

AEPTCo subsidiaries in PJM  
Transmission Cost of Service Formula Rate  
Utilizing Historic Cost Data for 2013 and Projected Net Plant at Year-End 2014

**AEP OHIO TRANSMISSION COMPANY**

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 136)			\$124,130,098
2	REVENUE CREDITS	(Note A) (Worksheet E)	34,750	DA 1.00000	\$ 34,750
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			\$ 124,095,348

**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)		13,412,036	DA 1.00000	\$ 13,412,036
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	( (In 1 - In 102 - In 103) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100) )			12.96%
7	Monthly Rate	(In 6 / 12)			1.08%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	( (In 1 - In 102 - In 103 - In 108 - In 109) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100) )			12.15%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	( (In 1 - In 102 - In 103 - In 108 - In 109 - In 131 - In 132) / ((In 48 + In 49 + In 50 + In 51 + In 53) x 100) )			2.06%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J)				-
13	<b>REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES</b>				
14	Total Load Dispatch & Scheduling (Account 561)	Line 85 Below			36,040
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				(96)
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			36,136

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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.	<b>GROSS PLANT IN SERVICE</b>				
18	<i>Line Deliberately Left Blank</i>				
19	<i>Line Deliberately Left Blank</i>				
20	Transmission	(Worksheet A In 3.C & Ln 140)	546,738,447	DA	546,738,447
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.C & Ln 141)	-	TP	-
22	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.D)		420,430,830	DA	420,430,830
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I, In 22.D)		-	DA	-
24	<i>Line Deliberately Left Blank</i>				
25	<i>Line Deliberately Left Blank</i>				
26	General Plant	(Worksheet A In 7.C)	162,233	W/S	162,233
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	-	W/S	-
28	Intangible Plant	(Worksheet A In 9.C)	2,449,753	W/S	2,449,753
29	<b>TOTAL GROSS PLANT</b>	(Sum of Lines: 20 to 23 & 26 to 28)	<u>969,781,263</u>		<u>969,781,263</u>
30	<b>ACCUMULATED DEPRECIATION AND AMORTIZATION</b>				
31	<i>Line Deliberately Left Blank</i>				
32	<i>Line Deliberately Left Blank</i>				
33	Transmission	(Worksheet A In 14.C & 28.C)	8,015,070	TP1=	8,015,070
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	-	TP1=	-
35	Plus: Transmission Plant-in-Service Additions (Worksheet I, In 21.I)		1,995,981	DA	1,995,981
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I In. 24.D)		-	DA	-
37	Plus: Additional Transmission Depreciation for 2014 (In 108)		5,749,817	TP1	5,749,817
38	Plus: Additional General & Intangible Depreciation for 2014 (In 111 + In 112)		378,116	W/S	378,116
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I In 23.D)		-	DA	-
40	<i>Line Deliberately Left Blank</i>				
41	<i>Line Deliberately Left Blank</i>				
42	General Plant	(Worksheet A In 18.C)	4,901	W/S	4,901
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	-	W/S	-
44	Intangible Plant	(Worksheet A In 20.C)	572,137	W/S	572,137
45	<b>TOTAL ACCUMULATED DEPRECIATION</b>	(Sum of Lines: 33 to 39 & 42 to 44)	<u>16,716,022</u>		<u>16,716,022</u>
46	<b>NET PLANT IN SERVICE</b>				
47	<i>Line Deliberately Left Blank</i>				
48	Transmission	(In 20 + In 21 - In 33 - In 34)	538,723,377		538,723,377
49	Plus: Transmission Plant-in-Service Additions (In 22 - In 35)		418,434,849		418,434,849
50	Plus: Additional Trans Plant on Transferred Assets (In 23 - In 36)		-		-
51	Plus: Additional Transmission Depreciation for 2014 (-In 37)		(5,749,817)		(5,749,817)
52	Plus: Additional General & Intangible Depreciation for 2014 (-In 38)		(378,116)		(378,116)
53	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 39)		-		-
54	<i>Line Deliberately Left Blank</i>				
55	General Plant	(In 26 + In 27 - In 42 - In 43)	157,332		157,332
56	Intangible Plant	(In 28 - In 44)	1,877,616		1,877,616
57	<b>TOTAL NET PLANT IN SERVICE</b>	(Sum of Lines: 48 to 53 & 55, 56)	<u>953,065,241</u>		<u>953,065,241</u>
58	<b>DEFERRED TAX ADJUSTMENTS TO RATE BASE</b>				
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)	(100,345,309)	DA	(100,345,309)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(944,280)	DA	(944,280)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	26,409,019	DA	26,409,019
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	-	DA	-
64	<b>TOTAL ADJUSTMENTS</b>	(sum Ins 59 to 63)	<u>(74,880,570)</u>		<u>(74,880,570)</u>
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	783,326	DA	783,326
66	REGULATORY ASSETS	(Worksheet A In 41. (C))	-	DA	-
67	<b>WORKING CAPITAL</b>				
68	Cash Working Capital	(Note E) (1/8 * In 88)	77,152		77,152
69	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	-	TP	-
70	A&G Materials & Supplies	(Worksheet C, In 3.(D))	-	W/S	-
71	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	-
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 6.G)	-	W/S	-
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 6.F)	882,645	GP(h)	882,645
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 6.E)	-	DA	-
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 6.D)	-	NA	-
76	<b>TOTAL WORKING CAPITAL</b>	(sum Ins 68 to 75)	<u>959,797</u>		<u>959,797</u>
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA	-
78	<b>RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)</b>		<u>879,927,794</u>		<u>879,927,794</u>

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Formula Rate  
Projected TCOS  
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Line No.	(1) <b>EXPENSE, TAXES, RETURN &amp; REVENUE REQUIREMENTS CALCULATION</b>	(2) <b>Data Sources (See "General Notes")</b>	(3) <b>TO Total</b>	(4) <b>Allocator</b>	(5) <b>Total Transmission</b>
	<b>OPERATION &amp; MAINTENANCE EXPENSE</b>				
79	<i>Line Deliberately Left Blank</i>				
80	<i>Line Deliberately Left Blank</i>				
81	Customer Related Expense	322.164,171,178.b	-		
82	Regional Marketing Expenses	322.131.b	-		
83	Transmission	321.112.b	<u>1,478,754</u>		
84	TOTAL O&M EXPENSES	(sum Ins 81 to 83)	1,478,754		
85	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	36,040		
86	Less: Account 565	(Note H) 321.96.b	825,497		
87	Less: State Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
88	Total O&M Allocable to Transmission	(Ins 83 - 85 - 86 - 87)	<u>617,217</u>	TP 1.00000	617,217
89	Administrative and General	323.197.b (Note J)	1,558,862		
90	Less: Acct. 924, Property Insurance	323.185.b	114,721		
91	Acct. 928, Reg. Com. Exp.	323.189.b	-		
92	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
93	Acct. 930.2, Misc. Gen. Exp.	323.192.b	<u>47,253</u>		
94	Balance of A & G	(In 89 - sum In 90 to In 93)	1,396,888	W/S 1.00000	1,396,888
95	Plus: Acct. 924, Property Insurance	(In 90)	114,721	GP(h) 1.00000	114,721
96	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	-	TP 1.00000	-
97	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP 1.00000	-
98	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 42.(E) (Note L)	47,253	DA 1.00000	47,253
99	PBOP Adjustment	Worksheet O Ln 16 (B), (Note K & M)	<u>140,206</u>	W/S 1.00000	<u>140,206</u>
100	A & G Subtotal	(sum Ins 94 to 99)	<u>1,699,068</u>		<u>1,699,068</u>
101	O & M EXPENSE SUBTOTAL	(In 88 + In 100)	2,316,285		2,316,285
102	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA 1.00000	-
103	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		<u>825,497</u>	DA 1.00000	<u>825,497</u>
104	TOTAL O & M EXPENSE	(In 101 + In 102 + In 103)	<u>3,141,782</u>		<u>3,141,782</u>
105	<b>DEPRECIATION AND AMORTIZATION EXPENSE</b>				
106	<i>Line Deliberately Left Blank</i>				
107	<i>Line Deliberately Left Blank</i>				
108	Transmission	336.7.f	5,749,817	TP1 1.00000	5,749,817
109	Plus: Transmission Plant-in-Service Additions (Worksheet I In 21.I)		1,995,981	DA 1.00000	1,995,981
110	Plus: Formation Costs Amortization (Worksheet A In 37.C)		13,392	TP1 1.00000	13,392
111	General	336.10.f	4,901	W/S 1.00000	4,901
112	Intangible	336.1.f	<u>373,215</u>	W/S 1.00000	<u>373,215</u>
113	TOTAL DEPRECIATION AND AMORTIZATION	(Lns 108+109+111+112)	<u>8,137,306</u>		<u>8,137,306</u>
114	<b>TAXES OTHER THAN INCOME</b>				
115	Labor Related				
116	Payroll	Worksheet H In 23.(D)	-	W/S 1.00000	-
117	Plant Related				
118	Property	Worksheet H In 23.(C) & In 58.(C)	16,835,626	DA	16,835,626
119	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	91	NA 0.00000	-
120	Other	Worksheet H In 23.(E)	<u>26,302</u>	GP(h) 1.00000	<u>26,302</u>
121	TOTAL OTHER TAXES	(sum Ins 116 to 120)	<u>16,862,019</u>		<u>16,861,928</u>
122	<b>INCOME TAXES</b>				
123	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$	(Note O)	35.00%		
124	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		39.58%		
125	where WCLTD=(In 159) and WACC = (In 162)				
126	and FIT, SIT & p are as given in Note O.				
127	$GRCF=1 / (1 - T) =$ (from In 123)		1.5385		
128	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
129	Income Tax Calculation	(In 124 * In 132)	27,220,228		27,220,228
130	ITC adjustment	(In 127 * In 128)	-	NP(h) 1.00000	-
131	TOTAL INCOME TAXES	(sum Ins 129 to 130)	<u>27,220,228</u>		<u>27,220,228</u>
132	RETURN ON RATE BASE (Rate Base * WACC)	(In 78 * In 162)	68,768,855		68,768,855
133	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
134	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
135	Tax Impact on (Gains) / Losses on Sales of Plant Held for Future Use (In 134 * In124)		-		-
136	TOTAL REVENUE REQUIREMENT		<u>124,130,189</u>		<u>124,130,098</u>
	(sum Ins 104, 113, 121, 131, 132, 133, 134, 135)				

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF							
137	Total transmission plant	(In 20)						546,738,447
138	Less transmission plant excluded from PJM Tariff	(Note P)						-
139	Less transmission plant included in OATT Ancillary Services	(Worksheet A, In 23, Col. (C)) (Note Q)						-
140	Transmission plant included in PJM Tariff	(In 137 - In 138 - In 139)						546,738,447
141	Percent of transmission plant in PJM Tariff	(In 140 / In 137)					<b>TP=</b>	<b>1.00000</b>
142	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
143	<i>Line Deliberately Left Blank</i>							
144	Transmission	354.21.b	-	252,227	252,227	TP	1.00000	252,227
145	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000	-
146	<i>Line Deliberately Left Blank</i>							
147	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000	-
148	Total	(sum Ins 144, 145, & 147)	-	252,227	252,227			252,227
149	Transmission related amount						<b>W/S=</b>	<b>1.00000</b>
150	<b>Actual Capped Capital Cost Structure (Note S)</b>							\$
150	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							
151	Long Term Interest	(Worksheet L, In. 35, col. (D))				See W/S L		15,738,298
152	Preferred Dividends	(Worksheet L, In. 45, col. (D))						-
153	<u>Development of Common Stock:</u>							
154	Proprietary Capital	(FF1 p 112, Ln 16.c)						388,422,070
155	Less: Preferred Stock	(FF1 p 112, Ln 3.c)						-
156	Less: Account 216.1	(FF1 p 112, Ln 12.c)						-
157	Less: Account 219	(FF1 p 112, Ln 15.c)						-
158	Common Stock	(In 154 - In 155 - In 156 - In 157)						388,422,070
			<b>Capital Structure Percentages</b>			Cost		
			Actual	Cap Limit		(Note S)	Weighted	
159	Long Term Debt	Worksheet L, In 35, col. (B))	380,100,000	49.46%	50.00%	4.14%	0.0207	
160	Preferred Stock (In 155)		-	0.00%	0.00%	0.00%	0.0000	
161	Common Stock (In 158)		388,422,070	50.54%	50.00%	11.49%	0.0575	
162	Total (Sum Ins 159 to 161)		768,522,070	100.00%	100.00%	<b>WACC=</b>	<b>0.0782</b>	
163	Capital Structure Equity Limit (Note T)		50.0%					
164	<b>AEP OPERATING COMPANIES' COMPOSITE (Note S)</b>							\$
164	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							
165	Long Term Interest	(Worksheet Q, In. 14)						508,751,624
166	Preferred Dividends	(Worksheet Q, In. 36)						-
167	<u>Development of Common Stock:</u>							
168	Proprietary Capital	(Worksheet Q, In. 37)						7,769,429,769
169	Less: Preferred Stock	(Worksheet Q, In. 38)						-
170	Less: Account 216.1	(Worksheet Q, In. 39)						6,459,402
171	Less: Account 219	(Worksheet Q, In. 40)						(9,922,266)
172	Common Stock	(In 168 - In 169 - In 170 - In 171)						7,772,892,633
173				%	\$	Cost	Weighted	
174	Long Term Debt	(Worksheet Q, In 50)		53.85%	9,069,720,925	0.0561	0.0302	
175	Preferred Stock	(Worksheet Q, In 51)		0.00%	-	0.00%	0.0000	
176	Common Stock	(Worksheet Q, In 52)		46.15%	7,772,892,633	11.49%	0.0530	
177	Total	(Worksheet Q, In 45)			16,842,613,558	<b>WACC=</b>	<b>0.0832</b>	

AEP OHIO TRANSMISSION 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 100.
- 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 133.
- 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 102 and 103 to determine the total O&M collected in the formula. The amounts on lines 102 and 103 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11.  
The addbacks on lines 102 and 103 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 102 and 103 is the AEP OHIO TRANSMISSION 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 The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor 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 ER10-355, recoverable PBOP expense is based on a rate of 9.4 cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- 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 128) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
- |                  |       |   |
|------------------|-------|---|
| Inputs Required: | FIT = | 35.00%  |
|                  | SIT=  | 0.00% (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 As shown on Worksheet Q, the AEP Ohio Transmission Company capital structure and weighted cost of capital (WACC) shall be based on (1) the weighted composite of AEP East Operating Companies' actual end-of-year capital structure, including year-end outstanding long term debt (LTD) and preferred stock (PS) issuances (Projected) or the beginning and ending average capital structure, including the beginning and ending average outstanding LTD and PS issuances (True-Up) with the common equity portion as capped in Docket No. ER08-1329 where any excess common equity is priced at the cost of LTD and the composite equity ratio is further capped at 50%, and (2) the actual weighted composite LTD and PS cost using actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the the Company establishes its own actual capital structure.  
Upon establishment of actual debt financing for AEP Ohio Transmission Company, the Company shall use its own actual capital structure capped by a 50% Common Equity Cap and its own LTD costs, excluding all interest rate hedging costs and/or gains, as computed on Worksheet L for the Projected TCOS or Worksheet M for the True Up TCOS.
- T AEP OHIO TRANSMISSION COMPANY's Common Stock is limited to 50% of the capital structure. This limit may only be changed through a Section 205 or 206 filing effective after June 30, 2013.  
If the percentage of equity exceeds the cap, the excess is included in weighted percentage of long term debt in the capital structure.

AEPTCo subsidiaries in PJM  
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Utilizing Historic Cost Data for 2013 with Year-End Rate Base Balances

**AEP OHIO TRANSMISSION COMPANY**

Line No.			Total	Allocator	Transmission Amount
178	REVENUE REQUIREMENT (w/o incentives)	(ln 313)			\$77,512,718
179	REVENUE CREDITS	(Note A) (Worksheet E)	34,750	DA 1.00000	\$ 34,750
180	REVENUE REQUIREMENT For All Company Facilities	(ln 178 less ln 179)			\$ 77,477,968

**MEMO: The Carrying Charge Calculations on lines 183 to 188 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 181 is included in the total on line 180.**

181	Not applicable on this template				
182	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
183	Annual Rate	( (ln 178 - ln 279 - ln 280) / ln 225 x 100)			14.23%
184	Monthly Rate	(ln 183 / 12)			1.19%
185	NET PLANT CARRYING CHARGE ON LINE 183 , w/o depreciation or ROE incentives (Note B)				
186	Annual Rate	( (ln 178 - ln 279 - ln 280 - ln 285) / ln 225 x 100)			13.17%
187	NET PLANT CARRYING CHARGE ON LINE 186, w/o Return, income taxes or ROE incentives (Note B)				
188	Annual Rate	( (ln 178 - ln 279 - ln 280 - ln 285 - ln 308 - ln 309) / ln 225 x 100)			3.64%
189	Not applicable on this template				
190	<b>REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES</b>				
191	Total Load Dispatch & Scheduling (Account 561)	Line 262 Below			36,040
192	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				(96)
193	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
194	Total 561 Internally Developed Costs	(Line 191 - Line 192 - Line 193)			36,136

AEPTCo subsidiaries in PJM  
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AEP OHIO TRANSMISSION COMPANY

Line No.	(1) <b>RATE BASE CALCULATION</b>	(2) <b>Data Sources (See "General Notes")</b>	(3) <b>TO Total NOTE C</b>	(4) <b>Allocator</b>	(5) <b>Total Transmission</b>
195	GROSS PLANT IN SERVICE				
196	<i>Line Deliberately Left Blank</i>				
197	Transmission	(Worksheet A In 3.C & Ln 317)	546,738,447	DA	546,738,447
198	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.C & Ln 318)	-	TP	-
199	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	N/A
200	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	N/A
201	<i>Line Deliberately Left Blank</i>				
202	<i>Line Deliberately Left Blank</i>				
203	General Plant	(Worksheet A In 7.C)	162,233	W/S	162,233
204	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.C)	-	W/S	-
205	Intangible Plant	(Worksheet A In 9.C)	2,449,753	W/S	2,449,753
206	TOTAL GROSS PLANT	(Sum of Lines: 197 to 200 & 203 to 205)	549,350,433	<b>GP(h)=</b>	549,350,433
				<b>GTD=</b>	<b>1.00000</b>
207	ACCUMULATED DEPRECIATION AND AMORTIZATION				
208	<i>Line Deliberately Left Blank</i>				
209	<i>Line Deliberately Left Blank</i>				
210	Transmission	(Worksheet A In 14.C & 28.C)	8,015,070	TP1=	8,015,070
211	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.C)	-	TP1=	-
212	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA	N/A
213	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
214	Plus: Additional Transmission Depreciation for 2014 (In 285)		N/A	TP1	N/A
215	Plus: Additional General & Intangible Depreciation for 2014 (In 284 + In 285)		N/A	W/S	N/A
216	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
217	<i>Line Deliberately Left Blank</i>				
218	<i>Line Deliberately Left Blank</i>				
219	General Plant	(Worksheet A In 18.C)	4,901	W/S	4,901
220	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.C)	-	W/S	-
221	Intangible Plant	(Worksheet A In 20.C)	572,137	W/S	572,137
222	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 210 to 216 & 219 to 221)	8,592,108		8,592,108
223	NET PLANT IN SERVICE				
224	<i>Line Deliberately Left Blank</i>				
225	Transmission	(In 197 + In 198 - In 210 - In 211)	538,723,377		538,723,377
226	Plus: Transmission Plant-in-Service Additions (In 199 - In 212)		N/A		N/A
227	Plus: Additional Trans Plant on Transferred Assets (In 200 - In 213)		N/A		N/A
228	Plus: Additional Transmission Depreciation for 2014 (-In 214)		N/A		N/A
229	Plus: Additional General & Intangible Depreciation for 2014 (-In 215)		N/A		N/A
230	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I) (-In 216)		N/A		N/A
231	<i>Line Deliberately Left Blank</i>				
232	General Plant	(In 203 + In 204 - In 219 - In 220)	157,332		157,332
233	Intangible Plant	(In 205 - In 221)	1,877,616		1,877,616
234	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 225 to 230 & 232, 233)	540,758,325	<b>NP(h)=</b>	540,758,325
				<b>1.000000</b>	
235	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
236	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.C)	-	NA	-
237	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.C)	(100,345,309)	DA	(100,345,309)
238	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.C)	(944,280)	DA	(944,280)
239	Account No. 190.1	(Worksheet B, In 17 & In 20.C)	26,409,019	DA	26,409,019
240	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.C)	-	DA	-
241	TOTAL ADJUSTMENTS	(sum Ins 236 to 240)	(74,880,570)		(74,880,570)
242	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.C & In 30.C)	783,326	DA	783,326
243	REGULATORY ASSETS	(Worksheet A In 41. (C))	-	DA	-
244	WORKING CAPITAL	(Note E)			
245	Cash Working Capital	(1/8 * In 265)	77,152		77,152
246	Transmission Materials & Supplies	(Worksheet C, In 2.(D))	-	TP	-
247	A&G Materials & Supplies	(Worksheet C, In 3.(D))	-	W/S	-
248	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	-
249	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 6.G)	-	W/S	-
250	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 6.F)	882,645	GP(h)	882,645
251	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 6.E)	-	DA	-
252	Prepayments (Account 165) - Unallocable	(Worksheet C, In 6.D)	-	NA	-
253	TOTAL WORKING CAPITAL	(sum Ins 245 to 252)	959,797		959,797
254	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 7.B)	-	DA	-
255	RATE BASE (sum Ins 234, 241, 242, 243, 253, 254)		467,620,878		467,620,878

