

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

West Virginia Transmission Company

For Twelve Months Ended

2018

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 113)				\$92,376,100
			Total		Allocator	
2	REVENUE CREDITS	(Worksheet E, In 8) (Note A)	404,377	DA	1.00000	\$ 404,377
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, In 9) (Note X)				0
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)				\$ 91,971,723

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

5	Revenue Requirement for PJM Schedule 12 Facilities (w/o incentives) (Worksheet J/K)	42,822,143	DA	1.00000	\$ 42,822,143
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	((In 1- In 80)/((In 33) x 100))			11.94%
8	Monthly Rate	(In 7 / 12)			0.99%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	((In 1- In 80 - In 83)/((In 33) x 100))			10.20%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	((In 1 - In 80 - In 83 - In 108 - In 109) /((In 33) x 100))			2.74%
13	ADDITIONAL REVENUE REQUIREMENT for projects w/ incentive ROE's (Note B) (Worksheet J/K)				-

14	REVENUE REQUIREMENT FOR SCHEDULE 1A CHARGES				
15	Total Load Dispatch & Scheduling (Account 561)	Line 63 Below			879,631
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			879,631

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

West Virginia Transmission Company

	(1)	(2)	(3)	(4)		(5)
	Data Sources				Total	
	RATE BASE CALCULATION		TO Total	Allocator	Transmission	
Line No.		(See "General Notes")	NOTE C			
19	GROSS PLANT IN SERVICE					
20	Transmission	(Worksheet A In 14.(d) & Ln 117)	801,541,192	DA	1.00000	
21	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	-	TP	1.00000	
22	General Plant	(Worksheet A In 14.(h))	28,955	W/S	1.00000	
23	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	-	W/S	1.00000	
24	Intangible Plant	(Worksheet A In 14.(j))	7,438,233	GP=	1.000000	
24	TOTAL GROSS PLANT	(Sum of Lines: 19 to 23)	809,008,381	GTD=	1.00000	
25	ACCUMULATED DEPRECIATION AND AMORTIZATION					
26	Transmission	(Worksheet A In 28.(d) & Ln 43.(b))	27,592,670	TP1=	1.00000	
27	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	-	TP1=	1.00000	
28	General Plant	(Worksheet A In 28.(h))	615	W/S	1.00000	
29	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	-	W/S	1.00000	
30	Intangible Plant	(Worksheet A In 28.(j))	1,829,774	W/S	1.00000	
31	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 26 to 30)	29,423,060			
32	NET PLANT IN SERVICE					
33	Transmission	(In 19 + In 20 - In 26 - In 27)	773,948,522			
34	General Plant	(In 21 + In 22 - In 28 - In 29)	28,340			
35	Intangible Plant	(In 23 - In 30)	5,608,460			
36	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 33 to 35)	779,585,321	NP=	1.000000	
37	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
38	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA	-	
39	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(150,100,583)	DA	(150,100,583)	
40	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(28,476,907)	DA	(28,476,907)	
41	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	9,960,331	DA	9,960,331	
42	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA	-	
43	TOTAL ADJUSTMENTS	(sum Ins 38 to 42)	(168,617,159)		(168,617,159)	
44	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e)) In 45.(e))	-	DA	-	
45	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA	-	
46	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))		W/S	1.00000	
47	WORKING CAPITAL	(Note E)				
48	Cash Working Capital	(1/8 * In 66)	1,261,783		1,261,783	
49	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	1,397	TP	1.00000	
50	A&G Materials & Supplies	(Worksheet C, In 3.(F))	-	W/S	1.00000	
51	Stores Expense	(Worksheet C, In 4.(F))	-	GP	1.00000	
52	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.(G))	-	W/S	1.00000	
53	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.(F))	118,579	GP	1.00000	
54	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.(E))	-	DA	1.00000	
55	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.(D))	-	NA	0.00000	
56	TOTAL WORKING CAPITAL	(sum Ins 48 to 55)	1,381,759		1,381,759	
57	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA	1.00000	
58	RATE BASE (sum Ins 36, 43, 44, 45, 46, 56, 57)		612,349,921		612,349,921	

