

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

Twelve Months Ended 2018

Ohio Power Company

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 130)	Total	Allocator	1.00000	\$308,140,128
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	10,547,611	DA	1.00000	\$ 10,547,611
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				\$ 4,028,356
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)				<u>\$ 301,620,873</u>

\$308,140,127.93

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

\$297,285,909.20

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)	10,854,219	DA	1.00000	\$ 10,854,219
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	( (ln 1 - ln 95)/((ln 42) x 100) )			19.06%
8	Monthly Rate	(ln 7 / 12)			1.59%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	( (ln 1 - ln 95 - ln 100 ) /((ln 42) x 100) )			15.55%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	( (ln 1 - ln 95 - ln 100 - ln 125) /((ln 42) x 100) )			8.20%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				

REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES

15	Total Load Dispatch & Scheduling (Account 561)	Line 75 Below			863,234
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				77,131
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				-
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			<u>786,103</u>

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(1)	(2)	(3)	(4)	(5)
	Data Sources (See "General Notes")	TO Total NOTE C	Allocator	Total Transmission
Line No				
19	GROSS PLANT IN SERVICE			
19	Production	(Worksheet A In 14.(b)) -	NA 0.00000	-
20	Less: Production ARO (Enter Negative)	(Worksheet A In 14.(c)) -	NA 0.00000	-
21	Transmission	(Worksheet A In 14.(d) & TCOS Ln 134) 2,462,200,570	DA 0.00000	2,462,200,570
22	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e)) (3,120)	TP 1.00000	(3,120)
23	Distribution	(Worksheet A In 14.(f)) 4,751,950,925	NA 0.00000	-
24	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.(g)) -	NA 0.00000	-
25	General Plant	(Worksheet A In 14.(h)) 352,270,433	W/S 0.11486	40,460,439
26	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i)) (613,205)	W/S 0.11486	(70,430)
27	Intangible Plant	(Worksheet A In 14.(j)) 146,858,298	W/S 0.11486	16,867,584
28	TOTAL GROSS PLANT	(sum lns 19 to 27) 7,712,663,901	GP 0.326665	2,519,455,043
			GTD=	0.34130
29	ACCUMULATED DEPRECIATION AND AMORTIZATION			
30	Production	(Worksheet A In 28.(b)) -	NA 0.00000	-
31	Less: Production ARO (Enter Negative)	(Worksheet A In 28.(c)) -	NA 0.00000	-
32	Transmission	(Worksheet A In 28.(d) & In 43.(c)) 859,631,919	TP1= 1.00000	859,631,919
33	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e)) (3,120)	TP1= 1.00000	(3,120)
34	Distribution	(Worksheet A In 28.(f)) 1,585,322,724	NA 0.00000	-
35	Less: Distribution ARO (Enter Negative)	(Worksheet A In 28.(g)) -	NA 0.00000	-
36	General Plant	(Worksheet A In 28.(h)) 95,866,548	W/S 0.11486	11,010,866
37	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i)) (276,406)	W/S 0.11486	(31,747)
38	Intangible Plant	(Worksheet A In 28.(j)) 93,109,586	W/S 0.11486	10,694,212
39	TOTAL ACCUMULATED DEPRECIATION	(sum lns 30 to 38) 2,633,651,251		881,302,131
40	NET PLANT IN SERVICE			
41	Production	(In 19 + In 20 - In 30 - In 31) -		-
42	Transmission	(In 21 + In 22 - In 32 - In 33) 1,602,568,650		1,602,568,650
43	Distribution	(In 23 + In 24 - In 34 - In 35) 3,166,628,202		-
44	General Plant	(In 25 + In 26 - In 36 - In 37) 256,067,086		29,410,889
45	Intangible Plant	(In 27 - In 38) 53,748,712		6,173,372
46	TOTAL NET PLANT IN SERVICE	(sum lns 41 to 45) 5,079,012,651	NP 0.322534	1,638,152,912
47	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)		
48	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E) -	NA	-
49	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E) (1,241,352,281)	DA	(399,351,342)
50	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E) (215,365,838)	DA	(40,386,634)
51	Account No. 190.1	(Worksheet B, In 17 & In 20.E) 90,436,429	DA	18,932,231
52	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E) (5,522)	DA	(1,152)
53	TOTAL ADJUSTMENTS	(sum lns 48 to 52) (1,366,287,212)		(420,806,896)
54	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e) & In 45.(e)) 6,090,266	DA	3,536,913
55	REGULATORY ASSETS	(Worksheet A In 51.(e)) -	DA	-
56	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e)) (190,274)	W/S 0.11486	(21,854)
57	WORKING CAPITAL	(Note E)		
58	Cash Working Capital	(1/8 * In 78) 4,878,449		4,878,449
59	Transmission Materials & Supplies	(Worksheet C, In 2.(F)) 2,299,672	TP 1.00000	2,299,672
60	A&G Materials & Supplies	(Worksheet C, In 3.(F)) 179,519	W/S 0.11486	20,619
61	Stores Expense	(Worksheet C, In 4.(F)) -	GP 0.32666	-
62	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G) 236,303,410	W/S 0.11486	27,140,909
63	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F) 2,801,074	GP 0.32666	915,012
64	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E) (133,012)	DA 1.00000	(133,012)
65	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D) (226,760,696)	NA 0.00000	-
66	TOTAL WORKING CAPITAL	(sum lns 58 to 65) 19,568,415		35,121,648
67	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B) -	DA 1.00000	-
68	RATE BASE (sum lns 46, 53, 54, 55, 56, 66, 67)	3,738,193,845		1,255,982,722

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	(1)	(2)	(3)	(4)	(5)
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
Line					
No.	OPERATION & MAINTENANCE EXPENSE				
69	Production	321.80.b	830,505,359		
70	Distribution	322.156.b	194,083,311		
71	Customer Related Expense	322 & 323.164,171,178.b	202,653,426		
72	Regional Marketing Expenses	322.131.b	1,698		
73	Transmission	321.112.b	400,352,174		
74	TOTAL O&M EXPENSES	(sum Ins 69 to 73)	1,627,595,878		
75	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	863,234		
76	Less: Account 565	(Note H) 321.96.b	200,814,031		
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	159,647,318		
78	Total O&M Allocable to Transmission	(Ins 73 - 75 - 76 - 77)	39,027,591	TP 1.00000	39,027,591
79	Administrative and General	323.197.b (Notes J and M)	76,889,463		
80	Less: Acct. 924, Property Insurance	323.185.b	1,761,633		
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(11,517,600)		
82	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-		
83	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(3,787,603)		
84	Acct. 928, Reg. Com. Exp.	323.189.b	1,620,281		
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	5,229,490		
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	3,583,511		
87	Balance of A & G	(In 79 - sum In 80 to In 86)	79,999,751	W/S 0.11486	9,188,466
88	Plus: Acct. 924, Property Insurance	(In 80)	1,761,633	GP 0.32666	575,463
89	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	70,328	TP 1.00000	70,328
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP 1.00000	-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	295,553	DA 1.00000	295,553
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	(33,713,789)	W/S 0.11486	(3,872,235)
93	A & G Subtotal	(sum Ins 87 to 92)	48,413,496		6,257,576
94	O & M EXPENSE SUBTOTAL	(In 78 + In 93)	87,441,088		45,285,168
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		2,659,271	DA 1.00000	2,659,271
96	TOTAL O & M EXPENSE	(In 94 + In 95)	90,100,359		47,944,439
97	DEPRECIATION AND AMORTIZATION EXPENSE				
98	Production	336.2-6.f	-	NA 0.00000	-
99	Distribution	336.8.f	143,043,130	NA 0.00000	-
100	Transmission	336.7.f	56,325,383	TP1 1.00000	56,325,383
101	General	336.10.f	5,614,777	W/S 0.11486	644,892
102	Intangible	336.1.f	27,494,252	W/S 0.11486	3,157,885
103	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 98+99+ 100+101+102) (Note N)	232,477,542		60,128,160
104	TAXES OTHER THAN INCOME				
105	Labor Related				
106	Payroll	Worksheet H In 24.(D)	6,857,865	W/S 0.11486	787,668
107	Plant Related				
108	Property	Worksheet H-1 In 3.(C) & 3.(G)	243,948,228	DA 0.00000	80,084,821
109	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	157,707,853	NA 0.00000	-
110	Other	Worksheet H In 24.(E)	4,211,804	GP 0.32666	1,375,848
111	TOTAL OTHER TAXES	(sum Ins 106 to 110)	412,725,750		82,248,336
112	INCOME TAXES	(Note O)			
113	$T=1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)$		21.91%		
114	$EIT=(T/((1-T) * (1-WCLTD/WACC))) =$		19.43%		
115	where WCLTD=(In 154) and WACC = (In 157)				
116	and FIT, SIT & p are as given in Note O.				
117	$GRCF=1 / (1 - T) =$ (from In 113)		1.2806		
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	(1,694)		
119	Excess Deferred Income Tax	(Note U)	(50,987,837)	DA	(6,010,036)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	2,398,403	DA	1,697,059
121	Income Tax Calculation	(In 114 * In 126)	59,714,529		20,063,277
122	ITC adjustment	(In 117 * In 118)	(2,169)	GP 0.32666	(709)
123	Excess Deferred Income Tax	(In 117 * In 119)	(65,295,930)		(7,696,559)
124	Tax Effect of Permanent and Flow-Through Differences	(In 117 * In 120)	3,071,437		2,173,284
125	TOTAL INCOME TAXES	(sum Ins 121 to 124)	(2,512,132)		14,539,293
126	RETURN ON RATE BASE (Rate Base*WACC)	(In 68 * In 157)	307,392,992		103,279,900
127	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
128	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
129	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 128 * In114)		-		-
130	TOTAL REVENUE REQUIREMENT (sum Ins 96, 103, 111, 125, 126, 127, 128, 129)		1,040,184,510		308,140,128

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SUPPORTING CALCULATIONS

In	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
No.										
131	Total transmission plant	(In 21)							2,462,200,570	
132	Less transmission plant excluded from PJM Tariff (Worksheet A, In 42, Col. (d)) (Note P)								-	
133	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 42, Col. (b)) (Note Q)								-	
134	Transmission plant included in PJM Tariff	(In 131 - In 132 - In 133)							2,462,200,570	
135	Percent of transmission plant in PJM Tariff	(In 134 / In 131)						TP=	1.00000	
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)								
137	Production	354.20.b	41,881	72,554	114,435	NA	0.00000		-	
138	Transmission	354.21.b	487,964	12,405,094	12,893,058	TP	1.00000		12,893,058	
139	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000		-	
140	Distribution	354.23.b	58,283,037	8,722,249	67,005,286	NA	0.00000		-	
141	Other (Excludes A&G)	354.24,25,26.b	18,288,734	13,952,413	32,241,147	NA	0.00000		-	
142	Total	(sum Ins 137 to 141)	77,101,616	35,152,310	112,253,926				12,893,058	
143	Transmission related amount							W/S=	0.11486	
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$	
145	Long Term Interest	(Worksheet M, In. 37, col. (d))							97,039,969	
146	Preferred Dividends	(Worksheet M, In. 71)							-	
147	Development of Common Stock:									
148	Proprietary Capital	(Worksheet M, In. 14, col. (b))							2,258,919,957	
149	Less: Preferred Stock	(Worksheet M, In. 14, col. (c))							-	
150	Less: Account 216.1	(Worksheet M, In. 14, col. (d))							4,915,704	
151	Less: Account 219	(Worksheet M, In. 14, col. (e))							1,597,803	
152	Common Stock	(In 148 - In 149 - In 150 - In 151)							2,252,406,450	
153										
154	Long Term Debt (Note T) Worksheet M, In 28, col. (g), In 38, col. (d))									
155	Preferred Stock (In 149)									
156	Common Stock (In 152)									
157	Total (Sum Ins 154 to 156)									
158	Capital Structure Equity Limit (Note Z)	55%								

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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. 7) If AEP East companies have any directly assigned transmission facilities, the revenue credits in the AEP East formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. See Worksheet E for details.
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. Inte will be calculated based on Worksheet Q and any over under recovery will be filed and posted as part of the informational filing.
C	Transmission Plant Balances in this study are projected or actual average of 13-month balances.
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 flowthrough 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 the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(i)-(h)(6) 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. Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the information filing.
E	Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 78. It excludes: 1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 75. 2) Costs of Transmission of Electricity by Others, as described in Note H. 3) The impact of state regulatory deferrals and amortizations, as shown on line 77 4) All A&G Expenses, as shown on line 93.
F	Consistent with Paragraph 657 of Order 2003-A, the amount on line 67 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 127.
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 (li 16 & 17 above) are recovered in Schedule 1A, OATT ancillary services rates. See Worksheet F, lines 5 through 14, for descriptions and the Form 1 Source of these accounts' balances.
H	Removes cost of transmission service provided by others to determine the basis of cash working capital on line 78. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such cost is added back on line 95 to determine the total O&M collected in the formula. The amounts on line 95 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12. The addbacks on line 95 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 line 95 is the Ohio Power Company general ledger.
I	Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
J	General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
K	These deductions on lines 81 through 83 are to remove from the cost of service the expenses recorded by the company for Postemployment Benefits Other than Pensions (PBOP). See Note M below for the recoverable PBOP expense.
L	Expenses recorded in FERC Accounts 928 (Regulatory Commission Expense), 930.1 (Safety Related Advertising) and 930.2 (Miscellaneous General Expenses) that are not directly related to or properly allocable to transmission service will be removed from the TCOS. If AEP includes any expenses booked to these accounts in future ATRR updates, AEP must provide supporting information demonstrating that the underlying activities are directly related to providing transmission service. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
M	See note K above. Per the settlement in Docket ER08-1329, recoverable PBOP expense is based on an annual total for the operating companies that is ratioed to them based on the total of actual annual PBOP costs, including charges from the AEP Service Corporation. The calculation of the recoverable amount for each company is shown on Worksheet O.
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 118) multiplied by (1/(1-T)). If the applicable tax rates are zero enter 0. Inputs Required: FIT = 21.00% SIT= 1.16% (State Income Tax Rate or Composite SIT, Worksheet G) p = 0.00% (percent of federal income tax deductible for state purposes) The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable. If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
P	Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
Q	Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
R	Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
S	Long Term Debt cost rate = Long-Term Interest (In 145) / Long-Term Debt (In 154). Preferred Stock cost rate = preferred dividends (In 146) / preferred outstanding (In 155). Common Stock cost rate (ROE) = 10.35%, per the Settlement in FERC Docket No. EL17-13. It includes an additional 50 basis points for PJM RTO Membership. The amount of eligible hedging gains or losses included in total interest expense is limited to five basis points of the capital structure. Details and calculations of the weighted average cost of capital are shown on Worksheet M. Eligible Hedging Gains and Losses are computed on Worksheet M. The unamortized balance of eligible hedge gains/losses and related ADIT amounts shall not flow through the formula rate.
T	The Long Term Debt balance for I&M includes the accumulated balance of principle and related interest for Spent Nuclear Fuel Disposal Costs collected prior to April 7, 1983. This total balance of \$265,249,280 at 12/31/12 is not included in the balance in line 154 above. The cost rates for long-term debt shall include interest expense and related periodic expenses (such as remarketing and letter of credit fees) as recorded in FERC Account 427 or 430, amortization of issuance costs (inclu insurance) and discounts as recorded in FERC Account 428, issuance premiums as recorded in FERC Account 429 and losses or gains on reacquired debt as recorded in FERC Accounts 428.1 or 429.1, respectively. The cost rates for preferred stock (if applicable) shall include the dividends.
U	Excess / (Deficit) Deferred Income Taxes will be amortized over the average remaining life of the assets to which it relates, unless the Commission requires a different amortization period. The Tax Effect of Permanent Differences captures the differences in the income taxes due under the Federal and State tax calculations that are not the result of a timing difference, including but not limited to depreciation related to capitalized AFUDC equity and meals and entertainment deductions. The Tax Effect of Flow-Through differences captures current tax expense related to timing differences on items for which tax deductions were used to reduce customer rates through the use of flow-through accounting in a prior period. Transmission balances for the projected or actual period, will be filed and posted as part of the informational filing.
V	Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company costs. All other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.
W	The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
X	Under Section 30.9 of the PJM OATT, a network customer that owns existing transmission facilities that are integrated with the Transmission Provider's Transmission System may be eligible to receive consideration e through a billing credit or some other mechanism. Calculation of any credit under this subsection, pursuant to approval by FERC for inclusion in this formula rate for collection on behalf of the network customer, shall be addressed in either the Network Customer's Service Agreement or any other agreement between the parties.
Y	The cost of service will make a rate base adjustment to remove unfunded reserves associated with contingent liabilities recorded to Accounts 228.1-228.4 from rate base.
Z	Per the settlement in EL17-13, equity is limited to 55% in of the Company's capital structure. If the percentage of actual equity exceeds the cap, the excess is included as long term debt in the capital structure.