AEPTCo subsidiaries in PJM  
Transmission Cost of Service Formula Rate  
Utilizing Historic Cost Data for 2013 with Year-End Rate Base Balances

AEP OHIO TRANSMISSION COMPANY

Line No.	(1) EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	(2) Data Sources (See "General Notes")	(3) TO Total	(4) Allocator	(5) Total Transmission
256	OPERATION & MAINTENANCE EXPENSE				
257	Line Deliberately Left Blank				
258	Customer Related Expense	322 & 323.164,171,178.b	-		
259	Regional Marketing Expenses	322.131.b	-		
					<i>Per Settlement in FERC Docket No. ER10-355-000 , Attachment A-1 to Appendix B, pg. 26, C, 7a.</i>
260	Transmission	321.112.b	1,478,754		
261	TOTAL O&M EXPENSES	(sum lns 258 to 260)	1,478,754		
262	Less: Total Account 561	(Note G) (Worksheet F, ln 14.C)	36,040		
263	Less: Account 565	(Note H) 321.96.b	825,497		
264	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, ln 4.C)	-		
265	Total O&M Allocable to Transmission	(lns 260 - 262 - 263 - 264)	617,217	TP	1.00000
					617,217
					<i>Per Settlement in FERC Docket No. ER10-355-000 , Attachment A-1 to Appendix B, pg. 26, C, 7a.</i>
266	Administrative and General	323.197.b (Note J)	1,558,862		
267	Less: Acct. 924, Property Insurance	323.185.b	114,721		
268	Acct. 928, Reg. Com. Exp.	323.189.b	-		
269	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
270	Acct. 930.2, Misc. Gen. Exp.	323.192.b	47,253		
271	Balance of A & G	(ln 266 - sum ln 267 to ln 270)	1,396,888	W/S	1.00000
272	Plus: Acct. 924, Property Insurance	(ln 267)	114,721	GP(h)	1.00000
273	Acct. 928 - Transmission Specific	Worksheet F ln 20.(E) (Note L)	-	TP	1.00000
274	Acct 930.1 - Only safety related ads -Direct	Worksheet F ln 37.(E) (Note L)	-	TP	1.00000
275	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F ln 42.(E) (Note L)	47,253	DA	1.00000
276	PBOP Adjustment	Worksheet O Ln 16 (B), (Note K & M)	140,206	W/S	1.00000
277	A & G Subtotal	(sum lns 271 to 276)	1,699,068		
278	O & M EXPENSE SUBTOTAL	(ln 265 + ln 277)	2,316,285		
279	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA	1.00000
280	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		825,497	DA	1.00000
281	TOTAL O & M EXPENSE	(ln 278 + ln 279 + ln 280)	3,141,782		
282	DEPRECIATION AND AMORTIZATION EXPENSE				
283	Line Deliberately Left Blank				
284	Line Deliberately Left Blank				
285	Transmission	336.7.f	5,749,817	TP1	1.00000
286	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
287	Plus: Formation Costs Amortization	(Worksheet A ln 35.C)	26,783	TP1	1.00000
288	General	336.10.f	4,901	W/S	1.00000
289	Intangible	336.1.f	373,215	W/S	1.00000
290	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 285+286+288+289)	6,154,716		
291	TAXES OTHER THAN INCOME	(Note N)			
292	Labor Related				
293	Payroll	Worksheet H ln 23.(D)	-	W/S	1.00000
294	Plant Related				
295	Property	Worksheet H ln 23.(C) & ln 58.(C)	16,835,626	DA	
296	Gross Receipts/Sales & Use	Worksheet H ln 23.(F)	91	NA	0.00000
297	Other	Worksheet H ln 23.(E)	26,302	GP(h)	1.00000
298	TOTAL OTHER TAXES	(sum lns 293 to 297)	16,862,019		
299	INCOME TAXES	(Note O)			
300	$T=1 - \{(1 - SIT) * (1 - FIT)\} / (1 - SIT * FIT * p) =$		35.00%		
301	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$		39.81%		
302	where WCLTD=(ln 336) and WACC = (ln 339)				
303	and FIT, SIT & p are as given in Note O.				
304	$GRCF=1 / (1 - T) =$ (from ln 300)		1.5385		
305	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, ln 19.c)	-		
306	Income Tax Calculation	(ln 301 * ln 309)	14,622,316		
307	ITC adjustment	(ln 304 * ln 305)	-	NP(h)	1.00000
308	TOTAL INCOME TAXES	(sum lns 306 to 307)	14,622,316		
309	RETURN ON RATE BASE (Rate Base*WACC)	(ln 255 * ln 339)	36,731,976		
310	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, ln 2.(B))		-	DA	1.00000
311	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, ln 4, Cols. (F) & (H))		-		
312	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (ln 311 * ln301)		-		
313	TOTAL REVENUE REQUIREMENT	(sum lns 281, 290, 298, 308, 309, 310, 311, 312)	77,512,809		
					77,512,718



AEPTCo subsidiaries in PJM  
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AEP OHIO TRANSMISSION COMPANY

SUPPORTING CALCULATIONS

In	TRANSMISSION PLANT INCLUDED IN PJM TARIFF						
No.							
314	Total transmission plant	(In 197)				546,738,447	
315	Less transmission plant excluded from PJM Tariff (Note P)					-	
316	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C)) (Note Q)					-	
317	Transmission plant included in PJM Tariff	(In 314 - In 315 - In 316)				546,738,447	
318	Percent of transmission plant in PJM Tariff	(In 317 / In 314)				<b>TP=</b>	<b>1.00000</b>
319	WAGES & SALARY ALLOCATOR (W/S)	(Note R)					
320	<i>Line Deliberately Left Blank</i>						
321	Transmission	354.21.b	Direct Payroll	Payroll Billed from AEP Service Corp.	Total	TP	1.00000
322	Regional Market Expenses	354.22.b	-	252,227	252,227	NA	0.00000
323	<i>Line Deliberately Left Blank</i>		-	-	-		
324	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000
325	Total	(sum Ins 321, 322, & 324)	-	252,227	252,227		
326	Transmission related amount					<b>W/S=</b>	<b>1.00000</b>
	<b>Actual (Uncapped) Capital Structure</b>						
327	WEIGHTED AVERAGE COST OF CAPITAL (WACC)						\$
328	Long Term Interest	(Worksheet L, In. 35, col. (D))				See W/S L	15,738,298
329	Preferred Dividends	(Worksheet L, In. 45, col. (D))					-
330	<u>Development of Common Stock:</u>						
331	Proprietary Capital	(FF1 p 112, Ln 16.c)					388,422,070
332	Less: Preferred Stock	(FF1 p 112, Ln 3.c)					-
333	Less: Account 216.1	(FF1 p 112, Ln 12.c)					-
334	Less: Account 219	(FF1 p 112, Ln 15.c)					-
335	Common Stock	(In 331 - In 332 - In 333 - In 334)					388,422,070
			<b>Capital Structure Percentages</b>				
			\$	%		Cost (Note S)	Weighted
336	Long Term Debt (Worksheet L, In 35, col. (B))		380,100,000	49.46%		4.14%	0.0205
337	Preferred Stock (In 332)		-	0.00%		0.00%	0.0000
338	Common Stock (In 335)		388,422,070	50.54%		11.49%	0.0581
339	Total (Sum Ins 336 to 338)		768,522,070	100.00%		<b>WACC=</b>	<b>0.0786</b>
	<b>AEP OPERATING COMPANIES' COMPOSITE (Note S)</b>						
340	WEIGHTED AVERAGE COST OF CAPITAL (WACC)						\$
341	Long Term Interest	(Worksheet Q, In. 14)					508,751,624
342	Preferred Dividends	(Worksheet Q, In. 36)					-
343	<u>Development of Common Stock:</u>						
344	Proprietary Capital	(Worksheet Q, In. 37)					7,769,429,769
345	Less: Preferred Stock	(Worksheet Q, In. 38)					-
346	Less: Account 216.1	(Worksheet Q, In. 39)					6,459,402
347	Less: Account 219	(Worksheet Q, In. 40)					(9,922,266)
348	Common Stock	(In 344 - In 345 - In 346 - In 347)					7,772,892,633
349			<b>Capital Structure Percentages</b>				
			%	\$		Cost	Weighted
350	Long Term Debt (Worksheet Q, In 50)		53.85%	9,069,720,925		5.61%	0.0302
351	Preferred Stock (Worksheet Q, In 51)		0.00%	-		0.00%	0.0000
352	Common Stock (Worksheet Q, In 52)		46.15%	7,772,892,633		11.49%	0.0530
353	Total (Worksheet Q, In 45)			16,842,613,558		<b>WACC=</b>	<b>0.0832</b>

AEPTCo subsidiaries in PJM  
Transmission Cost of Service Formula Rate  
Utilizing Historic Cost Data for 2013 with Year-End Rate Base Balances

AEP OHIO TRANSMISSION 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 265. It excludes:  
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 262.  
2) AEP transmission equalization transfers, as shown on line 263  
3) The impact of state regulatory deferrals and amortizations, as shown on line 264  
4) All A&G Expenses, as shown on line 277.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 254 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 310.
- 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 192 & 193 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 265. 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 279 and 280 to determine the total O&M collected in the formula. The amounts on lines 279 and 280 are also excluded in the calculation of the FCR percentage calculated on lines 182 through 188.  
The addbacks on lines 279 and 280 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 279 and 280 is the AEP OHIO TRANSMISSION 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 The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor 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 ER10-355, recoverable PBOP expense is based on a rate of 9.4 cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- 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 305) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.  
Inputs Required: FIT = 35.00%  
SIT = 0.00% (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 As shown on Worksheet Q, the AEP Ohio Transmission Company capital structure and weighted cost of capital (WACC) shall be based on (1) the weighted composite of AEP East Operating Companies' actual end-of-year capital structure, including year-end outstanding long term debt (LTD) and preferred stock (PS) issuances (Projected) or the beginning and ending average capital structure, including the beginning and ending average outstanding LTD and PS issuances (True-Up) with the common equity portion as capped in Docket No. ER08-1329 where any excess common equity is priced at the cost of LTD and the composite equity ratio is further capped at 50%, and (2) the actual weighted composite LTD and PS cost using actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the the Company establishes its own actual capital structure.  
Upon establishment of actual debt financing for AEP Ohio Transmission Company, the Company shall use its own actual capital structure capped by a 50% Common Equity Cap and its own LTD costs, excluding all interest rate hedging costs and/or gains, as computed on Worksheet L for the Projected TCOS or Worksheet M for the True Up TCOS.
- T AEP OHIO TRANSMISSION COMPANY's Common Stock is limited to 50% of the capital structure. This limit may only be changed through a Section 205 or 206 filing effective after June 30, 2013. If the percentage of equity exceeds the cap, the excess is included in weighted percentage of long term debt in the capital structure.

AEPTCo subsidiaries in PJM  
Transmission Cost of Service Formula Rate  
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

**AEP OHIO TRANSMISSION COMPANY**

Line No.			Total	Allocator	Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 136)			\$61,934,788
2	REVENUE CREDITS	(Note A) (Worksheet E)	34,750	DA 1.00000	\$ 34,750
3	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2)			<u>\$ 61,900,038</u>

**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)		4,527,772	DA 1.00000	\$ 4,527,772
5	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
6	Annual Rate	( (In 1 - In 102 - In 103) / In 48 x 100)			15.16%
7	Monthly Rate	(In 6 / 12)			1.26%
8	NET PLANT CARRYING CHARGE ON LINE 6 , w/o depreciation or ROE incentives (Note B)				
9	Annual Rate	( (In 1 - In 102 - In 103 - In 108) / In 48 x 100)			13.73%
10	NET PLANT CARRYING CHARGE ON LINE 9, w/o Return, income taxes or ROE incentives (Note B)				
11	Annual Rate	( (In 1 - In 102 - In 103 - In 108 - In 131 - In 132) / In 48 x 100)			4.86%
12	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet K)				-
13	<b>REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES</b>				
14	Total Load Dispatch & Scheduling (Account 561)	Line 85 Below			36,040
15	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				(96)
16	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
17	Total 561 Internally Developed Costs	(Line 14 - Line 15 - Line 16)			<u>36,136</u>

AEPTCo subsidiaries in PJM  
Transmission Cost of Service Formula Rate  
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

AEP OHIO TRANSMISSION 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>
18	GROSS PLANT IN SERVICE				
19	<i>Line Deliberately Left Blank</i>				
20	Transmission	(Worksheet A In 3.E & Ln 140)	408,304,486	DA	408,304,486
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 141)	-	TP	-
22	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	NA	N/A
23	Plus: Additional Trans Plant on Transferred Assets (Worksheet I)		N/A	NA	N/A
24	<i>Line Deliberately Left Blank</i>				
25	<i>Line Deliberately Left Blank</i>				
26	General Plant	(Worksheet A In 7.E)	81,117	W/S	81,117
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	-	W/S	-
28	Intangible Plant	(Worksheet A In 9.E)	1,981,278	W/S	1,981,278
29	TOTAL GROSS PLANT	(Sum of Lines: 20 to 23 & 26 to 28)	410,366,880	<b>GP(h)=</b>	<b>410,366,880</b>
				<b>GTD=</b>	<b>0.0000</b>
30	ACCUMULATED DEPRECIATION AND AMORTIZATION				
31	<i>Line Deliberately Left Blank</i>				
32	<i>Line Deliberately Left Blank</i>				
33	Transmission	(Worksheet A In 14.E & 28.E)	5,131,500	TP1=	5,131,500
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.E)	-	TP1=	-
35	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A	DA	N/A
36	Plus: Additional Projected Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
37	Plus: Additional Transmission Depreciation for 2014 (In 108)		N/A	TP1	N/A
38	Plus: Additional General & Intangible Depreciation for 2014 (In 107 + In 108)		N/A	W/S	N/A
39	Plus: Additional Accum Deprec on Transferred Assets (Worksheet I)		N/A	DA	N/A
40	<i>Line Deliberately Left Blank</i>				
41	<i>Line Deliberately Left Blank</i>				
42	General Plant	(Worksheet A In 18.E)	2,451	W/S	2,451
43	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	-	W/S	-
44	Intangible Plant	(Worksheet A In 20.E)	385,530	W/S	385,530
45	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 33 to 39 & 42 to 44)	5,519,480		5,519,480
46	NET PLANT IN SERVICE				
47	<i>Line Deliberately Left Blank</i>				
48	Transmission	(In 20 + In 21 - In 33 - In 34)	403,172,986		403,172,986
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	<i>Line Deliberately Left Blank</i>				
55	General Plant	(In 26 + In 27 - In 42 - In 43)	78,666		78,666
56	Intangible Plant	(In 28 - In 44)	1,595,748		1,595,748
57	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 48 to 53 & 55, 56)	404,847,400	<b>NP(h)=</b>	<b>404,847,400</b>
58	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
59	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA	-
60	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(79,982,834)	DA	(79,982,834)
61	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(895,114)	DA	(895,114)
62	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	17,474,508	DA	17,474,508
63	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA	-
64	TOTAL ADJUSTMENTS	(sum Ins 59 to 63)	(63,403,440)		(63,403,440)
65	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	391,663	DA	391,663
66	REGULATORY ASSETS	(Worksheet A In 41. (E))	-	DA	-
67	WORKING CAPITAL	(Note E)			
68	Cash Working Capital	(1/8 * In 88)	77,152		77,152
69	Transmission Materials & Supplies	(Worksheet C, In 2.F)	-	TP	-
70	A&G Materials & Supplies	(Worksheet C, In 3.F)	-	W/S	-
71	Stores Expense	(Worksheet C, In 4.(D))	-	GP(h)	-
72	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	-	W/S	-
73	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	466,118	GP(h)	466,118
74	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	-
75	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	-	NA	-
76	TOTAL WORKING CAPITAL	(sum Ins 68 to 75)	543,270		543,270
77	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8 (B))	-	DA	-
78	RATE BASE (sum Ins 57, 64, 65, 66, 76, 77)		342,378,893		342,378,893

AEPTCo subsidiaries in PJM  
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Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

AEP OHIO TRANSMISSION COMPANY

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				
80	<i>Line Deliberately Left Blank</i>				
81	Customer Related Expense	322.164,171,178.b	-		
82	Regional Marketing Expenses	322.131.b	-		
83	Transmission	321.112.b	1,478,754		
84	TOTAL O&M EXPENSES	(sum Ins 81 to 83)	1,478,754		
85	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	36,040		
86	Less: Account 565	(Note H) 321.96.b	825,497		
87	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
88	Total O&M Allocable to Transmission	(Ins 83 - 85 - 86 - 87)	617,217	TP 1.00000	617,217
89	Administrative and General	323.197.b (Note J)	1,558,862		
90	Less: Acct. 924, Property Insurance	323.185.b	114,721		
91	Acct. 928, Reg. Com. Exp.	323.189.b	-		
92	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
93	Acct. 930.2, Misc. Gen. Exp.	323.192.b	47,253		
94	Balance of A & G	(In 89 - sum In 90 to In 93)	1,396,888	W/S	1,396,888
95	Plus: Acct. 924, Property Insurance	(In 90)	114,721	GP(h)	114,721
96	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	-	TP	-
97	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP	-
98	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 42.(E) (Note L)	47,253	DA	47,253
99	PBOP Adjustment	Worksheet O Ln 16 (B), (Note K & M)	140,206	W/S	140,206
100	A & G Subtotal	(sum Ins 94 to 99)	1,699,068		1,699,068
101	O & M EXPENSE SUBTOTAL	(In 88 + In 100)	2,316,285		2,316,285
102	Plus: TEA Settlement in Account 565	Company Records (Note H)	-	DA	-
103	Plus: Transmission Lease Payments To Affiliates in Acct 565	(Company Records) (Note H)	825,497	DA	825,497
104	TOTAL O & M EXPENSE	(In 101 + In 102 + In 103)	3,141,782		3,141,782
105	DEPRECIATION AND AMORTIZATION EXPENSE				
106	<i>Line Deliberately Left Blank</i>				
107	<i>Line Deliberately Left Blank</i>				
108	Transmission	336.7.f	5,749,817	TP1 1.00000	5,749,817
109	Plus: Transmission Plant-in-Service Additions (Worksheet I)		N/A		N/A
110	Plus: Formation Costs Amortization	(Worksheet A In 35.E)	26,783	TP1 1.00000	26,783
111	General	336.10.f	4,901	W/S 1.00000	4,901
112	Intangible	336.1.f	373,215	W/S 1.00000	373,215
113	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 108+109+111+112)	6,154,716		6,154,716
114	TAXES OTHER THAN INCOME	(Note N)			
115	Labor Related				
116	Payroll	Worksheet H In 23.(D)	-	W/S 1.00000	-
117	Plant Related				
118	Property	Worksheet H In 23.(C) & In 58.(C)	16,835,626	DA	16,835,626
119	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	91	NA 0.00000	-
120	Other	Worksheet H In 23.(E)	26,302	GP(h) 1.00000	26,302
121	TOTAL OTHER TAXES	(sum Ins 116 to 120)	16,862,019		16,861,928
122	INCOME TAXES	(Note O)			
123	$T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$ =		35.00%		
124	$EIT=(T/(1-T)) * (1-(WCLTD/WACC))$ =		42.05%		
125	where WCLTD=(In 159) and WACC = (In 162)				
126	and FIT, SIT & p are as given in Note O.				
127	$GRCF=1 / (1 - T)$ = (from In 123)		1.5385		
128	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
129	Income Tax Calculation	(In 124 * In 132)	10,591,359		10,591,359
130	ITC adjustment	(In 127 * In 128)	-	NP(h) 1.00000	-
131	TOTAL INCOME TAXES	(sum Ins 129 to 130)	10,591,359		10,591,359
132	RETURN ON RATE BASE (Rate Base*WACC)	(In 78 * In 162)	25,185,002		25,185,002
133	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
134	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
135	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 134 * In124)		-		-
136	TOTAL REVENUE REQUIREMENT		61,934,879		61,934,788
	(sum Ins 104, 113, 121, 131, 132, 133)				

AEP OHIO TRANSMISSION COMPANY

**SUPPORTING CALCULATIONS**

In							
<u>No.</u>	<u>TRANSMISSION PLANT INCLUDED IN PJM TARIFF</u>						
137	Total transmission plant	(In 20)				408,304,486	
138	Less transmission plant excluded from PJM Tariff (Note P)					-	
139	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C)) (Note Q)					-	
140	Transmission plant included in PJM Tariff	(In 137 - In 138 - In 139)				408,304,486	
141	Percent of transmission plant in PJM Tariff	(In 140 / In 137)					<b>TP= 1.00000</b>

142	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
143	<i>Line Deliberately Left Blank</i>							
144	Transmission	354.21.b	-	252,227	252,227	TP	1.00000	252,227
145	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000	-
146	<i>Line Deliberately Left Blank</i>							
147	Other (Excludes A&G)	354.24,25,26.b	-	-	-	NA	0.00000	-
148	Total	(sum Ins 144, 145, & 147)	-	252,227	252,227			252,227
149	Transmission related amount						<b>W/S= 1.00000</b>	

**ACTUAL CAPPED CAPITAL COST STRUCTURE (Note S)**

150	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
151	Long Term Interest	(Worksheet M, In. 20, col. (E))						9,344,752
152	Preferred Dividends	(Worksheet M, In. 49, col. (E))						-
153	<u>Development of Average Common Stock Balance:</u>							
154	Proprietary Capital	(Worksheet M, In. 1, col. (E))						293,828,939
155	Less: Preferred Stock	(Worksheet M, In. 2, col. (E))						-
156	Less: Account 216.1	(Worksheet M, In. 3, col. (E))						-
157	Less: Account 219	(Worksheet M, In. 4, col. (E))						-
158	Average Common Stock	(In 154 - In 155 - In 156 - In 157)						293,828,939