AEPTCo subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

West Virginia Transmission Company

(1)		(2)	(3)	(4)		(5)
EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION		Data Sources (See "General Notes")	TO Total	Allocator		Total Transmission
Line	No.	OPERATION & MAINTENANCE EXPENSE				
	59	Customer Related Expense	322 & 323.164,171,178.b			
	60	Regional Marketing Expenses	322.131.b			
	61	Transmission	321.112.b			
	62	TOTAL O&M EXPENSES	(sum Ins 59 to 61)			
	63	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)			
	64	Less: Account 565	(Note H) 321.96.b			
	65	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)			
	66	Total O&M Allocable to Transmission	(Ins 61 - 63 - 64 - 65)	TP	1.00000	10,094,265
	67	Administrative and General	323.197.b (Notes J & M)			
	68	Less: Acct. 924, Property Insurance	323.185.b			
	69	Acct. 928, Reg. Com. Exp.	323.189.b			
	70	Acct. 930.1, Gen. Advert. Exp.	323.191.b			
	71	Acct. 930.2, Misc. Gen. Exp.	323.192.b			
	72	Balance of A & G	(In 67 - sum In 68 to In 71)			
	73	Plus: Acct. 924, Property Insurance	(In 68)	W/S	1.00000	3,917,379
	74	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	GP(h)	1.00000	179,000
	75	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	TP	1.00000	39,967
	76	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	TP	1.00000	-
	77	PBOP Adjustment	Worksheet O Ln 16.(B), (Note K & M)	DA	1.00000	884
	78	A & G Subtotal	(sum Ins 72 to 77)	W/S	1.00000	462,184
			4,599,415			4,599,415
	79	O & M EXPENSE SUBTOTAL	(In 66 + In 78)			14,693,679
	80	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		DA	1.00000	-
	81	TOTAL O & M EXPENSE	(In 79 + In 80)			14,693,679
	82	DEPRECIATION AND AMORTIZATION EXPENSE				
	83	Transmission	336.7.f	TP1	1.00000	13,438,080
	84	General	336.10.f	W/S	1.00000	860
	85	Intangible	336.1.f	W/S	1.00000	1,232,459
	86	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 83+84+85)			14,671,399
	87	TAXES OTHER THAN INCOME	(Note N)			
	88	Labor Related				
	89	Payroll	Worksheet H In 23.(D)	W/S	1.00000	-
	90	Plant Related				
	91	Property	Worksheet H-p2 In 3.(C) & In 3.(G)	DA	1.00000	5,248,759
	92	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	NA	0.00000	-
	93	Other	Worksheet H In 23.(E)	GP	1.00000	26
	94	TOTAL OTHER TAXES	(sum Ins 89 to 93)			5,248,785
	95	INCOME TAXES	(Note O)			
	96	$T=1 - [(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)] =$	26.14%			
	97	$EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =$	26.71%			
	98	where WCLTD=(In 136) and WACC = (In 139)				
	99	and FIT, SIT & p are as given in Note O.				
	100	$GRCF=1 / (1 - T) =$ (from In 96)	1.3538			
	101	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)			
	102	Excess Deferred Income Tax	(Note T)	NP(h)	1.00000	407,817
	103	Tax Effect of Permanent and Flow-Through Differences	(Note T)	NP(h)	1.00000	90,930
	104	Income Tax Calculation	(In 97 * In 109)			12,032,863
	105	ITC adjustment	(In 100 * In 101)	NP(h)	1.00000	-
	106	Excess Deferred Income Tax	(In 100 * In 102)			552,111
	107	Tax Effect of Permanent and Flow-Through Differences	(In 100 * In 103)			123,103
	108	TOTAL INCOME TAXES	(sum Ins 104 to 107)			12,708,077
	109	RETURN ON RATE BASE (Rate Base*WACC)	(In 58 * In 139)			45,054,159
	110	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))	-	DA	1.00000	-
	111	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))	-			-
	112	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 111 * In97)	-			-
	113	TOTAL REVENUE REQUIREMENT	92,375,844			92,376,100
		(sum Ins 81, 86, 94, 108, 109, 110, 111, 112)				

West Virginia Transmission Company

SUPPORTING CALCULATIONS

No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
114	Total transmission plant		(In 19)							801,541,192
115	Less transmission plant excluded from PJM Tariff (Worksheet A, In 42.(d)) (Note P)									
116	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 42. Col. (b)) (Note Q)									-
117	Transmission plant included in PJM Tariff (In 114 - In 115 - In 116)									801,541,192
118	Percent of transmission plant in PJM Tariff (In 117 / In 114)								TP=	1.00000
119	WAGES & SALARY ALLOCATOR (W/S)		(Note R)		Direct Payroll	Payroll Billed from AEP Service Corp.	Total			
120	Line Deliberately Left Blank									
121	Transmission		354.21.b		-	4,288,806	0.006	TP	1.00000	4,288,806
122	Regional Market Expenses		354.22.b		-	-	-	NA	0.00000	-
123	Line Deliberately Left Blank									
124	Other (Excludes A&G)		354.24,25,26.b		-	-	-	NA	0.00000	-
125	Total (sum Ins 121, 122, & 124)				-	4,288,806	4,288,806			4,288,806
126	Transmission related amount								W/S=	1.00000
	Actual (Uncapped) Capital Structure									
127	WEIGHTED AVERAGE COST OF CAPITAL (WACC)									
128	Long Term Interest		(Worksheet M, In.36, col.(d))							\$
129	Preferred Dividends		(Worksheet M, In. 45, col.(d))							16,241,009
130	Development of Common Stock:									-
131	Proprietary Capital		(Worksheet M, In. 14, col.(b))							483,124,498
132	Less: Preferred Stock		(Worksheet M, In. 14, col.(c))							-
133	Less: Account 216.1		(Worksheet M, In. 14, col.(d))							-
134	Less: Account 219		(Worksheet M, In. 14, col.(e))							-
135	Common Stock		(In 131 - In 132 - In 133 - In 134)							483,124,498
	Capital Structure Percentages									
					\$	%	Cap Limit	Cost (Note S)		Weighted
136	Long Term Debt (Note S) Worksheet M, In 28, col. (g), In 37, col. (d))				417,230,769	46.34%	46.34%	3.69%		0.0180
137	Preferred Stock (In 132)				-	0.00%	0.00%	0.00%		0.0000
138	Common Stock (In 135)				483,124,498	53.66%	53.66%	10.35%		0.0555
139	Total (Sum Ins 136 to 138)				900,355,267	100.00%				0.0736
									WACC=	0.0736
140	Capital Structure Equity Limit (Note Z)				55.00%					

AEP/Co subsidiaries in PJM
Transmission Cost of Service Formula Rate
Utilizing Actual/Projected FERC Form 1 Data

West Virginia Transmission Company

Letter

Notes

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

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
7) If AEP Transmission Companies have any directly assigned transmission facilities, the revenue credits in the 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. Interest will be calculated based on Worksheet R 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 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 flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-(h)(5)(i). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 66. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 63.
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 65
4) All A&G Expenses, as shown on line 78.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 57 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 110.
- G Removes from the cost of service the Load Scheduling and Dispatch expenses booked to accounts 561.1 through 561.8. Expenses recorded in these accounts, with the exception of 561.4 & 561.8 (lines 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 66. To the extent such service is incurred to provide the PJM service at issue, e.g. lease payments to affiliates, such costs are added back on line 80 to determine the total O&M collected in the formula. The amounts on line80 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.

The addbacks on line80 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 line80 is the West Virginia Transmission 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 The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- N Includes only FICA, unemployment, highway, property and other assessments. 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 101) multiplied by (1/1-T). If the applicable tax rates are zero enter 0.

Inputs Required:	FIT =	21.00%
	SIT=	6.50% (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 (Ln 128)/average long term debt (Ln 136). Preferred Stock cost rate = preferred dividends (Ln 129)/preferred outstanding (Ln 137).
Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER10-355. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual 13 month average balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.
- 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.
- T
- U 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
- V The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- W AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.