AEP East Companies  
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Worksheet A Rate Base  
Ohio Power Company

Line No	Month (a)	Gross Plant In Service								
		Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
1	December Prior to Rate Year	(Note A)	-	2,415,531,301	3,120	4,623,848,247	-	323,751,131	613,205	138,207,148
2	January		-	2,422,638,027	3,120	4,631,343,552	-	338,499,743	613,205	139,958,929
3	February		-	2,425,031,900	3,120	4,641,660,103	-	340,192,616	613,205	141,728,992
4	March		-	2,437,075,019	3,120	4,666,811,146	-	341,338,001	613,205	142,485,337
5	April		-	2,439,136,890	3,120	4,682,116,369	-	341,962,268	613,205	144,176,329
6	May		-	2,442,731,386	3,120	4,718,671,789	-	344,464,971	613,205	146,190,173
7	June		-	2,456,694,585	3,120	4,738,376,338	-	355,547,585	613,205	141,359,860
8	July		-	2,473,395,632	3,120	4,771,847,247	-	356,946,318	613,205	146,750,614
9	August		-	2,481,724,207	3,120	4,797,328,411	-	358,894,124	613,205	149,097,572
10	September		-	2,481,035,274	3,120	4,823,134,722	-	361,679,815	613,205	149,785,708
11	October		-	2,496,208,769	3,120	4,854,319,203	-	361,080,317	613,205	153,205,343
12	November		-	2,496,507,112	3,120	4,886,149,420	-	372,186,507	613,205	156,547,143
13	December of Rate Year		-	2,540,897,303	3,120	4,939,755,480	-	382,972,238	613,205	159,664,730
14	Average of the 13 Monthly Balances		-	2,462,200,570	3,120	4,751,950,925	-	352,270,433	613,205	146,858,298

  

Line No	Month (a)	Accumulated Depreciation								
		Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 219, Ins 20-24, Col. (b)	Company Records (Included in total in Column FF1, page 219, In 25, Col. (b))	Company Records (Included in total in Column FF1, page 219, In 26, Col. (d))	Company Records (Included in total in Column FF1, page 219, In 26, Col. (d))	Company Records (Included in total in Column FF1, page 219, In 28, Col. (f))	Company Records (Included in total in Column FF1, page 219, In 28, Col. (f))	Company Records (Included in total in Column FF1, page 200, In 21, Col. (h))	Company Records (Included in total in Column FF1, page 200, In 21, Col. (h))	Company Records (Included in total in Column FF1, page 200, In 21, Col. (b))
15	December Prior to Rate Year	(Note A)	-	851,002,702	3,120	1,570,384,559	-	94,325,465	264,239	85,723,319
16	January		-	852,549,323	3,120	1,573,996,795	-	94,379,223	266,267	87,937,827
17	February		-	854,384,988	3,120	1,577,524,802	-	94,738,887	268,294	90,181,531
18	March		-	857,416,199	3,120	1,578,917,781	-	95,417,885	270,322	90,938,020
19	April		-	859,468,525	3,120	1,581,320,023	-	95,634,156	272,350	93,224,748
20	May		-	860,013,125	3,120	1,581,753,591	-	95,791,028	274,378	95,539,659
21	June		-	862,982,614	3,120	1,586,057,991	-	96,010,553	276,406	90,647,986
22	July		-	864,223,600	3,120	1,588,325,077	-	96,120,864	278,434	92,868,818
23	August		-	867,127,091	3,120	1,591,032,677	-	96,530,804	280,462	95,179,972
24	September		-	867,180,286	3,120	1,592,933,674	-	96,960,361	282,490	94,914,468
25	October		-	868,118,177	3,120	1,591,796,838	-	96,441,576	284,518	97,328,775
26	November		-	857,593,143	3,120	1,596,209,018	-	96,756,323	286,546	99,799,756
27	December of Rate Year		-	853,155,177	3,120	1,598,942,581	-	97,158,001	288,574	96,139,738
28	Average of the 13 Monthly Balances		-	859,631,919	3,120	1,585,322,724	-	95,866,548	276,406	93,109,586

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c)	Excluded Plant - Plant In Service (d)	Excluded Plant - Accumulated Depreciation (e)
	(Note A)	Company Records (included in total in column (d) of gross plant above)	Company Records (included in total in column (b) of accumulated depreciation above)	Company Records	Company Records
29	December Prior to Rate Year				
30	January				
31	February				
32	March				
33	April				
34	May				
35	June				
36	July				
37	August				
38	September				
39	October				
40	November				
41	December of Rate Year				
42	Average of the 13 Monthly Balances	-	-	-	-

43 Transmission Accum Depreciation net of GSU 859,631,919

Plant Held For Future Use		Source of Data	Balance @ December 31, 2018 (c)	Balance @ December 31, 2017 (d)	Average Balance for 2018 (e)
44	Plant Held For Future Use (a)	FF1, page 214, ln 47, Col. (d) (b)	5,932,494	6,248,037	6,090,266
45	Transmission Plant Held For Future Use (included in total on line 44)	Company Records - Note 1	3,408,417	3,665,408	3,536,913

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

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

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

**Unfunded Reserves Summary (Company Records)**

	Description	Account		
52				
53a	Accum Prv I/D Worker's Com		127,444	253,104
53b				-
54	Total		127,444	253,104

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

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

Line Number	(A) Description	(B) Source	(C) Balance @ December 31, 2018	(D) Balance @ December 31, 2017	(E) Average Balance for 2018
1	<b><u>Account 281</u></b>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 4 (Note 1)	-	-	-
4	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 3 (Note 1)	-	-	-
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<b><u>Account 282</u></b>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	1,262,277,276	1,220,427,285	1,241,352,281
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	454,986	714,779	584,882
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	854,941,265	827,890,848	841,416,057
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	406,881,025	391,821,658	399,351,342
11	<b><u>Account 283</u></b>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	144,271,533	286,460,142	215,365,838
13	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 13 (Note 1)	-	-	-
14	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 12 (Note 1)	120,264,815	229,693,594	174,979,204
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	24,006,718	56,766,549	40,386,634
16	<b><u>Account 190</u></b>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	77,252,549	103,620,308	90,436,429
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	369,832	581,374	475,603
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	63,494,428	78,562,761	71,028,595
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	13,388,289	24,476,173	18,932,231
21	<b><u>Account 255</u></b>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	4,275	6,853	5,564
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	(246)	330	42
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	4,521	6,523	5,522
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	593	1,711	1,152

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax forecast and accounting ledger. The PTRR will use projected ending balances and reflect proration required by IRS Letter Rule Section 1.167(l)-(h)(6)(ii). Line item detail of actual deferred tax items will be included on Worksheets B-1 and B-2.

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





11	DEFD STATE INCOME TAXES	39,451,844	40,165,826			39,808,835	0	12,639,846	27,168,990	-	12,433,490	27,018,354	-	12,846,201	27,319,625
11.01	SFAS 109 - DEFD STATE INCOME TAXES	2,323,045	2,645,802	(2,323,045)	(2,645,802)	0									
12	TOTAL ACCOUNT 283	271,730,020	132,468,554	14,730,122	11,802,979	204,379,406	0	40,386,634	174,979,204	0	58,766,549	229,693,594	0	24,006,718	120,264,815
13	ACCOUNT 283 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	JURISDICTIONAL AMOUNTS FUNCTIONALIZED														
15	TOTAL COMPANY AMOUNTS FUNCTIONALIZED														
16	REFUNCTIONALIZED BASED ON JURISDICTIONAL PLANT														
17	NOTE: POST 1970 ACCUMULATED DEFERRED														
18	INV TAX CRED. (JDOTC) IN A/C 255														
18.01	TAX ALLOC-ITC-10%-46F1	6,523	4,521			5,522	0	1,152	4,370	-	1,711	4,812	-	593	3,928
18.02		0	0			0	0	0	0						
19															
20	TOTAL ACCOUNT 255	6,523	4,521	0	0	5,522	0	1,152	4,370	0	1,711	4,812	0	593	3,928



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

(A)

(B)

(C)

(D)

(E)

(F)

(G)

(H)

(I)

Materials & Supplies

Line Number	Source	Balance @ December 31, 2018	Balance @ December 31, 2017	Average Balance for 2018	
1					
2	Transmission Materials & Supplies	FF1, p. 227, In 8, Col. (c) & (b)	2,773,600	1,825,743	2,299,672
3	General Materials & Supplies	FF1, p. 227, In 11, Col. (c) & (b)	176,384	182,653	179,519
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, In 16, Col. (c) & (b)			-

Prepayment Balance Summary (Note 1)

	Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	
5							
6	Totals as of December 31, 2018	8,513,394	(234,368,312)	0	3,143,841	239,737,866	242,881,707
7	Totals as of December 31, 2017	15,908,156	(219,153,079)	(266,024)	2,458,306	232,868,954	235,061,236
8	Average Balance	12,210,775	(226,760,696)	(133,012)	2,801,074	236,303,410	238,971,472

Prepayments Account 165 - Balance @ 12/31/2018

9	Acc. No.	Description	2018 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	1,431,893	-	-	1,431,893	-	1,431,893	Plant Related Insurance Policies
11	1650003	Prepaid Rents	0	-	-	-	-	-	-
12	1650004	Prepaid Interest	0	-	-	-	-	-	-
13	1650005	Prepaid Employee Benefits	0	-	-	-	-	-	-
14	1650006	Other Prepayments	2,338,008	2,338,008	-	-	-	-	Distribution
15	1650009	Prepaid Carry Cost-Factored AR	791,819	791,819	-	-	-	-	AR Factoring - Retail Only
16	1650010	Prepaid Pension Benefits	193,033,174	-	-	-	193,033,174	193,033,174	Prepaid Pension Expense
17	165001218	Prepaid Use Taxes	154,746	154,746	-	-	-	-	Prepaid Taxes-Distribution
18	1650013	Gavin JMG ST Prepaid Exp - Aff	0	-	-	-	-	-	-
19	1650014	FAS 158 Qual Contra Asset	(193,033,174)	(193,033,174)	-	-	-	-	FAS 158 Liability
20	1650016	FAS 112 ASSETS	0	-	-	-	-	-	-
21	1650017	Prepayments - Coal	0	-	-	-	-	-	-
22	1650019	Prepaid Pension Expense - CG&E	0	-	-	-	-	-	-
23	1650020	Prepaid Pension Expense - DP&L	0	-	-	-	-	-	-
24	1650021	Prepaid Insurance - EIS	1,711,948	-	-	1,711,948	-	1,711,948	Energy EIS Services
25	1650023	Prepaid Lease	0	-	-	-	-	-	-
26	1650030	Other Prepayments-Long Term	2,084,981	2,084,981	-	-	-	-	Other - Distribution
27	1650035	PRW Without Med-D Benefits	46,704,692	-	-	-	46,704,692	46,704,692	Prepaid Pension Expense
28	1650036	PRW for Med-D Benefits	0	-	-	-	-	-	-
29	1650037	FAS158 Contra-PRW Exc Med-D	(46,704,692)	(46,704,692)	-	-	-	-	FAS 158 Liability
30		Subtotal - Form 1, p 111.57.c	8,513,394	(234,368,312)	0	3,143,841	239,737,866	242,881,707	

Prepayments Account 165 - Balance @ 12/31/2017

31	Acc. No.	Description	2017 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
32	1650001	Prepaid Insurance	1,331,151	-	-	1,331,151	-	1,331,151	Plant Related Insurance Policies
33	1650003	Prepaid Rents	0	-	-	-	-	-	-
34	1650004	Prepaid Interest	0	-	-	-	-	-	-
35	1650005	Prepaid Employee Benefits	0	-	-	-	-	-	-
36	1650006	Other Prepayments	4,243,073	4,243,073	-	-	-	-	Health Savings
37	1650009	Prepaid Carry Cost-Factored AR	473,205	473,205	-	-	-	-	Distribution
38	1650010	Prepaid Pension Benefits	197,634,044	-	-	-	197,634,044	197,634,044	AR Factoring - Retail Only
39	165001217	Prepaid Taxes	150,000	150,000	-	-	-	-	Prepaid Pension Expense
40	1650013	Gavin JMG ST Prepaid Exp - Aff	0	-	-	-	-	-	Prepaid Taxes-Distribution
41	1650014	FAS 158 Qual Contra Asset	(197,634,044)	(197,634,044)	-	-	-	-	FAS 158 Liability
42	1650016	FAS 112 ASSETS	0	-	-	-	-	-	-
43	1650017	Prepayments - Coal	0	-	-	-	-	-	-
44	1650019	Prepaid Pension Expense - CG&E	74,790	-	74,790	-	-	74,790	Prepaid Pension Expense
45	1650020	Prepaid Pension Expense - DP&L	(340,814)	-	(340,814)	-	-	(340,814)	Prepaid Pension Expense
46	1650021	Prepaid Insurance - EIS	1,127,155	-	-	1,127,155	-	1,127,155	Energy EIS Services
47	1650023	Prepaid Lease	88,714	88,714	-	-	-	-	Distribution Lease
48	1650035	PRW Without Med-D Benefits	35,234,910	-	-	-	35,234,910	35,234,910	Prepaid Pension Expense
49	1650030	Other Prepayments -Long Term	8,760,883	8,760,883	-	-	-	-	Smart Grid prepaid equipment
50	1650037	FAS158 Contra-PRW Exc Med-D	(35,234,910)	(35,234,910)	-	-	-	-	FAS 158 Liability
51									
52		Subtotal - Form 1, p 111.57.d	15,908,156	(219,153,079)	(266,024)	2,458,306	232,868,954	235,061,236	

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

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2018</u>
1	Net Funds from IPP Customers 12/31/2017 (2018 FORM 1, P269)	0
2	Interest Accrual (Company Records - Note 1)	0
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 12/31/2018 (2018 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column B $((\text{In } 1 + \text{In } 7)/2)$	-

Note 1 On this worksheet Company Records refers to Ohio Power Company's general ledger.