	<b>Capped Actual Average Capital Structure</b>	<u>Average \$</u>	<u>Capital Structure Percentages</u>		<u>Cost (Note S)</u>	<u>Weighted</u>
159	Long Term Debt W/S M, In 11, In 21, col. (E))	290,050,000	49.68%	50.00%	3.22%	0.0161
160	Preferred Stock (In 155)	-	0.00%	0.00%	0.00%	0.0000
161	Common Stock (In 158)	293,828,939	50.32%	50.00%	11.49%	0.0575
162	Total (Sum Ins 159 to 161)	583,878,939	100.00%	100.00%	<b>WACC=</b>	<b>0.0736</b>

163 Capital Structure Equity Limit (Note T) 50.0%

**AEP OPERATING COMPANIES' COMPOSITE (Note S)**

164	WEIGHTED AVERAGE COST OF CAPITAL (WACC)							\$
165	Long Term Interest	(Worksheet Q, In. 132)						508,751,624
166	Preferred Dividends	(Worksheet Q, In. 134)						-
167	<u>Development of Actual Average Common Stock:</u>							Average
168	Proprietary Capital	(Worksheet Q, In. 135)						8,857,322,089
169	Less: Preferred Stock	(Worksheet Q, In. 136)						-
170	Less: Account 216.1	(Worksheet Q, In. 137)						5,106,834
171	Less: Account 219	(Worksheet Q, In. 138)						(117,655,197)
172	Common Stock	(In 168 - In 169 - In 170 - In 171)						8,969,870,452

173	<b>True Up Capitalization with Equity Caps</b>		%	\$	<u>Cost</u>	<u>Weighted</u>
174	Long Term Debt (Worksheet Q, In 148)		51.19%	9,407,429,474	5.41%	0.0277
175	Preferred Stock (Worksheet Q, In 149)		0.00%	-	0.00%	0.0000
176	Common Stock (Worksheet Q, In 150)		48.81%	8,969,870,452	11.49%	0.0561
177	Total (Worksheet Q, In 143)		100%	18,377,299,926	<b>WACC=</b>	<b>0.0838</b>

AEPTCo subsidiaries in PJM  
Transmission Cost of Service Formula Rate  
Utilizing Actual Cost Data for 2013 with Average Ratebase Balances

AEP OHIO TRANSMISSION 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 100.
- 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 133.
- 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 102 and 103 to determine the total O&M collected in the formula. The amounts on lines 102 and 103 are also excluded in the calculation of the FCR percentage calculated on lines 5 through 11. The addbacks on lines 102 and 103 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 102 and 103 is the AEP OHIO TRANSMISSION 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 The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor 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 ER10-355, recoverable PBOP expense is based on a rate of 9.4 cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- 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 128) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.  
Inputs Required: FIT = 35.00%  
SIT= 0.00% (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 As shown on Worksheet Q, the AEP Ohio Transmission Company capital structure and weighted cost of capital (WACC) shall be based on (1) the weighted composite of AEP East Operating Companies' actual end-of-year capital structure, including year-end outstanding long term debt (LTD) and preferred stock (PS) issuances (Projected) or the beginning and ending average capital structure, including the beginning and ending average outstanding LTD and PS issuances (True-Up) with the common equity portion as capped in Docket No. ER08-1329 where any excess common equity is priced at the cost of LTD and the composite equity ratio is further capped at 50%, and (2) the actual weighted composite LTD and PS cost using actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the the Company establishes its own actual capital structure. Upon establishment of actual debt financing for AEP Ohio Transmission Company, the Company shall use its own actual capital structure capped by a 50% Common Equity Cap and its own LTD costs, excluding all interest rate hedging costs and/or gains, as computed on Worksheet L for the Projected TCOS or Worksheet M for the True Up TCOS.
- T AEP OHIO TRANSMISSION COMPANY's Common Stock is limited to 50% of the capital structure. This limit may only be changed through a Section 205 or 206 filing effective after June 30, 2013. If the percentage of equity exceeds the cap, the excess is included in weighted percentage of long term debt in the capital structure.

AEPTCo subsidiaries in PJM  
Cost of Service Formula Rate Using 2013 FF1 Balances  
Worksheet A Supporting Plant Balances  
AEP OHIO TRANSMISSION COMPANY

Line Number	(A) Rate Base Item & Supporting Balance	(B) Source of Data	(C) Balance @ December 31, 2013	(D) Balance @ December 31, 2012	(E) Average Balance for 2013
<b>Plant Investment Balances</b>					
1	Line Deliberately Left Blank				
2	Line Deliberately Left Blank				
3	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	546,738,447	269,870,524	408,304,486
4	Transmission Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	-	-	-
5	Line Deliberately Left Blank				
6	Line Deliberately Left Blank				
7	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	162,233	-	81,117
8	General Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	-	-	-
9	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5	2,449,753	1,512,802	1,981,278
10	Total Property Investment Balance	(Sum of Lines: 3, 7, 9)	549,350,433	271,383,326	410,366,880
11	Total ARO Balance (included in total on line 10)	(Sum of Lines: 4, 8)	-	-	-
<b>Accumulated Depreciation &amp; Amortization Balances</b>					
12	Line Deliberately Left Blank				
13	Line Deliberately Left Blank				
14	Transmission Accumulated Depreciation	FF1, page 219, In 25, Col. (b)	8,015,070	2,247,930	5,131,500
15	Transmission ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
16	Line Deliberately Left Blank				
17	Line Deliberately Left Blank				
18	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)	4,901	-	2,451
19	General ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
20	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)	572,137	198,922	385,530
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 18, 20)	8,592,108	2,446,852	5,519,480
22	Total ARO Balance (included in total on line 21)	(Sum of Lines: 15, 19)	-	-	-
<b>Generation Step-Up Units</b>					
23	GSU Investment Amount	Company Records - Note 1	-	-	-
24	GSU Accumulated Depreciation	Company Records - Note 1	-	-	-
25	GSU Net Balance	(Line 23 - Line 24)	-	-	-
<b>Transmission Accumulated Depreciation Net of GSU Accumulated Depreciation</b>					
26	Transmission Accumulated Depreciation	(Line 14 Above)	8,015,070	2,247,930	5,131,500
27	Less: GSU Accumulated Depreciation	(Line 24 Above)	-	-	-
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)	8,015,070	2,247,930	5,131,500
<b>Plant Held For Future Use</b>					
29	Plant Held For Future Use	FF1, page 214, In 47, Col. (d)	783,326	-	391,663
30	Transmission Plant Held For Future	Company Records - Note 1	783,326	-	391,663
<b>Regulatory Assets and Liabilities Approved for Recovery in Ratebase</b>					
Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.					
31	Beginning Balance of Regulatory Asset (Note 2)		40,175	66,959	53,567
32	Amortization in Months		18	30	24
33	Monthly Amortization		2,232	2,232	2,232
34	Months in 2013 to be amortized		12	12	12
35	Amortization Expense in 2013		26,783	26,784	26,783
36	Months in 2014 to be amortized		6	12	9
37	Amortization Expense in 2014		13,392	26,784	20,088
38	Ending Balance of Regulatory Asset		13,392	40,175	26,784
39	Average Balance of Regulatory Asset		26,783	53,567	40,175
40	Unamortized Balance of Regulatory Asset at YE 2013		13,392	40,175	26,784
41	Total Regulatory Deferrals Included in Ratebase (Note 2)		-	-	-

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

NOTE 2 Formation costs through 6/30/2010 are includable at 50% with 48 month amortization and no return on the unamortized balance. The balance on line 41 may not include unamortized formation costs.



AEPTCo subsidiaries in PJM  
Cost of Service Formula Rate Using 2013 FF1 Balances  
Worksheet B Supporting ADIT and ITC Balances  
AEP OHIO TRANSMISSION 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	<b><u>Account 281</u></b>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
4	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
5	Transmission Related Deferrals	Ln 2 - In 3 - In 4	-	-	-
6	<b><u>Account 282</u></b>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	100,345,309	59,620,358	79,982,834
8	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
9	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	100,345,309	59,620,358	79,982,834
11	<b><u>Account 283</u></b>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	944,280	845,948	895,114
13	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
14	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	944,280	845,948	895,114
16	<b><u>Account 190</u></b>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	26,409,019	8,539,997	17,474,508
18	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
19	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	26,409,019	8,539,997	17,474,508
21	<b><u>Account 255</u></b>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - In 23	-	-	-
25	Transmission Related Deferrals	Company Records - Note 1	-	-	-

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.

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using 2013 FF1 Balances  
 Worksheet C Supporting Working Capital Rate Base Adjustments  
 AEP OHIO TRANSMISSION COMPANY

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
<b>Materials &amp; Supplies</b>								
Line Number	Source	Balance @ December 31, 2013	Balance @ December 31, 2012	Average Balance for 2013				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	0	0				
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	0	0				
4	Stores Expense (Undistributed)	FF1, p. 227, ln 16, Col. (c) & (b)	0	0				

**Prepayment Balance Summary**

Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	
Totals as of December 31, 2013	882,645	0	0	882,645	0	882,645
Totals as of December 31, 2012	49,590	0	0	49,590	0	49,590
<b>Average Balance</b>	<b>466,118</b>	<b>-</b>	<b>-</b>	<b>466,118</b>	<b>-</b>	<b>466,118</b>

**Prepayments Account 165 - Balance @ 12/31/2013**

Acc. No.	Description	2013 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001 Prepaid Insurance	27,569	-		27,569		27,569	Plant Related Insurance Policies
11	165000213 Prepaid Taxes	9	-		9		9	Prepaid Taxes
12	1650006 Other Prepayments	802,500	-		802,500		802,500	Prepaid Transmission Projects
13	165001213 Prepaid Use Taxes	10,100	-		10,100		10,100	Prepaid Use Taxes
14	1650021 Prepaid Insurance EIS	39,467	-		39,467		39,467	Plant Related Insurance Policies
15	1650023 Prepaid Lease	3,000	-		3,000		3,000	Prepaid Lease
16	1650003 Prepaid Rents	0	-				-	
17	1650004 Prepaid Interest	0	-				-	
18	1650010 Prepaid Pension Benefits	0	-				-	
19	1650014 FAS 158 Qual Contra Asset	0	-				-	
20	1650016 FAS 112 ASSETS	0	-				-	
<b>Subtotal - Form 1, p 111.57.c</b>		<b>882,645</b>	<b>0</b>	<b>0</b>	<b>882,645</b>	<b>0</b>	<b>882,645</b>	

**Prepayments Account 165 - Balance @ 12/31/ 2012**

Acc. No.	Description	2012 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
22	1650021 Prepaid Insurance EIS	42,798	-		42,798		42,798	Plant Related Insurance Policies
23	1650001 Prepaid Insurance	6,792	-		6,792		6,792	Plant Related Insurance Policies
24	165000212 Prepaid Taxes	0	-				-	
25	1650003 Prepaid Rents	0	-				-	
26	1650004 Prepaid Interest	0	-				-	
27	1650005 Prepaid Employee Benefits	0	-				-	
28	1650006 Other Prepayments	0	-				-	
29	1650009 Prepaid Carry Cost-Factored AR	0	-				-	
30	1650010 Prepaid Pension Benefits	0	-				-	
31	1650014 FAS 158 Qual Contra Asset	0	-				-	
32	1650016 FAS 112 ASSETS	0	-				-	
33								
<b>Subtotal - Form 1, p 111.57.c</b>		<b>49,590</b>	<b>0</b>	<b>0</b>	<b>49,590</b>	<b>0</b>	<b>49,590</b>	

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using 2013 FF1 Balances  
 Worksheet D Supporting IPP Credits  
 AEP OHIO TRANSMISSION 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 24.b)	-
2	Interest Expense (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 24.f)	-
8	Average Balance for Year as Indicated in Column ((In 1 + In 7)/2)	-

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

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using 2013 FF1 Balances  
 Worksheet E Supporting Revenue Credits  
 AEP OHIO TRANSMISSION 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	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	-	-	-
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	34,750	-	34,750
4	Account 4560015, Associated Business Development - (Company Records - Note 1)	-	-	-
5	Account 456 - Other Electric Revenues - (Company Records - Note 1)	46,506,272	46,506,272	-
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	46,541,022	46,506,272	34,750
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	46,541,022	46,506,272	34,750

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

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using 2013 FF1 Balances  
 Worksheet F Supporting Allocation of Specific O&M or A&G Expenses  
 AEP OHIO TRANSMISSION COMPANY

(A)	(B)	(C)	(D)	(E)	(F)	
Line Number	Item No.	Description	2013 Expense	100% Non-Transmission	100% Transmission Specific	Explanation
<b>Regulatory O&amp;M Deferrals &amp; Amortizations</b>						
1	5700005	Maint Station-Reliability-Df	-			
2						
3						
4		<b>Total</b>	0			
<b>Detail of Account 561 Per FERC Form 1</b>						
5	FF1 p 321.84.b	561 - Load Dispatching	-			
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	864			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	23,323			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	(96)			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	11,949			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	-			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	-			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	-			
14		<b>Total of Account 561</b>	36,040			
<b>Account 928</b>						
15	9280000	Regulatory Commission Exp	-	-	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	-	-	-	
18	9280002	Regulatory Commission Exp-Case	-	-	-	
19	9280002	Regulatory Commission Exp-Case	-	-	-	
20		<b>Total</b>	-	-	-	
<b>Account 930.1</b>						
21	9301000	General Advertising Expenses	-	-	-	
22	9301001	Newspaper Advertising Space	-	-	-	
23	9301002	Radio Station Advertising Time	-	-	-	
24	9301003	TV Station Advertising Time	-	-	-	
25	9301004	Newspaper Advertising Prod Exp	-	-	-	
26	9301005	Radio & TV Advertising Prod Exp	-	-	-	
27	9301006	Spec Corporate Comm Info Proj	-	-	-	
28	9301007	Special Adv Space & Prod Exp	-	-	-	
29	9301008	Direct Mail and Handouts	-	-	-	
30	9301009	Fairs, Shows, and Exhibits	-	-	-	
31	9301010	Publicity	-	-	-	
32	9301011	Dedications, Tours, & Openings	-	-	-	
33	9301012	Public Opinion Surveys	-	-	-	
34	9301013	Movies Slide Films & Speeches	-	-	-	
35	9301014	Video Communications	-	-	-	
36	9301015	Other Corporate Comm Exp	-	-	-	
37		<b>Total</b>	-	-	-	
<b>Account 930.2</b>						
38	9302000	Misc General Expenses	43,084		43,084	
39	9302003	Corporate & Fiscal Expenses	4,169		4,169	
40	9302004	Research, Develop&Demonstr Exp	-			
41	9302007	Assoc Business Development Exp	-			
42		<b>Total</b>	47,253	-	47,253	

AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using 2013 FF1 Balances  
 Worksheet G Supporting - Development of Composite State Income Tax Rate  
 AEP OHIO TRANSMISSION COMPANY

1	Ohio State Tax Rate	2.63%	
	Apportionment Factor - Note 2	0.00%	
	Effective State Tax Rate		0.00%
2	_____ Tax Rate	0.00%	
	Apportionment Factor - Note 2	0.00%	
	Effective State Tax Rate		0.00%
3	_____ Tax Rate	0.00%	
	Apportionment Factor - Note 2	0.00%	
	Effective State Tax Rate		0.00%
4	_____ Tax Rate	0.00%	
	Apportionment Factor - Note 2	0.00%	
	Effective State Tax Rate		0.00%
5	_____ Tax Rate	0.00%	
	Apportionment Factor - Note 2	0.00%	
	Effective State Tax Rate		0.00%
			0.00%
Total Effective State Income Tax Rate			0.00%

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 20% 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.

Note 2 Apportionment Factors are determined as part of the Company's annual tax return for that jurisdiction.

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	<b>Revenue Taxes</b>					
2	Gross Receipts Tax	91				91
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - Ohio	16,835,626	16,835,626			
5	Real and Personal Property	-	-			
6	Real and Personal Property	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	<b>Miscellaneous Taxes</b>					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	26,302			26,302	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-			-	
21	Federal Excise Tax	-			-	
22	Michigan Single Business Tax	-			-	
23	Total Taxes by Allocable Basis	16,862,019	16,835,626	-	26,302	91

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

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

**Functional Property Tax Allocation**

Line No.	Account	Lines 24-58 Column (B) Deliberately Left Blank		Lines 24-58 Column (D) Deliberately Left Blank		Total
		Transmission	General	Transmission	General	
24	Functionalized Net Plant (Hist. TCOS, Lns 224 thru 234)	-	538,723,377	-	157,332	538,880,709
<b>OHIO JURISDICTION</b>						
25	Percentage of Plant in OHIO JURISDICTION					
26	Net Plant in OHIO JURISDICTION (Ln 24 * Ln 25)	-	-	-	-	-
27	Less: Net Value of Exempted Generation Plant					
28	Taxable Property Basis (Ln 26 - Ln 27)	-	-	-	-	-
29	Relative Valuation Factor					0
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-	-
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33	Weighted OHIO JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%		
35	Functionalized Expense in OHIO JURISDICTION	-	16,835,626	-		16,835,626
<b>JURISDICTION</b>						
36	Percentage of Plant in _____ JURISDICTION					
37	Net Plant in _____ JURISDICTION (Ln 24 * Ln 36)	-	-	-	-	-
38	Less: Net Value of Exempted Generation Plant					
39	Taxable Property Basis (Ln 37 - Ln 38)	-	-	-	-	-
40	Relative Valuation Factor					0
41	Weighted Net Plant (Ln 39 * Ln 40)	-	-	-	-	-
42	General Plant Allocator (Ln 41 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
43	Functionalized General Plant (Ln 42 * General Plant)	-	-	-	-	-
44	Weighted _____ JURISDICTION Plant (Ln 41 + 43)	-	-	-	-	-
45	Functional Percentage (Ln 44/Total Ln 44)	0.00%	100.00%	0.00%		
46	Functionalized Expense in _____ JURISDICTION	-	-	-		-
<b>JURISDICTION</b>						
47	Net Plant in _____ JURISDICTION (Ln 24 - Ln 26 - Ln 3)	-	538,723,377	-	157,332	538,880,709
48	Less: Net Value Exempted Generation Plant					
49	Taxable Property Basis	-	538,723,377	-	157,332	538,880,709
50	Relative Valuation Factor					
51	Weighted Net Plant (Ln 49 * Ln 50)	-	-	-	-	-
52	General Plant Allocator (Ln 51 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
53	Functionalized General Plant (Ln 53 * General Plant)	-	-	-	-	-
54	Weighted _____ JURISDICTION Plant (Ln 51 + 53)	-	-	-	-	-
55	Functional Percentage (Ln 54/Total Ln 54)	0.00%	100.00%	0.00%		
56	Functionalized Expense in _____ JURISDICTION	-	-	-		-
57	Total Other Jurisdictions: (Line 7 * Net Plant Allocator)		-			-
58	Total Func. Property Taxes (Sum Lns 35, 46 56, 57)		16,835,626			16,835,626

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	<b>Revenue Taxes</b>			
2	Gross Receipts Tax	91	91	P.263 In 11 (i) P.263.2 In 3 (i) P.263.2 In 4 (i)
3	<b>Real Estate and Personal Property Taxes</b>			
4	Real and Personal Property - Ohio	16,835,626	(60,374) 16,896,000 -	P.263 In 18 (i) P.263 In 19 (i) P.263 In 20 (i) P.263 In 39 (i) P.263.1 In 2 (i) P.263.1 In 3 (i)
5	Real and Personal Property - Virginia	-		P.263.2 In 21 (i) P.263.2 In 22 (i) P.263.2 In 24 (i) P.263.2 In 25 (i) P.263.2 In 26 (i) P.263.2 In 27 (i)
6	Real and Personal Property - Tennessee	-		P.263.3 In 3 (i) P.263.3 In 4 (i)
7	Real and Personal Property - Other Jurisdictions	-		P.263.4 In 12 (i)
8	<b>Payroll Taxes</b>			
9	Federal Insurance Contribution (FICA )	-		P.263 In 6 (i)
10	Federal Unemployment Tax	-		P.263 In 9 (i)
11	State Unemployment Insurance	-		P.263.1 In 23 (i) P.263.2 In 33 (i) P.263.3 In 16 (i)
12	<i>Line Left Deliberately Blank</i>			
13	State Severance Taxes	-		
14	<b>Miscellaneous Taxes</b>			
15	State Business & Occupation Tax	-		P.263 In 21 (i) P.263 In 22 (i)
16	State Public Service Commission Fees	26,302	26,302	P.263 In 12 (i) P.263 In 27 (i) P.263.3 In 20 (i)
17	State Franchise Taxes	-		P.263.1 In 18 (i) P.263.1 In 19 (i) P.263.1 In 34 (i) P.263.2 In 10 (i) P.263.2 In 11 (i) P.263.2 In 38 (i) P.263.2 In 39 (i) P.263.3 In 27 (i) P.263.3 In 28 (i) P.263.4 In 20 (i) P.263.4 In 27 (i)
18	State Lic/Registration Fee	-		P.263.1 In 15 (i) P.263.2 In 13 (i) P.263.3 In 8 (i) P.263.4 In 21 (i)
19	Misc. State and Local Tax	-		P.263.1 In 12 (i)
20	Sales & Use	-	-	P.263 In 13 (i) P.263 In 14 (i) P.263.2 In 16 (i) P.263.2 In 17 (i) P.263.3 In 21 (i)
21	Federal Excise Tax	-		P.263 In 21 (i) P.263 In 22 (i)
22	Michigan Single Business Tax	-		
23	<b>Total Taxes by Allocable Basis</b> (Total Company Amount Ties to FFI p.114, Ln 14,(c))	16,862,019	16,862,019	