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 either 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.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
West Virginia Transmission Company

Line No	Month (a)	Gross Plant In Service				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5
	(Note A)					
1	December Prior to Rate Year	769,847,923	-	21,907	-	6,120,271
2	January	771,740,392	-	15,838	-	6,314,851
3	February	773,432,365	-	15,839	-	6,512,534
4	March	774,387,739	-	15,839	-	6,757,732
5	April	775,666,203	-	15,839	-	6,968,790
6	May	783,291,923	-	15,839	-	7,243,289
7	June	788,936,761	-	15,839	-	7,581,756
8	July	790,165,944	-	15,839	-	8,074,466
9	August	791,988,644	-	15,839	-	7,629,540
10	September	796,269,276	-	15,839	-	7,787,605
11	October	821,226,136	-	163,212	-	8,153,014
12	November	876,725,670	-	24,177	-	8,381,218
13	December of Rate Year	906,356,521	-	24,569	-	9,171,969
14	Average of the 13 Monthly Balances	801,541,192	-	28,955	-	7,438,233

Line No	Month (a)	Accumulated Depreciation				
		Transmission (d)	Transmission ARO (e)	General (h)	General ARO (i)	Intangible (j)
		FF1, page 219, In 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, In 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, In 21, Col. (b)
	(Note A)					
15	December Prior to Rate Year	21,001,419	-	189	-	1,234,551
16	January	22,079,304	-	282	-	1,329,542
17	February	23,159,792	-	348	-	1,427,776
18	March	24,045,370	-	415	-	1,529,304
19	April	25,308,923	-	481	-	1,634,920
20	May	26,415,221	-	548	-	1,744,053
21	June	27,510,405	-	615	-	1,857,761
22	July	28,411,968	-	681	-	1,977,110
23	August	29,707,140	-	748	-	1,962,541
24	September	30,801,789	-	815	-	2,082,687
25	October	31,940,730	-	881	-	2,205,467
26	November	32,897,487	-	948	-	2,334,337
27	December of Rate Year	35,425,167	-	1,050	-	2,467,010
28	Average of the 13 Monthly Balances	27,592,670	-	615	-	1,829,774

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
West Virginia Transmission Company

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 (d) 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 Accumulated Depreciation net of GSU 27,592,670

<u>Plant Held For Future Use</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2018</u>	<u>Balance @ December 31, 2017</u>	<u>Average Balance for 2018</u>
(a)	(b)	(c)	(d)	(e)
44 <u>Plant Held For Future Use</u>	FF1, page 214, ln 47, Col. (d)	-	-	-
45 <u>Transmission Plant Held For Future Use (Included in total on line 4 Company Records - Note 1)</u>		-	-	-

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)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
West Virginia Transmission Company

52	<u>Description</u>	<u>Account</u>			
53a					-
53b					-
54					-
		Total	-	-	-

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.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
West Virginia Transmission Company

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2018</u>		<u>(D) Balance @ December 31, 2017</u>		<u>(E) Average Balance for 2018</u>
1	<u>Account 281</u>						
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	<u>Account 282</u>						
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	156,307,173	143,893,994	150,100,583		
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	-	-	-	-	-
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	-	-	-	-	-
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	156,307,173	143,893,994	150,100,583		
11	<u>Account 283</u>						
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	27,453,598	29,500,215	28,476,907		
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)	-	-	-	-	-
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	27,453,598	29,500,215	28,476,907		
16	<u>Account 190</u>						
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	7,094,601	12,826,061	9,960,331		
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	-	-	-	-	-
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	-	-	-	-	-
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	7,094,601	12,826,061	9,960,331		
21	<u>Account 255</u>						
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	-	-	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - ln 23	-	-	-	-	-
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	-	-	-	-	-

