858	320,161	326,090	78,504	78,504	\$ -	\$ -	\$ -	\$ -	\$ -
2033	320,161	11,858	308,303	314,232	76,081	76,081	\$ -	\$ -	\$ -	\$ -	\$ -
2034	308,303	11,858	296,445	302,374	73,657	73,657	\$ -	\$ -	\$ -	\$ -	\$ -
2035	296,445	11,858	284,587	290,516	71,234	71,234	\$ -	\$ -	\$ -	\$ -	\$ -
2036	284,587	11,858	272,729	278,658	68,810	68,810	\$ -	\$ -	\$ -	\$ -	\$ -
2037	272,729	11,858	260,872	266,801	66,387	66,387	\$ -	\$ -	\$ -	\$ -	\$ -
2038	260,872	11,858	249,014	254,943	63,963	63,963	\$ -	\$ -	\$ -	\$ -	\$ -
2039	249,014	11,858	237,156	243,085	61,540	61,540	\$ -	\$ -	\$ -	\$ -	\$ -
2040	237,156	11,858	225,298	231,227	59,116	59,116	\$ -	\$ -	\$ -	\$ -	\$ -
2041	225,298	11,858	213,440	219,369	56,693	56,693	\$ -	\$ -	\$ -	\$ -	\$ -
2042	213,440	11,858	201,583	207,512	54,269	54,269	\$ -	\$ -	\$ -	\$ -	\$ -
2043	201,583	11,858	189,725	195,654	51,846	51,846	\$ -	\$ -	\$ -	\$ -	\$ -
2044	189,725	11,858	177,867	183,796	49,422	49,422	\$ -	\$ -	\$ -	\$ -	\$ -
2045	177,867	11,858	166,009	171,938	46,999	46,999	\$ -	\$ -	\$ -	\$ -	\$ -
2046	166,009	11,858	154,151	160,080	44,575	44,575	\$ -	\$ -	\$ -	\$ -	\$ -
2047	154,151	11,858	142,294	148,223	42,152	42,152	\$ -	\$ -	\$ -	\$ -	\$ -
2048	142,294	11,858	130,436	136,365	39,728	39,728	\$ -	\$ -	\$ -	\$ -	\$ -
2049	130,436	11,858	118,578	124,507	37,305	37,305	\$ -	\$ -	\$ -	\$ -	\$ -
2050	118,578	11,858	106,720	112,649	34,881	34,881	\$ -	\$ -	\$ -	\$ -	\$ -
2051	106,720	11,858	94,862	100,791	32,458	32,458	\$ -	\$ -	\$ -	\$ -	\$ -
2052	94,862	11,858	83,005	88,934	30,034	30,034	\$ -	\$ -	\$ -	\$ -	\$ -
2053	83,005	11,858	71,147	77,076	27,611	27,611	\$ -	\$ -	\$ -	\$ -	\$ -
2054	71,147	11,858	59,289	65,218	25,187	25,187	\$ -	\$ -	\$ -	\$ -	\$ -
2055	59,289	11,858	47,431	53,360	22,764	22,764	\$ -	\$ -	\$ -	\$ -	\$ -
2056	47,431	11,858	35,573	41,502	20,340	20,340	\$ -	\$ -	\$ -	\$ -	\$ -
2057	35,573	11,858	23,716	29,645	17,917	17,917	\$ -	\$ -	\$ -	\$ -	\$ -
2058	23,716	11,858	11,858	17,787	15,493	15,493	\$ -	\$ -	\$ -	\$ -	\$ -
2059	11,858	11,858	0	5,929	13,070	13,070	\$ -	\$ -	\$ -	\$ -	\$ -
2060	0	0	-	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2073	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals					3,096,451	3,096,451	-				

** 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.

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet L Supporting Projected Cost of Debt
OHIO POWER COMPANY