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



**AEPTCo subsidiaries in PJM  
Cost of Service Formula Rate Using 2013 FF1 Balances  
Worksheet I Supporting Transmission Plant in Service Additions  
AEP OHIO TRANSMISSION 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)):	269,870,524
2	Transmission Plant @ End of Historic Period (2013) (P.207, ln 58,(g)):	546,738,447
3		<u>816,608,971</u>
4	Average Balance of Transmission Investment	408,304,486
5	Annual Depreciation Expense, Historic TCOS, ln 285	5,749,817
6	Composite Depreciation Rate	1.41%
7	Depreciation rate of AEP Operating Companies from Worksheet P (used if line 6 is zero)	1.41%

**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	\$ 8,324,507	1.41%	\$ 117,227	\$ 9,769	11	\$ 107,459
10	February	\$ 4,996,714	1.41%	\$ 70,365	\$ 5,864	10	\$ 58,640
11	March	\$ 3,774,597	1.41%	\$ 53,155	\$ 4,430	9	\$ 39,870
12	April	\$ 12,313,814	1.41%	\$ 173,405	\$ 14,450	8	\$ 115,600
13	May	\$ 80,310,741	1.41%	\$ 1,130,950	\$ 94,246	7	\$ 659,722
14	June	\$ 106,740,476	1.41%	\$ 1,503,139	\$ 125,262	6	\$ 751,572
15	July	\$ 13,727,982	1.41%	\$ 193,320	\$ 16,110	5	\$ 80,550
16	August	\$ 24,169,279	1.41%	\$ 340,356	\$ 28,363	4	\$ 113,452
17	September	\$ 9,368,432	1.41%	\$ 131,928	\$ 10,994	3	\$ 32,982
18	October	\$ 10,221,537	1.41%	\$ 143,942	\$ 11,995	2	\$ 23,990
19	November	\$ 10,348,716	1.41%	\$ 145,732	\$ 12,144	1	\$ 12,144
20	December	\$ 136,134,035	1.41%	\$ 1,917,064	\$ 159,755	0	\$ -
21	Investment	<u>\$ 420,430,830</u>				Depreciation Expense	<u>\$ 1,995,981</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> (000's)	<u>Month in Service</u>
25 <b>Major Zonal Projects</b>		
26 Vassell: Constr 765/345 kV Sta (Transco)	\$54,348	May-14
27 Vassell: Constr 345/138 kV (Transco)	\$17,151	May-14
28 Groves Rd-Bexley 138kV Line: Rbl'd existing with steel pole construction W/1033	\$9,056	Jun-14
29 West Lancaster - Bixby 138kV Line - Rebuild/reconductor	\$18,606	Jun-14
30 Hayden - Hyatt 345kV Line: String 2nd 138kV Ckt btwn Amlin and Hyatt stations	\$6,422	Jun-14
31 Shawnee Road - Wapakoneta 69 kV Line: Reconductor/Rebuild	\$6,078	Jun-14
32 Marysville: Repl 7-765kV Shunt reactors on Maliszewski / Flatlick lines	\$25,583	Jun-14
33 Thornville-New Lexington (Zanesville) 69kV: Rebuild S. Somerset-New Lex	\$8,347	Jun-14
34 West Bellaire: Inst 2-138 kV CBs	\$6,525	Jul-14
35 Elk 138kV North Ext (Constr Ext, Tapping Poston-Lick 138kV Circuit) Transco	\$10,441	Aug-14
36 Sunnyside - East Sparta Rebuild 23kV circuit to 69kV stds.	\$13,803	Dec-14
37 Marysville: Repl 765kV transf bank a,b,&d and add new cbs m1,m2,k,k1,&k2	\$24,093	Dec-14
38 Muskingum River: Inst. new 345/138kV 675 MVA xf "d" and cb-su and cb-sw	\$10,085	Dec-14
39 Muskingum River 138kV station: Relocate 138kV corner and globe metal lines	\$5,214	Dec-14
40 Canton Central: Install a new 345/138kV 450 MVA transformer	\$10,081	Dec-14
41 Kirk - Jug: Double Circuit 345kV Ckt to include a 138 kV line	\$27,138	Dec-14
42 Muskingum - Tidd 345 kV Line (Kammer-W Bellaire 345 kV Circuit - Reconductor	\$9,619	Dec-14
43		
44	Subtotal	\$262,590
45 <b>PJM Socialized/Beneficiary Allocated Regional Projects</b>		
46	\$0	
47	Subtotal	\$0

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

AEPTCo subsidiaries in PJM  
Cost of Service Formula Rate Using 2013 FF1 Balances  
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones  
AEP OHIO TRANSMISSION COMPANY

Page 1 of 2

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 (Projected TCOS, In 176)		11.49%	
Project ROE Incentive Adder		0	<==ROE Adder Cannot Exceed 125 Basis Points
ROE with additional 0 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 159 through 162)			
	%	Cost	Weighted cost
Long Term Debt	50.00%	4.14%	2.070%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	50.00%	11.49%	5.745%
		R =	7.815%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
	Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2014	13,412,036	13,412,036 \$ -

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

Rate Base (Projected TCOS, In 78)	879,927,794
R (from A. above)	7.815%
Return (Rate Base x R)	68,768,855

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

Return (from B. above)	68,768,855
Effective Tax Rate (Projected TCOS, In 124)	39.58%
Income Tax Calculation (Return x CIT)	27,220,228
ITC Adjustment	-
Income Taxes	27,220,228

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 (Projected TCOS, In 1)	124,130,098
T.E.A. & Lease Payments (Projected TCOS, Lns 102 & 103)	825,497
Return (Projected TCOS, In 132)	68,768,855
Income Taxes (Projected TCOS, In 131)	27,220,228
Annual Revenue Requirement, Less TEA Charges, Return and Taxes	27,315,518

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	27,315,518
Return (from I.B. above)	68,768,855
Income Taxes (from I.C. above)	27,220,228
Annual Revenue Requirement, with 0 Basis Point ROE increase	123,304,601
Depreciation (Projected TCOS, In 108)	5,749,817
Annual Rev. Req, w/0 Basis Point ROE increase, less Depreciation	117,554,784

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

Net Transmission Plant (Projected TCOS, In 48)	538,723,377
Annual Revenue Requirement, with 0 Basis Point ROE increase	123,304,601
FCR with 0 Basis Point increase in ROE	22.89%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	117,554,784
FCR with 0 Basis Point ROE increase, less Depreciation	21.82%
FCR less Depreciation (Projected TCOS, In 9)	12.15%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	9.67%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Historic Period (2013) (P.206, In 58,(b)):	269,870,524
Transmission Plant @ End of Historic Period (2013) (P.207, In 58,(g)):	546,738,447
Subtotal	816,608,971
Average Transmission Plant Balance for 2013	408,304,486
Annual Depreciation Rate (Projected TCOS, In 108)	5,749,817
Composite Depreciation Rate	1.41%
Depreciable Life for Composite Depreciation Rate	71.01
Round to nearest whole year	71

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

AEP OHIO TRANSMISSION COMPANY 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 (LIMA-STERLING 138 KV LINE: REB)

Current Projected Year ARR	1,212,574
Current Projected Year ARR w/ Incentive	1,212,574
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	9,177,678		
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.15%
Useful life	71	FCR w/incentives approved for these facilities, less dep.	12.15%
CIAC (Yes or No)	No	Annual Depreciation Expense	129,242

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	9,177,678	-	9,177,678	1,114,728	1,114,728	\$ -	\$ 747,660	\$ 747,660
2013	9,177,678	129,242	9,048,436	1,228,272	1,228,272	\$ -	\$ 1,093,780	\$ 1,093,780
2014	9,048,436	129,242	8,919,195	1,212,574	1,212,574	\$ -		
2015	8,919,195	129,242	8,789,953	1,196,876	1,196,876	\$ -		
2016	8,789,953	129,242	8,660,711	1,181,178	1,181,178	\$ -		
2017	8,660,711	129,242	8,531,469	1,165,481	1,165,481	\$ -		
2018	8,531,469	129,242	8,402,228	1,149,783	1,149,783	\$ -		
2019	8,402,228	129,242	8,272,986	1,134,085	1,134,085	\$ -		
2020	8,272,986	129,242	8,143,744	1,118,387	1,118,387	\$ -		
2021	8,143,744	129,242	8,014,503	1,102,689	1,102,689	\$ -		
2022	8,014,503	129,242	7,885,261	1,086,992	1,086,992	\$ -		
2023	7,885,261	129,242	7,756,019	1,071,294	1,071,294	\$ -		
2024	7,756,019	129,242	7,626,778	1,055,596	1,055,596	\$ -		
2025	7,626,778	129,242	7,497,536	1,039,898	1,039,898	\$ -		
2026	7,497,536	129,242	7,368,294	1,024,200	1,024,200	\$ -		
2027	7,368,294	129,242	7,239,052	1,008,503	1,008,503	\$ -		
2028	7,239,052	129,242	7,109,811	992,805	992,805	\$ -		
2029	7,109,811	129,242	6,980,569	977,107	977,107	\$ -		
2030	6,980,569	129,242	6,851,327	961,409	961,409	\$ -		
2031	6,851,327	129,242	6,722,086	945,711	945,711	\$ -		
2032	6,722,086	129,242	6,592,844	930,014	930,014	\$ -		
2033	6,592,844	129,242	6,463,602	914,316	914,316	\$ -		
2034	6,463,602	129,242	6,334,360	898,618	898,618	\$ -		
2035	6,334,360	129,242	6,205,119	882,920	882,920	\$ -		
2036	6,205,119	129,242	6,075,877	867,222	867,222	\$ -		
2037	6,075,877	129,242	5,946,635	851,525	851,525	\$ -		
2038	5,946,635	129,242	5,817,394	835,827	835,827	\$ -		
2039	5,817,394	129,242	5,688,152	820,129	820,129	\$ -		
2040	5,688,152	129,242	5,558,910	804,431	804,431	\$ -		
2041	5,558,910	129,242	5,429,668	788,733	788,733	\$ -		
2042	5,429,668	129,242	5,300,427	773,036	773,036	\$ -		
2043	5,300,427	129,242	5,171,185	757,338	757,338	\$ -		
2044	5,171,185	129,242	5,041,943	741,640	741,640	\$ -		
2045	5,041,943	129,242	4,912,702	725,942	725,942	\$ -		
2046	4,912,702	129,242	4,783,460	710,244	710,244	\$ -		
2047	4,783,460	129,242	4,654,218	694,547	694,547	\$ -		
2048	4,654,218	129,242	4,524,977	678,849	678,849	\$ -		
2049	4,524,977	129,242	4,395,735	663,151	663,151	\$ -		
2050	4,395,735	129,242	4,266,493	647,453	647,453	\$ -		
2051	4,266,493	129,242	4,137,251	631,755	631,755	\$ -		
2052	4,137,251	129,242	4,008,010	616,058	616,058	\$ -		
2053	4,008,010	129,242	3,878,768	600,360	600,360	\$ -		
2054	3,878,768	129,242	3,749,526	584,662	584,662	\$ -		
2055	3,749,526	129,242	3,620,285	568,964	568,964	\$ -		
2056	3,620,285	129,242	3,491,043	553,266	553,266	\$ -		
2057	3,491,043	129,242	3,361,801	537,569	537,569	\$ -		
2058	3,361,801	129,242	3,232,559	521,871	521,871	\$ -		
2059	3,232,559	129,242	3,103,318	506,173	506,173	\$ -		
2060	3,103,318	129,242	2,974,076	490,475	490,475	\$ -		
2061	2,974,076	129,242	2,844,834	474,777	474,777	\$ -		
2062	2,844,834	129,242	2,715,593	459,080	459,080	\$ -		
2063	2,715,593	129,242	2,586,351	443,382	443,382	\$ -		
2064	2,586,351	129,242	2,457,109	427,684	427,684	\$ -		
2065	2,457,109	129,242	2,327,867	411,986	411,986	\$ -		
2066	2,327,867	129,242	2,198,626	396,289	396,289	\$ -		
2067	2,198,626	129,242	2,069,384	380,591	380,591	\$ -		
2068	2,069,384	129,242	1,940,142	364,893	364,893	\$ -		
2069	1,940,142	129,242	1,810,901	349,195	349,195	\$ -		
2070	1,810,901	129,242	1,681,659	333,497	333,497	\$ -		
2071	1,681,659	129,242	1,552,417	317,800	317,800	\$ -		
Project Totals		7,625,261		46,723,831	46,723,831	-		

\*\* 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.

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

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

A. Base Plan Facilities

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

Current Projected Year ARR	453,040
Current Projected Year ARR w/ Incentive	453,040
Current Projected Year Incentive ARR	-

Project Description: RTEP ID: b1231 (WAPAKONETA-WEST MOULTON 138/69KV Transformer)

Details		Current Year	2014
Investment	3,473,922		
Service Year (yyyy)	2011	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.15%
Useful life	71	FCR w/incentives approved for these facilities, less dep.	12.15%
CIAC (Yes or No)	No	Annual Depreciation Expense	48,920

**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 **
2011	3,473,922	-	3,473,922	421,945	421,945	\$ -		
2012	3,473,922	48,920	3,425,002	464,924	464,924	\$ -	\$ 386,386	\$ 386,386
2013	3,425,002	48,920	3,376,081	458,982	458,982	\$ -	\$ 410,711	\$ 410,711
2014	3,376,081	48,920	3,327,161	453,040	453,040	\$ -		
2015	3,327,161	48,920	3,278,240	447,098	447,098	\$ -		
2016	3,278,240	48,920	3,229,320	441,156	441,156	\$ -		
2017	3,229,320	48,920	3,180,400	435,214	435,214	\$ -		
2018	3,180,400	48,920	3,131,479	429,272	429,272	\$ -		
2019	3,131,479	48,920	3,082,559	423,330	423,330	\$ -		
2020	3,082,559	48,920	3,033,638	417,388	417,388	\$ -		
2021	3,033,638	48,920	2,984,718	411,447	411,447	\$ -		
2022	2,984,718	48,920	2,935,798	405,505	405,505	\$ -		
2023	2,935,798	48,920	2,886,877	399,563	399,563	\$ -		
2024	2,886,877	48,920	2,837,957	393,621	393,621	\$ -		
2025	2,837,957	48,920	2,789,037	387,679	387,679	\$ -		
2026	2,789,037	48,920	2,740,116	381,737	381,737	\$ -		
2027	2,740,116	48,920	2,691,196	375,795	375,795	\$ -		
2028	2,691,196	48,920	2,642,275	369,853	369,853	\$ -		
2029	2,642,275	48,920	2,593,355	363,911	363,911	\$ -		
2030	2,593,355	48,920	2,544,435	357,969	357,969	\$ -		
2031	2,544,435	48,920	2,495,514	352,027	352,027	\$ -		
2032	2,495,514	48,920	2,446,594	346,086	346,086	\$ -		
2033	2,446,594	48,920	2,397,673	340,144	340,144	\$ -		
2034	2,397,673	48,920	2,348,753	334,202	334,202	\$ -		
2035	2,348,753	48,920	2,299,833	328,260	328,260	\$ -		
2036	2,299,833	48,920	2,250,912	322,318	322,318	\$ -		
2037	2,250,912	48,920	2,201,992	316,376	316,376	\$ -		
2038	2,201,992	48,920	2,153,071	310,434	310,434	\$ -		
2039	2,153,071	48,920	2,104,151	304,492	304,492	\$ -		
2040	2,104,151	48,920	2,055,231	298,550	298,550	\$ -		
2041	2,055,231	48,920	2,006,310	292,608	292,608	\$ -		
2042	2,006,310	48,920	1,957,390	286,666	286,666	\$ -		
2043	1,957,390	48,920	1,908,469	280,725	280,725	\$ -		
2044	1,908,469	48,920	1,859,549	274,783	274,783	\$ -		
2045	1,859,549	48,920	1,810,629	268,841	268,841	\$ -		
2046	1,810,629	48,920	1,761,708	262,899	262,899	\$ -		
2047	1,761,708	48,920	1,712,788	256,957	256,957	\$ -		
2048	1,712,788	48,920	1,663,867	251,015	251,015	\$ -		
2049	1,663,867	48,920	1,614,947	245,073	245,073	\$ -		
2050	1,614,947	48,920	1,566,027	239,131	239,131	\$ -		
2051	1,566,027	48,920	1,517,106	233,189	233,189	\$ -		
2052	1,517,106	48,920	1,468,186	227,247	227,247	\$ -		
2053	1,468,186	48,920	1,419,266	221,305	221,305	\$ -		
2054	1,419,266	48,920	1,370,345	215,364	215,364	\$ -		
2055	1,370,345	48,920	1,321,425	209,422	209,422	\$ -		
2056	1,321,425	48,920	1,272,504	203,480	203,480	\$ -		
2057	1,272,504	48,920	1,223,584	197,538	197,538	\$ -		
2058	1,223,584	48,920	1,174,664	191,596	191,596	\$ -		
2059	1,174,664	48,920	1,125,743	185,654	185,654	\$ -		
2060	1,125,743	48,920	1,076,823	179,712	179,712	\$ -		
2061	1,076,823	48,920	1,027,902	173,770	173,770	\$ -		
2062	1,027,902	48,920	978,982	167,828	167,828	\$ -		
2063	978,982	48,920	930,062	161,886	161,886	\$ -		
2064	930,062	48,920	881,141	155,944	155,944	\$ -		
2065	881,141	48,920	832,221	150,003	150,003	\$ -		
2066	832,221	48,920	783,300	144,061	144,061	\$ -		
2067	783,300	48,920	734,380	138,119	138,119	\$ -		
2068	734,380	48,920	685,460	132,177	132,177	\$ -		
2069	685,460	48,920	636,539	126,235	126,235	\$ -		
2070	636,539	48,920	587,619	120,293	120,293	\$ -		
Project Totals		2,886,303		17,685,840	17,685,840	-		

\*\* 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.

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 and Wagenhals - Wayview 138kV)

Current Projected Year ARR	964,332
Current Projected Year ARR w/ Incentive	964,332
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	7,213,197		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	12.15%
Useful life	71	FCR w/incentives approved for these facilities, less dep.	12.15%
CIAC (Yes or No)	No	Annual Depreciation Expense	101,578

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	7,213,197	8,465	7,204,732	883,557	883,557	\$ -	\$ 443,007	\$ 443,007
2014	7,204,732	101,578	7,103,155	964,332	964,332	\$ -		
2015	7,103,155	101,578	7,001,577	951,995	951,995	\$ -		
2016	7,001,577	101,578	6,900,000	939,657	939,657	\$ -		
2017	6,900,000	101,578	6,798,422	927,319	927,319	\$ -		
2018	6,798,422	101,578	6,696,845	914,981	914,981	\$ -		
2019	6,696,845	101,578	6,595,267	902,644	902,644	\$ -		
2020	6,595,267	101,578	6,493,689	890,306	890,306	\$ -		
2021	6,493,689	101,578	6,392,112	877,968	877,968	\$ -		
2022	6,392,112	101,578	6,290,534	865,631	865,631	\$ -		
2023	6,290,534	101,578	6,188,957	853,293	853,293	\$ -		
2024	6,188,957	101,578	6,087,379	840,955	840,955	\$ -		
2025	6,087,379	101,578	5,985,802	828,618	828,618	\$ -		
2026	5,985,802	101,578	5,884,224	816,280	816,280	\$ -		
2027	5,884,224	101,578	5,782,647	803,942	803,942	\$ -		
2028	5,782,647	101,578	5,681,069	791,605	791,605	\$ -		
2029	5,681,069	101,578	5,579,492	779,267	779,267	\$ -		
2030	5,579,492	101,578	5,477,914	766,929	766,929	\$ -		
2031	5,477,914	101,578	5,376,337	754,592	754,592	\$ -		
2032	5,376,337	101,578	5,274,759	742,254	742,254	\$ -		
2033	5,274,759	101,578	5,173,182	729,916	729,916	\$ -		
2034	5,173,182	101,578	5,071,604	717,578	717,578	\$ -		
2035	5,071,604	101,578	4,970,026	705,241	705,241	\$ -		
2036	4,970,026	101,578	4,868,449	692,903	692,903	\$ -		
2037	4,868,449	101,578	4,766,871	680,565	680,565	\$ -		
2038	4,766,871	101,578	4,665,294	668,228	668,228	\$ -		
2039	4,665,294	101,578	4,563,716	655,890	655,890	\$ -		
2040	4,563,716	101,578	4,462,139	643,552	643,552	\$ -		
2041	4,462,139	101,578	4,360,561	631,215	631,215	\$ -		
2042	4,360,561	101,578	4,258,984	618,877	618,877	\$ -		
2043	4,258,984	101,578	4,157,406	606,539	606,539	\$ -		
2044	4,157,406	101,578	4,055,829	594,202	594,202	\$ -		
2045	4,055,829	101,578	3,954,251	581,864	581,864	\$ -		
2046	3,954,251	101,578	3,852,674	569,526	569,526	\$ -		
2047	3,852,674	101,578	3,751,096	557,189	557,189	\$ -		
2048	3,751,096	101,578	3,649,519	544,851	544,851	\$ -		
2049	3,649,519	101,578	3,547,941	532,513	532,513	\$ -		
2050	3,547,941	101,578	3,446,363	520,176	520,176	\$ -		
2051	3,446,363	101,578	3,344,786	507,838	507,838	\$ -		
2052	3,344,786	101,578	3,243,208	495,500	495,500	\$ -		
2053	3,243,208	101,578	3,141,631	483,162	483,162	\$ -		
2054	3,141,631	101,578	3,040,053	470,825	470,825	\$ -		
2055	3,040,053	101,578	2,938,476	458,487	458,487	\$ -		
2056	2,938,476	101,578	2,836,898	446,149	446,149	\$ -		
2057	2,836,898	101,578	2,735,321	433,812	433,812	\$ -		
2058	2,735,321	101,578	2,633,743	421,474	421,474	\$ -		
2059	2,633,743	101,578	2,532,166	409,136	409,136	\$ -		
2060	2,532,166	101,578	2,430,588	396,799	396,799	\$ -		
2061	2,430,588	101,578	2,329,011	384,461	384,461	\$ -		
2062	2,329,011	101,578	2,227,433	372,123	372,123	\$ -		
2063	2,227,433	101,578	2,125,856	359,786	359,786	\$ -		
2064	2,125,856	101,578	2,024,278	347,448	347,448	\$ -		
2065	2,024,278	101,578	1,922,700	335,110	335,110	\$ -		
2066	1,922,700	101,578	1,821,123	322,773	322,773	\$ -		
2067	1,821,123	101,578	1,719,545	310,435	310,435	\$ -		
2068	1,719,545	101,578	1,617,968	298,097	298,097	\$ -		
2069	1,617,968	101,578	1,516,390	285,759	285,759	\$ -		
2070	1,516,390	101,578	1,414,813	273,422	273,422	\$ -		
2071	1,414,813	101,578	1,313,235	261,084	261,084	\$ -		
2072	1,313,235	101,578	1,211,658	248,746	248,746	\$ -		
Project Totals		6,001,539		36,669,377	36,669,377	-		

\*\* 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.