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

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

(DEBIT) CREDIT

COLUMN A	COLUMN B	COLUMN C	COLUMN D	COLUMN E	COLUMN F	COLUMN G	COLUMN H	COLUMN I	COLUMN J	COLUMN K	COLUMN L	COLUMN M	COLUMN N	COLUMN O		
	PER BOOKS	NON-APPLICABLE/NON-UTILITY	AVERAGE ELECTRIC UTILITY			FUNCTIONALIZATION AVERAGE				FUNCTIONALIZATION 12/31/2017			FUNCTIONALIZATION 12/31/2018			
ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2018	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2018	UTILITY (B+C+D+E+J)	GENERATION	TRANSMISSION	DISTRIBUTION		GENERATION	TRANSMISSION	DISTRIBUTION		GENERATION	TRANSMISSION	DISTRIBUTION
1.00 ACCOUNT 281:																
2.01																
2.02		0	0		0		0	0	0							
2.03																
2.04		0	0	0	0											
2.05		0	0	0	0											
2.06		0	0	0	0											
3 TOTAL ACCOUNT 281	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 ACCOUNT 281 - ARO-Related Deferrals					0	0	0	0	0					0	0	0
5 ACCOUNT 282:																
5.01 BOOK VS. TAX DEPRECIATION	145,083,680	95,527,963			120,305,822	0	120,305,822	0		145,083,680				95,527,963		
5.02 R & D DEDUCTION - SECTION 174	4	2			3		3	0		4				2		
5.03 GAIN/LOSS ON ACRSMACHS PROPERTY	1	1			1		1	0		1				1		
5.04 ABFUDC	2,767,734	2,861,403			2,814,569	0	2,814,569	0		2,767,734				2,861,403		
5.05 INT EXP CAPITALIZED FOR TAX	(5,530,219)	(5,811,906)			(5,671,063)	0	(5,671,063)	0		(5,530,219)				(5,811,906)		
5.06 CIAC - BOOK RECEIPTS	(26,250)	(194,250)			(110,250)	0	(110,250)	0		(26,250)				(194,250)		
5.07 BOOK/TAX UNIT OF PROPERTY ADJ	0	5,003,703			2,501,852	0	2,501,852	0		0				5,003,703		
5.08 BK/TX UNIT OF PROPERTY ADJ-SEC 481 ADJ	0	(855)			(428)	0	(428)	0		0				(855)		
5.09 TX ACCEL AMORT - CAPITALIZED SOFTWARE	151,547	102,293			126,920	0	126,920	0		151,547				102,293		
5.10 CAPITALIZED SOFTWARE COST/BOOK	1,450,297	1,509,822			1,480,060	0	1,480,060	0		1,450,297				1,509,822		
5.11 REMOVAL CST	(2,800)	2,520			(140)	0	(140)	0		(2,800)				2,520		
5.12 EXCESS ADIT - PROTECTED	0	56,728,915			28,364,458	0	28,364,458	0		0				56,728,915		
5.13 EXCESS ADIT - UNPROTECTED	0	577,562			288,781	0	288,781	0		0				577,562		
REFIT NON-UTILITY DEFERRED FIT	-	-	0	0	0					-				-		
REFIT SFAS 109 FLOW-THRU 282.3	6,284,185	9,439,766	(6,284,185)	(9,439,766)	0											
REFIT SFAS 109 EXCESS DRIT 282.4	(57,557,598)	(57,356,477)	57,557,598	57,356,477	0											
6 TOTAL ACCOUNT 282	92,620,581	108,440,462	51,273,413	47,866,711	150,100,585	0	150,100,583	0		92,620,581	143,893,994	0		156,307,173	0	
7 ACCOUNT 282 - ARO-Related Deferrals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 ACCOUNT 283:																
8.01 NOL & TAX CREDIT CF - DEF TAX ASSET	143,149	0			71,575	0	71,575	0		143,149				-		
8.02 PROPERTY TAX-NEW METHOD-BOOK	471,904	(71,001)			200,452	0	200,452	0		471,904				(71,001)		
8.03 CAPITALIZED SOFTWARE COST-BOOK	0	0			0	0	0	0		0				0		
8.04 EXCESS ADIT - UNPROTECTED	0	(5,515,690)			(2,757,845)	0	(2,757,845)	0		0				(5,515,690)		
8.05 NON-UTILITY DEFERRED FIT 283.2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8.06 SFAS 109 FLOW-THRU 283.3	1,670,479	2,509,305	(1,670,479)	(2,509,305)	0	0	0	0	0	0	0	0	0	0	0	0
8.07 SFAS 109 EXCESS DRIT 283.4	4,719,901	600,111	(4,719,901)	(600,111)	0	0	0	0	0	0	0	0	0	0	0	0
8.08 SFAS 133 ADIT FED - SFAS 133 NONAFFL 2830006	-	-	0	0	0	0	0	0	0	-	-	0	0	-	-	0
8.09 ADIT - FED-HDG-CF-INT RATE 2830015	-	-	0	0	0	0	0	0	0	-	-	0	0	-	-	0
10	7,005,433	(2,477,275)	(6,390,380)	(3,109,416)	(2,485,818)	0	(2,485,819)	0		0	615,053	0		0	(5,586,691)	0
11	28,885,162	33,040,299	0	0	30,962,726	0	30,962,726	0		28,885,162				33,040,299		
11.01																
12 TOTAL ACCOUNT 283	35,890,585	30,563,014	(6,390,380)	(3,109,416)	28,476,908	0	28,476,907	0		35,890,585	29,500,215	0		35,890,585	27,453,598	0
13 ACCOUNT 283 - ARO-Related Deferrals	0	0	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. (JDTCT) IN AC 255																
18.01	0	0	0	0	0	0	0	0	0							
18.02	0	0	0	0	0	0	0	0	0							
19																
20 TOTAL ACCOUNT 255	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

DEBIT (CREDIT)

1 ACCOUNT 190

3 TOTAL ACCOUNT 190

4 ACCOUNT 190 - ARO-Related Deferrals

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
West Virginia Transmission 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, ln 8, Col. (c) & (b)

2,794

-

1,397

3

General Materials & Supplies

FF1, p. 227, ln 11, Col. (c) & (b)

-

4

Stores Expense (Undistributed) - Account 163

FF1, p. 227, ln 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

135,724

0

0

135,724

0

135,724

7

Totals as of December 31, 2017

101,434

0

0

101,434

0

101,434

8

Average Balance

118,579

-

-

118,579

-

118,579

Prepayments Account 165 - Balance @ 12/31/2018								
<u>Acc. No.</u>	<u>Description</u>	<u>2018 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>
10	1650001 Prepaid Insurance	78,991	-	-	78,991	-	78,991	Plant related insurance policies
11	165000218 Prepaid Taxes	-	-	-	-	-	-	
12	1650003 Prepaid Rents	-	-	-	-	-	-	
13	1650004 Prepaid Interest	-	-	-	-	-	-	
14	1650005 Prepaid Employee Benefits	-	-	-	-	-	-	
15	1650006 Other Prepayments	-	-	-	-	-	-	
16	1650009 Prepaid Carry Cost-Factored AR	-	-	-	-	-	-	
17	1650010 Prepaid Pension Benefits	-	-	-	-	-	-	
18	1650014 FAS 158 Qual Contra Asset	-	-	-	-	-	-	
19	1650016 FAS 112 ASSETS	-	-	-	-	-	-	
20	1650021 Prepaid Insurance - EIS	51,281	-	-	51,281	-	51,281	Plant related insurance policies
21	1650023 Prepaid Lease	5,452	-	-	5,452	-	5,452	Prepaid lease
22	1650031 Prepaid OCIP Work Comp	-	-	-	-	-	-	
23	1650032 Prepaid OCIP Work Comp LT	-	-	-	-	-	-	
24	1650033 Prepaid OCIP Work Comp - Aff	-	-	-	-	-	-	
25	1650034 Prepaid OCIP Work Comp LT- Aff	-	-	-	-	-	-	
Subtotal - Form 1, p 111.57.c		135,724	0	0	135,724	0	135,724	