Calculation of Projected Interest Expense Based on Outstanding Debt at Year End

<u>Line Number</u>	<u>(A) Issuance</u>	<u>(B) Principle Outstanding</u>	<u>(C) Interest Rate</u>	<u>(D) Annual Expense (See Note S on Projected Template)</u>	<u>(E) Notes</u>
1	Long Term Debt (FF1.p. 256-257.h)				
2	Installment Purchase Contracts (FF1.p. 256-257.h, a)				
3	Reacquired Bonds Marshall County Series F	(35,000,000)	0.200%	(70,000)	
4	Reacquired Bonds:Marshall County Series E	(50,000,000)	0.890%	(445,000)	
5	Reacquired Bonds:Ohio Air Quality Series 2005A	(54,500,000)	0.250%	(136,250)	
6	Reacquired Bonds:Ohio Air Quality Series 2005B	(50,450,000)	0.250%	(126,125)	
7	Reacquired Bonds: Air Quality Series 2005C	(50,450,000)	0.250%	(126,125)	
8	Reacquired Bonds: Air Quality Series 2005D	(54,500,000)	0.250%	(136,250)	
9	WV Economic Development Mitchell Series 2008A	(65,000,000)	0.020%	(13,000)	
10	Ohio Air Quality Revenue Bonds Series 2007A	(44,500,000)	0.210%	(93,450)	
11	Ohio Air Quality Revenue Bonds Series 2007B	(56,000,000)	0.040%	(22,400)	
12	Ohio Air Quality Revenue Bonds Series 2009A	60,000,000	3.875%	2,325,000	
13	Ohio Air Quality Revenue Bonds Series 2009B	32,245,000	5.800%	1,870,210	
14	Marshall County Series F	35,000,000	0.200%	70,000	
15	Marshall County Series E	50,000,000	0.890%	445,000	
16	Reacquired Bonds:Ohio Air Quality Series 2005A	54,500,000	0.250%	136,250	
17	Reacquired Bonds:Ohio Air Quality Series 2005B	50,450,000	0.250%	126,125	
18	Reacquired Bonds: Air Quality Series 2005C	50,450,000	0.250%	126,125	
19	Reacquired Bonds: Air Quality Series 2005D	54,500,000	0.250%	136,250	
20	WV Economic Development Amos Series 2010A	86,000,000	3.125%	2,687,500	
21	Ohio Air Quality Cardinal Series 2010A	79,450,000	3.250%	2,582,125	
22	Ohio Air Quality Gavin Series 2010A	39,130,000	2.875%	1,124,988	
23	WV Economic Development Mitchell Series 2008A	65,000,000	0.020%	13,000	
24	Ohio Air Quality Revenue Bonds Series 2007A	44,500,000	0.210%	93,450	
25	Ohio Air Quality Revenue Bonds Series 2007B	56,000,000	0.040%	22,400	
26	Unsecured Medium Series B - Due 2033	250,000,000	6.600%	16,500,000	
27	Unsecured Medium Series F - Due 2035	250,000,000	5.850%	14,625,000	
28	Unsecured Medium Series G - Due 2018	350,000,000	6.050%	21,175,000	
29	Unsecured Medium Term Notes Series G due 02/2033	250,000,000	6.600%	16,500,000	
30	Unsecured Medium Term Notes Series H due 01/2014	225,000,000	4.850%	10,912,500	
31	Unsecured Medium Term Notes Series K due 06/2016	350,000,000	6.000%	21,000,000	
32	Senior Unsecured Note Series M due 10/2021	500,000,000	5.375%	26,875,000	
33	Groveport Facility Lease - Long Term	1,381,197	1.150%	15,884	
34	Groveport Facility Lease - Current	78,799	1.150%	906	
35	<u>Issuance Discount, Premium, & Expenses:</u>				
36	Auction Fees	FF1.p. 256 & 257.Lines Described as Fees		-	
37	Allowable Hedge Amortization (See Ln 54 Below)			(2,043,277)	
38	Amort of Debt Discount and Expenses	FF1.p. 117.63.c		5,807,092	
39	Amort of Debt Premimums (Enter Negative)	FF1.p. 117.65.c		-	
40	<u>Reacquired Debt:</u>				
41	Amortization of Loss	FF1.p. 117.64.c		1,359,637	
42	Amortization of Gain	FF1.p. 117.66.c		-	
43	Total Interest on Long Term Debt	2,473,284,996	5.79%	143,317,564	
44	Preferred Stock (FF1.p. 250-251)	Preferred Shares Outstanding			
45		-	0.00%	-	
46		-	0.00%	-	
47		-	0.00%	-	
48		-	0.00%	-	
49	Dividends on Preferred Stock	-	0.00%	-	
50	Net Total Hedge Gains and Losses (WS M, Ln 30, (E))			(2,097,663)	
51	Total Projected Capital Structure Balance for 2014 (Projected TCOS, Ln 165)			4,086,554,958	
52	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005	
53	Limit of Recoverable Amount			(2,043,277)	
54	Recoverable Hedge Amortization (Lesser of Ln 50 or Ln 53)			(2,043,277)	