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

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

A. Base Plan Facilities

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

Current Projected Year ARR	568,269
Current Projected Year ARR w/ Incentive	568,269
Current Projected Year Incentive ARR	-

Project Description: RTEP ID: b1034.8 (138kV Circuit Breakers at the West Canton, South Canton, Canton Central, and Wagenhals stations)

Details		Current Year	2014
Investment	4,246,117		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.15%
Useful life	71	FCR w/incentives approved for these facilities, less dep.	12.15%
CIAC (Yes or No)	No	Annual Depreciation Expense	59,795

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	4,246,117	-	4,246,117	515,737	515,737	\$ -	\$ 244,284	\$ 244,284
2014	4,246,117	59,795	4,186,322	568,269	568,269	\$ -		
2015	4,186,322	59,795	4,126,528	561,006	561,006	\$ -		
2016	4,126,528	59,795	4,066,733	553,743	553,743	\$ -		
2017	4,066,733	59,795	4,006,939	546,480	546,480	\$ -		
2018	4,006,939	59,795	3,947,144	539,218	539,218	\$ -		
2019	3,947,144	59,795	3,887,350	531,955	531,955	\$ -		
2020	3,887,350	59,795	3,827,555	524,692	524,692	\$ -		
2021	3,827,555	59,795	3,767,760	517,430	517,430	\$ -		
2022	3,767,760	59,795	3,707,966	510,167	510,167	\$ -		
2023	3,707,966	59,795	3,648,171	502,904	502,904	\$ -		
2024	3,648,171	59,795	3,588,377	495,642	495,642	\$ -		
2025	3,588,377	59,795	3,528,582	488,379	488,379	\$ -		
2026	3,528,582	59,795	3,468,787	481,116	481,116	\$ -		
2027	3,468,787	59,795	3,408,993	473,853	473,853	\$ -		
2028	3,408,993	59,795	3,349,198	466,591	466,591	\$ -		
2029	3,349,198	59,795	3,289,404	459,328	459,328	\$ -		
2030	3,289,404	59,795	3,229,609	452,065	452,065	\$ -		
2031	3,229,609	59,795	3,169,815	444,803	444,803	\$ -		
2032	3,169,815	59,795	3,110,020	437,540	437,540	\$ -		
2033	3,110,020	59,795	3,050,225	430,277	430,277	\$ -		
2034	3,050,225	59,795	2,990,431	423,015	423,015	\$ -		
2035	2,990,431	59,795	2,930,636	415,752	415,752	\$ -		
2036	2,930,636	59,795	2,870,842	408,489	408,489	\$ -		
2037	2,870,842	59,795	2,811,047	401,227	401,227	\$ -		
2038	2,811,047	59,795	2,751,252	393,964	393,964	\$ -		
2039	2,751,252	59,795	2,691,458	386,701	386,701	\$ -		
2040	2,691,458	59,795	2,631,663	379,438	379,438	\$ -		
2041	2,631,663	59,795	2,571,869	372,176	372,176	\$ -		
2042	2,571,869	59,795	2,512,074	364,913	364,913	\$ -		
2043	2,512,074	59,795	2,452,280	357,650	357,650	\$ -		
2044	2,452,280	59,795	2,392,485	350,388	350,388	\$ -		
2045	2,392,485	59,795	2,332,690	343,125	343,125	\$ -		
2046	2,332,690	59,795	2,272,896	335,862	335,862	\$ -		
2047	2,272,896	59,795	2,213,101	328,600	328,600	\$ -		
2048	2,213,101	59,795	2,153,307	321,337	321,337	\$ -		
2049	2,153,307	59,795	2,093,512	314,074	314,074	\$ -		
2050	2,093,512	59,795	2,033,717	306,811	306,811	\$ -		
2051	2,033,717	59,795	1,973,923	299,549	299,549	\$ -		
2052	1,973,923	59,795	1,914,128	292,286	292,286	\$ -		
2053	1,914,128	59,795	1,854,334	285,023	285,023	\$ -		
2054	1,854,334	59,795	1,794,539	277,761	277,761	\$ -		
2055	1,794,539	59,795	1,734,745	270,498	270,498	\$ -		
2056	1,734,745	59,795	1,674,950	263,235	263,235	\$ -		
2057	1,674,950	59,795	1,615,155	255,973	255,973	\$ -		
2058	1,615,155	59,795	1,555,361	248,710	248,710	\$ -		
2059	1,555,361	59,795	1,495,566	241,447	241,447	\$ -		
2060	1,495,566	59,795	1,435,772	234,185	234,185	\$ -		
2061	1,435,772	59,795	1,375,977	226,922	226,922	\$ -		
2062	1,375,977	59,795	1,316,183	219,659	219,659	\$ -		
2063	1,316,183	59,795	1,256,388	212,396	212,396	\$ -		
2064	1,256,388	59,795	1,196,593	205,134	205,134	\$ -		
2065	1,196,593	59,795	1,136,799	197,871	197,871	\$ -		
2066	1,136,799	59,795	1,077,004	190,608	190,608	\$ -		
2067	1,077,004	59,795	1,017,210	183,346	183,346	\$ -		
2068	1,017,210	59,795	957,415	176,083	176,083	\$ -		
2069	957,415	59,795	897,620	168,820	168,820	\$ -		
2070	897,620	59,795	837,826	161,558	161,558	\$ -		
2071	837,826	59,795	778,031	154,295	154,295	\$ -		
2072	778,031	59,795	718,237	147,032	147,032	\$ -		
Project Totals		3,527,880		21,617,108	21,617,108	-		

\*\* 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.

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

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

A. Base Plan Facilities

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

Current Projected Year ARR	140,755
Current Projected Year ARR w/ Incentive	140,755
Current Projected Year Incentive ARR	-

Project Description: RTEP ID: b1864.2 (West Bellaire-Brues 138 kV Circuit)

Details		Current Year	2014
Investment	1,053,967		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	12.15%
Useful life	71	FCR w/incentives approved for these facilities, less dep.	12.15%
CIAC (Yes or No)	No	Annual Depreciation Expense	14,842

**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	1,053,967	2,474	1,051,493	130,189	130,189	\$ -	\$ 124,755	\$ 124,755
2014	1,051,493	14,842	1,036,651	140,755	140,755	\$ -		
2015	1,036,651	14,842	1,021,809	138,952	138,952	\$ -		
2016	1,021,809	14,842	1,006,967	137,149	137,149	\$ -		
2017	1,006,967	14,842	992,125	135,346	135,346	\$ -		
2018	992,125	14,842	977,283	133,544	133,544	\$ -		
2019	977,283	14,842	962,440	131,741	131,741	\$ -		
2020	962,440	14,842	947,598	129,938	129,938	\$ -		
2021	947,598	14,842	932,756	128,135	128,135	\$ -		
2022	932,756	14,842	917,914	126,333	126,333	\$ -		
2023	917,914	14,842	903,072	124,530	124,530	\$ -		
2024	903,072	14,842	888,230	122,727	122,727	\$ -		
2025	888,230	14,842	873,387	120,924	120,924	\$ -		
2026	873,387	14,842	858,545	119,122	119,122	\$ -		
2027	858,545	14,842	843,703	117,319	117,319	\$ -		
2028	843,703	14,842	828,861	115,516	115,516	\$ -		
2029	828,861	14,842	814,019	113,714	113,714	\$ -		
2030	814,019	14,842	799,177	111,911	111,911	\$ -		
2031	799,177	14,842	784,335	110,108	110,108	\$ -		
2032	784,335	14,842	769,492	108,305	108,305	\$ -		
2033	769,492	14,842	754,650	106,503	106,503	\$ -		
2034	754,650	14,842	739,808	104,700	104,700	\$ -		
2035	739,808	14,842	724,966	102,897	102,897	\$ -		
2036	724,966	14,842	710,124	101,094	101,094	\$ -		
2037	710,124	14,842	695,282	99,292	99,292	\$ -		
2038	695,282	14,842	680,439	97,489	97,489	\$ -		
2039	680,439	14,842	665,597	95,686	95,686	\$ -		
2040	665,597	14,842	650,755	93,883	93,883	\$ -		
2041	650,755	14,842	635,913	92,081	92,081	\$ -		
2042	635,913	14,842	621,071	90,278	90,278	\$ -		
2043	621,071	14,842	606,229	88,475	88,475	\$ -		
2044	606,229	14,842	591,387	86,672	86,672	\$ -		
2045	591,387	14,842	576,544	84,870	84,870	\$ -		
2046	576,544	14,842	561,702	83,067	83,067	\$ -		
2047	561,702	14,842	546,860	81,264	81,264	\$ -		
2048	546,860	14,842	532,018	79,461	79,461	\$ -		
2049	532,018	14,842	517,176	77,659	77,659	\$ -		
2050	517,176	14,842	502,334	75,856	75,856	\$ -		
2051	502,334	14,842	487,492	74,053	74,053	\$ -		
2052	487,492	14,842	472,649	72,251	72,251	\$ -		
2053	472,649	14,842	457,807	70,448	70,448	\$ -		
2054	457,807	14,842	442,965	68,645	68,645	\$ -		
2055	442,965	14,842	428,123	66,842	66,842	\$ -		
2056	428,123	14,842	413,281	65,040	65,040	\$ -		
2057	413,281	14,842	398,439	63,237	63,237	\$ -		
2058	398,439	14,842	383,596	61,434	61,434	\$ -		
2059	383,596	14,842	368,754	59,631	59,631	\$ -		
2060	368,754	14,842	353,912	57,829	57,829	\$ -		
2061	353,912	14,842	339,070	56,026	56,026	\$ -		
2062	339,070	14,842	324,228	54,223	54,223	\$ -		
2063	324,228	14,842	309,386	52,420	52,420	\$ -		
2064	309,386	14,842	294,544	50,618	50,618	\$ -		
2065	294,544	14,842	279,701	48,815	48,815	\$ -		
2066	279,701	14,842	264,859	47,012	47,012	\$ -		
2067	264,859	14,842	250,017	45,209	45,209	\$ -		
2068	250,017	14,842	235,175	43,407	43,407	\$ -		
2069	235,175	14,842	220,333	41,604	41,604	\$ -		
2070	220,333	14,842	205,491	39,801	39,801	\$ -		
2071	205,491	14,842	190,648	37,998	37,998	\$ -		
2072	190,648	14,842	175,806	36,196	36,196	\$ -		
Project Totals		878,161		5,350,224	5,350,224	-		

\*\* 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.

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

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

A. Base Plan Facilities

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

Current Projected Year ARR	900,905
Current Projected Year ARR w/ Incentive	900,905
Current Projected Year Incentive ARR	-

Project Description: RTEP ID: b1870 (Replace Ohio Central transformer #1 345/138/12 kV 450 MVA for a 345/138/34.5 kV 675 MVA transformer)

Details		2014
Investment	6,731,582	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	71	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	6,731,582	-	6,731,582	817,623	817,623	\$ -	\$ 576,980	\$ 576,980
2014	6,731,582	94,795	6,636,787	900,905	900,905	\$ -		
2015	6,636,787	94,795	6,541,991	889,391	889,391	\$ -		
2016	6,541,991	94,795	6,447,196	877,877	877,877	\$ -		
2017	6,447,196	94,795	6,352,401	866,363	866,363	\$ -		
2018	6,352,401	94,795	6,257,605	854,849	854,849	\$ -		
2019	6,257,605	94,795	6,162,810	843,335	843,335	\$ -		
2020	6,162,810	94,795	6,068,015	831,821	831,821	\$ -		
2021	6,068,015	94,795	5,973,219	820,307	820,307	\$ -		
2022	5,973,219	94,795	5,878,424	808,793	808,793	\$ -		
2023	5,878,424	94,795	5,783,629	797,279	797,279	\$ -		
2024	5,783,629	94,795	5,688,833	785,765	785,765	\$ -		
2025	5,688,833	94,795	5,594,038	774,252	774,252	\$ -		
2026	5,594,038	94,795	5,499,243	762,738	762,738	\$ -		
2027	5,499,243	94,795	5,404,447	751,224	751,224	\$ -		
2028	5,404,447	94,795	5,309,652	739,710	739,710	\$ -		
2029	5,309,652	94,795	5,214,856	728,196	728,196	\$ -		
2030	5,214,856	94,795	5,120,061	716,682	716,682	\$ -		
2031	5,120,061	94,795	5,025,266	705,168	705,168	\$ -		
2032	5,025,266	94,795	4,930,470	693,654	693,654	\$ -		
2033	4,930,470	94,795	4,835,675	682,140	682,140	\$ -		
2034	4,835,675	94,795	4,740,880	670,626	670,626	\$ -		
2035	4,740,880	94,795	4,646,084	659,112	659,112	\$ -		
2036	4,646,084	94,795	4,551,289	647,598	647,598	\$ -		
2037	4,551,289	94,795	4,456,494	636,085	636,085	\$ -		
2038	4,456,494	94,795	4,361,698	624,571	624,571	\$ -		
2039	4,361,698	94,795	4,266,903	613,057	613,057	\$ -		
2040	4,266,903	94,795	4,172,108	601,543	601,543	\$ -		
2041	4,172,108	94,795	4,077,312	590,029	590,029	\$ -		
2042	4,077,312	94,795	3,982,517	578,515	578,515	\$ -		
2043	3,982,517	94,795	3,887,722	567,001	567,001	\$ -		
2044	3,887,722	94,795	3,792,926	555,487	555,487	\$ -		
2045	3,792,926	94,795	3,698,131	543,973	543,973	\$ -		
2046	3,698,131	94,795	3,603,336	532,459	532,459	\$ -		
2047	3,603,336	94,795	3,508,540	520,945	520,945	\$ -		
2048	3,508,540	94,795	3,413,745	509,431	509,431	\$ -		
2049	3,413,745	94,795	3,318,950	497,918	497,918	\$ -		
2050	3,318,950	94,795	3,224,154	486,404	486,404	\$ -		
2051	3,224,154	94,795	3,129,359	474,890	474,890	\$ -		
2052	3,129,359	94,795	3,034,564	463,376	463,376	\$ -		
2053	3,034,564	94,795	2,939,768	451,862	451,862	\$ -		
2054	2,939,768	94,795	2,844,973	440,348	440,348	\$ -		
2055	2,844,973	94,795	2,750,178	428,834	428,834	\$ -		
2056	2,750,178	94,795	2,655,382	417,320	417,320	\$ -		
2057	2,655,382	94,795	2,560,587	405,806	405,806	\$ -		
2058	2,560,587	94,795	2,465,791	394,292	394,292	\$ -		
2059	2,465,791	94,795	2,370,996	382,778	382,778	\$ -		
2060	2,370,996	94,795	2,276,201	371,264	371,264	\$ -		
2061	2,276,201	94,795	2,181,405	359,751	359,751	\$ -		
2062	2,181,405	94,795	2,086,610	348,237	348,237	\$ -		
2063	2,086,610	94,795	1,991,815	336,723	336,723	\$ -		
2064	1,991,815	94,795	1,897,019	325,209	325,209	\$ -		
2065	1,897,019	94,795	1,802,224	313,695	313,695	\$ -		
2066	1,802,224	94,795	1,707,429	302,181	302,181	\$ -		
2067	1,707,429	94,795	1,612,633	290,667	290,667	\$ -		
2068	1,612,633	94,795	1,517,838	279,153	279,153	\$ -		
2069	1,517,838	94,795	1,423,043	267,639	267,639	\$ -		
2070	1,423,043	94,795	1,328,247	256,125	256,125	\$ -		
2071	1,328,247	94,795	1,233,452	244,611	244,611	\$ -		
2072	1,233,452	94,795	1,138,657	233,097	233,097	\$ -		
Project Totals		5,592,925		34,270,684	34,270,684	-		

\*\* 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.



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: b1032.2 (Construct two 138kV outlets to Delano 138kV station and to Camp Sherman station)

Current Projected Year ARR	322,176
Current Projected Year ARR w/ Incentive	322,176
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	2,652,513		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.15%
Useful life	71	FCR w/incentives approved for these facilities, less dep.	12.15%
CIAC (Yes or No)	No	Annual Depreciation Expense	37,353

**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	2,652,513	-	2,652,513	322,176	322,176	\$ -		
2015	2,652,513	37,353	2,615,160	354,993	354,993	\$ -		
2016	2,615,160	37,353	2,577,807	350,456	350,456	\$ -		
2017	2,577,807	37,353	2,540,454	345,919	345,919	\$ -		
2018	2,540,454	37,353	2,503,100	341,382	341,382	\$ -		
2019	2,503,100	37,353	2,465,747	336,845	336,845	\$ -		
2020	2,465,747	37,353	2,428,394	332,308	332,308	\$ -		
2021	2,428,394	37,353	2,391,041	327,771	327,771	\$ -		
2022	2,391,041	37,353	2,353,688	323,234	323,234	\$ -		
2023	2,353,688	37,353	2,316,335	318,697	318,697	\$ -		
2024	2,316,335	37,353	2,278,981	314,160	314,160	\$ -		
2025	2,278,981	37,353	2,241,628	309,623	309,623	\$ -		
2026	2,241,628	37,353	2,204,275	305,086	305,086	\$ -		
2027	2,204,275	37,353	2,166,922	300,549	300,549	\$ -		
2028	2,166,922	37,353	2,129,569	296,012	296,012	\$ -		
2029	2,129,569	37,353	2,092,216	291,475	291,475	\$ -		
2030	2,092,216	37,353	2,054,862	286,938	286,938	\$ -		
2031	2,054,862	37,353	2,017,509	282,401	282,401	\$ -		
2032	2,017,509	37,353	1,980,156	277,864	277,864	\$ -		
2033	1,980,156	37,353	1,942,803	273,328	273,328	\$ -		
2034	1,942,803	37,353	1,905,450	268,791	268,791	\$ -		
2035	1,905,450	37,353	1,868,097	264,254	264,254	\$ -		
2036	1,868,097	37,353	1,830,743	259,717	259,717	\$ -		
2037	1,830,743	37,353	1,793,390	255,180	255,180	\$ -		
2038	1,793,390	37,353	1,756,037	250,643	250,643	\$ -		
2039	1,756,037	37,353	1,718,684	246,106	246,106	\$ -		
2040	1,718,684	37,353	1,681,331	241,569	241,569	\$ -		
2041	1,681,331	37,353	1,643,978	237,032	237,032	\$ -		
2042	1,643,978	37,353	1,606,624	232,495	232,495	\$ -		
2043	1,606,624	37,353	1,569,271	227,958	227,958	\$ -		
2044	1,569,271	37,353	1,531,918	223,421	223,421	\$ -		
2045	1,531,918	37,353	1,494,565	218,884	218,884	\$ -		
2046	1,494,565	37,353	1,457,212	214,347	214,347	\$ -		
2047	1,457,212	37,353	1,419,859	209,810	209,810	\$ -		
2048	1,419,859	37,353	1,382,505	205,273	205,273	\$ -		
2049	1,382,505	37,353	1,345,152	200,736	200,736	\$ -		
2050	1,345,152	37,353	1,307,799	196,199	196,199	\$ -		
2051	1,307,799	37,353	1,270,446	191,663	191,663	\$ -		
2052	1,270,446	37,353	1,233,093	187,126	187,126	\$ -		
2053	1,233,093	37,353	1,195,740	182,589	182,589	\$ -		
2054	1,195,740	37,353	1,158,386	178,052	178,052	\$ -		
2055	1,158,386	37,353	1,121,033	173,515	173,515	\$ -		
2056	1,121,033	37,353	1,083,680	168,978	168,978	\$ -		
2057	1,083,680	37,353	1,046,327	164,441	164,441	\$ -		
2058	1,046,327	37,353	1,008,974	159,904	159,904	\$ -		
2059	1,008,974	37,353	971,621	155,367	155,367	\$ -		
2060	971,621	37,353	934,267	150,830	150,830	\$ -		
2061	934,267	37,353	896,914	146,293	146,293	\$ -		
2062	896,914	37,353	859,561	141,756	141,756	\$ -		
2063	859,561	37,353	822,208	137,219	137,219	\$ -		
2064	822,208	37,353	784,855	132,682	132,682	\$ -		
2065	784,855	37,353	747,502	128,145	128,145	\$ -		
2066	747,502	37,353	710,148	123,608	123,608	\$ -		
2067	710,148	37,353	672,795	119,071	119,071	\$ -		
2068	672,795	37,353	635,442	114,534	114,534	\$ -		
2069	635,442	37,353	598,089	109,998	109,998	\$ -		
2070	598,089	37,353	560,736	105,461	105,461	\$ -		
2071	560,736	37,353	523,383	100,924	100,924	\$ -		
2072	523,383	37,353	486,029	96,387	96,387	\$ -		
2073	486,029	37,353	448,676	91,850	91,850	\$ -		
Project Totals		2,203,837		13,504,023	13,504,023	-		

\*\* 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.