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

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	3,087,919	3,087,919	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	8,367,983	8,248,125	119,857
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	37,497,952	27,536,961	9,960,991
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	3,533,509	3,192,999	340,510
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	101,320,446	101,194,193	126,253
5a	Account 457.1, Regional Control Service Revenues (FF1 p.300.23.(b); Company Records - Note 1)		-	
5b	Account 457.2, Miscellaneous Revenues (FF1 p.300.24.(b); Company Records - Note 1)		-	
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	153,807,808	143,260,197	10,547,611
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	153,807,808	143,260,197	10,547,611

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

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

9	Facility Credits under PJM OATT Section 30.9			4,028,356
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AEP East Companies  
Cost of Service Formula Rate Using Actual/Projected FF1 Balances  
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses  
Ohio Power Company

<u>Line</u> <u>Number</u>	<u>(A)</u> <u>Item No.</u>	<u>(B)</u> <u>Description</u>	<u>(C)</u> <u>2018</u> <u>Expense</u>	<u>(D)</u> <u>100%</u> <u>Non-Transmission</u>	<u>(E)</u> <u>100%</u> <u>Transmission</u> <u>Specific</u>	<u>(F)</u> <u>Explanation</u>
<b><u>Regulatory O&amp;M Deferrals &amp; Amortizations</u></b>						
1	5660005	Misc Transmission Expense	159,647,318			
2						
3						
4		<b>Total</b>	<b>159,647,318</b>			
<b><u>Detail of Account 561 Per FERC Form 1</u></b>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	85			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	546,992			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	0			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	77,131			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	238,993			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	33			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	0			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	0			
14		<b>Total of Account 561</b>	<b>863,234</b>			
<b><u>Account 928</u></b>						
15	9280000	Regulatory Commission Exp	24,078	24,078	-	
16	9280001	Regulatory Commission Exp-Adm	256,211	256,211	-	
17	9280002	Regulatory Commission Exp-Case	1,269,663	1,269,663	-	
18	9280005	Reg Com Exp-FERC Trans Cases	70,328	-	70,328	
19						
20		<b>Total (FERC Form 1 p.323.189.b)</b>	<b>1,620,281</b>	<b>1,549,953</b>	<b>70,328</b>	
<b><u>Account 930.1</u></b>						
21	9301000	General Advertising Expenses	298,175	298,175	-	
22	9301001	Newspaper Advertising Space	8,182	8,182	-	
23	9301006	Spec Corporate Comm Info Proj	1,299	1,299	-	
24	9301007	Special Adv Space & Prod Exp	188,241	188,241	-	
25	9301009	Fairs, Shows, and Exhibits	7,945	7,945	-	
26	9301010	Publicity	1,910	1,910	-	
27	9301011	Dedications, Tours, & Openings	1,689	1,689	-	
28	9301012	Public Opinion Surveys	169,425	169,425	-	
29	9301015	Other Corporate Comm Exp	4,552,623	4,552,623	-	
30						
31						
32						
33						
34						
35						
36						
37		<b>Total (FERC Form 1 p.323.191.b)</b>	<b>5,229,489</b>	<b>5,229,489</b>	<b>-</b>	
<b><u>Account 930.2</u></b>						
38	9302000	Misc General Expenses	2,074,152	2,074,152	-	
39	9302003	Corporate & Fiscal Expenses	100,859	100,859	-	
40	9302004	Research, Develop&Demonstr Exp	8,661	8,661	-	
41	9302006	Assoc Business Development Materials Sold	-	-	-	
42	9302007	Assoc Business Development Exp	1,399,840	1,104,287	295,553	
43		<b>Total (FERC Form 1 p.323.192.b)</b>	<b>3,583,511</b>	<b>3,287,958</b>	<b>295,553</b>	

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

West Virginia Corporate Income Tax	6.5000%	
Apportionment Factor - Note 2	0.4038%	
Effective State Tax Rate		0.0262%
Illinois Corporation Income Tax	9.5000%	
Apportionment Factor - Note 2	0.4018%	
Effective State Tax Rate		0.0382%
Michigan Business Income Tax	6.0000%	
Apportionment Factor - Note 2	0.0181%	
Effective State Tax Rate		0.0011%
Kentucky Business Income Tax	5.0000%	
Apportionment Factor - Note 2	0.0503%	
Effective State Tax Rate		0.0025%
Ohio Municipal Net Income Tax	1.1016%	
Apportionment Factor - Note 2	98.7000%	
Effective State Tax Rate		1.09%
Ohio Franchise Tax Rate	0.0000%	
Phase-out Factor Note 1	0.0000%	
Apportionment Factor - Note 2	0.0000%	
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate		1.1553%

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



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

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	157,708,096				157,708,096
3	<b>Real Estate and Personal Property Taxes</b>					
4	Real and Personal Property - Ohio	243,000,063	243,000,063			
5	Real and Personal Property - West Virginia	922,266	922,266			
6	Real and Personal Property - Other Jurisdictions	25,899	25,899			
7	Real and Personal Property -	-	-			
8	<b>Payroll Taxes</b>					
9	Federal Insurance Contribution (FICA )	6,631,994		6,631,994		
10	Federal Unemployment Tax	45,111		45,111		
11	State Unemployment Insurance	180,760		180,760		
12	<b>Production Taxes</b>					
13	State Severance Taxes	-				-
14	<b>Miscellaneous Taxes</b>					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	4,210,003			4,210,003	
17	State Franchise Taxes	1,701			1,701	
18	State Lic/Registration Fee	45			45	
19	Misc. State and Local Tax	55			55	
20	Sales & Use	(243)				(243)
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23						
24	Total Taxes by Allocable Basis (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.	412,725,750	243,948,228	6,857,865	4,211,804	157,707,853

**Functional Property Tax Allocation**

	Production	Transmission	Distribution	General	Total
25 Functionalized Net Plant (TCOS, Lns 41 thru 46)	-	1,602,568,650	3,166,628,202	256,067,086	5,025,263,938
<b>OHIO JURISDICTION</b>					
26 Percentage of Plant in OHIO JURISDICTION	0.00%	95.74%	100.00%	99.06%	
27 Net Plant in OHIO JURISDICTION (Ln 25 * Ln 26)	-	1,534,299,226	3,166,628,202	253,660,056	4,954,587,483
28 Less: Net Value of Exempted Generation Plant	-				
29 Taxable Property Basis (Ln 27 - Ln 28)	-	1,534,299,226	3,166,628,202	253,660,056	4,954,587,483
30 Relative Valuation Factor	24%	85%	85%	24%	
31 Weighted Net Plant (Ln 29 * Ln 30)	-	1,304,154,342	2,691,633,971	60,878,413	
32 General Plant Allocator (Ln 31 / (Total - General Plant))	0.00%	32.64%	67.36%	-100.00%	
33 Functionalized General Plant (Ln 32 * General Plant)	-	19,869,633	41,008,780	(60,878,413)	-
34 Weighted OHIO JURISDICTION Plant (Ln 31 + 33)	-	1,324,023,975	2,732,642,751	0	4,056,666,727
35 Functional Percentage (Ln 34/Total Ln 34)	0.00%	32.64%	67.36%		
<b>WEST VA JURISDICTION</b>					
36 Net Plant in WEST VA JURISDICTION (Ln 25 - Ln 27)	-	68,269,425	-	2,407,031	70,676,455
37 Less: Net Value of Exempted Generation Plant	-				
38 Taxable Property Basis (Ln 36 - Ln 37)	-	68,269,425	-	2,407,031	70,676,455
39 Relative Valuation Factor	100%	100%	100%	100%	
40 Weighted Net Plant (Ln 38 * Ln 39)	-	68,269,425	-	2,407,031	
41 General Plant Allocator (Ln 40 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
42 Functionalized General Plant (Ln 41 * General Plant)	-	2,407,031	-	(2,407,031)	-
43 Weighted WEST VA JURISDICTION Plant (Ln 40 + 42)	-	70,676,455	-	(0)	70,676,455
44 Functional Percentage (Ln 43/Total Ln 43)	0.00%	100.00%	0.00%		
45 Total Other Jurisdictions: (Line 6 * Net Plant Allocator)	-	8,353	-	-	25,899

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

(A)		(B)	(C)		(D)		
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference			
1	<u>Revenue Taxes</u>						
2	Gross Receipts Tax	157,708,096	(45,764) 7,541,426 150,212,434	pg. 263, Ln. 9(i) pg. 263, Ln. 10(i) pg. 263, Ln. 14(i)			
(A)		(B)	(C)	(D)	(E)	(F)	(G)
Real Estate and Personal Property Tax Detail Annual Tax Expenses by Type (Note 1)		Tax Year	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Tax Year Factor (Note 2)	Transmission Function (Note 2)
3	<u>Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)</u>		243,948,228				80,084,821
4	Real and Personal Property - Ohio	2012 2013 2014 2015 2016 2017 2017 2018 2017 2018	243,000,063	(5,811) (5,768) (5,752) (5,469) (2,110,386) 244,644,041 (19,870) 197,800 (3,722) 315,000	pg. 263.1, Ln. 2(i) pg. 263.1, Ln. 3(i) pg. 263.1, Ln. 4(i) pg. 263.1, Ln. 5(i) pg. 263.1, Ln. 6(i) pg. 263.1, Ln. 7(i) pg. 263.1, Ln. 11(i) pg. 263.1, Ln. 12(i) pg. 263.1, Ln. 15(i) pg. 263.1, Ln. 16(i)	26.91% 30.61% 30.65% 31.34% 31.42% 32.56% 32.56% 32.64% 32.56% 32.64%	79,154,098 (1,564) (1,765) (1,763) (1,714) (663,121) 79,664,339 (6,470) 64,558 (1,212) 102,810
5	Real and Personal Property - WVA	2016 2017	922,266	- 457,608 464,658	pg. 263.1, Ln. 18(i) pg. 263.1, Ln. 19(i)	100.00% 100.00%	922,266 (527) 457,608 464,658 - - - - - -
6	Real and Personal Property - Other	2017 2018	25,899	(1,601) 27,500	pg. 263.1, Ln. 22(i) pg. 263.1, Ln. 23(i)	32.92% 32.67%	8,456 (527) 8,983 - - - -
7	Real and Personal Property - Other Jurisdictions		-				- - -
(A)		(B)	(C)	(D)			
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference			
8	<u>Payroll Taxes</u>						
9	Federal Insurance Contribution (FICA )	6,631,994	6,631,994	pg. 263, Ln. 3(i)			
10	Federal Unemployment Tax	45,111	45,111	pg. 263, Ln. 4(i)			
11	State Unemployment Insurance	180,760	180,760	pg. 263, Ln. 17(i)			
12	<u>Production Taxes</u>						
13	State Severance Taxes	-					
14	<u>Miscellaneous Taxes</u>						
15	State Business & Occupation Tax	-					
16	State Public Service Commission Fees	4,210,003	4,210,003	pg. 263, Ln. 12(i)			
17	State Franchise Taxes	1,701	(624) 2,225 (100) 200	pg. 263.2, Ln. 5(i) pg. 263.2, Ln. 6(i) pg. 263.2, Ln. 13(i) pg. 263.2, Ln. 15(i)			
18	State Lic/Registration Fee	45	45	pg. 263.1, Ln. 29(i)			
19	Misc. State and Local Tax	55	55	pg. 263.1, Ln. 38(i)			
20	Sales & Use	(243)	(243)	pg. 263, Ln. 16(i)			
21	Federal Excise Tax	-					
22	Michigan Single Business Tax	-					
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14.(c))	412,725,750	412,725,750				

Note 1: The taxes assessed on each operating company can differ from year to year and between operating companies by both the type of taxes and the states in which they were assessed. Therefore, for each company, the types and jurisdictions of tax expense recorded on this page could differ from the same page in the same company's prior year template or from this page in other operating companies' current year templates. For each update, this sheet will be revised to ens

that the total activity recorded hereon equals the total reported in account 408.1 on P. 114, Ln 14.(c) of the Ferc Form 1.