Prepayments Account 165 - Balance @ 12/31/2017								
<u>Acc. No.</u>	<u>Description</u>	<u>2017 YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>	<u>Explanation</u>
27	1650001 Prepaid Insurance	72,056	-	-	72,056	-	72,056	Plant related insurance policies
28	165000214 Prepaid Taxes	-	-	-	-	-	-	
29	1650003 Prepaid Rents	-	-	-	-	-	-	
30	1650004 Prepaid Interest	-	-	-	-	-	-	
31	1650005 Prepaid Employee Benefits	-	-	-	-	-	-	
32	1650006 Other Prepayments	-	-	-	-	-	-	
33	1650009 Prepaid Carry Cost-Factored AR	-	-	-	-	-	-	
34	1650010 Prepaid Pension Benefits	-	-	-	-	-	-	
35	1650014 FAS 158 Qual Contra Asset	-	-	-	-	-	-	
36	1650016 FAS 112 ASSETS	-	-	-	-	-	-	
35	1650021 Prepaid Insurance - EIS	26,260	-	-	26,260	-	26,260	Plant related insurance policies
36	1650023 Prepaid Lease	3,118	-	-	3,118	-	3,118	Prepaid lease
37	1650031 Prepaid OCIP Work Comp	-	-	-	-	-	-	
38	1650032 Prepaid OCIP Work Comp LT	-	-	-	-	-	-	
39	1650033 Prepaid OCIP Work Comp - Aff	-	-	-	-	-	-	
40	1650034 Prepaid OCIP Work Comp LT- Aff	-	-	-	-	-	-	
Subtotal - Form 1, p 111.57.d		101,434	0	0	101,434	0	101,434	

Note 1: Prepayment Balance will not include: (i) federal and state income tax payments made to offset additional tax liabilities resulting (or expected to result) from prior federal or state audits or from the filing of one or more amended income tax returns; (ii) outstanding income tax refunds due to [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).

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
West Virginia Transmission 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)	-
2	Interest Expense (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2018 (2018 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column $((\ln 1 + \ln 7)/2)$	-
Note 1	On this worksheet Company Records refers to West Virginia Transmission Company's general ledger.	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
West Virginia Transmission Company

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)		-	
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)		-	
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	404,377	-	404,377
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)		-	
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	94,722,291	94,722,291	
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))	95,126,668	94,722,291	404,377
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)		-	
8	Total Other Operating Revenues To Reduce Revenue Requirement	95,126,668	94,722,291	404,377
9	Facility Credits under PJM OATT Section 30.9			

Note 1 The total company data on this worksheet comes from the indicated FF1 source, or West Virginia Transmission 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)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
West Virginia Transmission Company

Formula Rate
WS F Misc Exp
Page 15 of 42

<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>
<u>Regulatory O&M Deferrals & Amortizations</u>						
1						
2						
3						
4		Total	-			
<u>Detail of Account 561 Per FERC Form 1</u>						
5						
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	44			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	776,054			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	-			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	103,527			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	5			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	-			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	-			
14		Total of Account 561	879,631			
<u>Account 928</u>						
15	9280000	Regulatory Commission Exp	506	506	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	1,994	1,994	-	
18	9280005	Reg Com Exp-FERC Trans Cases	39,967	-	39,967	
19				-	-	
20				-	-	
21		Total (FERC Form 1 p.323.189.b)	42,467	2,500	39,967	
<u>Account 930.1</u>						
22	9301000	General Advertising Expenses	0	0	-	
23	9301001	Newspaper Advertising Space	43	43	-	
24	9301010	Publicity	289	289	-	
25	9301012	Public Opinion Surveys	41	41	-	
26	9301015	Other Corporate Comm Exp	480	480	-	
27				-	-	
28				-	-	
29				-	-	
30				-	-	
31				-	-	
32				-	-	
33				-	-	
34				-	-	
35				-	-	
36				-	-	
37				-	-	
38		Total (FERC Form 1 p.323.191.b)	854	854	-	
<u>Account 930.2</u>						
39	9302000	Misc General Expenses	70,345	70,345	-	
40	9302003	Corporate & Fiscal Expenses	21,098	21,098	-	
41	9302006	Assoc Bus Dev - Materials Sold	-	-	-	
42	9302007	Assoc Business Development Exp	884	-	884	
43		Total (FERC Form 1 p.323.192.b)	92,328	91,444	884	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
West Virginia Transmission Company

1	West Virginia Excise Tax Rate	6.50%	
	Apportionment Factor - Note 1	100.00%	
	Effective State Tax Rate		6.50%
2	Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
3	Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
4	Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
5	Tax Rate		
	Apportionment Factor - Note 1		
	Effective State Tax Rate		0.00%
	Total Effective State Income Tax Rate		<u>6.50%</u>

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

Line No.	(A) Account	(B) Total Company	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
		NOTE 1				
1	Revenue Taxes					
2	Gross Receipts Tax	3				3
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - West Virginia	5,248,759	5,248,759			
5	Real and Personal Property - Virginia	-	-			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	26			26	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	(259)				(259)
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis	5,248,529	5,248,759	-	26	(256)

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

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

Functional Property Tax Allocation

		Lines 24-58 Column (B) Deliberately Left Blank	Transmission	Lines 24-58 Column (D) Deliberately Left Blank	General	Total
24	Functionalized Net Plant (TCOS, Lns 33 thru 36)	-	773,948,522	-	28,340	773,976,861
WEST VIRGINIA JURISDICTION						
25	Percentage of Plant in WEST VIRGINIA JURISDICTION		100.00%		100.00%	
26	Net Plant in WEST VIRGINIA JURISDICTION (Ln 24 * Ln 25)	-	773,948,522	-	28,340	773,976,861
27	Less: Net Value of Exempted Generation Plant					
28	Taxable Property Basis (Ln 26 - Ln 27)	-	773,948,522	-	28,340	773,976,861
29	Relative Valuation Factor					
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-	-
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-	-
33	Weighted WEST VIRGINIA JURISDICTION Plant (Ln 30 + 32)	-	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%		
JURISDICTION						
35	Net Plant in JURISDICTION (Ln 24 - Ln 26)	-	-	-	-	-
36	Less: Net Value Exempted Generation Plant					
37	Taxable Property Basis	-	-	-	-	-
38	Relative Valuation Factor					
39	Weighted Net Plant (Ln 37 * Ln 38)	-	-	-	-	-
40	General Plant Allocator (Ln 39 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
41	Functionalized General Plant (Ln 41 * General Plant)	-	-	-	-	-
42	Weighted JURISDICTION Plant (Ln 39 + 41)	-	-	-	-	-
43	Functional Percentage (Ln 42/Total Ln 42)	0.00%	100.00%	0.00%		