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

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

A. Base Plan Facilities

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

Current Projected Year ARR	580,874
Current Projected Year ARR w/ Incentive	580,874
Current Projected Year Incentive ARR	-

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

Details		2014	2014
Investment	4,702,570	Current Year	2014
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	12.15%
Useful life	71	FCR w/incentives approved for these facilities, less dep.	12.15%
CIAC (Yes or No)	No	Annual Depreciation Expense	66,222

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	4,702,570	11,037	4,691,533	580,874	580,874	\$ -		
2015	4,691,533	66,222	4,625,310	628,016	628,016	\$ -		
2016	4,625,310	66,222	4,559,088	619,973	619,973	\$ -		
2017	4,559,088	66,222	4,492,866	611,929	611,929	\$ -		
2018	4,492,866	66,222	4,426,643	603,886	603,886	\$ -		
2019	4,426,643	66,222	4,360,421	595,843	595,843	\$ -		
2020	4,360,421	66,222	4,294,198	587,799	587,799	\$ -		
2021	4,294,198	66,222	4,227,976	579,756	579,756	\$ -		
2022	4,227,976	66,222	4,161,753	571,712	571,712	\$ -		
2023	4,161,753	66,222	4,095,531	563,669	563,669	\$ -		
2024	4,095,531	66,222	4,029,309	555,625	555,625	\$ -		
2025	4,029,309	66,222	3,963,086	547,582	547,582	\$ -		
2026	3,963,086	66,222	3,896,864	539,539	539,539	\$ -		
2027	3,896,864	66,222	3,830,641	531,495	531,495	\$ -		
2028	3,830,641	66,222	3,764,419	523,452	523,452	\$ -		
2029	3,764,419	66,222	3,698,196	515,408	515,408	\$ -		
2030	3,698,196	66,222	3,631,974	507,365	507,365	\$ -		
2031	3,631,974	66,222	3,565,752	499,321	499,321	\$ -		
2032	3,565,752	66,222	3,499,529	491,278	491,278	\$ -		
2033	3,499,529	66,222	3,433,307	483,235	483,235	\$ -		
2034	3,433,307	66,222	3,367,084	475,191	475,191	\$ -		
2035	3,367,084	66,222	3,300,862	467,148	467,148	\$ -		
2036	3,300,862	66,222	3,234,639	459,104	459,104	\$ -		
2037	3,234,639	66,222	3,168,417	451,061	451,061	\$ -		
2038	3,168,417	66,222	3,102,195	443,017	443,017	\$ -		
2039	3,102,195	66,222	3,035,972	434,974	434,974	\$ -		
2040	3,035,972	66,222	2,969,750	426,931	426,931	\$ -		
2041	2,969,750	66,222	2,903,527	418,887	418,887	\$ -		
2042	2,903,527	66,222	2,837,305	410,844	410,844	\$ -		
2043	2,837,305	66,222	2,771,082	402,800	402,800	\$ -		
2044	2,771,082	66,222	2,704,860	394,757	394,757	\$ -		
2045	2,704,860	66,222	2,638,637	386,713	386,713	\$ -		
2046	2,638,637	66,222	2,572,415	378,670	378,670	\$ -		
2047	2,572,415	66,222	2,506,193	370,627	370,627	\$ -		
2048	2,506,193	66,222	2,439,970	362,583	362,583	\$ -		
2049	2,439,970	66,222	2,373,748	354,540	354,540	\$ -		
2050	2,373,748	66,222	2,307,525	346,496	346,496	\$ -		
2051	2,307,525	66,222	2,241,303	338,453	338,453	\$ -		
2052	2,241,303	66,222	2,175,080	330,409	330,409	\$ -		
2053	2,175,080	66,222	2,108,858	322,366	322,366	\$ -		
2054	2,108,858	66,222	2,042,636	314,323	314,323	\$ -		
2055	2,042,636	66,222	1,976,413	306,279	306,279	\$ -		
2056	1,976,413	66,222	1,910,191	298,236	298,236	\$ -		
2057	1,910,191	66,222	1,843,968	290,192	290,192	\$ -		
2058	1,843,968	66,222	1,777,746	282,149	282,149	\$ -		
2059	1,777,746	66,222	1,711,523	274,105	274,105	\$ -		
2060	1,711,523	66,222	1,645,301	266,062	266,062	\$ -		
2061	1,645,301	66,222	1,579,079	258,019	258,019	\$ -		
2062	1,579,079	66,222	1,512,856	249,975	249,975	\$ -		
2063	1,512,856	66,222	1,446,634	241,932	241,932	\$ -		
2064	1,446,634	66,222	1,380,411	233,888	233,888	\$ -		
2065	1,380,411	66,222	1,314,189	225,845	225,845	\$ -		
2066	1,314,189	66,222	1,247,966	217,801	217,801	\$ -		
2067	1,247,966	66,222	1,181,744	209,758	209,758	\$ -		
2068	1,181,744	66,222	1,115,521	201,715	201,715	\$ -		
2069	1,115,521	66,222	1,049,299	193,671	193,671	\$ -		
2070	1,049,299	66,222	983,077	185,628	185,628	\$ -		
2071	983,077	66,222	916,854	177,584	177,584	\$ -		
2072	916,854	66,222	850,632	169,541	169,541	\$ -		
2073	850,632	66,222	784,409	161,497	161,497	\$ -		
Project Totals		3,918,161		23,871,526	23,871,526	-		

\*\* 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.

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: b1034.3 (Install a 345/138kV 450 MVA transformer at Canton Central)

Current Projected Year ARR	1,611,055
Current Projected Year ARR w/ Incentive	1,611,055
Current Projected Year Incentive ARR	-

Details		Current Year	2014
Investment	13,263,997		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.15%
Useful life	71	FCR w/incentives approved for these facilities, less dep.	12.15%
CIAC (Yes or No)	No	Annual Depreciation Expense	186,786

**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	13,263,997	-	13,263,997	1,611,055	1,611,055	\$ -		
2015	13,263,997	186,786	13,077,211	1,775,154	1,775,154	\$ -		
2016	13,077,211	186,786	12,890,425	1,752,467	1,752,467	\$ -		
2017	12,890,425	186,786	12,703,639	1,729,780	1,729,780	\$ -		
2018	12,703,639	186,786	12,516,853	1,707,093	1,707,093	\$ -		
2019	12,516,853	186,786	12,330,067	1,684,405	1,684,405	\$ -		
2020	12,330,067	186,786	12,143,281	1,661,718	1,661,718	\$ -		
2021	12,143,281	186,786	11,956,495	1,639,031	1,639,031	\$ -		
2022	11,956,495	186,786	11,769,709	1,616,344	1,616,344	\$ -		
2023	11,769,709	186,786	11,582,923	1,593,657	1,593,657	\$ -		
2024	11,582,923	186,786	11,396,137	1,570,970	1,570,970	\$ -		
2025	11,396,137	186,786	11,209,351	1,548,282	1,548,282	\$ -		
2026	11,209,351	186,786	11,022,565	1,525,595	1,525,595	\$ -		
2027	11,022,565	186,786	10,835,779	1,502,908	1,502,908	\$ -		
2028	10,835,779	186,786	10,648,993	1,480,221	1,480,221	\$ -		
2029	10,648,993	186,786	10,462,207	1,457,534	1,457,534	\$ -		
2030	10,462,207	186,786	10,275,421	1,434,847	1,434,847	\$ -		
2031	10,275,421	186,786	10,088,635	1,412,159	1,412,159	\$ -		
2032	10,088,635	186,786	9,901,849	1,389,472	1,389,472	\$ -		
2033	9,901,849	186,786	9,715,063	1,366,785	1,366,785	\$ -		
2034	9,715,063	186,786	9,528,277	1,344,098	1,344,098	\$ -		
2035	9,528,277	186,786	9,341,491	1,321,411	1,321,411	\$ -		
2036	9,341,491	186,786	9,154,705	1,298,724	1,298,724	\$ -		
2037	9,154,705	186,786	8,967,919	1,276,036	1,276,036	\$ -		
2038	8,967,919	186,786	8,781,133	1,253,349	1,253,349	\$ -		
2039	8,781,133	186,786	8,594,347	1,230,662	1,230,662	\$ -		
2040	8,594,347	186,786	8,407,561	1,207,975	1,207,975	\$ -		
2041	8,407,561	186,786	8,220,775	1,185,288	1,185,288	\$ -		
2042	8,220,775	186,786	8,033,989	1,162,601	1,162,601	\$ -		
2043	8,033,989	186,786	7,847,203	1,139,913	1,139,913	\$ -		
2044	7,847,203	186,786	7,660,417	1,117,226	1,117,226	\$ -		
2045	7,660,417	186,786	7,473,631	1,094,539	1,094,539	\$ -		
2046	7,473,631	186,786	7,286,845	1,071,852	1,071,852	\$ -		
2047	7,286,845	186,786	7,100,060	1,049,165	1,049,165	\$ -		
2048	7,100,060	186,786	6,913,274	1,026,478	1,026,478	\$ -		
2049	6,913,274	186,786	6,726,488	1,003,790	1,003,790	\$ -		
2050	6,726,488	186,786	6,539,702	981,103	981,103	\$ -		
2051	6,539,702	186,786	6,352,916	958,416	958,416	\$ -		
2052	6,352,916	186,786	6,166,130	935,729	935,729	\$ -		
2053	6,166,130	186,786	5,979,344	913,042	913,042	\$ -		
2054	5,979,344	186,786	5,792,558	890,355	890,355	\$ -		
2055	5,792,558	186,786	5,605,772	867,667	867,667	\$ -		
2056	5,605,772	186,786	5,418,986	844,980	844,980	\$ -		
2057	5,418,986	186,786	5,232,200	822,293	822,293	\$ -		
2058	5,232,200	186,786	5,045,414	799,606	799,606	\$ -		
2059	5,045,414	186,786	4,858,628	776,919	776,919	\$ -		
2060	4,858,628	186,786	4,671,842	754,232	754,232	\$ -		
2061	4,671,842	186,786	4,485,056	731,544	731,544	\$ -		
2062	4,485,056	186,786	4,298,270	708,857	708,857	\$ -		
2063	4,298,270	186,786	4,111,484	686,170	686,170	\$ -		
2064	4,111,484	186,786	3,924,698	663,483	663,483	\$ -		
2065	3,924,698	186,786	3,737,912	640,796	640,796	\$ -		
2066	3,737,912	186,786	3,551,126	618,108	618,108	\$ -		
2067	3,551,126	186,786	3,364,340	595,421	595,421	\$ -		
2068	3,364,340	186,786	3,177,554	572,734	572,734	\$ -		
2069	3,177,554	186,786	2,990,768	550,047	550,047	\$ -		
2070	2,990,768	186,786	2,803,982	527,360	527,360	\$ -		
2071	2,803,982	186,786	2,617,196	504,673	504,673	\$ -		
2072	2,617,196	186,786	2,430,410	481,985	481,985	\$ -		
2073	2,430,410	186,786	2,243,624	459,298	459,298	\$ -		
Project Totals		11,020,373		67,527,403	67,527,403	-		

\*\* 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.

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	1,502,768
Current Projected Year ARR w/ Incentive	1,502,768
Current Projected Year Incentive ARR	-

Details		2014
Investment	12,372,456	2014
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	71	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 **
2014	12,372,456	-	12,372,456	1,502,768	1,502,768	\$ -		
2015	12,372,456	174,231	12,198,225	1,655,837	1,655,837	\$ -		
2016	12,198,225	174,231	12,023,994	1,634,675	1,634,675	\$ -		
2017	12,023,994	174,231	11,849,763	1,613,512	1,613,512	\$ -		
2018	11,849,763	174,231	11,675,531	1,592,350	1,592,350	\$ -		
2019	11,675,531	174,231	11,501,300	1,571,188	1,571,188	\$ -		
2020	11,501,300	174,231	11,327,069	1,550,026	1,550,026	\$ -		
2021	11,327,069	174,231	11,152,838	1,528,863	1,528,863	\$ -		
2022	11,152,838	174,231	10,978,607	1,507,701	1,507,701	\$ -		
2023	10,978,607	174,231	10,804,376	1,486,539	1,486,539	\$ -		
2024	10,804,376	174,231	10,630,145	1,465,377	1,465,377	\$ -		
2025	10,630,145	174,231	10,455,913	1,444,214	1,444,214	\$ -		
2026	10,455,913	174,231	10,281,682	1,423,052	1,423,052	\$ -		
2027	10,281,682	174,231	10,107,451	1,401,890	1,401,890	\$ -		
2028	10,107,451	174,231	9,933,220	1,380,728	1,380,728	\$ -		
2029	9,933,220	174,231	9,758,989	1,359,565	1,359,565	\$ -		
2030	9,758,989	174,231	9,584,758	1,338,403	1,338,403	\$ -		
2031	9,584,758	174,231	9,410,527	1,317,241	1,317,241	\$ -		
2032	9,410,527	174,231	9,236,295	1,296,079	1,296,079	\$ -		
2033	9,236,295	174,231	9,062,064	1,274,916	1,274,916	\$ -		
2034	9,062,064	174,231	8,887,833	1,253,754	1,253,754	\$ -		
2035	8,887,833	174,231	8,713,602	1,232,592	1,232,592	\$ -		
2036	8,713,602	174,231	8,539,371	1,211,430	1,211,430	\$ -		
2037	8,539,371	174,231	8,365,140	1,190,267	1,190,267	\$ -		
2038	8,365,140	174,231	8,190,909	1,169,105	1,169,105	\$ -		
2039	8,190,909	174,231	8,016,677	1,147,943	1,147,943	\$ -		
2040	8,016,677	174,231	7,842,446	1,126,781	1,126,781	\$ -		
2041	7,842,446	174,231	7,668,215	1,105,618	1,105,618	\$ -		
2042	7,668,215	174,231	7,493,984	1,084,456	1,084,456	\$ -		
2043	7,493,984	174,231	7,319,753	1,063,294	1,063,294	\$ -		
2044	7,319,753	174,231	7,145,522	1,042,132	1,042,132	\$ -		
2045	7,145,522	174,231	6,971,291	1,020,969	1,020,969	\$ -		
2046	6,971,291	174,231	6,797,059	999,807	999,807	\$ -		
2047	6,797,059	174,231	6,622,828	978,645	978,645	\$ -		
2048	6,622,828	174,231	6,448,597	957,483	957,483	\$ -		
2049	6,448,597	174,231	6,274,366	936,320	936,320	\$ -		
2050	6,274,366	174,231	6,100,135	915,158	915,158	\$ -		
2051	6,100,135	174,231	5,925,904	893,996	893,996	\$ -		
2052	5,925,904	174,231	5,751,673	872,834	872,834	\$ -		
2053	5,751,673	174,231	5,577,441	851,671	851,671	\$ -		
2054	5,577,441	174,231	5,403,210	830,509	830,509	\$ -		
2055	5,403,210	174,231	5,228,979	809,347	809,347	\$ -		
2056	5,228,979	174,231	5,054,748	788,185	788,185	\$ -		
2057	5,054,748	174,231	4,880,517	767,022	767,022	\$ -		
2058	4,880,517	174,231	4,706,286	745,860	745,860	\$ -		
2059	4,706,286	174,231	4,532,054	724,698	724,698	\$ -		
2060	4,532,054	174,231	4,357,823	703,536	703,536	\$ -		
2061	4,357,823	174,231	4,183,592	682,373	682,373	\$ -		
2062	4,183,592	174,231	4,009,361	661,211	661,211	\$ -		
2063	4,009,361	174,231	3,835,130	640,049	640,049	\$ -		
2064	3,835,130	174,231	3,660,899	618,887	618,887	\$ -		
2065	3,660,899	174,231	3,486,668	597,724	597,724	\$ -		
2066	3,486,668	174,231	3,312,436	576,562	576,562	\$ -		
2067	3,312,436	174,231	3,138,205	555,400	555,400	\$ -		
2068	3,138,205	174,231	2,963,974	534,238	534,238	\$ -		
2069	2,963,974	174,231	2,789,743	513,075	513,075	\$ -		
2070	2,789,743	174,231	2,615,512	491,913	491,913	\$ -		
2071	2,615,512	174,231	2,441,281	470,751	470,751	\$ -		
2072	2,441,281	174,231	2,267,050	449,589	449,589	\$ -		
2073	2,267,050	174,231	2,092,818	428,426	428,426	\$ -		
Project Totals		10,279,638		62,988,541	62,988,541	-		

\*\* 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.

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

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

A. Base Plan Facilities

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

Current Projected Year ARR	294,473
Current Projected Year ARR w/ Incentive	294,473
Current Projected Year Incentive ARR	-

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

Details		2014
Investment	2,200,307	2014
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	71	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	2,200,307	-	2,200,307	267,251	267,251	\$ -	\$ 0	\$ 0
2014	2,200,307	30,985	2,169,322	294,473	294,473	\$ -		
2015	2,169,322	30,985	2,138,337	290,709	290,709	\$ -		
2016	2,138,337	30,985	2,107,352	286,946	286,946	\$ -		
2017	2,107,352	30,985	2,076,367	283,182	283,182	\$ -		
2018	2,076,367	30,985	2,045,381	279,419	279,419	\$ -		
2019	2,045,381	30,985	2,014,396	275,655	275,655	\$ -		
2020	2,014,396	30,985	1,983,411	271,892	271,892	\$ -		
2021	1,983,411	30,985	1,952,426	268,128	268,128	\$ -		
2022	1,952,426	30,985	1,921,441	264,365	264,365	\$ -		
2023	1,921,441	30,985	1,890,456	260,601	260,601	\$ -		
2024	1,890,456	30,985	1,859,471	256,838	256,838	\$ -		
2025	1,859,471	30,985	1,828,486	253,074	253,074	\$ -		
2026	1,828,486	30,985	1,797,500	249,311	249,311	\$ -		
2027	1,797,500	30,985	1,766,515	245,547	245,547	\$ -		
2028	1,766,515	30,985	1,735,530	241,784	241,784	\$ -		
2029	1,735,530	30,985	1,704,545	238,020	238,020	\$ -		
2030	1,704,545	30,985	1,673,560	234,257	234,257	\$ -		
2031	1,673,560	30,985	1,642,575	230,494	230,494	\$ -		
2032	1,642,575	30,985	1,611,590	226,730	226,730	\$ -		
2033	1,611,590	30,985	1,580,605	222,967	222,967	\$ -		
2034	1,580,605	30,985	1,549,620	219,203	219,203	\$ -		
2035	1,549,620	30,985	1,518,634	215,440	215,440	\$ -		
2036	1,518,634	30,985	1,487,649	211,676	211,676	\$ -		
2037	1,487,649	30,985	1,456,664	207,913	207,913	\$ -		
2038	1,456,664	30,985	1,425,679	204,149	204,149	\$ -		
2039	1,425,679	30,985	1,394,694	200,386	200,386	\$ -		
2040	1,394,694	30,985	1,363,709	196,622	196,622	\$ -		
2041	1,363,709	30,985	1,332,724	192,859	192,859	\$ -		
2042	1,332,724	30,985	1,301,739	189,095	189,095	\$ -		
2043	1,301,739	30,985	1,270,753	185,332	185,332	\$ -		
2044	1,270,753	30,985	1,239,768	181,568	181,568	\$ -		
2045	1,239,768	30,985	1,208,783	177,805	177,805	\$ -		
2046	1,208,783	30,985	1,177,798	174,041	174,041	\$ -		
2047	1,177,798	30,985	1,146,813	170,278	170,278	\$ -		
2048	1,146,813	30,985	1,115,828	166,514	166,514	\$ -		
2049	1,115,828	30,985	1,084,843	162,751	162,751	\$ -		
2050	1,084,843	30,985	1,053,858	158,987	158,987	\$ -		
2051	1,053,858	30,985	1,022,873	155,224	155,224	\$ -		
2052	1,022,873	30,985	991,887	151,461	151,461	\$ -		
2053	991,887	30,985	960,902	147,697	147,697	\$ -		
2054	960,902	30,985	929,917	143,934	143,934	\$ -		
2055	929,917	30,985	898,932	140,170	140,170	\$ -		
2056	898,932	30,985	867,947	136,407	136,407	\$ -		
2057	867,947	30,985	836,962	132,643	132,643	\$ -		
2058	836,962	30,985	805,977	128,880	128,880	\$ -		
2059	805,977	30,985	774,992	125,116	125,116	\$ -		
2060	774,992	30,985	744,006	121,353	121,353	\$ -		
2061	744,006	30,985	713,021	117,589	117,589	\$ -		
2062	713,021	30,985	682,036	113,826	113,826	\$ -		
2063	682,036	30,985	651,051	110,062	110,062	\$ -		
2064	651,051	30,985	620,066	106,299	106,299	\$ -		
2065	620,066	30,985	589,081	102,535	102,535	\$ -		
2066	589,081	30,985	558,096	98,772	98,772	\$ -		
2067	558,096	30,985	527,111	95,008	95,008	\$ -		
2068	527,111	30,985	496,126	91,245	91,245	\$ -		
2069	496,126	30,985	465,140	87,481	87,481	\$ -		
2070	465,140	30,985	434,155	83,718	83,718	\$ -		
2071	434,155	30,985	403,170	79,954	79,954	\$ -		
2072	403,170	30,985	372,185	76,191	76,191	\$ -		
Project Totals		1,828,122		11,201,828	11,201,828	-		

\*\* 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.