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

**AEP East Companies**  
**Cost of Service Formula Rate Using 2018 FF1 Balances**  
**Worksheet I RESERVED FOR FUTURE USE**  
**Ohio Power Company**

AEP East Companies  
Cost of Service Formula Rate Using 2018 FF1 Balances  
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones  
Ohio Power Company

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

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

ROE w/o incentives (TCOS, ln 156)			10.35%
Project ROE Incentive Adder			0
ROE with additional 0 basis point incentive			10.35%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through 156)			
	%	Cost	Weighted cost
Long Term Debt	45.00%	5.62%	2.531%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	55.00%	10.35%	5.693%
		R =	8.223%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS					
TRUE-UP YEAR		Rev Require	W Incentives	Incentive Amounts	
	2018				
	As Projected in Prior Year WS J	\$ 9,536,855	\$ 9,536,855	\$	-
	Actual after True-up	\$ 10,854,219	\$ 10,854,219	\$	-
	True-up of ARR For 2018	1,317,364	1,317,364		-

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

Rate Base (TCOS, ln 68)	1,255,982,722
R (from A. above)	8.223%
Return (Rate Base x R)	103,279,900

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

Return (from B. above)	103,279,900
Effective Tax Rate (TCOS, ln 114)	19.43%
Income Tax Calculation (Return x CIT)	20,063,277
ITC Adjustment	(709)
Excess Deferred Income Tax	(7,696,559)
Tax Affect of Permanent Differences	2,173,284
Income Taxes	14,539,293

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

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

Annual Revenue Requirement (TCOS, ln 1)	308,140,128
Lease Payments (TCOS, ln 95)	2,659,271
Return (TCOS, ln 126)	103,279,900
Income Taxes (TCOS, ln 125)	14,539,293
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	187,661,664

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	187,661,664
Return (from I.B. above)	103,279,900
Income Taxes (from I.C. above)	14,539,293
Annual Revenue Requirement, with 0 Basis Point ROE increase	305,480,857
Depreciation (TCOS, ln 100)	56,325,383
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	249,155,474

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

Net Transmission Plant (TCOS, ln 42)	1,602,568,650
Annual Revenue Requirement, with 0 Basis Point ROE increase	305,480,857
FCR with 0 Basis Point increase in ROE	19.06%
Annual Rev. Req. w / 0 Basis Point ROE increase, less Dep.	249,155,474
FCR with 0 Basis Point ROE increase, less Depreciation	15.55%
FCR less Depreciation (TCOS, ln 10)	15.55%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2018 (TCOS, ln 21)	2,462,200,570
Annual Depreciation and Amortization Expense (TCOS, ln 100)	56,325,383
Composite Depreciation Rate	2.29%
Depreciable Life for Composite Depreciation Rate	43.71
Round to nearest whole year	44

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

### A. Base Plan Facilities

### Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

### Project Description:

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	790,538	790,538	-
Prior Yr True-Up	808,925	808,925	-
True-Up Adjustment	18,387	18,387	-

Details									
Investment	5,559,037	Current Year						2018	
Service Year (yyyy)	2009	ROE increase accepted by FERC (Basis Points)						-	
Service Month (1-12)	3	FCR w/o incentives, less depreciation						15.55%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.						15.55%	
CIAC (Yes or No)	No	Annual Depreciation Expense						126,342	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives "	Incentive Rev. Requirement #		
2009	94,756	94,756	5,464,281	5,511,659	951,668	951,668	\$	-	-
2010	5,464,281	126,342	5,337,939	5,401,110	966,066	966,066	\$	-	-
2011	5,337,939	126,342	5,211,597	5,274,768	946,424	946,424	\$	-	-
2012	5,211,597	126,342	5,085,255	5,148,426	926,781	926,781	\$	-	-
2013	5,085,255	126,342	4,958,914	5,022,085	907,138	907,138	\$	-	-
2014	4,958,914	126,342	4,832,572	4,895,743	887,495	887,495	\$	-	-
2015	4,832,572	126,342	4,706,230	4,769,401	867,853	867,853	\$	-	-
2016	4,706,230	126,342	4,579,888	4,643,059	848,210	848,210	\$	-	-
2017	4,579,888	126,342	4,453,547	4,516,718	828,567	828,567	\$	-	-
2018	4,453,547	126,342	4,327,205	4,390,376	808,925	808,925	\$	-	-
2019	4,327,205	126,342	4,200,863	4,264,034	789,282	789,282	\$	-	-
2020	4,200,863	126,342	4,074,521	4,137,692	769,639	769,639	\$	-	-
2021	4,074,521	126,342	3,948,180	4,011,351	749,997	749,997	\$	-	-
2022	3,948,180	126,342	3,821,838	3,885,009	730,354	730,354	\$	-	-
2023	3,821,838	126,342	3,695,496	3,758,667	710,711	710,711	\$	-	-
2024	3,695,496	126,342	3,569,154	3,632,325	691,069	691,069	\$	-	-
2025	3,569,154	126,342	3,442,813	3,505,984	671,426	671,426	\$	-	-
2026	3,442,813	126,342	3,316,471	3,379,642	651,783	651,783	\$	-	-
2027	3,316,471	126,342	3,190,129	3,253,300	632,141	632,141	\$	-	-
2028	3,190,129	126,342	3,063,787	3,126,958	612,498	612,498	\$	-	-
2029	3,063,787	126,342	2,937,446	3,000,617	592,855	592,855	\$	-	-
2030	2,937,446	126,342	2,811,104	2,874,275	573,213	573,213	\$	-	-
2031	2,811,104	126,342	2,684,762	2,747,933	553,570	553,570	\$	-	-
2032	2,684,762	126,342	2,558,420	2,621,591	533,927	533,927	\$	-	-
2033	2,558,420	126,342	2,432,079	2,495,250	514,285	514,285	\$	-	-
2034	2,432,079	126,342	2,305,737	2,368,908	494,642	494,642	\$	-	-
2035	2,305,737	126,342	2,179,395	2,242,566	474,999	474,999	\$	-	-
2036	2,179,395	126,342	2,053,053	2,116,224	455,357	455,357	\$	-	-
2037	2,053,053	126,342	1,926,712	1,989,853	435,714	435,714	\$	-	-
2038	1,926,712	126,342	1,800,370	1,863,541	416,071	416,071	\$	-	-
2039	1,800,370	126,342	1,674,028	1,737,199	396,429	396,429	\$	-	-
2040	1,674,028	126,342	1,547,686	1,610,857	376,786	376,786	\$	-	-
2041	1,547,686	126,342	1,421,345	1,484,516	357,143	357,143	\$	-	-
2042	1,421,345	126,342	1,295,003	1,358,174	337,501	337,501	\$	-	-
2043	1,295,003	126,342	1,168,661	1,231,832	317,858	317,858	\$	-	-
2044	1,168,661	126,342	1,042,319	1,105,490	298,215	298,215	\$	-	-
2045	1,042,319	126,342	915,978	979,149	278,572	278,572	\$	-	-
2046	915,978	126,342	789,636	852,807	258,930	258,930	\$	-	-
2047	789,636	126,342	663,294	726,465	239,287	239,287	\$	-	-
2048	663,294	126,342	536,952	600,123	219,644	219,644	\$	-	-
2049	536,952	126,342	410,611	473,782	200,002	200,002	\$	-	-
2050	410,611	126,342	284,269	347,440	180,359	180,359	\$	-	-
2051	284,269	126,342	157,927	221,098	160,716	160,716	\$	-	-
2052	157,927	126,342	31,585	94,756	141,074	141,074	\$	-	-
2053	31,585	131,585	-	15,793	34,041	34,041	\$	-	-
2054	-	-	-	-	-	-	\$	-	-
2055	-	-	-	-	-	-	\$	-	-
2056	-	-	-	-	-	-	\$	-	-
2057	-	-	-	-	-	-	\$	-	-
2058	-	-	-	-	-	-	\$	-	-
2059	-	-	-	-	-	-	\$	-	-
2060	-	-	-	-	-	-	\$	-	-
2061	-	-	-	-	-	-	\$	-	-
2062	-	-	-	-	-	-	\$	-	-
2063	-	-	-	-	-	-	\$	-	-
2064	-	-	-	-	-	-	\$	-	-
2065	-	-	-	-	-	-	\$	-	-
2066	-	-	-	-	-	-	\$	-	-
2067	-	-	-	-	-	-	\$	-	-
2068	-	-	-	-	-	-	\$	-	-
Project Totals		5,559,037			24,789,218	24,789,218			

[illegible]

\*\* 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.

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,010,825	1,010,825	-
Prior Yr True-Up	1,034,700	1,034,700	-
True-Up Adjustment	23,875	23,875	-

Details			
Investment	6,529,259	Current Year	2018
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	148.392

[illegible]

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

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

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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

### Project Description:

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	147,062	147,062	-
Prior Yr True-Up	150,544	150,544	-
True-Up Adjustment	3,482	3,482	-

Details			
Investment	937,776	Current Year	2018
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	21,313

[illegible]

Project Totals	937,776
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## This is the calculation of additional incentive revenue on projects deemed by the FERC to be eligible for an incentive return. This additional incentive requirement is applicable for the life of this specific project. Each year the revenue requirement calculated for PJM should be incremented by the amount of the incentive revenue calculated for that year on this project.



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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

### Project Description:

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	902,942	902,942	-
Prior Yr True-Up	924,348	924,348	-
True-Up Adjustment	21,406	21,406	-

Details			
Investment	5,705,686	Current Year	2018
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	129,675

[illegible]

Project Totals 5,705,686

\*\* 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.

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

### Project Description:

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	331,181	331,181	-
Prior Yr True-Up	339,035	339,035	-
True-Up Adjustment	7,854	7,854	-

Details		Current Year		2018	
Investment	2,088,951				
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)			-
Service Month (1-12)	12	FCR w/o incentives, less depreciation			15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.			15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense			47,476

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't w/o Incentives	RTEP Rev. Req't with Incentives "	Incentive Rev. Requirement #
2013	2,088,951		2,088,951	2,088,951	324,775	324,775	\$ -
2014	2,088,951	47,476	2,041,475	2,065,213	368,560	368,560	\$ -
2015	2,041,475	47,476	1,993,999	2,017,737	361,179	361,179	\$ -
2016	1,993,999	47,476	1,946,523	1,970,261	353,798	353,798	\$ -
2017	1,946,523	47,476	1,899,046	1,922,784	346,416	346,416	\$ -
2018	1,899,046	47,476	1,851,570	1,875,308	339,035	339,035	\$ -
2019	1,851,570	47,476	1,804,094	1,827,832	331,654	331,654	\$ -
2020	1,804,094	47,476	1,756,618	1,780,356	324,273	324,273	\$ -
2021	1,756,618	47,476	1,709,142	1,732,880	316,891	316,891	\$ -
2022	1,709,142	47,476	1,661,666	1,685,404	309,510	309,510	\$ -
2023	1,661,666	47,476	1,614,189	1,637,927	302,129	302,129	\$ -
2024	1,614,189	47,476	1,566,713	1,590,451	294,748	294,748	\$ -
2025	1,566,713	47,476	1,519,237	1,542,975	287,366	287,366	\$ -
2026	1,519,237	47,476	1,471,761	1,495,499	279,985	279,985	\$ -
2027	1,471,761	47,476	1,424,285	1,448,023	272,604	272,604	\$ -
2028	1,424,285	47,476	1,376,809	1,400,547	265,223	265,223	\$ -
2029	1,376,809	47,476	1,329,332	1,353,071	257,842	257,842	\$ -
2030	1,329,332	47,476	1,281,856	1,305,594	250,460	250,460	\$ -
2031	1,281,856	47,476	1,234,380	1,258,118	243,079	243,079	\$ -
2032	1,234,380	47,476	1,186,904	1,210,642	235,698	235,698	\$ -
2033	1,186,904	47,476	1,139,428	1,163,166	228,317	228,317	\$ -
2034	1,139,428	47,476	1,091,952	1,115,690	220,935	220,935	\$ -
2035	1,091,952	47,476	1,044,476	1,068,214	213,554	213,554	\$ -
2036	1,044,476	47,476	996,999	1,020,737	206,173	206,173	\$ -
2037	996,999	47,476	949,523	973,261	198,792	198,792	\$ -
2038	949,523	47,476	902,047	925,785	191,410	191,410	\$ -
2039	902,047	47,476	854,571	878,309	184,029	184,029	\$ -
2040	854,571	47,476	807,095	830,833	176,648	176,648	\$ -
2041	807,095	47,476	759,619	783,357	169,267	169,267	\$ -
2042	759,619	47,476	712,142	735,880	161,885	161,885	\$ -
2043	712,142	47,476	664,666	688,404	154,504	154,504	\$ -
2044	664,666	47,476	617,190	640,928	147,123	147,123	\$ -
2045	617,190	47,476	569,714	593,452	139,742	139,742	\$ -
2046	569,714	47,476	522,238	545,976	132,360	132,360	\$ -
2047	522,238	47,476	474,762	498,500	124,979	124,979	\$ -
2048	474,762	47,476	427,285	451,024	117,598	117,598	\$ -
2049	427,285	47,476	379,809	403,547	110,217	110,217	\$ -
2050	379,809	47,476	332,333	356,071	102,835	102,835	\$ -
2051	332,333	47,476	284,857	308,595	95,454	95,454	\$ -
2052	284,857	47,476	237,381	261,119	88,073	88,073	\$ -
2053	237,381	47,476	189,905	213,643	80,692	80,692	\$ -
2054	189,905	47,476	142,428	166,167	73,311	73,311	\$ -
2055	142,428	47,476	94,952	118,690	65,929	65,929	\$ -
2056	94,952	47,476	47,476	71,214	58,548	58,548	\$ -
2057	47,476	47,476	-	23,738	51,167	51,167	\$ -
2058	-	-	-	-	-	-	\$ -
2059	-	-	-	-	-	-	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -

[illegible]

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

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

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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	(7,120)	(7,120)	-
Prior Yr True-Up	942,502	942,502	-
True-Up Adjustment	949,622	949,622	-

Details			
Investment	5,507,426	Current Year	2018
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	125,169

[illegible]

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

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

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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

### Project Description:

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	633,061	633,061	-
Prior Yr True-Up	648,141	648,141	-
True-Up Adjustment	15,080	15,080	-

Details			
Investment	4,008,040	Current Year	2018
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	15.55
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55
CIAC (Yes or No)	No	Annual Depreciation Expense	91,092

[illegible]

\*\* 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.