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
1	Revenue Taxes						
2	Gross Receipts Tax	3	3	P.263 ln 33 (i)			
Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Tax Year	(C) Total Company	(D) FERC FORM 1 Tie-Back	(E) FERC FORM 1 Reference	(F) Tax Year Factor (Note 2)	(G) Transmission Function (Note 2)
Real Estate and Personal Property Taxes Total							
3	(Ln 4 + Ln 5 + Ln 6 + Ln 7)		5,248,759				5,248,759
4	Real and Personal Property - West Virginia	2016	5,248,759	2,022,853	P. 263, Ln. 21(j)	100%	2,022,853
		2017		3,225,906	P. 263, Ln. 22(j)	100%	3,225,906
							-
							-
5	Real and Personal Property - Virginia		-				-
							-
							-
							-
6	Real and Personal Property - Tennessee		-				-
							-
7	Real and Personal Property - Other Jurisdictions		-				-
							-

Line No.	(A) Annual Tax Expenses by Type (Note 1)	(B) Total Company	(C) FERC FORM 1 Tie-Back	(D) FERC FORM 1 Reference
8	Payroll Taxes			
9	Federal Insurance Contribution (FICA)	-		
10	Federal Unemployment Tax	-		
11	State Unemployment Insurance	-		
12	<i>Line Left Deliberately Blank</i>			
13	State Severance Taxes	-		
14	Miscellaneous Taxes			
15	State Business & Occupation Tax	-		
16	State Public Service Commission Fees	-	-	
17	State Franchise Taxes	-		
18	State Lic/Registration Fee	26	26	P.263 ln 18 (i)
19	Misc. State and Local Tax	-		
20	Sales & Use	(259)	(259)	P.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))	5,248,529	5,248,529	

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet I RESERVED
West Virginia Transmission Company

Reserved for Future Use

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
West Virginia Transmission 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 138)			10.35%
Project ROE Incentive Adde			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 True-Up TCOS, lns 136 through 138)			
	%	Cost	Weighted cost
Long Term Debt	46.34%	3.89%	1.804%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	53.66%	10.35%	5.554%
		R =	7.358%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR		Rev Require	W Incentives	Incentive Amounts
	As Projected in Prior Year WS J	\$ 41,190,939	\$ 41,190,939	\$ -
	Actual After True-up	\$ 42,822,143	\$ 42,822,143	\$ -
	True-up of ARR For 2018	1,631,204	1,631,204	-

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

Rate Base (True-Up TCOS, ln 58)	612,349,921
R (from A. above)	7.358%
Return (Rate Base x R)	45,054,159

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

Return (from B. above)	45,054,159
Effective Tax Rate (TCOS, ln 97)	26.71%
Income Tax Calculation (Return x CIT)	12,032,863
ITC Adjustment	-
Excess Deferred Income Tax	552,111
Tax Affect of Permanent Differences	123,103
Income Taxes	12,708,077

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)	92,376,100
Lease Payments (TCOS, lns 80)	-
Return (TCOS, ln 109)	45,054,159
Income Taxes (TCOS, ln 108)	12,708,077
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	34,613,863

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	34,613,863
Return (from I.B. above)	45,054,159
Income Taxes (from I.C. above)	12,708,077
Annual Revenue Requirement, with 0 Basis Point ROE increase	92,376,100
Depreciation (TCOS, ln 83)	13,438,080
Annual Rev. Req, w/ 0 Basis Point ROE increase, less Depreciation	78,938,020

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

Net Transmission Plant (Projected TCOS, ln 33)	773,948,522
Annual Revenue Requirement, with 0 Basis Point ROE increase	92,376,100
FCR with 0 Basis Point Increase in ROE	11.94%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	78,938,020
FCR with 0 Basis Point ROE increase, less Depreciation	10.20%
FCR less Depreciation (TCOS, ln 10)	10.20%
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 19	801,541,192
Annual Depreciation and Amortization Expense (TCOS, ln 83)	13,438,080
Composite Depreciation Rate	1.68%
Depreciable Life for Composite Depreciation Rate	59.65
Average Life in Whole Years	60

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

A. Base Plan Facilities

(e.g. ER05-925-000)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	473,613	473,613	-
Prior Yr True-Up	246,700	246,700	-
True-Up Adjustment	(226,913)	(226,913)	-

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.

[illegible]

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.

Page 3 of 12

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

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Details			
Investment	85,102,120	Current Year	2018
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	8	FCR w/o incentives, less depreciation	10.20%
Useful life	60	FCR w/incentives approved for these facilities, less dep.	10.20%
CIAC (Yes or No)		Annual Depreciation Expense	1,418,365

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.

[illegible]

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.

Formula Rate
WS K TRUE-UP RTEP RR
Page 23 of 42

A. Base Plan Facilities

(e.g. ER05-925-000)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	2,120,264	2,120,264	-
Prior Yr True-Up	2,208,903	2,208,903	-
True-Up Adjustment	88,639	88,639	-

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.

[illegible]

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.

Page 5 of 12

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

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

2018	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	6,178,627	6,178,627	-
Prior Yr True-Up	6,437,989	6,437,989	-
True-Up Adjustment	259,362	259,362	-

[illegible]

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.

Page 6 of 12

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

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Details			
Investment	21,756,984	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	10.20%
Useful life	60	FCR w/incentives approved for these facilities, less dep.	10.20%
CIAC (Yes or No)	No	Annual Depreciation Expense	362.61%

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.

[illegible]

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.

Formula Rate
WS K TRUE-UP RTEP RR
Page 26 of 42

A. Base Plan Facilities

(e.g. ER05-925-000)

Details				
Investment	1,465,792	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		10.20%
Useful life	60	FCR w/incentives approved for these facilities, less dep.		10.20%
CIAC (Yes or No)	No	Annual Depreciation Expense		24.43%

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.

[illegible]

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

(e.g. ER05-925-000)

Details			
Investment	151,846,355	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	10.20%
Useful life	60	FCR w/incentives approved for these facilities, less dep.	10.20%
CIAC (Yes or No)		Annual Depreciation Expense	2,530,773

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.