AEP East Companies
Transmission Cost of Service Formula Rate
OHIO POWER COMPANY

**Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
Based on Average of Balances At 12/31/2012 & 12/31/2013**

(A)	(B)	(C) Balances @ 12/31/2013	(D) Balances @ 12/31/2012	(E) Average
Development of Average Balance of Common Equity				
1	Proprietary Capital (112.16.c&d)	1,625,265,129	4,489,200,654	3,057,232,892
2	Less Preferred Stock (Ln 55 Below)	0	0	-
3	Less Account 216.1 (112.12.c&d)	4,915,704	2,204,800	3,560,252
4	Less Account 219.1 (112.15.c&d)	7,079,463	(165,724,552)	(79,322,545)
5	Average Balance of Common Equity	1,613,269,962	4,652,720,406	3,132,995,184

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

6	Bonds (112.18.c&d)	-	-	-
7	Less: Reacquired Bonds (112.19.c&d)	460,400,000	462,500,000	461,450,000
8	LT Advances from Assoc. Companies (112.20.c&d)	-	200,000,000	100,000,000
9	Senior Unsecured Notes (112.21.c&d)	2,933,684,996	4,130,325,000	3,532,004,998
10	Less: Fair Value Hedges (See Note on Ln 12 below)	-	-	-
11	Total Average Debt	2,473,284,996	3,867,825,000	3,170,554,998

12 **NOTE: 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. (Column H of the FF1)**

13 Annual Interest Expense for 2013

14	Interest on Long Term Debt (256-257.33.i)			177,049,876
15	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 14 and shown in Ln 29 below.			(2,097,663)
16	Plus: Allowed Hedge Recovery From Ln 34 below.			(2,097,663)
17	Amort of Debt Discount & Expense (117.63.c)			5,807,092
18	Amort of Loss on Reacquired Debt (117.64.c)			1,359,637
19	Less: Amort of Premium on Debt (117.65.c)			-
20	Less: Amort of Gain on Reacquired Debt (117.66.c)			-
21	Total Interest Expense (Ln 14 + Ln 17 + Ln 18 - Ln 19 - Ln 20)			184,216,605

22 **Average Cost of Debt for 2013 (Ln 21/Ln 11)** **5.81%**

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

23 **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 2013	Less Excludable Amounts (See NOTE on Line 23)	Net Includable Hedge Amount	Remaining Unamortized Balance	Amortization Period	
					Beginning	Ending
24 SUN Cash Flow Hedge - 6.000%	(418,450)	-	(418,450)	(1,011,255)	Jun-06	Jun-16
25 SUN Cash Flow Hedge - 5.375%	(1,679,213)	-	(1,679,213)	(9,585,506)	Sep-09	Sep-19
26						
27						
28						
29 Total Hedge Amortization	(2,097,663)	-				
30 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 24 to 25)			(2,097,663)			
31 Total Average Capital Structure Balance for 2013 (True-UP TCOS, Ln 165)			6,303,550,182			
32 Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
33 Limit of Recoverable Amount			3,151,775			
34 Recoverable Hedge Amortization (Lesser of Ln 30 or Ln 33)			(2,097,663)			