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

### Project Description:

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	18,387	18,387	-
Prior Yr True-Up	18,822	18,822	-
True-Up Adjustment	435	435	-

Details							
Investment	118,332	Current Year	2018				
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	1	FCR w/o incentives, less depreciation					15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.					15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense					2,689
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	118,332	2,465	115,867	117,100	20,671	20,671	\$ -
2014	115,867	2,689	113,178	114,522	20,494	20,494	\$ -
2015	113,178	2,689	110,488	111,833	20,076	20,076	\$ -
2016	110,488	2,689	107,799	109,144	19,658	19,658	\$ -
2017	107,799	2,689	105,110	106,454	19,240	19,240	\$ -
2018	105,110	2,689	102,420	103,765	18,822	18,822	\$ -
2019	102,420	2,689	99,731	101,076	18,404	18,404	\$ -
2020	99,731	2,689	97,041	98,386	17,986	17,986	\$ -
2021	97,041	2,689	94,352	95,697	17,568	17,568	\$ -
2022	94,352	2,689	91,663	93,007	17,149	17,149	\$ -
2023	91,663	2,689	88,973	90,318	16,731	16,731	\$ -
2024	88,973	2,689	86,284	87,629	16,313	16,313	\$ -
2025	86,284	2,689	83,595	84,939	15,895	15,895	\$ -
2026	83,595	2,689	80,905	82,250	15,477	15,477	\$ -
2027	80,905	2,689	78,216	79,561	15,059	15,059	\$ -
2028	78,216	2,689	75,527	76,871	14,641	14,641	\$ -
2029	75,527	2,689	72,837	74,182	14,223	14,223	\$ -
2030	72,837	2,689	70,148	71,492	13,804	13,804	\$ -
2031	70,148	2,689	67,458	68,803	13,386	13,386	\$ -
2032	67,458	2,689	64,769	66,114	12,968	12,968	\$ -
2033	64,769	2,689	62,080	63,424	12,550	12,550	\$ -
2034	62,080	2,689	59,390	60,735	12,132	12,132	\$ -
2035	59,390	2,689	56,701	58,046	11,714	11,714	\$ -
2036	56,701	2,689	54,012	55,356	11,296	11,296	\$ -
2037	54,012	2,689	51,322	52,667	10,878	10,878	\$ -
2038	51,322	2,689	48,633	49,977	10,460	10,460	\$ -
2039	48,633	2,689	45,943	47,288	10,041	10,041	\$ -
2040	45,943	2,689	43,254	44,599	9,623	9,623	\$ -
2041	43,254	2,689	40,565	41,909	9,205	9,205	\$ -
2042	40,565	2,689	37,875	39,220	8,787	8,787	\$ -
2043	37,875	2,689	35,186	36,531	8,369	8,369	\$ -
2044	35,186	2,689	32,497	33,841	7,951	7,951	\$ -
2045	32,497	2,689	29,807	31,152	7,533	7,533	\$ -
2046	29,807	2,689	27,118	28,463	7,115	7,115	\$ -
2047	27,118	2,689	24,428	25,773	6,696	6,696	\$ -
2048	24,428	2,689	21,739	23,084	6,278	6,278	\$ -
2049	21,739	2,689	19,050	20,394	5,860	5,860	\$ -
2050	19,050	2,689	16,360	17,705	5,442	5,442	\$ -
2051	16,360	2,689	13,671	15,016	5,024	5,024	\$ -
2052	13,671	2,689	10,982	12,326	4,606	4,606	\$ -
2053	10,982	2,689	8,292	9,637	4,188	4,188	\$ -
2054	8,292	2,689	5,603	6,948	3,770	3,770	\$ -
2055	5,603	2,689	2,913	4,258	3,351	3,351	\$ -
2056	2,913	2,689	224	1,569	2,933	2,933	\$ -
2057	224	224	-	112	242	242	\$ -
2058	-	-	-	-	-	-	\$ -
2059	-	-	-	-	-	-	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
Project Totals	118,332				524,609	524,609	

[illegible]

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

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

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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	563,359	563,359	-
Prior Yr True-Up	576,778	576,778	-
True-Up Adjustment	13,419	13,419	-

Details			
Investment	3,459,640	Current Year	2018
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	3	FCR w/o incentives, less depreciation	15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	78,628

[illegible]

\*\* 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description:

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	652,807	652,807	-
Prior Yr True-Up	722,178	722,178	-
True-Up Adjustment	69,371	69,371	-

Details			
Investment	4,474,020	Current Year	2018
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	9	FCR w/o incentives, less depreciation	15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	101,682

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #	RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2013	4,474,020	25,421	4,448,599	4,461,310	719,032	719,032	-	\$ 0	719,032	\$ 0	\$ 719,032	\$ -
2014	4,448,599	101,682	4,346,917	4,397,758	785,413	785,413	-	\$ 95,797	689,616	\$ 95,797	\$ 689,616	\$ -
2015	4,346,917	101,682	4,245,235	4,296,076	769,604	769,604	-	\$ 660,744	108,860	\$ 660,744	\$ 108,860	\$ -
2016	4,245,235	101,682	4,143,553	4,194,394	753,795	753,795	-	\$ 821,901	(68,106)	\$ 821,901	\$ (68,106)	\$ -
2017	4,143,553	101,682	4,041,870	4,092,711	737,987	737,987	-	\$ 828,442	(90,455)	\$ 828,442	\$ (90,455)	\$ -
2018	4,041,870	101,682	3,940,188	3,991,029	722,178	722,178	-	\$ 652,807	69,371	\$ 652,807	\$ 69,371	\$ -
2019	3,940,188	101,682	3,838,506	3,889,347	706,369	706,369	-	\$ -	-	\$ -	\$ -	\$ -
2020	3,838,506	101,682	3,736,824	3,787,665	690,560	690,560	-	\$ -	-	\$ -	\$ -	\$ -
2021	3,736,824	101,682	3,635,141	3,685,982	674,751	674,751	-	\$ -	-	\$ -	\$ -	\$ -
2022	3,635,141	101,682	3,533,459	3,584,300	658,943	658,943	-	\$ -	-	\$ -	\$ -	\$ -
2023	3,533,459	101,682	3,431,777	3,482,618	643,134	643,134	-	\$ -	-	\$ -	\$ -	\$ -
2024	3,431,777	101,682	3,330,094	3,380,936	627,325	627,325	-	\$ -	-	\$ -	\$ -	\$ -
2025	3,330,094	101,682	3,228,412	3,279,253	611,516	611,516	-	\$ -	-	\$ -	\$ -	\$ -
2026	3,228,412	101,682	3,126,730	3,177,571	595,707	595,707	-	\$ -	-	\$ -	\$ -	\$ -
2027	3,126,730	101,682	3,025,048	3,075,889	579,899	579,899	-	\$ -	-	\$ -	\$ -	\$ -
2028	3,025,048	101,682	2,923,365	2,974,206	564,090	564,090	-	\$ -	-	\$ -	\$ -	\$ -
2029	2,923,365	101,682	2,821,683	2,872,524	548,281	548,281	-	\$ -	-	\$ -	\$ -	\$ -
2030	2,821,683	101,682	2,720,001	2,770,842	532,472	532,472	-	\$ -	-	\$ -	\$ -	\$ -
2031	2,720,001	101,682	2,618,319	2,669,160	516,663	516,663	-	\$ -	-	\$ -	\$ -	\$ -
2032	2,618,319	101,682	2,516,636	2,567,477	500,855	500,855	-	\$ -	-	\$ -	\$ -	\$ -
2033	2,516,636	101,682	2,414,954	2,465,795	485,046	485,046	-	\$ -	-	\$ -	\$ -	\$ -
2034	2,414,954	101,682	2,313,272	2,364,113	469,237	469,237	-	\$ -	-	\$ -	\$ -	\$ -
2035	2,313,272	101,682	2,211,589	2,262,431	453,428	453,428	-	\$ -	-	\$ -	\$ -	\$ -
2036	2,211,589	101,682	2,109,907	2,160,748	437,619	437,619	-	\$ -	-	\$ -	\$ -	\$ -
2037	2,109,907	101,682	2,008,225	2,059,066	421,811	421,811	-	\$ -	-	\$ -	\$ -	\$ -
2038	2,008,225	101,682	1,906,543	1,957,384	406,002	406,002	-	\$ -	-	\$ -	\$ -	\$ -
2039	1,906,543	101,682	1,804,860	1,855,701	390,193	390,193	-	\$ -	-	\$ -	\$ -	\$ -
2040	1,804,860	101,682	1,703,178	1,754,019	374,384	374,384	-	\$ -	-	\$ -	\$ -	\$ -
2041	1,703,178	101,682	1,601,496	1,652,337	358,575	358,575	-	\$ -	-	\$ -	\$ -	\$ -
2042	1,601,496	101,682	1,499,814	1,550,655	342,767	342,767	-	\$ -	-	\$ -	\$ -	\$ -
2043	1,499,814	101,682	1,398,131	1,448,972	326,958	326,958	-	\$ -	-	\$ -	\$ -	\$ -
2044	1,398,131	101,682	1,296,449	1,347,280	311,149	311,149	-	\$ -	-	\$ -	\$ -	\$ -
2045	1,296,449	101,682	1,194,767	1,245,608	295,340	295,340	-	\$ -	-	\$ -	\$ -	\$ -
2046	1,194,767	101,682	1,093,084	1,143,926	279,531	279,531	-	\$ -	-	\$ -	\$ -	\$ -
2047	1,093,084	101,682	991,402	1,042,243	263,723	263,723	-	\$ -	-	\$ -	\$ -	\$ -
2048	991,402	101,682	889,720	940,561	247,914	247,914	-	\$ -	-	\$ -	\$ -	\$ -
2049	889,720	101,682	788,038	838,879	232,105	232,105	-	\$ -	-	\$ -	\$ -	\$ -
2050	788,038	101,682	686,355	737,196	216,296	216,296	-	\$ -	-	\$ -	\$ -	\$ -
2051	686,355	101,682	584,673	635,514	200,487	200,487	-	\$ -	-	\$ -	\$ -	\$ -
2052	584,673	101,682	482,991	533,832	184,678	184,678	-	\$ -	-	\$ -	\$ -	\$ -
2053	482,991	101,682	381,309	432,150	168,870	168,870	-	\$ -	-	\$ -	\$ -	\$ -
2054	381,309	101,682	279,626	330,467	153,061	153,061	-	\$ -	-	\$ -	\$ -	\$ -
2055	279,626	101,682	177,944	228,785	137,252	137,252	-	\$ -	-	\$ -	\$ -	\$ -
2056	177,944	101,682	76,262	127,103	121,443	121,443	-	\$ -	-	\$ -	\$ -	\$ -
2057	76,262	76,262	-	38,131	82,190	82,190	-	\$ -	-	\$ -	\$ -	\$ -
2058	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2059	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2060	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	-	\$ -	-	\$ -	\$ -	\$ -
Project Totals		4,474,020			20,298,634	20,298,634	-					

\*\* 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.

### 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)

[illegible]

### Project Totals

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

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



### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

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

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,165,473	1,165,473	-
Prior Yr True-Up	1,193,226	1,193,226	-
True-Up Adjustment	27,753	27,753	-

Details								
Investment	7,169,898	Current Year					2018	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)						-
Service Month (1-12)	2	FCR w/o incentives, less depreciation						15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.						15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense						162,952
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev Requirement #	
2015	135,794	135,794	7,034,104	7,102,001	1,239,960	1,239,960	\$ -	-
2016	7,034,104	162,952	6,871,152	6,952,628	1,243,895	1,243,895	\$ -	-
2017	6,871,152	162,952	6,708,200	6,789,676	1,218,561	1,218,561	\$ -	-
2018	6,708,200	162,952	6,545,248	6,626,724	1,193,226	1,193,226	\$ -	-
2019	6,545,248	162,952	6,382,296	6,463,772	1,167,891	1,167,891	\$ -	-
2020	6,382,296	162,952	6,219,343	6,300,819	1,142,557	1,142,557	\$ -	-
2021	6,219,343	162,952	6,056,391	6,137,867	1,117,222	1,117,222	\$ -	-
2022	6,056,391	162,952	5,893,439	5,974,915	1,091,886	1,091,886	\$ -	-
2023	5,893,439	162,952	5,730,487	5,811,963	1,066,553	1,066,553	\$ -	-
2024	5,730,487	162,952	5,567,534	5,649,011	1,041,218	1,041,218	\$ -	-
2025	5,567,534	162,952	5,404,582	5,486,058	1,015,884	1,015,884	\$ -	-
2026	5,404,582	162,952	5,241,630	5,323,106	990,549	990,549	\$ -	-
2027	5,241,630	162,952	5,078,678	5,160,154	965,215	965,215	\$ -	-
2028	5,078,678	162,952	4,915,726	4,997,202	939,880	939,880	\$ -	-
2029	4,915,726	162,952	4,752,773	4,834,249	914,545	914,545	\$ -	-
2030	4,752,773	162,952	4,589,821	4,671,297	889,211	889,211	\$ -	-
2031	4,589,821	162,952	4,426,869	4,508,345	863,876	863,876	\$ -	-
2032	4,426,869	162,952	4,263,917	4,345,383	838,542	838,542	\$ -	-
2033	4,263,917	162,952	4,100,964	4,182,441	813,207	813,207	\$ -	-
2034	4,100,964	162,952	3,938,012	4,019,488	787,872	787,872	\$ -	-
2035	3,938,012	162,952	3,775,060	3,856,536	762,538	762,538	\$ -	-
2036	3,775,060	162,952	3,612,108	3,693,584	737,203	737,203	\$ -	-
2037	3,612,108	162,952	3,449,155	3,530,632	711,869	711,869	\$ -	-
2038	3,449,155	162,952	3,286,203	3,367,679	686,534	686,534	\$ -	-
2039	3,286,203	162,952	3,123,251	3,204,727	661,199	661,199	\$ -	-
2040	3,123,251	162,952	2,960,299	3,041,775	635,865	635,865	\$ -	-
2041	2,960,299	162,952	2,797,347	2,878,823	610,530	610,530	\$ -	-
2042	2,797,347	162,952	2,634,394	2,715,870	585,196	585,196	\$ -	-
2043	2,634,394	162,952	2,471,442	2,552,918	559,861	559,861	\$ -	-
2044	2,471,442	162,952	2,308,490	2,389,966	534,526	534,526	\$ -	-
2045	2,308,490	162,952	2,145,538	2,227,014	509,192	509,192	\$ -	-
2046	2,145,538	162,952	1,982,585	2,064,062	483,857	483,857	\$ -	-
2047	1,982,585	162,952	1,819,633	1,901,109	458,523	458,523	\$ -	-
2048	1,819,633	162,952	1,656,681	1,738,157	433,188	433,188	\$ -	-
2049	1,656,681	162,952	1,493,729	1,575,205	407,853	407,853	\$ -	-
2050	1,493,729	162,952	1,330,777	1,412,253	382,519	382,519	\$ -	-
2051	1,330,777	162,952	1,167,824	1,249,300	357,184	357,184	\$ -	-
2052	1,167,824	162,952	1,004,872	1,086,348	331,850	331,850	\$ -	-
2053	1,004,872	162,952	841,920	923,396	306,515	306,515	\$ -	-
2054	841,920	162,952	678,968	760,444	281,180	281,180	\$ -	-
2055	678,968	162,952	516,015	597,491	255,846	255,846	\$ -	-
2056	516,015	162,952	353,063	434,539	230,511	230,511	\$ -	-
2057	353,063	162,952	190,111	271,587	205,177	205,177	\$ -	-
2058	190,111	162,952	27,159	108,635	179,842	179,842	\$ -	-
2059	27,159	27,159	-	13,579	29,270	29,270	\$ -	-
2060	-	-	-	-	-	-	\$ -	-
2061	-	-	-	-	-	-	\$ -	-
2062	-	-	-	-	-	-	\$ -	-
2063	-	-	-	-	-	-	\$ -	-
2064	-	-	-	-	-	-	\$ -	-
2065	-	-	-	-	-	-	\$ -	-
2066	-	-	-	-	-	-	\$ -	-
2067	-	-	-	-	-	-	\$ -	-
2068	-	-	-	-	-	-	\$ -	-
2069	-	-	-	-	-	-	\$ -	-
2070	-	-	-	-	-	-	\$ -	-
2071	-	-	-	-	-	-	\$ -	-
2072	-	-	-	-	-	-	\$ -	-
2073	-	-	-	-	-	-	\$ -	-
2074	-	-	-	-	-	-	\$ -	-
Project Totals		7,169,898			31,879,580	31,879,580		

[illegible]

\*\* 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.