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

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

A. Base Plan Facilities

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

Current Projected Year ARR	2,052,447
Current Projected Year ARR w/ Incentive	2,052,447
Current Projected Year Incentive ARR	-

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

Details		Current Year	2014
Investment	16,898,024		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.15%
Useful life	71	FCR w/incentives approved for these facilities, less dep.	12.15%
CIAC (Yes or No)	No	Annual Depreciation Expense	237,961

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	16,898,024	-	16,898,024	2,052,447	2,052,447	\$ -		
2015	16,898,024	237,961	16,660,063	2,261,505	2,261,505	\$ -		
2016	16,660,063	237,961	16,422,102	2,232,602	2,232,602	\$ -		
2017	16,422,102	237,961	16,184,141	2,203,699	2,203,699	\$ -		
2018	16,184,141	237,961	15,946,180	2,174,796	2,174,796	\$ -		
2019	15,946,180	237,961	15,708,219	2,145,893	2,145,893	\$ -		
2020	15,708,219	237,961	15,470,258	2,116,991	2,116,991	\$ -		
2021	15,470,258	237,961	15,232,297	2,088,088	2,088,088	\$ -		
2022	15,232,297	237,961	14,994,336	2,059,185	2,059,185	\$ -		
2023	14,994,336	237,961	14,756,375	2,030,282	2,030,282	\$ -		
2024	14,756,375	237,961	14,518,414	2,001,379	2,001,379	\$ -		
2025	14,518,414	237,961	14,280,453	1,972,476	1,972,476	\$ -		
2026	14,280,453	237,961	14,042,492	1,943,573	1,943,573	\$ -		
2027	14,042,492	237,961	13,804,531	1,914,670	1,914,670	\$ -		
2028	13,804,531	237,961	13,566,570	1,885,767	1,885,767	\$ -		
2029	13,566,570	237,961	13,328,609	1,856,864	1,856,864	\$ -		
2030	13,328,609	237,961	13,090,648	1,827,961	1,827,961	\$ -		
2031	13,090,648	237,961	12,852,687	1,799,058	1,799,058	\$ -		
2032	12,852,687	237,961	12,614,726	1,770,155	1,770,155	\$ -		
2033	12,614,726	237,961	12,376,765	1,741,252	1,741,252	\$ -		
2034	12,376,765	237,961	12,138,804	1,712,350	1,712,350	\$ -		
2035	12,138,804	237,961	11,900,843	1,683,447	1,683,447	\$ -		
2036	11,900,843	237,961	11,662,882	1,654,544	1,654,544	\$ -		
2037	11,662,882	237,961	11,424,921	1,625,641	1,625,641	\$ -		
2038	11,424,921	237,961	11,186,960	1,596,738	1,596,738	\$ -		
2039	11,186,960	237,961	10,948,999	1,567,835	1,567,835	\$ -		
2040	10,948,999	237,961	10,711,038	1,538,932	1,538,932	\$ -		
2041	10,711,038	237,961	10,473,077	1,510,029	1,510,029	\$ -		
2042	10,473,077	237,961	10,235,116	1,481,126	1,481,126	\$ -		
2043	10,235,116	237,961	9,997,155	1,452,223	1,452,223	\$ -		
2044	9,997,155	237,961	9,759,194	1,423,320	1,423,320	\$ -		
2045	9,759,194	237,961	9,521,233	1,394,417	1,394,417	\$ -		
2046	9,521,233	237,961	9,283,272	1,365,514	1,365,514	\$ -		
2047	9,283,272	237,961	9,045,311	1,336,611	1,336,611	\$ -		
2048	9,045,311	237,961	8,807,350	1,307,709	1,307,709	\$ -		
2049	8,807,350	237,961	8,569,389	1,278,806	1,278,806	\$ -		
2050	8,569,389	237,961	8,331,428	1,249,903	1,249,903	\$ -		
2051	8,331,428	237,961	8,093,467	1,221,000	1,221,000	\$ -		
2052	8,093,467	237,961	7,855,506	1,192,097	1,192,097	\$ -		
2053	7,855,506	237,961	7,617,545	1,163,194	1,163,194	\$ -		
2054	7,617,545	237,961	7,379,584	1,134,291	1,134,291	\$ -		
2055	7,379,584	237,961	7,141,623	1,105,388	1,105,388	\$ -		
2056	7,141,623	237,961	6,903,662	1,076,485	1,076,485	\$ -		
2057	6,903,662	237,961	6,665,701	1,047,582	1,047,582	\$ -		
2058	6,665,701	237,961	6,427,740	1,018,679	1,018,679	\$ -		
2059	6,427,740	237,961	6,189,779	989,776	989,776	\$ -		
2060	6,189,779	237,961	5,951,818	960,873	960,873	\$ -		
2061	5,951,818	237,961	5,713,857	931,970	931,970	\$ -		
2062	5,713,857	237,961	5,475,896	903,068	903,068	\$ -		
2063	5,475,896	237,961	5,237,935	874,165	874,165	\$ -		
2064	5,237,935	237,961	4,999,974	845,262	845,262	\$ -		
2065	4,999,974	237,961	4,762,013	816,359	816,359	\$ -		
2066	4,762,013	237,961	4,524,052	787,456	787,456	\$ -		
2067	4,524,052	237,961	4,286,091	758,553	758,553	\$ -		
2068	4,286,091	237,961	4,048,130	729,650	729,650	\$ -		
2069	4,048,130	237,961	3,810,169	700,747	700,747	\$ -		
2070	3,810,169	237,961	3,572,208	671,844	671,844	\$ -		
2071	3,572,208	237,961	3,334,247	642,941	642,941	\$ -		
2072	3,334,247	237,961	3,096,286	614,038	614,038	\$ -		
2073	3,096,286	237,961	2,858,325	585,135	585,135	\$ -		
Project Totals		14,039,699		86,028,342	86,028,342	-		

\*\* 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.

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

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

A. Base Plan Facilities

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

Current Projected Year ARR	2,808,368
Current Projected Year ARR w/ Incentive	2,808,368
Current Projected Year Incentive ARR	-

Project Description: RTEP ID: b2032 (Rebuild 138 kV Elliott Tap-Poston line)

Details		Current Year	2014
Investment	22,001,113		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	12.15%
Useful life	71	FCR w/incentives approved for these facilities, less dep.	12.15%
CIAC (Yes or No)	No	Annual Depreciation Expense	309,824

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	22,001,113	154,912	21,846,201	2,808,368	2,808,368	\$ -		
2015	21,846,201	309,824	21,536,378	2,925,649	2,925,649	\$ -		
2016	21,536,378	309,824	21,226,554	2,888,017	2,888,017	\$ -		
2017	21,226,554	309,824	20,916,730	2,850,386	2,850,386	\$ -		
2018	20,916,730	309,824	20,606,907	2,812,754	2,812,754	\$ -		
2019	20,606,907	309,824	20,297,083	2,775,123	2,775,123	\$ -		
2020	20,297,083	309,824	19,987,259	2,737,492	2,737,492	\$ -		
2021	19,987,259	309,824	19,677,436	2,699,860	2,699,860	\$ -		
2022	19,677,436	309,824	19,367,612	2,662,229	2,662,229	\$ -		
2023	19,367,612	309,824	19,057,789	2,624,597	2,624,597	\$ -		
2024	19,057,789	309,824	18,747,965	2,586,966	2,586,966	\$ -		
2025	18,747,965	309,824	18,438,141	2,549,335	2,549,335	\$ -		
2026	18,438,141	309,824	18,128,318	2,511,703	2,511,703	\$ -		
2027	18,128,318	309,824	17,818,494	2,474,072	2,474,072	\$ -		
2028	17,818,494	309,824	17,508,671	2,436,440	2,436,440	\$ -		
2029	17,508,671	309,824	17,198,847	2,398,809	2,398,809	\$ -		
2030	17,198,847	309,824	16,889,023	2,361,177	2,361,177	\$ -		
2031	16,889,023	309,824	16,579,200	2,323,546	2,323,546	\$ -		
2032	16,579,200	309,824	16,269,376	2,285,915	2,285,915	\$ -		
2033	16,269,376	309,824	15,959,552	2,248,283	2,248,283	\$ -		
2034	15,959,552	309,824	15,649,729	2,210,652	2,210,652	\$ -		
2035	15,649,729	309,824	15,339,905	2,173,020	2,173,020	\$ -		
2036	15,339,905	309,824	15,030,082	2,135,389	2,135,389	\$ -		
2037	15,030,082	309,824	14,720,258	2,097,758	2,097,758	\$ -		
2038	14,720,258	309,824	14,410,434	2,060,126	2,060,126	\$ -		
2039	14,410,434	309,824	14,100,611	2,022,495	2,022,495	\$ -		
2040	14,100,611	309,824	13,790,787	1,984,863	1,984,863	\$ -		
2041	13,790,787	309,824	13,480,963	1,947,232	1,947,232	\$ -		
2042	13,480,963	309,824	13,171,140	1,909,600	1,909,600	\$ -		
2043	13,171,140	309,824	12,861,316	1,871,969	1,871,969	\$ -		
2044	12,861,316	309,824	12,551,493	1,834,338	1,834,338	\$ -		
2045	12,551,493	309,824	12,241,669	1,796,706	1,796,706	\$ -		
2046	12,241,669	309,824	11,931,845	1,759,075	1,759,075	\$ -		
2047	11,931,845	309,824	11,622,022	1,721,443	1,721,443	\$ -		
2048	11,622,022	309,824	11,312,198	1,683,812	1,683,812	\$ -		
2049	11,312,198	309,824	11,002,375	1,646,181	1,646,181	\$ -		
2050	11,002,375	309,824	10,692,551	1,608,549	1,608,549	\$ -		
2051	10,692,551	309,824	10,382,727	1,570,918	1,570,918	\$ -		
2052	10,382,727	309,824	10,072,904	1,533,286	1,533,286	\$ -		
2053	10,072,904	309,824	9,763,080	1,495,655	1,495,655	\$ -		
2054	9,763,080	309,824	9,453,256	1,458,023	1,458,023	\$ -		
2055	9,453,256	309,824	9,143,433	1,420,392	1,420,392	\$ -		
2056	9,143,433	309,824	8,833,609	1,382,761	1,382,761	\$ -		
2057	8,833,609	309,824	8,523,786	1,345,129	1,345,129	\$ -		
2058	8,523,786	309,824	8,213,962	1,307,498	1,307,498	\$ -		
2059	8,213,962	309,824	7,904,138	1,269,866	1,269,866	\$ -		
2060	7,904,138	309,824	7,594,315	1,232,235	1,232,235	\$ -		
2061	7,594,315	309,824	7,284,491	1,194,604	1,194,604	\$ -		
2062	7,284,491	309,824	6,974,667	1,156,972	1,156,972	\$ -		
2063	6,974,667	309,824	6,664,844	1,119,341	1,119,341	\$ -		
2064	6,664,844	309,824	6,355,020	1,081,709	1,081,709	\$ -		
2065	6,355,020	309,824	6,045,197	1,044,078	1,044,078	\$ -		
2066	6,045,197	309,824	5,735,373	1,006,446	1,006,446	\$ -		
2067	5,735,373	309,824	5,425,549	968,815	968,815	\$ -		
2068	5,425,549	309,824	5,115,726	931,184	931,184	\$ -		
2069	5,115,726	309,824	4,805,902	893,552	893,552	\$ -		
2070	4,805,902	309,824	4,496,078	855,921	855,921	\$ -		
2071	4,496,078	309,824	4,186,255	818,289	818,289	\$ -		
2072	4,186,255	309,824	3,876,431	780,658	780,658	\$ -		
2073	3,876,431	309,824	3,566,608	743,027	743,027	\$ -		
Project Totals		18,434,505		111,034,289	111,034,289	-		

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

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

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

**I. 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, ln 176)			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 159 through162)			
	%	Cost	Weighted cost
Long Term Debt	50.00%	5.41%	2.704%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	50.00%	11.49%	5.745%
		R =	8.449%

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	\$	2,893,517	\$	2,893,517
Actual after True-up	\$	4,527,772	\$	4,527,772
True-up of ARR For 2013		1,634,255		1,634,255

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

Rate Base (True-Up TCOS, ln 78)	342,378,893
R (from A. above)	8.449%
Return (Rate Base x R)	28,927,553

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

Return (from B. above)	28,927,553
Effective Tax Rate (True-Up TCOS, ln 124)	42.05%
Income Tax Calculation (Return x CIT)	12,165,260
ITC Adjustment	-
Income Taxes	12,165,260

**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, ln 1)	61,934,788
T.E.A. & Lease Payments (True-Up TCOS, lns 102 & 103)	825,497
Return (True-Up TCOS, ln 132)	25,185,002
Income Taxes (True-Up TCOS, ln 131)	10,591,359
Annual Revenue Requirement, Less TEA	25,332,929
Charges, Return and Taxes	

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

Annual Revenue Requirement, Less TEA Charges, Return and Taxes	25,332,929
Return (from I.B. above)	28,927,553
Income Taxes (from I.C. above)	12,165,260
Annual Revenue Requirement, with 0 Basis Point ROE increase	66,425,743
Depreciation (True-Up TCOS, ln 108)	5,749,817
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	60,675,926

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

Net Transmission Plant (True-Up TCOS, ln 48)	403,172,986
Annual Revenue Requirement, with 0 Basis Point ROE increase	66,425,743
FCR with 0 Basis Point increase in ROE	16.48%

Annual Rev. Req. w/ 0 Basis Point ROE increase, less Dep.	60,675,926
FCR with 0 Basis Point ROE increase, less Depreciation	15.05%
FCR less Depreciation (True-Up TCOS, ln 9)	13.73%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	1.32%

**III. Calculation of Composite Depreciation Rate**

Transmission Plant @ Beginning of Historic Period () (P.206, ln 58,(b)):	269,870,524
Transmission Plant @ End of Historic Period () (P.207, ln 58,(g)):	546,738,447
Subtotal	816,608,971
Average Transmission Plant Balance for	408,304,486
Annual Depreciation Rate (True-Up TCOS, ln 108)	5,749,817
Composite Depreciation Rate	1.41%
Depreciable Life for Composite Depreciation Rate	71.01
Round to nearest whole year	71

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































AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using 2013 FF1 Balances  
 Worksheet L Supporting Projected Cost of Debt  
 AEP OHIO TRANSMISSION 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>
1	<b>Long Term Debt (FF1.p. 256-257, a,h)</b>			
2	<b>Bonds - Acc 221</b>			-
3				-
4				-
5				-
6	<b>Reacquired Bonds - Total Account 222</b>			-
7				-
8				-
9				-
10	<b>Advances from Assoc Companies</b>			-
11	Senior Notes, Series A, Tranche A, 3.30%	83,200,000	3.300%	2,745,600
12	Senior Notes, Series A, Tranche B, 4.00%	68,000,000	4.000%	2,720,000
13	Senior Notes, Series A, Tranche C, 4.73%	48,800,000	4.730%	2,308,240
14	Senior Notes, Series A, Tranche E, 4.83%	10,000,000	4.830%	483,000
15	Senior Notes, Series B, Tranche A, 2.73%	31,500,000	2.730%	859,950
16	Senior Notes, Series B, Tranche B, 4.05%	37,800,000	4.050%	1,530,900
17	Senior Notes, Series B, Tranche C, 4.38%	37,800,000	4.380%	1,655,640
18	Senior Notes, Series B, Tranche D, 5.32%	63,000,000	5.320%	3,351,600
19				-
20				-
21				-
22	<b>Other Long Term Debt - Acc 224</b>			-
23				-
24				-
25				-
26				-
27	<b>Sale/Leaseback (If Applicable)</b>	-	0.00%	-
28	<u>Issuance Discount, Premium, &amp; Expenses:</u>			
29	Auction Fees	FF1.p. 256 & 257.Lines Described as Fees		-
30	Amort of Debt Discount and Expenses	FF1.p. 117.63.c		83,368
31	Less: Amort of Debt Premiums	FF1.p. 117.65.c		-
32	<u>Reacquired Debt:</u>			
33	Amortization of Loss	FF1.p. 117.64.c		-
34	Less: Amortization of Gain	FF1.p. 117.66.c		-
35	<b>Total Interest on Long Term Debt</b>	<b>380,100,000</b>	<b>4.14%</b>	<b>15,738,298</b>
36	<b>Preferred Stock (FF1.p. 250-251)</b>	<b>Preferred Shares Outstanding</b>		
37				-
38				-
39				-
40				-
41				-
42				-
43				-
44				-
45	<b>Dividends on Preferred Stock</b>	-	0.00%	-

NOTE: All interest rate hedging gains/losses shall be excluded from long term debt expense.

AEPTCo subsidiaries in PJM  
 Transmission Cost of Service Formula Rate  
 AEP OHIO TRANSMISSION 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)	(D)	(E)
Line		Balances @ 12/31/2013	Balances @ 12/31/2012	Average
<b>Development of Average Balance of Common Equity</b>				
1	Proprietary Capital (112.16.c&d)	388,422,070	199,235,808	293,828,939
2	Less Preferred Stock (Ln 48 Below)	-	-	-
3	Less Account 216.1 (112.12.c&d)	-	-	-
4	Less Account 219.1 (112.15.c&d)	-	-	-
5	<b>Average Balance of Common Equity</b>	<b>388,422,070</b>	<b>199,235,808</b>	<b>293,828,939</b>

<b>Development of Cost of Long Term Debt Based on Average Outstanding Balance</b>				
6	Bonds (112.18.c&d)	-	-	-
7	Less: Reacquired Bonds (112.19.c&d)	-	-	-
8	LT Advances from Assoc. Companies (112.20.c&d)	380,100,000	200,000,000	290,050,000
9	Senior Unsecured Notes (112.21.c&d)	-	-	-
10	Less: Fair Value Hedges (See Note on Ln 12 below)	-	-	-
11	<b>Total Average Debt</b>	<b>380,100,000</b>	<b>200,000,000</b>	<b>290,050,000</b>

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. (Page 257, Column H of the FF1)**

13	<b>Annual Interest Expense for 2013</b>			
14	Interest on Long Term Debt (256-257.33.i)			9,261,384
	Less: Total Hedge (Gain)/Expense Accumulated from p 256-257, col (i) of FERC Form			-
15	1 included in Ln 14 and shown in Ln 32 below.			-
16	Amort of Debt Discount & Expense (117.63.c)			83,368
17	Amort of Loss on Reacquired Debt (117.64.c)			-
18	Less: Amort of Premium on Debt (117.65.c)			-
19	Less: Amort of Gain on Reacquired Debt (117.66.c)			-
20	<b>Total Interest Expense (Ln 14 - Ln 15 + Ln 16 + Ln 17 - Ln 18 - Ln 19)</b>			<b>9,344,752</b>
21	<b>Average Cost of Debt for 2013 (Ln 20/Ln 11)</b>			<b>3.22%</b>

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

HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2013)	Remaining Unamortized Balance	Amortization Period	
			Beginning	Ending
23				
24				
25				
26				
27				
28				
29				
30				
31				

32 **Net (Gain)/Loss Hedge Amortization To Be Removed** -

**Development of Cost of Preferred Stock**

Preferred Stock			Average
33 0% Series - Dividend Rate (p. 250-251. 7 & 10.a)			
34 0% Series - Par Value (p. 250-251. 8.c)			
35 0% Series - Shares O/S (p.250-251. 8 & 11.e)			
36 0% Series - Monetary Value (Ln 34 * Ln 35)	-	-	-
37 0% Series - Dividend Amount (Ln 33 * Ln 36)	-	-	-
38 0% Series - Dividend Rate (p. 250-251.a)			
39 0% Series - Par Value (p. 250-251.c)			
40 0% Series - Shares O/S (p.250-251. e)			
41 0% Series - Monetary Value (Ln 39 * Ln 40)	-	-	-
42 0% Series - Dividend Amount (Ln 38 * Ln 41)	-	-	-
43 0% Series - Dividend Rate (p. 250-251.a)			
44 0% Series - Par Value (p. 250-251.c)			
45 0% Series - Shares O/S (p.250-251.e)			
46 0% Series - Monetary Value (Ln 44 * Ln 45)	-	-	-
47 0% Series - Dividend Amount (Ln 43 * Ln 46)	-	-	-
48 <b>Balance of Preferred Stock (Lns 36, 41, 46)</b>	-	-	-
49 <b>Dividends on Preferred Stock (Lns 37, 42, 47)</b>	-	-	-
50 <b>Average Cost of Preferred Stock (Ln 49/48)</b>	0.00%	0.00%	<b>0.00%</b>

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

**AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using 2013 FF1 Balances  
 Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use  
 AEP OHIO TRANSMISSION 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				Net (Gain) or Loss for 2013		-		-	



AEPTCo subsidiaries in PJM  
 Cost of Service Formula Rate Using 2013 FF1 Balances  
 Calculation of Post-employment Benefits Other than Pensions Expenses Allocable to Transmission Service  
 Worksheet O - PBOP Support  
 AEP OHIO TRANSMISSION COMPANY

PBOP	(A)	(B)
1	<b><u>Calculation of PBOP Expenses</u></b>	
2	<b><u>AEP System PBOP Rate</u></b>	
3	Total AEP System PBOP expenses	-\$17,177,382
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$17,177,382
6	Total AEP System Direct Labor Expense	\$1,225,451,318
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.014
8	Currently Approved PBOP Rate	\$0.094
9	Base PBOP TransCo labor expensed in current year	1,357,738
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	\$127,627
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$12,578
15	Actual PBOP Expense (Sum Lines 11-14)	-\$12,578
16	PBOP Adjustment Line 10 less Line 15	\$140,206

AEPTCo subsidiaries in PJM  
 Worksheet - P  
 DEPRECIATION RATES  
 FOR TRANSMISSION PLANT PROPERTY ACCOUNTS  
 EFFECTIVE AS OF July 1, 2014

AEP OHIO TRANSMISSION COMPANY

	<b>PLANT ACCT.</b>	<b>RATES Note 1</b>
<b><i>TRANSMISSION PLANT</i></b>		
Land Rights	350.1	1.49%
Structures & Improvements	352.0	1.53%
Station Equipment	353.0	1.78%
Towers & Fixtures	354.0	1.48%
Poles & Fixtures	355.0	2.30%
Overhead Conductor	356.0	1.42%
Underground Conduit	357.0	1.50%
Underground Conductors	358.0	2.15%
Roads & Trails	359.0	1.60%

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

	<u>CSP</u>	<u>OPCo</u>	<u>TOTAL</u>
1 T-Plant (FF1 206.58.g)	619,883,849	1,164,351,684	1,784,235,533
2 T-Plant (FF1 206.58.b)	570,478,232	1,109,431,387	1,679,909,619
3 Average (Ln 1+ Ln 2)/2	595,181,041	1,136,891,536	1,732,072,576
4 Depreciation (FF1 336.7.f)	12,769,913	25,505,773	38,275,686
5 Composite Depreciation (Ln 3 / Ln 4)			<b>2.21%</b>

**Note:** AEP OHIO TRANSMISSION COMPANY shall initially use the composite depreciation rate for CSP and OPCo shown above to estimate depreciation expense for transmission projects in Worksheets I, J, and K until a composite depreciation rate based on transmission plant in service and depreciation expenses recorded by AEP OHIO TRANSMISSION COMPANY for its own transmission facilities can be calculated in AEP OHIO TRANSMISSION COMPANY's the first Annual Update including a True-Up TCOS.