[illegible]

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

(e.g. ER05-925-000)

RTEP ID: b1875 (138 kV Bradley to McClung upgrades)

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.

[illegible]

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.

Formula Rate
WS K TRUE-UP RTEP RR
Page 30 of 42

A. Base Plan Facilities

(e.g. ER05-925-000)

Details			
Investment	12,409,450	Current Year	2018
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	10.20%
Useful life	60	FCR w/incentives approved for these facilities, less dep.	10.20%
CIAC (Yes or No)	No	Annual Depreciation Expense	206,824

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.

[illegible]

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

(e.g. ER05-925-000)

RTEP ID: b2423 (Install a 300 MVAR shunt reactor at AEP's Wyoming 765 kV station)

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.

[illegible]

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.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet L RESERVED
West Virginia Transmission Company

RESERVED FOR FUTURE USE

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
West Virginia Transmission Company

		Average Balance of Common Equity				
Line No	Month (a)	Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed Sub Earnings (Acct 216.1)	Less AOCI (Acct 219.1) (e)	Average Balance of Common Equity (f)=(b)-(c)-(d)-(e)
				(d)		
(Note A)		(FF1 112.16)	(FF1 250-251)	(FF1 112.12)	(FF1 112.15)	
1	December Prior to Rate Year	401,828,493				401,828,493
2	January	405,637,063				405,637,063
3	February	410,271,098				410,271,098
4	March	415,271,452				415,271,452
5	April	441,765,539				441,765,539
6	May	468,703,526				468,703,526
7	June	489,175,150				489,175,150
8	July	491,832,788				491,832,788
9	August	527,590,180				527,590,180
10	September	551,142,618				551,142,618
11	October	555,919,151				555,919,151
12	November	559,821,839				559,821,839
13	December of Rate Year	561,659,575				561,659,575
14	Average of the 13 Monthly Balances	483,124,498	-	-	-	483,124,498

Line No		Month (a)	Average Balance of Long Term Debt					Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
			Bonds (b)	Less: Reacquired Bonds (c)	Acct 223	Acct 224	Less: Fair Value Hedges (f)	
					LT Advances from Assoc. Companies (d)	Senior Unsecured Notes (e)		
		(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				400,000,000			400,000,000
16	January				400,000,000			400,000,000
17	February				400,000,000			400,000,000
18	March				400,000,000			400,000,000
19	April				400,000,000			400,000,000
20	May				400,000,000			400,000,000
21	June				400,000,000			400,000,000
22	July				400,000,000			400,000,000
23	August				400,000,000			400,000,000
24	September				456,000,000			456,000,000
25	October				456,000,000			456,000,000
26	November				456,000,000			456,000,000
27	December of Rate Year				456,000,000			456,000,000
28	Average of the 13 Monthly Balances		-	-	417,230,769	-	-	417,230,769

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)

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
West Virginia Transmission Company

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

	(a)	(b)	(c)	(d)	(e)	(f)	(g)
29	Annual Interest Expense for 2018						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			16,010,467			
31	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 30 and shown in 43 below.			-			
32	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			255,048			
33	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)						
34	Less: Amort of Premium on Debt - Acct 429 (117.65.c)			24,506			
35	Less: Amort of Gain on Reacquired Debt - Acct 429.1 (117.66.c)						
36	Total Interest Expense (Ln 30 - 31 + 32 + 33 - 34 - 35)			16,241,009			
37	Average Cost of Debt for 2018 (Ln 36/ Ln 28 (g))			3.89%			

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUDED FROM TCOS

38 West Virginia Transmission Company may not include costs (or gains) related to interest hedging activities.

					Amortization Period	
	HEDGE AMOUNTS BY ISSUANCE (FROM p. 256-257 (i) of the FERC Form 1)	(Amortization of (Gain)/Loss for 2018	Remaining Unamortized Balance		Beginning	Ending
39						
40						
41						
42						
43	Net (Gain)/Loss Hedge Amortization To Be Removed	-	-	-	-	-

Development of Cost of Preferred Stock

44	Balance of Preferred Stock (Line 14 (c))	-
45	Dividends on Preferred Stock (Acct 437, FF1 118.29))	
46	Average Cost of Preferred Stock (Ln 45 / Ln 44)	#DIV/0!

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
West Virginia Transmission 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		-		-	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Calculation of Post-employment Benefits Other than Pensions Expenses Allocable to Transmission Service
Worksheet O - PBOP Support
West Virginia Transmission Company

PBOP	(A)	(B)
1	<u>Calculation of PBOP Expenses</u>	
2	<u>AEP System PBOP Rate</u>	
3	Total AEP System PBOP expenses	-\$101,323,000
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$101,323,000
6	Total AEP System Direct Labor Expense	\$1,411,118,585
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.072
8	Currently Approved PBOP Rate	-\$0.043
9	Base PBOP TransCo labor expensed in current year	3,978,646
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$171,082
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$633,266
15	Actual PBOP Expense (Sum Lines 11-14)	-\$633,266
16	PBOP Adjustment Line 10 less Line 15	\$462,184

Note: PBOP Expense will be calculated in accordance with the settlement in Docket ER10-355.

As part of the annual update process, AEP will provide to transmission customers and include in its informational filing an independently prepared actuarial report that includes a ten (10) year forecast of PBOP expenses. During the annual update process conducted for rate year 2018 and every four years thereafter, Worksheet O will be used to determine whether the PBOP allowance rate (\$PBOP per \$Direct O&M Labor) should be adjusted going forward for the next four years. If the annual actuarial report issued during the year of any PBOP rate review projects PBOP costs during the next four years that, when allocated to the AEP Transmission Companies based on their projected direct labor expenses over that same projected four-year period, absent a change in the PBOP Rate, will likely cause the AEP East Transmission Companies to over or under collect their cumulative PBOP expenses by more than 20% of the projected next four year's total PBOP expense, taking into account the net over or under collection of such expenses during the previous four years, the PBOP rate shall be adjusted. In order to determine whether continued use of the then approved PBOP rate is likely to result in the AEP Companies' incurrence of a cumulative allowance of PBOP costs under the formula rate will result in a cumulative over or under-recovery of actual PBOP expenses exceeding 20% over the subsequent four year period, Worksheet O will be used to determine (a) the level of cumulative over or under collections of PBOP expense during the time since the PBOP allowance rate was last set, including carrying costs based on the weighted average cost of capital each year from the formula rate actual transmission cost-of-service (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 transmission cost of service average cost of capital for the immediately prior calendar year and (c) the cumulative net present value of continued collections over the next four years based on the projected AEP Transmission Companies direct labor expenses and the then effective PBOP allowance rate assuming a discount rate equal to the prior year weighted average cost of capital. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance rate used in the formula rate calculation shall be changed to the value that will cause the projected result of (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years, (a)+(b)-(c), is less than 20% of (b), then the PBOP Rate 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 Rate stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