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description: RTEP ID: b1032.4 (Loop the existing South Canton - Wayview 138kV circuit in-and-out of West Canton)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	198,829	198,829	-
Prior Yr True-Up	203,569	203,569	-
True-Up Adjustment	4,740	4,740	-

Details		2018
Investment	1,214,619	Current Year
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	6	FCR w/o incentives, less depreciation
Useful life	44	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #	RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2015	1,214,619	13,802	1,200,817	1,207,718	201,569	201,569	-	\$ 247,850	\$ (46,281)	\$ 247,850	\$ (46,281)	\$ -
2016	1,200,817	27,605	1,173,212	1,187,014	212,153	212,153	-	\$ 216,823	\$ (4,670)	\$ 216,823	\$ (4,670)	\$ -
2017	1,173,212	27,605	1,145,607	1,159,409	207,861	207,861	-	\$ 219,628	\$ (11,767)	\$ 219,628	\$ (11,767)	\$ -
2018	1,145,607	27,605	1,118,002	1,131,804	203,569	203,569	-	\$ 198,829	\$ 4,740	\$ 198,829	\$ 4,740	\$ -
2019	1,118,002	27,605	1,090,397	1,104,199	199,278	199,278	-	\$ -	\$ -	\$ -	\$ -	\$ -
2020	1,090,397	27,605	1,062,792	1,076,594	194,986	194,986	-	\$ -	\$ -	\$ -	\$ -	\$ -
2021	1,062,792	27,605	1,035,187	1,048,989	190,694	190,694	-	\$ -	\$ -	\$ -	\$ -	\$ -
2022	1,035,187	27,605	1,007,582	1,021,384	186,402	186,402	-	\$ -	\$ -	\$ -	\$ -	\$ -
2023	1,007,582	27,605	979,977	993,779	182,110	182,110	-	\$ -	\$ -	\$ -	\$ -	\$ -
2024	979,977	27,605	952,372	966,174	177,819	177,819	-	\$ -	\$ -	\$ -	\$ -	\$ -
2025	952,372	27,605	924,767	938,969	173,527	173,527	-	\$ -	\$ -	\$ -	\$ -	\$ -
2026	924,767	27,605	897,162	910,964	169,235	169,235	-	\$ -	\$ -	\$ -	\$ -	\$ -
2027	897,162	27,605	869,557	883,359	164,943	164,943	-	\$ -	\$ -	\$ -	\$ -	\$ -
2028	869,557	27,605	841,952	855,754	160,651	160,651	-	\$ -	\$ -	\$ -	\$ -	\$ -
2029	841,952	27,605	814,347	828,149	156,359	156,359	-	\$ -	\$ -	\$ -	\$ -	\$ -
2030	814,347	27,605	786,742	800,544	152,068	152,068	-	\$ -	\$ -	\$ -	\$ -	\$ -
2031	786,742	27,605	759,137	772,939	147,776	147,776	-	\$ -	\$ -	\$ -	\$ -	\$ -
2032	759,137	27,605	731,532	745,334	143,484	143,484	-	\$ -	\$ -	\$ -	\$ -	\$ -
2033	731,532	27,605	703,927	717,729	139,192	139,192	-	\$ -	\$ -	\$ -	\$ -	\$ -
2034	703,927	27,605	676,322	690,124	134,900	134,900	-	\$ -	\$ -	\$ -	\$ -	\$ -
2035	676,322	27,605	648,717	662,519	130,609	130,609	-	\$ -	\$ -	\$ -	\$ -	\$ -
2036	648,717	27,605	621,112	634,914	126,317	126,317	-	\$ -	\$ -	\$ -	\$ -	\$ -
2037	621,112	27,605	593,507	607,310	122,025	122,025	-	\$ -	\$ -	\$ -	\$ -	\$ -
2038	593,507	27,605	565,902	579,705	117,733	117,733	-	\$ -	\$ -	\$ -	\$ -	\$ -
2039	565,902	27,605	538,297	552,100	113,441	113,441	-	\$ -	\$ -	\$ -	\$ -	\$ -
2040	538,297	27,605	510,692	524,495	109,149	109,149	-	\$ -	\$ -	\$ -	\$ -	\$ -
2041	510,692	27,605	483,087	496,890	104,858	104,858	-	\$ -	\$ -	\$ -	\$ -	\$ -
2042	483,087	27,605	455,482	469,285	100,566	100,566	-	\$ -	\$ -	\$ -	\$ -	\$ -
2043	455,482	27,605	427,877	441,680	96,274	96,274	-	\$ -	\$ -	\$ -	\$ -	\$ -
2044	427,877	27,605	400,272	414,075	91,982	91,982	-	\$ -	\$ -	\$ -	\$ -	\$ -
2045	400,272	27,605	372,667	386,470	87,690	87,690	-	\$ -	\$ -	\$ -	\$ -	\$ -
2046	372,667	27,605	345,062	358,865	83,399	83,399	-	\$ -	\$ -	\$ -	\$ -	\$ -
2047	345,062	27,605	317,457	331,260	79,107	79,107	-	\$ -	\$ -	\$ -	\$ -	\$ -
2048	317,457	27,605	289,852	303,655	74,815	74,815	-	\$ -	\$ -	\$ -	\$ -	\$ -
2049	289,852	27,605	262,247	276,050	70,523	70,523	-	\$ -	\$ -	\$ -	\$ -	\$ -
2050	262,247	27,605	234,642	248,445	66,231	66,231	-	\$ -	\$ -	\$ -	\$ -	\$ -
2051	234,642	27,605	207,037	220,840	61,940	61,940	-	\$ -	\$ -	\$ -	\$ -	\$ -
2052	207,037	27,605	179,432	193,235	57,648	57,648	-	\$ -	\$ -	\$ -	\$ -	\$ -
2053	179,432	27,605	151,827	165,030	53,356	53,356	-	\$ -	\$ -	\$ -	\$ -	\$ -
2054	151,827	27,605	124,222	138,025	49,064	49,064	-	\$ -	\$ -	\$ -	\$ -	\$ -
2055	124,222	27,605	96,617	110,420	44,772	44,772	-	\$ -	\$ -	\$ -	\$ -	\$ -
2056	96,617	27,605	69,012	82,815	40,480	40,480	-	\$ -	\$ -	\$ -	\$ -	\$ -
2057	69,012	27,605	41,407	55,210	36,189	36,189	-	\$ -	\$ -	\$ -	\$ -	\$ -
2058	41,407	27,605	13,802	27,605	31,897	31,897	-	\$ -	\$ -	\$ -	\$ -	\$ -
2059	13,802	13,802	-	6,901	14,875	14,875	-	\$ -	\$ -	\$ -	\$ -	\$ -
2060	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2073	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
2074	-	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals		1,214,619			5,463,518	5,463,518	-					

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

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

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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

### Project Description:

**RTEP ID: b1666 (Build an 8 breaker 138 kV station tapping both circuits of the Fostoria-East Lima 138 kV line)**

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	506,029	506,029	-
Prior Yr True-Up	518,112	518,112	-
True-Up Adjustment	12,083	12,083	-

Details			
Investment	3,059,126	Current Year	2018
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	15.55%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	69.52%

[illegible]

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

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

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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

**Project Description:** RTEP ID: b1957 (Terminate Transformer #2 at SW Lima in new bay position)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	326,706	326,706	-
Prior Yr True-Up	367,386	367,386	-
True-Up Adjustment	40,680	40,680	-

Details			
Investment	2,169,182	Current Year	2018
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	49,300

[illegible]

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

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

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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

**Project Description:** RTEP ID: b1962 (Add four 765 kV breakers at Kammer)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	105,135	105,135	-
True-Up Adjustment	105,135	105,135	-

Details			
Investment	620,757	Current Year	2018
Service Year (yyyy)	2,015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	15.55
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55
CIAC (Yes or No)	No	Annual Depreciation Expense	14,108

[illegible]

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

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

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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

<b>Project Description:</b>	RTEP ID: b2019 (Establish Burger 345/138 kV station)	RTEP ID: b2019 (Establish Burger 345/138 kV station)
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2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,133,578	1,133,578	-
Prior Yr True-Up	1,160,647	1,160,647	-
True-Up Adjustment	27,069	27,069	-

Details			
Investment	6,852,888	Current Year	2018
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	15.55%
Useful life	40	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	155.74

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

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2015	6,852,888	-	6,852,888	6,852,888	1,065,436	1,065,436	\$ -	\$ 1,039,339	\$ 26,097	\$ 1,039,339	\$ 26,097	\$ -
2016	6,852,888	155,747	6,697,141	6,697,141	1,209,076	1,209,076	\$ -	\$ 1,387,490	\$ (178,414)	\$ 1,387,490	\$ (178,414)	\$ -
2017	6,697,141	155,747	6,541,393	6,541,393	1,184,862	1,184,862	\$ -	\$ 1,411,523	\$ (226,661)	\$ 1,411,523	\$ (226,661)	\$ -
2018	6,541,393	155,747	6,385,646	6,463,519	1,160,647	1,160,647	\$ -	\$ 1,133,578	\$ 27,069	\$ 1,133,578	\$ 27,069	\$ -
2019	6,385,646	155,747	6,229,898	6,307,772	1,136,433	1,136,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	6,229,898	155,747	6,074,151	6,152,024	1,112,219	1,112,219	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	6,074,151	155,747	5,918,403	5,996,277	1,088,004	1,088,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	5,918,403	155,747	5,762,656	5,840,530	1,063,790	1,063,790	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	5,762,656	155,747	5,606,908	5,684,782	1,039,575	1,039,575	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	5,606,908	155,747	5,451,161	5,529,035	1,015,361	1,015,361	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	5,451,161	155,747	5,295,413	5,373,287	991,146	991,146	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	5,295,413	155,747	5,139,666	5,217,540	966,932	966,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	5,139,666	155,747	4,983,919	5,061,792	942,717	942,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	4,983,919	155,747	4,828,171	4,906,045	918,503	918,503	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	4,828,171	155,747	4,672,424	4,750,297	894,288	894,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	4,672,424	155,747	4,516,676	4,594,550	870,074	870,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	4,516,676	155,747	4,360,929	4,438,802	845,859	845,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	4,360,929	155,747	4,205,181	4,283,055	821,645	821,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	4,205,181	155,747	4,049,434	4,127,308	797,431	797,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	4,049,434	155,747	3,893,686	3,971,580	773,216	773,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	3,893,686	155,747	3,737,939	3,815,813	749,002	749,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	3,737,939	155,747	3,582,191	3,660,065	724,787	724,787	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	3,582,191	155,747	3,426,444	3,504,318	700,573	700,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	3,426,444	155,747	3,270,697	3,348,570	676,358	676,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	3,270,697	155,747	3,114,949	3,192,823	652,144	652,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	3,114,949	155,747	2,959,202	3,037,075	627,929	627,929	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	2,959,202	155,747	2,803,454	2,881,328	603,715	603,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	2,803,454	155,747	2,647,707	2,725,580	579,500	579,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	2,647,707	155,747	2,491,959	2,569,833	555,286	555,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	2,491,959	155,747	2,336,212	2,414,086	531,072	531,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	2,336,212	155,747	2,180,464	2,258,338	506,857	506,857	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	2,180,464	155,747	2,024,717	2,102,591	482,643	482,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	2,024,717	155,747	1,868,969	1,946,843	458,428	458,428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	1,868,969	155,747	1,713,222	1,791,096	434,214	434,214	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	1,713,222	155,747	1,557,475	1,635,348	409,999	409,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	1,557,475	155,747	1,401,727	1,479,601	385,785	385,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	1,401,727	155,747	1,245,980	1,323,853	361,570	361,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	1,245,980	155,747	1,090,232	1,168,106	337,356	337,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	1,090,232	155,747	934,485	1,012,368	313,141	313,141	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	934,485	155,747	778,737	856,611	288,927	288,927	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	778,737	155,747	622,990	700,864	264,713	264,713	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	622,990	155,747	467,242	545,116	240,498	240,498	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	467,242	155,747	311,495	389,369	216,284	216,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	311,495	155,747	155,747	233,621	192,069	192,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	155,747	155,747	0	77,874	167,855	167,855	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	0	0	-	0	0	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2073	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2074	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals		6,852,888			31,357,919	31,357,919	-					

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

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

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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

**Project Description:** RTEP ID: b2017 (Reconductor or rebuild Sporn - Waterford - Musk) RTEP ID: b2019 (Establish Burger 345/138 kV station)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	974,758	974,758	-
Prior Yr True-Up	997,990	997,990	-
True-Up Adjustment	23,232	23,232	-

Details			
Investment	5,965,092	Current Year	2018
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	5	FCR w/o incentives, less depreciation	15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)	No	Annual Depreciation Expense	135,570

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

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2015	5,965,092	79,083	5,886,009	5,925,551	1,000,343	1,000,343	\$ -	\$ 805,154	\$ 195,189	\$ 805,154	\$ 195,189	\$ -
2016	5,886,009	135,570	5,750,439	5,818,224	1,040,145	1,040,145	\$ -	\$ 1,159,062	\$ (118,917)	\$ 1,159,062	\$ (118,917)	\$ -
2017	5,750,439	135,570	5,614,869	5,682,654	1,019,067	1,019,067	\$ -	\$ 1,177,370	\$ (158,303)	\$ 1,177,370	\$ (158,303)	\$ -
2018	5,614,869	135,570	5,479,299	5,547,084	997,990	997,990	\$ -	\$ 974,758	\$ 23,232	\$ 974,758	\$ 23,232	\$ -
2019	5,479,299	135,570	5,343,728	5,411,513	976,912	976,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	5,343,728	135,570	5,208,158	5,275,943	955,835	955,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	5,208,158	135,570	5,072,588	5,140,373	934,757	934,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	5,072,588	135,570	4,937,017	5,004,803	913,680	913,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	4,937,017	135,570	4,801,447	4,869,232	892,602	892,602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	4,801,447	135,570	4,665,877	4,733,662	871,525	871,525	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	4,665,877	135,570	4,530,307	4,598,092	850,447	850,447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	4,530,307	135,570	4,394,736	4,462,521	829,370	829,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	4,394,736	135,570	4,259,166	4,326,951	808,293	808,293	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	4,259,166	135,570	4,123,596	4,191,381	787,215	787,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	4,123,596	135,570	3,988,026	4,055,811	766,138	766,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	3,988,026	135,570	3,852,455	3,920,240	745,060	745,060	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	3,852,455	135,570	3,716,885	3,784,670	723,983	723,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	3,716,885	135,570	3,581,315	3,649,100	702,905	702,905	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	3,581,315	135,570	3,445,744	3,513,530	681,828	681,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	3,445,744	135,570	3,310,174	3,377,959	660,750	660,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	3,310,174	135,570	3,174,604	3,242,389	639,673	639,673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	3,174,604	135,570	3,039,034	3,106,819	618,595	618,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	3,039,034	135,570	2,903,463	2,971,248	597,518	597,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	2,903,463	135,570	2,767,893	2,835,678	576,440	576,440	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	2,767,893	135,570	2,632,323	2,700,108	555,363	555,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	2,632,323	135,570	2,496,753	2,564,538	534,286	534,286	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	2,496,753	135,570	2,361,182	2,428,967	513,208	513,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	2,361,182	135,570	2,225,612	2,293,397	492,131	492,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	2,225,612	135,570	2,090,042	2,157,827	471,053	471,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	2,090,042	135,570	1,954,471	2,022,257	449,976	449,976	\$ -	\$ -</				