AEP East Consolidated Utility Capital Structure  
Consolidation of Operating Companies' Capital Structure @ December 31, 2013  
Worksheet Q Page 1

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
<b>Development of Long Term Debt Balances at Year End</b>							
1 Bonds (112.18.c&d)	380,300,000	-	-	-	-	-	380,300,000
2 Less: Reacquired Bonds (112.19.c&d)	-	40,000,000	-	-	460,400,000	-	500,400,000
3 LT Advances from Assoc. Companies (112.20.c&d)	86,000,000	-	20,000,000	20,000,000	-	25,000,000	151,000,000
4 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund	3,734,854,787	1,640,281,142	730,000,000	-	2,933,684,996	-	9,038,820,925
5 Less: Fair Value Hedges (See Note on Ln 7 below)	-	-	-	-	-	-	-
6 <b>Total Long Term Debt Balance</b>	4,201,154,787	1,600,281,142	750,000,000	20,000,000	2,473,284,996	25,000,000	9,069,720,925
7 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. (page 257, Column H of the FF1)							
<b>Development of Long Term Debt Interest Expense</b>							
8 Interest on Long Term Debt (256-257.33.i)	185,202,116	92,594,357	35,048,706	904,000	177,049,876	1,312,500	492,111,555
9 Amort of Debt Discount & Expense (117.63.c)	3,337,225	2,814,644	471,186	-	5,807,092	-	12,430,147
10 Amort of Loss on Reacquired Debt (117.64.c)	1,347,335	1,941,251	33,649	-	1,359,637	-	4,681,872
11 Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
12 Less: Amort of Gain on Reacquired Debt (117.66.c)	-	1,712	-	-	-	-	1,712
13 Less: Hedge Interest on pp 256-257(i)	1,558,935	916,010	92,956	-	(2,097,663)	-	470,238
14 <b>LTD Interest Expense</b>	188,327,741	96,432,530	35,460,585	904,000	186,314,268	1,312,500	508,751,624
<b>Development of Cost of Preferred Stock and Preferred Dividends</b>							
15 Dividend Rate (p. 250-251. 7.a)	4.50%	4.125%	-	-	4.08%	-	-
16 Par Value (p. 250-251. 8.c)	\$ 100.00	\$ 100.00	-	-	\$ 100.00	-	-
17 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
18 Monetary Value (Ln 16 * Ln 17)	-	-	-	-	-	-	-
19 Dividend Amount (Ln 15 * Ln 18)	-	-	-	-	-	-	-
20 Dividend Rate (p. 250-251. 7.a)	-	4.12%	-	-	4.20%	-	-
21 Par Value (p. 250-251. 8.c)	-	\$ 100.00	-	-	\$ 100.00	-	-
22 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
23 Monetary Value (Ln 21 * Ln 22)	-	-	-	-	-	-	-
24 Dividend Amount (Ln 20 * Ln 23)	-	-	-	-	-	-	-
25 Dividend Rate (p. 250-251. 7.a)	-	4.56%	-	-	4.40%	-	-
26 Par Value (p. 250-251. 8.c)	-	\$ 100.00	-	-	\$ 100.00	-	-
27 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
28 Monetary Value (Ln 26 * Ln 27)	-	-	-	-	-	-	-
29 Dividend Amount (Ln 25 * Ln 28)	-	-	-	-	-	-	-
30 Dividend Rate (p. 250-251. 7.a)	-	-	-	-	4.50%	-	-
31 Par Value (p. 250-251. 8.c)	-	-	-	-	\$ 100.00	-	-
32 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
33 Monetary Value (Ln 31 * Ln 32)	-	-	-	-	-	-	-
34 Dividend Amount (Ln 30 * Ln 33)	-	-	-	-	-	-	-
35 <b>Preferred Stock (Lns 18, 23, 28,33)</b>	-	-	-	-	-	-	-
36 <b>Preferred Dividends (Lns 19, 24, 29,34)</b>	-	-	-	-	-	-	-
<b>Development of Common Equity</b>							
37 Proprietary Capital (112.16.c)	3,231,334,227	1,922,153,922	839,369,490	31,081,849	1,625,265,129	120,225,152	7,769,429,769
38 Less: Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
39 Less: Account 216.1 (112.12.c)	1,639,734	(96,036)	-	-	4,915,704	-	6,459,402
40 Less: Account 219.1 (112.15.c)	2,951,210	(15,508,739)	(5,419,702)	3,296	7,079,463	972,206	(9,922,266)
41 <b>Balance of Common Equity</b>	3,226,743,283	1,937,758,697	844,789,192	31,078,553	1,613,269,962	119,252,946	7,772,892,633
<b>Calculation of Capital Shares</b>							
42 Long Term Debt (Ln 6 Above)	4,201,154,787	1,600,281,142	750,000,000	20,000,000	2,473,284,996	25,000,000	9,069,720,925
43 Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
44 Common Equity (Ln 41 Above)	3,226,743,283	1,937,758,697	844,789,192	31,078,553	1,613,269,962	119,252,946	7,772,892,633
45 <b>Total Company Structure</b>	7,427,898,070	3,538,039,839	1,594,789,192	51,078,553	4,086,554,958	144,252,946	16,842,613,558
46 LTD Capital Shares (Ln 42 / Ln 45)	56.56%	45.23%	47.03%	39.16%	60.52%	17.33%	53.85%
47 Preferred Stock Capital Shares (Ln 43 / Ln 45)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
48 Common Equity Capital Shares (Ln 44 / Ln 45)	43.44%	54.77%	52.97%	60.84%	39.48%	82.67%	46.15%
49 <b>Equity Capital Share Limit</b>	100.00%	100.00%	100.00%	100.00%	51.00%	100.00%	50.00%
50 LTD Capital Shares with Capital Equity Cap	56.56%	45.23%	47.03%	39.16%	60.52%	17.33%	53.85%
51 Preferred Stock Capital Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
52 Common Equity Capital Shares with Capital Equity Cap	43.44%	54.77%	52.97%	60.84%	39.48%	82.67%	46.15%
<b>Calculation of Capital Cost Rate</b>							
53 LTD Capital Cost Rate (Ln 14 / Ln 6)	4.48%	6.03%	4.73%	4.52%	7.53%	5.25%	5.61%
54 Preferred Stock Capital Cost Rate (Ln 36 / Ln 35)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
<b>Calculation of Weighted Capital Cost Rate</b>							
56 LTD Weighted Capital Cost Rate (Ln 50 * Ln 53)	2.54%	2.73%	2.22%	1.77%	4.56%	0.91%	3.02%
57 Preferred Stock Capital Cost Rate (Ln 51 * Ln 54)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
58 Common Equity Capital Cost Rate (Ln 52 * Ln 55)	4.99%	6.29%	6.09%	6.99%	4.54%	9.50%	5.30%
59 <b>Total Company Structure</b>	7.53%	9.02%	8.31%	8.76%	9.10%	10.41%	8.32%

AEP East Consolidated Utility Capital Structure  
Consolidation of Operating Companies' Capital Structure @ December 31, 2012  
Worksheet Q Page 2

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
<b>Development of Long Term Debt Balances at Year End</b>							
60 Bonds (112.18.c&d)	-	-	-	-	-	-	-
61 Less: Reacquired Bonds (112.19.c&d)	-	-	-	-	462,500,000	-	462,500,000
62 LT Advances from Assoc. Companies (112.20.c&d)	-	-	20,000,000	20,000,000	200,000,000	25,000,000	265,000,000
63 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund	3,709,883,415	1,572,429,608	530,000,000	-	4,130,325,000	-	9,942,638,023
64 Less: Fair Value Hedges (See Note on Ln 66 below)	-	-	-	-	-	-	-
65 <b>Total Long Term Debt Balance</b>	3,709,883,415	1,572,429,608	550,000,000	20,000,000	3,867,825,000	25,000,000	9,745,138,023
66 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. (p. 257, Column H of the FF1)							
<b>Development of Long Term Debt Interest Expense</b>							
67 Interest on Long Term Debt (256-257.33.i)	193,138,993	90,701,590	35,048,706	904,000	212,506,228	1,312,500	533,612,017
68 Amort of Debt Discount & Expense (117.63.c)	3,859,577	2,372,191	471,186	-	3,978,647	-	10,681,601
69 Amort of Loss on Reacquired Debt (117.64.c)	1,342,096	1,483,709	33,649	-	1,336,128	-	4,195,582
70 Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
71 Less: Amort of Gain on Reacquired Debt (117.66.c)	-	1,712	-	-	-	-	1,712
72 Less: Hedge Interest on pp 256-257(i)	1,619,222	916,010	92,956	-	(2,097,663)	-	530,525
73 <b>LTD Interest Expense</b>	196,721,444	93,639,768	35,460,585	904,000	219,918,666	1,312,500	547,956,963
<b>Development of Cost of Preferred Stock and Preferred Dividends</b>							
74 Dividend Rate (p. 250-251. 7.a)	4.50%	4.125%	-	-	4.08%	-	-
75 Par Value (p. 250-251. 8.c)	\$ 100.00	\$ 100.00	-	-	\$ 100.00	-	-
76 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
77 Monetary Value (Ln 75 * Ln 76)	-	-	-	-	-	-	-
78 Dividend Amount (Ln 74 * Ln 77)	-	-	-	-	-	-	-
79 Dividend Rate (p. 250-251. 7.a)	-	4.12%	-	-	4.20%	-	-
80 Par Value (p. 250-251. 8.c)	-	\$ 100.00	-	-	\$ 100.00	-	-
81 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
82 Monetary Value (Ln 80 * Ln 81)	-	-	-	-	-	-	-
83 Dividend Amount (Ln 79 * Ln 82)	-	-	-	-	-	-	-
84 Dividend Rate (p. 250-251. 7.a)	-	4.56%	-	-	4.40%	-	-
85 Par Value (p. 250-251. 8.c)	-	\$ 100.00	-	-	\$ 100.00	-	-
86 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
87 Monetary Value (Ln 85 * Ln 86)	-	-	-	-	-	-	-
88 Dividend Amount (Ln 84 * Ln 87)	-	-	-	-	-	-	-
89 Dividend Rate (p. 250-251. 7.a)	-	-	-	-	4.50%	-	-
90 Par Value (p. 250-251. 8.c)	-	-	-	-	\$ 100.00	-	-
91 Shares Outstanding (p.250-251. 8.e)	-	-	-	-	-	-	-
92 Monetary Value (Ln 90 * Ln 91)	-	-	-	-	-	-	-
93 Dividend Amount (Ln 89 * Ln 92)	-	-	-	-	-	-	-
94 <b>Preferred Stock (Lns 77, 82, 87,92)</b>	-	-	-	-	-	-	-
95 <b>Preferred Dividends (Lns 78, 83, 88,93)</b>	-	-	-	-	-	-	-
<b>Development of Common Equity</b>							
96 Proprietary Capital (112.16.c)	3,052,563,357	1,803,774,755	479,610,035	29,956,296	4,489,200,654	90,109,311	9,945,214,408
97 Less: Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
98 Less: Account 216.1 (112.12.c)	1,654,344	(104,879)	-	-	2,204,800	-	3,754,265
99 Less: Account 219.1 (112.15.c)	(29,897,592)	(28,884,204)	(408,880)	916	(165,724,552)	(473,816)	(225,388,128)
100 <b>Balance of Common Equity</b>	3,080,806,605	1,832,763,838	480,018,915	29,955,380	4,652,720,406	90,583,127	10,166,848,271
<b>Calculation of Capital Shares</b>							
101 Long Term Debt (Ln 65 Above)	3,709,883,415	1,572,429,608	550,000,000	20,000,000	3,867,825,000	25,000,000	9,745,138,023
102 Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
103 Common Equity (Ln 100 Above)	3,080,806,605	1,832,763,838	480,018,915	29,955,380	4,652,720,406	90,583,127	10,166,848,271
104 <b>Total Company Structure</b>	6,790,690,020	3,405,193,446	1,030,018,915	49,955,380	8,520,545,406	115,583,127	19,911,986,294
105 LTD Capital Shares (Ln 101 / Ln 104)	54.63%	46.18%	53.40%	40.04%	45.39%	21.63%	48.94%
106 Preferred Stock Capital Shares (Ln 102 / Ln 104)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
107 Common Equity Capital Shares (Ln 103 / Ln 104)	45.37%	53.82%	46.60%	59.96%	54.61%	78.37%	51.06%
108 <b>Equity Capital Share Limit</b>	100.00%	100.00%	100.00%	100.00%	51.00%	100.00%	50.00%
109 LTD Capital Shares with Capital Equity Cap	54.63%	46.18%	53.40%	40.04%	49.00%	21.63%	50.48%
110 Preferred Stock Capital Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
111 Common Equity Capital Shares with Capital Equity Cap	45.37%	53.82%	46.60%	59.96%	51.00%	78.37%	49.52%
<b>Calculation of Capital Cost Rate</b>							
112 LTD Capital Cost Rate (Ln 73 / Ln 65)	5.30%	5.96%	6.45%	4.52%	5.69%	5.25%	5.62%
113 Preferred Stock Capital Cost Rate (Ln 95 / Ln 94)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
114 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
<b>Calculation of Weighted Capital Cost Rate</b>							
115 LTD Weighted Capital Cost Rate (Ln 109 * Ln 112)	2.90%	2.75%	3.44%	1.81%	2.79%	1.14%	2.84%
116 Preferred Stock Capital Cost Rate (Ln 110 * Ln 113)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
117 Common Equity Capital Cost Rate (Ln 111 * Ln 114)	5.21%	6.18%	5.35%	6.89%	5.86%	9.00%	5.69%
118 <b>Total Company Structure</b>	8.11%	8.93%	8.80%	8.70%	8.65%	10.14%	8.53%

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

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
<b>Development of Average Long Term Debt</b>							
119 Average Bonds (Ln 1 + Ln 60) / 2	190,150,000	-	-	-	-	-	190,150,000
120 Less: Average Reacquired Bonds (Ln 2 + Ln 61) / 2	-	20,000,000	-	-	461,450,000	-	481,450,000
121 Average LT Advances from Assoc. Companies (Ln 3 + Ln 62) / 2	43,000,000	-	20,000,000	20,000,000	100,000,000	25,000,000	208,000,000
122 Average Senior Unsecured Notes (Ln 4 + Ln 63) / 2	3,722,369,101	1,606,355,375	630,000,000	-	3,532,004,998	-	9,490,729,474
123 Less: Average Fair Value Hedges (See Note on Ln 125 below)	-	-	-	-	-	-	-
124 <b>Average Balance of Long Term Debt</b>	<b>3,955,519,101</b>	<b>1,586,355,375</b>	<b>650,000,000</b>	<b>20,000,000</b>	<b>3,170,554,998</b>	<b>25,000,000</b>	<b>9,407,429,474</b>
125 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. (p. 257, Column H of the FF1)							
<b>Development of 2013 Long Term Debt Interest Expense</b>							
126 Interest on Long Term Debt (256-257.33.i)	185,202,116	92,594,357	35,048,706	904,000	177,049,876	1,312,500	492,111,555
127 Amort of Debt Discount & Expense (117.63.c)	3,337,225	2,814,644	471,186	-	5,807,092	-	12,430,147
128 Amort of Loss on Reacquired Debt (117.64.c)	1,347,335	1,941,251	33,649	-	1,359,637	-	4,681,872
129 Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
130 Less: Amort of Gain on Reacquired Debt (117.66.c)	-	1,712	-	-	-	-	1,712
131 Less: Hedge Interest on pp 256-257(i)	1,558,935	916,010	92,956	-	(2,097,663)	-	470,238
132 <b>2013 LTD Interest Expense</b>	<b>188,327,741</b>	<b>96,432,530</b>	<b>35,460,585</b>	<b>904,000</b>	<b>186,314,268</b>	<b>1,312,500</b>	<b>508,751,624</b>
<b>2013 Cost of Preferred Stock and Preferred Dividends</b>							
133 Average Balance of Preferred Stock (Ln 35 + Ln 94) / 2	-	-	-	-	-	-	-
134 2013 Preferred Dividends (Ln 36)	-	-	-	-	-	-	-
<b>Development of Average Common Equity</b>							
135 Average Proprietary Capital (Ln 37 + Ln 96) / 2	3,141,948,792	1,862,964,339	659,489,763	30,519,073	3,057,232,892	105,167,232	8,857,322,089
136 Less: Average Preferred Stock (Ln 133 Above)	-	-	-	-	-	-	-
137 Less: Average Account 216.1 (Ln 39 + Ln 98) / 2	1,647,039	(100,458)	-	-	3,560,252	-	5,106,834
138 Less: Average Account 219.1 (Ln 40 + Ln 99) / 2	(13,473,191)	(22,196,472)	(2,914,291)	2,106	(79,322,545)	249,195	(117,655,197)
139 <b>Average Balance of Common Equity</b>	<b>3,153,774,944</b>	<b>1,885,261,268</b>	<b>662,404,054</b>	<b>30,516,967</b>	<b>3,132,995,184</b>	<b>104,918,037</b>	<b>8,969,870,452</b>
<b>Calculation of Capital Shares</b>							
140 Average Balance of Long Term Debt (Ln 124 Above)	3,955,519,101	1,586,355,375	650,000,000	20,000,000	3,170,554,998	25,000,000	9,407,429,474
141 Average Balance of Preferred Stock (Ln 133 Above)	-	-	-	-	-	-	-
142 Average Balance of Common Equity (Ln 139 Above)	3,153,774,944	1,885,261,268	662,404,054	30,516,967	3,132,995,184	104,918,037	8,969,870,452
143 Average of Total Company Structure	7,109,294,045	3,471,616,643	1,312,404,054	50,516,967	6,303,550,182	129,918,037	18,377,299,926
144 Average Balance of LTD Capital Shares (Ln 140 / Ln 143)	55.64%	45.70%	49.53%	39.59%	50.30%	19.24%	51.19%
145 Average Balance of Preferred Stock Capital Shares (Ln 141 / Ln 143)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
146 Average Balance of Common Equity Capital Shares (Ln 142 / Ln 143)	44.36%	54.30%	50.47%	60.41%	49.70%	80.76%	48.81%
147 <b>Equity Capital Share Limit</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>51.00%</b>	<b>100.00%</b>	<b>50.00%</b>
148 LTD Capital Shares with Capital Equity Cap	55.64%	45.70%	49.53%	39.59%	50.30%	19.24%	51.19%
149 Preferred Stock Capital Shares	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
150 Common Equity Capital Shares with Capital Equity Cap	44.36%	54.30%	50.47%	60.41%	49.70%	80.76%	48.81%
<b>Calculation of Capital Cost Rate</b>							
151 LTD Capital Cost Rate (Ln 132 / Ln 124)	4.76%	6.08%	5.46%	4.52%	5.88%	5.25%	5.41%
152 Preferred Stock Capital Cost Rate (Ln 134 / Ln 133)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
153 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
<b>Calculation of Weighted Capital Cost Rate</b>							
154 LTD Weighted Capital Cost Rate (Ln 148 * Ln 151)	2.65%	2.78%	2.70%	1.79%	2.96%	1.01%	2.77%
155 Preferred Stock Capital Cost Rate (Ln 149 * Ln 152)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
156 Common Equity Capital Cost Rate (Ln 150 * Ln 153)	5.10%	6.24%	5.80%	6.94%	5.71%	9.28%	5.61%
157 <b>ACTUAL WEIGHTED AVG COST OF CAPITAL</b>	<b>7.75%</b>	<b>9.02%</b>	<b>8.50%</b>	<b>8.73%</b>	<b>8.67%</b>	<b>10.29%</b>	<b>8.38%</b>