Development of Cost of Preferred Stock

Preferred Stock	Average	
35 0% Series - 0 - Dividend Rate (p. 250-251. 7 & 10.a)	0.00%	4.08%
36 0% Series - 0 - Par Value (p. 250-251. 8.c)	\$ -	\$ -
37 0% Series - 0 - Shares O/S (p.250-251. 8 & 11.e)	-	-
38 0% Series - 0 - Monetary Value (Ln 36 * Ln 37)	-	-
39 0% Series - 0 - Dividend Amount (Ln 35 * Ln 38)	-	-
40 0% Series - 0 - Dividend Rate (p. 250-251.a)	0.00%	4.20%
41 0% Series - 0 - Par Value (p. 250-251.c)	\$ -	\$ -
42 0% Series - 0 - Shares O/S (p.250-251. e)	-	-
43 0% Series - 0 - Monetary Value (Ln 41 * Ln 42)	-	-
44 0% Series - 0 - Dividend Amount (Ln 40 * Ln 43)	-	-
45 0% Series - 0 - Dividend Rate (p. 250-251.a)	0.00%	4.40%
46 0% Series - 0 - Par Value (p. 250-251.c)	\$ -	\$ -
47 0% Series - 0 - Shares O/S (p.250-251.e)	-	-
48 0% Series - 0 - Monetary Value (Ln 46 * Ln 47)	-	-
49 0% Series - 0 - Dividend Amount (Ln 45 * Ln 48)	-	-
50 0% Series - 0 - Dividend Rate (p. 250-251.a)	0.00%	4.50%
51 0% Series - 0 - Par Value (p. 250-251.c)	\$ -	\$ -
52 0% Series - 0 - Shares O/S (p.250-251.e)	-	-
53 0% Series - 0 - Monetary Value (Ln 51 * Ln 52)	-	-
54 0% Series - 0 - Dividend Amount (Ln 50 * Ln 53)	-	-
55 Balance of Preferred Stock (Lns 38, 43, 48, 54)	-	-
56 Dividends on Preferred Stock (Lns 39, 44, 49)	-	-
57 Average Cost of Preferred Stock (Ln 56/55)	0.00%	0.00%

- Year End Total Agrees to FF1 p.112, Ln 3, col (c) & (d)

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
OHIO POWER COMPANY

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectively. Sales will be functionalized 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						-		-	

AEP East Companies
Cost of Service Formula Rate Using 2013 FF1 Balances
Worksheet O - Calculation of Postemployment Benefits Other than Pensions Expenses Allocable to Transmission Service
OHIO POWER COMPANY

Total AEP East Operating Company PBOP Settlement Amount 30,000,000

Allocation of PBOP Settlement Amount for 2013

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 2013	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * 30000000	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
1	APCo	(4,215,559)	48.37%	14,511,689	7.115%	(299,951)	1,032,553	(1,332,504)
2								
3	I&M	(3,395,590)	38.96%	11,689,019	3.672%	(124,685)	429,217	(553,902)
4	KPCo	(1,089,175)	12.50%	3,749,390	10.335%	(112,568)	387,506	(500,074)
5	KNGP	(91,189)	1.05%	313,910	12.878%	(11,743)	40,424	(52,167)
6	OPCo	191,908	-2.20%	(660,626)	6.682%	12,823	(44,141)	56,964
7	WPCo	(115,215)	1.32%	396,617	7.229%	(8,328)	28,670	(36,998)
8	Sum of Lines 1 to 7	(8,714,820)		30,000,000		(544,452)	1,874,228	(2,418,680)

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	(4,054,293)	(3,376,008)	(1,007,225)	(81,745)	(4,165,372)	(103,680)	(12,788,323)
10 Additional PBOP Ledger Entries (from Company Records)	223,423	257,059	(0)	0	4,866,605	-	
11 Medicare Subsidy	-	-	-	-	-	-	-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(3,830,870)	(3,118,949)	(1,007,225)	(81,745)	701,233	(103,680)	(7,441,236)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(384,689)	(276,641)	(81,950)	(9,444)	(509,325)	(11,535)	(1,273,584)
14 Company PBOP Expense (Ln 12 + Ln 13)	(4,215,559)	(3,395,590)	(1,089,175)	(91,189)	191,908	(115,215)	(8,714,820)

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

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
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 69KV	356.0	1.91%
Overhead Conductor & Devices MSP	356.0	1.91%
Overhead Conductor & Devices 138KV/Above	356.0	1.91%
Overhead Conductor & Devices 69KV/Below	356.0	1.91%
Overhead Conductor & Devices CLR 69KV/Below	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:

Per the terms of the settlement in this case, 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.