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

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

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

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

### Project Description:

**RTEP: b1032.3 (Convert Ross-Circleville 69kV to 138 kV)**

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details							
Investment	-	Current Year	2018				
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-				
Service Month (1-12)	6	FCR w/o incentives, less depreciation	15.55%				
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55%				
CIAC (Yes or No)	No	Annual Depreciation Expense	-				
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	-	-	-	-	-	-	\$ -
2016	-	-	-	-	-	-	\$ -
2017	-	-	-	-	-	-	\$ -
2018	-	-	-	-	-	-	\$ -
2019	-	-	-	-	-	-	\$ -
2020	-	-	-	-	-	-	\$ -
2021	-	-	-	-	-	-	\$ -
2022	-	-	-	-	-	-	\$ -
2023	-	-	-	-	-	-	\$ -
2024	-	-	-	-	-	-	\$ -
2025	-	-	-	-	-	-	\$ -
2026	-	-	-	-	-	-	\$ -
2027	-	-	-	-	-	-	\$ -
2028	-	-	-	-	-	-	\$ -
2029	-	-	-	-	-	-	\$ -
2030	-	-	-	-	-	-	\$ -
2031	-	-	-	-	-	-	\$ -
2032	-	-	-	-	-	-	\$ -
2033	-	-	-	-	-	-	\$ -
2034	-	-	-	-	-	-	\$ -
2035	-	-	-	-	-	-	\$ -
2036	-	-	-	-	-	-	\$ -
2037	-	-	-	-	-	-	\$ -
2038	-	-	-	-	-	-	\$ -
2039	-	-	-	-	-	-	\$ -
2040	-	-	-	-	-	-	\$ -
2041	-	-	-	-	-	-	\$ -
2042	-	-	-	-	-	-	\$ -
2043	-	-	-	-	-	-	\$ -
2044	-	-	-	-	-	-	\$ -
2045	-	-	-	-	-	-	\$ -
2046	-	-	-	-	-	-	\$ -
2047	-	-	-	-	-	-	\$ -
2048	-	-	-	-	-	-	\$ -
2049	-	-	-	-	-	-	\$ -
2050	-	-	-	-	-	-	\$ -
2051	-	-	-	-	-	-	\$ -
2052	-	-	-	-	-	-	\$ -
2053	-	-	-	-	-	-	\$ -
2054	-	-	-	-	-	-	\$ -
2055	-	-	-	-	-	-	\$ -
2056	-	-	-	-	-	-	\$ -
2057	-	-	-	-	-	-	\$ -
2058	-	-	-	-	-	-	\$ -
2059	-	-	-	-	-	-	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -

[illegible]

### Project Totals

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

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



## Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

**Project Description:** RTEP: b1032.2 (Two 138kV outlets to Delano and Camp Sherman)

Details			
Investment	598,619	Current Year	2018
Service Year (Yearly)	2018	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	15.55%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55%
CIAC (Yes or No)		Annual Depreciation Expense	13.60%

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

GAIC (Yes or No)	Annual Depreciation Expense					13.605			LIFE OF THE PROJECT				
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #	RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives	
2018	598,619	6,802	591,817	595,218	99,343	99,343	\$ -	\$ 8,836	\$ 90,507	\$ 8,836	\$ 90,507	\$ -	
2019	591,817	13,605	578,212	585,014	104,559	104,559	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2020	578,212	13,605	564,607	571,409	102,443	102,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2021	564,607	13,605	551,002	557,804	100,328	100,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2022	551,002	13,605	537,397	544,199	98,213	98,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2023	537,397	13,605	523,792	530,594	96,098	96,098	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2024	523,792	13,605	510,187	516,989	93,983	93,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2025	510,187	13,605	496,582	503,384	91,867	91,867	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2026	496,582	13,605	482,977	489,779	89,752	89,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2027	482,977	13,605	469,372	476,174	87,637	87,637	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2028	469,372	13,605	455,767	462,569	85,522	85,522	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2029	455,767	13,605	442,162	448,964	83,407	83,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2030	442,162	13,605	428,557	435,359	81,291	81,291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2031	428,557	13,605	414,952	421,754	79,176	79,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2032	414,952	13,605	401,347	408,149	77,061	77,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2033	401,347	13,605	387,742	394,544	74,946	74,946	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2034	387,742	13,605	374,137	380,939	72,831	72,831	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2035	374,137	13,605	360,532	367,334	70,715	70,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2036	360,532	13,605	346,927	353,729	68,600	68,600	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2037	346,927	13,605	333,322	340,124	66,485	66,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2038	333,322	13,605	319,717	326,519	64,370	64,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2039	319,717	13,605	306,112	312,914	62,255	62,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2040	306,112	13,605	292,507	299,310	60,139	60,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2041	292,507	13,605	278,902	285,705	58,024	58,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2042	278,902	13,605	265,297	272,100	55,909	55,909	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2043	265,297	13,605	251,692	258,495	53,794	53,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2044	251,692	13,605	238,087	244,890	51,679	51,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2045	238,087	13,605	224,482	231,285	49,563	49,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2046	224,482	13,605	210,877	217,680	47,448	47,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2047	210,877	13,605	197,272	204,075	45,333	45,333	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2048	197,272	13,605	183,667	190,470	43,218	43,218	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2049	183,667	13,605	170,062	176,865	41,103	41,103	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2050	170,062	13,605	156,457	163,260	38,987	38,987	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2051	156,457	13,605	142,852	149,655	36,872	36,872	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2052	142,852	13,605	129,247	136,050	34,757	34,757	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2053	129,247	13,605	115,642	122,445	32,642	32,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2054	115,642	13,605	102,037	108,840	30,527	30,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2055	102,037	13,605	88,432	95,235	28,411	28,411	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2056	88,432	13,605	74,827	81,630	26,296	26,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2057	74,827	13,605	61,222	68,025	24,181	24,181	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2058	61,222	13,605	47,617	54,420	22,066	22,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2059	47,617	13,605	34,012	40,815	19,951	19,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2060	34,012	13,605	20,407	27,210	17,835	17,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2061	20,407	13,605	6,802	13,605	15,720	15,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2062	6,802	6,802	-	3,401	7,331	7,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2073	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2074	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2075	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2076	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2077	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

\*\* 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.

### A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

**Project Description:** RTEP ID: b1818 (Expand Allen w/345/138 kV xfmr. And cut in double circuit tower line)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	40,449	40,449	-
Prior Yr True-Up	41,417	41,417	-
True-Up Adjustment	968	968	-

Details									
Investment		242,015	Current Year					2018	
Service Year (yyyy)		2016	ROE increase accepted by FERC (Basis Points)					-	
Service Month (1-12)		6	FCR w/o incentives, less depreciation					15.55%	
Useful life		44	FCR w/incentives approved for these facilities, less dep.					15.55%	
CIAC (Yes or No)		No	Annual Depreciation Expense					5,500	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #		
2016	242,015	2,750	239,265	240,640	40,163	40,163	\$	-	
2017	239,265	5,500	233,764	236,515	42,272	42,272	\$	-	
2018	233,764	5,500	228,264	231,014	41,417	41,417	\$	-	
2019	228,264	5,500	222,764	225,514	40,562	40,562	\$	-	
2020	222,764	5,500	217,263	220,014	39,706	39,706	\$	-	
2021	217,263	5,500	211,763	214,513	38,851	38,851	\$	-	
2022	211,763	5,500	206,263	209,013	37,996	37,996	\$	-	
2023	206,263	5,500	200,762	203,513	37,141	37,141	\$	-	
2024	200,762	5,500	195,262	198,012	36,286	36,286	\$	-	
2025	195,262	5,500	189,762	192,512	35,431	35,431	\$	-	
2026	189,762	5,500	184,261	187,012	34,576	34,576	\$	-	
2027	184,261	5,500	178,761	181,511	33,720	33,720	\$	-	
2028	178,761	5,500	173,261	176,011	32,865	32,865	\$	-	
2029	173,261	5,500	167,760	170,511	32,010	32,010	\$	-	
2030	167,760	5,500	162,260	165,010	31,155	31,155	\$	-	
2031	162,260	5,500	156,760	159,510	30,300	30,300	\$	-	
2032	156,760	5,500	151,259	154,010	29,445	29,445	\$	-	
2033	151,259	5,500	145,759	148,509	28,589	28,589	\$	-	
2034	145,759	5,500	140,259	143,009	27,734	27,734	\$	-	
2035	140,259	5,500	134,758	137,509	26,879	26,879	\$	-	
2036	134,758	5,500	129,258	132,008	26,024	26,024	\$	-	
2037	129,258	5,500	123,758	126,508	25,169	25,169	\$	-	
2038	123,758	5,500	118,257	121,008	24,314	24,314	\$	-	
2039	118,257	5,500	112,757	115,507	23,459	23,459	\$	-	
2040	112,757	5,500	107,257	110,007	22,603	22,603	\$	-	
2041	107,257	5,500	101,756	104,506	21,748	21,748	\$	-	
2042	101,756	5,500	96,256	99,006	20,893	20,893	\$	-	
2043	96,256	5,500	90,756	93,506	20,038	20,038	\$	-	
2044	90,756	5,500	85,255	88,005	19,183	19,183	\$	-	
2045	85,255	5,500	79,755	82,505	18,328	18,328	\$	-	
2046	79,755	5,500	74,255	77,005	17,472	17,472	\$	-	
2047	74,255	5,500	68,754	71,504	16,617	16,617	\$	-	
2048	68,754	5,500	63,254	66,004	15,762	15,762	\$	-	
2049	63,254	5,500	57,754	60,504	14,907	14,907	\$	-	
2050	57,754	5,500	52,253	55,003	14,052	14,052	\$	-	
2051	52,253	5,500	46,753	49,503	13,197	13,197	\$	-	
2052	46,753	5,500	41,253	44,003	12,342	12,342	\$	-	
2053	41,253	5,500	35,752	38,502	11,486	11,486	\$	-	
2054	35,752	5,500	30,252	33,002	10,631	10,631	\$	-	
2055	30,252	5,500	24,752	27,502	9,776	9,776	\$	-	
2056	24,752	5,500	19,251	22,001	8,921	8,921	\$	-	
2057	19,251	5,500	13,751	16,501	8,066	8,066	\$	-	
2058	13,751	5,500	8,251	11,001	7,211	7,211	\$	-	
2059	8,251	5,500	2,750	5,500	6,355	6,355	\$	-	
2060	2,750	2,750	-	1,375	2,964	2,964	\$	-	
2061	-	-	-	-	-	-	\$	-	
2062	-	-	-	-	-	-	\$	-	
2063	-	-	-	-	-	-	\$	-	
2064	-	-	-	-	-	-	\$	-	
2065	-	-	-	-	-	-	\$	-	
2066	-	-	-	-	-	-	\$	-	
2067	-	-	-	-	-	-	\$	-	
2068	-	-	-	-	-	-	\$	-	
2069	-	-	-	-	-	-	\$	-	
2070	-	-	-	-	-	-	\$	-	
2071	-	-	-	-	-	-	\$	-	
2072	-	-	-	-	-	-	\$	-	
2073	-	-	-	-	-	-	\$	-	
2074	-	-	-	-	-	-	\$	-	
2075	-	-	-	-	-	-	\$	-	
Project Totals			242,015			1,088,616	1,088,616		-

[illegible]

\*\* 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.

## Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

**Project Description:** RTEP ID: b1870 (Replace the Ohio Central transformer #1 450 MVA for 675 MVA transformer)

Details			
Investment	8,640	Current Year	2018
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	7	FCR w/o incentives, less depreciation	15.55
Useful life	44	FCR w/incentives approved for these facilities, less dep.	15.55
CIAC (Yes or No)	No	Annual Depreciation Expense	19

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

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

GAC (Yes or No)		Annual Depreciation Expense				PROJECT			PROJECT				
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev Requirement #	RTEP Projected Rev. Req't. From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't. From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives	
2014	8,640	82	8,558	8,599	1,419	1,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2015	8,558	196	8,362	8,460	1,512	1,512	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2016	8,362	196	8,165	8,264	1,481	1,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2017	8,165	196	7,969	8,067	1,451	1,451	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2018	7,969	196	7,773	7,871	1,420	1,420	\$ -	\$ 1,387	33	\$ 1,387	\$ 33	\$ -	
2019	7,773	196	7,576	7,675	1,390	1,390	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2020	7,576	196	7,380	7,478	1,359	1,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2021	7,380	196	7,184	7,282	1,328	1,328	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2022	7,184	196	6,987	7,085	1,298	1,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2023	6,987	196	6,791	6,889	1,267	1,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2024	6,791	196	6,595	6,693	1,237	1,237	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2025	6,595	196	6,398	6,496	1,206	1,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2026	6,398	196	6,202	6,300	1,176	1,176	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2027	6,202	196	6,005	6,104	1,145	1,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2028	6,005	196	5,809	5,907	1,115	1,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2029	5,809	196	5,613	5,711	1,084	1,084	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2030	5,613	196	5,416	5,515	1,054	1,054	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2031	5,416	196	5,220	5,318	1,023	1,023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2032	5,220	196	5,024	5,122	993	993	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2033	5,024	196	4,827	4,925	962	962	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2034	4,827	196	4,631	4,729	932	932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2035	4,631	196	4,435	4,533	901	901	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2036	4,435	196	4,238	4,336	871	871	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2037	4,238	196	4,042	4,140	840	840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2038	4,042	196	3,845	3,944	809	809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2039	3,845	196	3,649	3,747	779	779	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2040	3,649	196	3,453	3,551	748	748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2041	3,453	196	3,256	3,355	718	718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2042	3,256	196	3,060	3,158	687	687	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2043	3,060	196	2,864	2,962	657	657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2044	2,864	196	2,667	2,765	626	626	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2045	2,667	196	2,471	2,569	596	596	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2046	2,471	196	2,275	2,373	565	565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2047	2,275	196	2,078	2,176	535	535	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2048	2,078	196	1,882	1,980	504	504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2049	1,882	196	1,685	1,784	474	474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2050	1,685	196	1,489	1,587	443	443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2051	1,489	196	1,293	1,391	413	413	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2052	1,293	196	1,096	1,195	382	382	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2053	1,096	196	900	998	352	352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2054	900	196	704	802	321	321	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2055	704	196	507	605	290	290	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2056	507	196	311	409	260	260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2057	311	196	115	213	229	229	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2058	115	115	-	57	123	123	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2059	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2060	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2061	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2062	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2073	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Project Totals		8,640			38,976	38,976	-						

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

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

AEP East Companies  
Cost of Service Formula Rate Using 2018 FF1 Balances  
Worksheet L Reserved for Future Use  
Ohio Power Company

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

Line No	Month (a)	Average Balance of Common Equity				
		Proprietary Capital (b)	Less: Preferred Stock (c)	Sub Earnings (Acct 216.1) (d)	Less AOCI (Acct 219.1) (e)	Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
	(Note A)	(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	2,310,330,965		4,915,704	1,915,758	2,303,499,503
2	January	2,334,558,501		4,915,703	1,824,071	2,327,818,726
3	February	2,246,851,685		4,915,703	2,105,511	2,239,830,470
4	March	2,277,504,279		4,915,703	1,994,072	2,270,594,503
5	April	2,292,721,871		4,915,703	1,882,636	2,285,923,532
6	May	2,211,805,828		4,915,703	1,771,200	2,205,118,925
7	June	2,233,461,293		4,915,703	1,659,764	2,226,885,825
8	July	2,265,569,238		4,915,703	1,548,328	2,259,105,206
9	August	2,183,239,022		4,915,703	1,436,892	2,176,886,426
10	September	2,209,308,367		4,915,703	1,325,456	2,203,067,208
11	October	2,235,253,543		4,915,703	1,214,020	2,229,123,820
12	November	2,267,938,733		4,915,703	1,102,584	2,261,920,445
13	December of Rate Year	2,297,416,116		4,915,703	991,148	2,291,509,265
14	Average of the 13 Monthly Balances	2,258,919,957	-	4,915,704	1,597,803	2,252,406,450

Line No	Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		Acct 221 Bonds (b)	Less: Acct 222 Reacquired Bonds (c)	LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	
	(Note A)	(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
15	December Prior to Rate Year		345,400,000		1,978,783,364		1,633,383,364
16	January		345,400,000		1,978,781,190		1,633,381,190
17	February		345,400,000		1,978,780,114		1,633,380,114
18	March		345,400,000		2,378,754,469		2,033,354,469
19	April		345,400,000		2,378,746,968		2,033,346,968
20	May		345,400,000		2,028,739,461		1,683,339,461
21	June		345,400,000		2,028,731,946		1,683,331,946
22	July		345,400,000		2,028,724,424		1,683,324,424
23	August		345,400,000		2,028,716,894		1,683,316,894
24	September		345,400,000		2,028,709,358		1,683,309,358
25	October		345,400,000		2,028,701,814		1,683,301,814
26	November		345,400,000		2,028,694,263		1,683,294,263
27	December of Rate Year		345,400,000		2,028,686,705		1,683,286,705
28	Average of the 13 Monthly Balances	-	345,400,000	-	2,071,042,382	-	1,725,642,382

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

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	<b>Annual Interest Expense for 2018</b>						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			94,567,250			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 50 below.			(1,679,212)			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			(1,679,212)			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			1,194,202			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			1,278,517			
35	Less: Amort of Premium on Debt - Acct 429 (117.65.c)						
36	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
37	<b>Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)</b>			97,039,969			
38	<b>Average Cost of Debt for 2018 (Ln 37/ Ln 28 (g))</b>			5.62%			

**CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES**

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

**Amortization Period**

HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	Total Hedge (Gain)/Loss for 2018	Less Excludable Amounts (See NOTE on Line 39)	Net Includable Hedge Amount	Remaining Unamortized Balance	Beginning	Ending
40 SUN Cash Flow Hedge - 6.000%		0	-	(0)	Jun-06	Jun-16
41 SUN Cash Flow Hedge - 5.375%	(1,679,212)	0	(1,679,212)	(1,189,442)	Sep-09	Sep-19
42			-			
43			-			
44			-			
45			-			
46			-			
47			-			
48			-			
49			-	(1,189,442)		
50 Total Hedge Amortization	(1,679,212)	-				
51 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			(1,679,212)			
52 Total Average Capital Structure Balance for 2018 (TCOS, Ln 157)			3,978,048,833			
53 Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
54 Limit of Recoverable Amount			1,989,024			
55 Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			(1,679,212)			

**Development of Cost of Preferred Stock**

Preferred Stock	Average	
56 0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%
57 0% Series - 0 - Par Value (p. 250-251)	\$ -	\$ -
58 0% Series - 0 - Shares O/S (p.250-251)	-	-
59 0% Series - 0 - Monetary Value (Ln 57 * Ln 58)	-	-
60 0% Series - 0 - Dividend Amount (Ln 56 * Ln 59)	-	-
61 0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%
62 0% Series - 0 - Par Value (p. 250-251)	\$ -	\$ -
63 0% Series - 0 - Shares O/S (p.250-251)	-	-
64 0% Series - 0 - Monetary Value (Ln 62 * Ln 63)	-	-
65 0% Series - 0 - Dividend Amount (Ln 61 * Ln 64)	-	-
66 0% Series - 0 - Dividend Rate (p. 250-251)	0.000%	0.000%
67 0% Series - 0 - Par Value (p. 250-251)	\$ -	\$ -
68 0% Series - 0 - Shares O/S (p.250-251)	-	-
69 0% Series - 0 - Monetary Value (Ln 67 * Ln 68)	-	-
70 0% Series - 0 - Dividend Amount (Ln 66 * Ln 69)	-	-
71 Balance of Preferred Stock (Lns 59, 64, 69)	-	-
72 Dividends on Preferred Stock (Lns 60, 65, 70)	-	-
73 Average Cost of Preferred Stock (Ln 72/71)	0.00%	0.00%

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

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

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

Line	(A) Date	(B) Property Description	(C) Function (T) or (G) T = Transmission G = General	(D) Basis	(E) Proceeds	(F) (Gain) / Loss	(G) Functional Allocator	(H) Functionalized Proceeds (Gain) / Loss	(I) FERC Account
1						-	0.000%	-	
2						-	0.000%	-	
3						-	0.000%	-	
4				Net (Gain) or Loss for 2018		-		-	

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

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

**Allocation of PBOP Settlement Amount for 2018**

**Total Company Amount**

Line#	Company	Actual Expense (Including AEPSC Billed OPEB)	Ratio of Company Actual to Total	Allocation of PBOB Recovery Allowance	Labor Allocator for 2018	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * -127041505	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
2	APCo	(21,243,233)	36.83%	(46,793,855)	9.272%	(1,969,696)	(4,338,779)	2,369,082
3	I&M	(14,970,273)	25.96%	(32,975,997)	4.367%	(653,716)	(1,439,983)	786,267
4	KPCo	(4,775,930)	8.28%	(10,520,253)	7.919%	(378,188)	(833,058)	454,871
5	KNGP	(455,895)	0.79%	(1,004,230)	12.123%	(55,270)	(121,748)	66,477
6	OPCo	(15,305,203)	26.54%	(33,713,769)	11.486%	(1,757,897)	(3,872,235)	2,114,338
7	WPCo	(923,113)	1.60%	(2,033,401)	2.686%	(24,793)	(54,613)	29,820
8	Sum of Lines 2 to 7	(57,673,647)		(127,041,505)		(4,839,561)	(10,660,416)	5,820,855

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

	APCo	I&M	KPCo	KNGSPT	OPCo	WPCo	AEP East Total
9 Direct Charged PBOP Expense per Actuarial Report	(16,451,990)	(12,482,067)	(3,951,629)	(344,539)	(11,517,600)	(427,831)	(45,175,656)
10 Additional PBOP Ledger Entries (from Company Records)	460,632	518,852	427,533			(385,001)	
11 Medicare Subsidy							-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(15,991,358)	(11,963,215)	(3,524,096)	(344,539)	(11,517,600)	(812,832)	(44,153,640)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(5,251,875)	(3,007,058)	(1,251,834)	(111,356)	(3,787,603)	(110,281)	(13,520,007)
14 Company PBOP Expense (Ln 12 + Ln 13)	(21,243,233)	(14,970,273)	(4,775,930)	(455,895)	(15,305,203)	(923,113)	(57,673,647)

For the rate year 2017 and adjusted every four years thereafter, using the annual actuarial report produced for that year, filed as part of the informational filing, Worksheet O will be used to adjust PBOP costs for the next four years (i.e. 2017, 2018, 2019, 2020). If the annual actuarial report projects PBOP costs during the next four years, taken together with the then current cumulative PBOP cost/allowance position, will, absent a change in the PBOP allowance, cause the AEP Companies to over or under collect their cumulative PBOP costs by more than 20% of the projected next four year's total cost, the PBOP allowance shall be adjusted. Worksheet O will be used in the process of updating the PBOP allowance determining (a) the level of cumulative over or under collections during the period since the PBOP allowance was last set, including carrying costs based on the weighted average cost of capital ("WACC") each year from the actual formula rate; (b) the cumulative net present value of projected PBOP costs during the next four years, as estimated by the then current actuarial report, assuming a discount rate equal to the actual formula rate weighted average cost of capital for the prior calendar year; and (c) the cumulative net present value of continued collections over the next four years based on the then effective PBOP allowance, assuming a discount rate equal to the prior year WACC. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance used in the formula rate calculation shall be changed to the value that will cause the projected result (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years will be less than 20% of (b), then the PBOP allowance will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP expense stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.



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

	VIRGINIA				WEST VIRGINIA			FERC WHOLESALE			FERC KINGSFORT			COMPANY
	(1) PLANT ACCT.	VA SCC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(2) PSC OF WV APPROVED RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(3) FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	(4) FERC RATES	ALLOCATION FACTOR (5)	WTD AVG. DEPREC. RATE	
<b>TRANSMISSION PLANT</b>														
Land Rights - Va.	350.1	0.66%	1.000000	0.66%										0.66%
Energy Storage Equip	351.0				6.67%	1.000000	6.67%							6.67%
Structures & Improvements	352.0	1.55%	0.469583	0.73%	1.52%	0.437847	0.67%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.60%
Station Equipment	353.0	1.95%	0.469583	0.92%	1.68%	0.437847	0.74%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.86%
Towers & Fixtures	354.0	1.14%	0.469583	0.54%	1.54%	0.437847	0.67%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.41%
Poles & Fixtures	355.0	2.77%	0.469583	1.30%	2.64%	0.437847	1.16%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	2.66%
Overhead Conductor	356.0	1.01%	0.469583	0.47%	1.19%	0.437847	0.52%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.19%
Underground Conduit	357.0	1.23%	0.469583	0.58%	1.45%	0.437847	0.63%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	1.41%
Underground Conductors	358.0	3.18%	0.469583	1.49%	7.23%	0.437847	3.17%	2.19%	0.036426	0.08%	2.19%	0.056144	0.12%	4.86%

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

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

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

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

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

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

**GENERAL NOTES:**

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

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

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

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

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

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

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

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

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

**GENERAL NOTES:**

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

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

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

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

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

Reference:

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

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

**General Note**

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

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

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

Reference:

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

**General Note**

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

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

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

Reference:

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

**General Note:**

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

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

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

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

**General Note:**

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

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

Reconciliation Revenue Requirement For Year 2016 Available May 25, 2017		2016 Forecasted Revenue Requirement For Year 2016		True-up Adjustment - Over (Under) Recovery
\$0	-	\$0	=	\$0

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.2960%				

An over or under collection will be recovered prorata over 2016, held for 2017 and returned prorata over 2018

<u>Calculation of Interest</u>				Monthly		
January	Year 2016	-	0.2960%	12	-	-
February	Year 2016	-	0.2960%	11	-	-
March	Year 2016	-	0.2960%	10	-	-
April	Year 2016	-	0.2960%	9	-	-
May	Year 2016	-	0.2960%	8	-	-
June	Year 2016	-	0.2960%	7	-	-
July	Year 2016	-	0.2960%	6	-	-
August	Year 2016	-	0.2960%	5	-	-
September	Year 2016	-	0.2960%	4	-	-
October	Year 2016	-	0.2960%	3	-	-
November	Year 2016	-	0.2960%	2	-	-
December	Year 2016	-	0.2960%	1	-	-
					-	-
				Annual		
January through December	Year 2017	-	0.2960%	12	-	-
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2018	-	0.2960%		-	-
February	Year 2018	-	0.2960%		-	-
March	Year 2018	-	0.2960%		-	-
April	Year 2018	-	0.2960%		-	-
May	Year 2018	-	0.2960%		-	-
June	Year 2018	-	0.2960%		-	-
July	Year 2018	-	0.2960%		-	-
August	Year 2018	-	0.2960%		-	-
September	Year 2018	-	0.2960%		-	-
October	Year 2018	-	0.2960%		-	-
November	Year 2018	-	0.2960%		-	-
December	Year 2018	-	0.2960%		-	-
					-	-
True-Up Adjustment with Interest					-	-
Less Over (Under) Recovery					-	-
Total Interest					-	-

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

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

Reconciliation Revenue Requirement For Year 2016 Available May 25, 2017	-	2016 Forecasted Revenue Requirement For Year 2016	=	True-up Adjustment - Over (Under) Recovery
\$0		\$0		\$0

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
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**Calculation of Interest**

					Monthly	
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October	Year 2016	-	0.2960%	3	-	-
November	Year 2016	-	0.2960%	2	-	-
December	Year 2016	-	0.2960%	1	-	-
					-	-

					Annual	
January through December	Year 2017	-	0.2960%	12	-	-

**Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months**

					Monthly	
January	Year 2018	-	0.2960%	-	-	-
February	Year 2018	-	0.2960%	-	-	-
March	Year 2018	-	0.2960%	-	-	-
April	Year 2018	-	0.2960%	-	-	-
May	Year 2018	-	0.2960%	-	-	-
June	Year 2018	-	0.2960%	-	-	-
July	Year 2018	-	0.2960%	-	-	-
August	Year 2018	-	0.2960%	-	-	-
September	Year 2018	-	0.2960%	-	-	-
October	Year 2018	-	0.2960%	-	-	-
November	Year 2018	-	0.2960%	-	-	-
December	Year 2018	-	0.2960%	-	-	-
					-	-

True-Up Adjustment with Interest	-
Less Over (Under) Recovery	-
Total Interest	-

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



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

Reconciliation Revenue Requirement For Year 2016 Available May 25, 2017	-	2016 Forecasted Revenue Requirement For Year 2016	=	True-up Adjustment - Over (Under) Recovery
\$0		\$0		\$0

Interest Rate on Amount of Refunds or Surcharges from 35.19a	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
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March	Year 2018	-	0.2960%	-	-	-
April	Year 2018	-	0.2960%	-	-	-
May	Year 2018	-	0.2960%	-	-	-
June	Year 2018	-	0.2960%	-	-	-
July	Year 2018	-	0.2960%	-	-	-
August	Year 2018	-	0.2960%	-	-	-
September	Year 2018	-	0.2960%	-	-	-
October	Year 2018	-	0.2960%	-	-	-
November	Year 2018	-	0.2960%	-	-	-
December	Year 2018	-	0.2960%	-	-	-
					-	-
True-Up Adjustment with Interest					-	-
Less Over (Under) Recovery					-	-
Total Interest					-	-

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