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

West Virginia Transmission Company

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
Land Rights	350.1	
Structures & Improvements	352.0	1.52%
Station Equipment	353.0	1.68%
Towers & Fixtures	354.0	1.54%
Poles & Fixtures	355.0	2.64%
Overhead Conductor	356.0	1.19%
Underground Conduit	357.0	1.45%
Underground Conductors	358.0	7.23%

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

<u>Composite Depreciation Rate</u>	<u>APCo</u>	<u>WPCo</u>	<u>TOTAL</u>
T-Plant (FF1 206.58.g)	1,811,822,367	29,740,179	1,841,562,546
T-Plant (FF1 206.58.b)	1,752,450,105	25,887,202	1,778,337,307
Average (Ln 1+ Ln 2)/2	1,782,136,236	27,813,691	1,809,949,927
Depreciation (FF1 336.7.f)	29,597,240	752,928	30,350,168
Composite Depreciation (Ln 3 / Ln 4)			1.68%

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

	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
Line							
<u>Development of Long Term Debt Balances at Year End</u>							
1 Bonds (112.18.c&d)							-
2 Less: Reacquired Bonds (112.19.c&d)							-
3 LT Advances from Assoc. Companies (112.20.c&d)							-
4 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund							-
5 Less: Fair Value Hedges (See Note on Ln 7 below)							-
6 Total Long Term Debt Balance	-	-	-	-	-	-	-
7 NOTE: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (page 257, Column H of the FF1)							
<u>Development of Long Term Debt Interest Expense</u>							
8 Interest on Long Term Debt (256-257.33.i)							-
9 Amort of Debt Discount & Expense (117.63.c)							-
10 Amort of Loss on Reacquired Debt (117.64.c)							-
11 Less: Amort of Premium on Debt (117.65.c)							-
12 Less: Amort of Gain on Reacquired Debt (117.66.c)							-
13 Less: Hedge Interest on pp 256-257(i)							-
14 LTD Interest Expense	-	-	-	-	-	-	-
<u>Development of Cost of Preferred Stock and Preferred Dividends</u>							
15 Dividend Rate (p. 250-251. 7.a)							
16 Par Value (p. 250-251. 8.c)							
17 Shares Outstanding (p.250-251. 8.e)							
18 Monetary Value (Ln 16 * Ln 17)	-	-	-	-	-	-	-
19 Dividend Amount (Ln 15 * Ln 18)	-	-	-	-	-	-	-
20 Dividend Rate (p. 250-251. 7.a)							
21 Par Value (p. 250-251. 8.c)							
22 Shares Outstanding (p.250-251. 8.e)							
23 Monetary Value (Ln 21 * Ln 22)	-	-	-	-	-	-	-
24 Dividend Amount (Ln 20 * Ln 23)	-	-	-	-	-	-	-
25 Dividend Rate (p. 250-251. 7.a)							
26 Par Value (p. 250-251. 8.c)							
27 Shares Outstanding (p.250-251. 8.e)							
28 Monetary Value (Ln 26 * Ln 27)	-	-	-	-	-	-	-
29 Dividend Amount (Ln 25 * Ln 28)	-	-	-	-	-	-	-
30 Dividend Rate (p. 250-251. 7.a)							
31 Par Value (p. 250-251. 8.c)							
32 Shares Outstanding (p.250-251. 8.e)							
33 Monetary Value (Ln 31 * Ln 32)	-	-	-	-	-	-	-
34 Dividend Amount (Ln 30 * Ln 33)	-	-	-	-	-	-	-
35 Preferred Stock (Lns 18, 23, 28,33)	-	-	-	-	-	-	-
36 Preferred Dividends (Lns 19, 24, 29,34)	-	-	-	-	-	-	-
<u>Development of Common Equity</u>							
37 Proprietary Capital (112.16.c)							-
38 Less: Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
39 Less: Account 216.1 (112.12.c)							-
40 Less: Account 219.1 (112.15.c)							-
41 Balance of Common Equity	-	-	-	-	-	-	-
<u>Calculation of Capital Shares</u>							
42 Long Term Debt (Ln 6 Above)	-	-	-	-	-	-	-
43 Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
44 Common Equity (Ln 41 Above)	-	-	-	-	-	-	-
45 Total Company Structure	-	-	-	-	-	-	-
46 LTD Capital Shares (Ln 42 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
47 Preferred Stock Capital Shares (Ln 43 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
48 Common Equity Capital Shares (Ln 44 / Ln 45)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
49 Reserved							
50 Reserved							
51 Reserved							
52 Reserved							
<u>Calculation of Capital Cost Rate</u>							
53 LTD Capital Cost Rate (Ln 14 / Ln 6)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
54 Preferred Stock Capital Cost Rate (Ln 36 / Ln 35)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
<u>Calculation of Weighted Capital Cost Rate</u>							
56 LTD Weighted Capital Cost Rate (Ln 46 * Ln 53)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
57 Preferred Stock Capital Cost Rate (Ln 47 * Ln 54)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
58 Common Equity Capital Cost Rate (Ln 48 * Ln 55)	#DIV/0!	#DIV/0!	#DIV/0				

	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
Line							
<u>Development of Long Term Debt Balances at Year End</u>							
60 Bonds (112.18.c&d)							-
61 Less: Reacquired Bonds (112.19.c&d)							-
62 LT Advances from Assoc. Companies (112.20.c&d)							-
63 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund							-
64 Less: Fair Value Hedges (See Note on Ln 66 below)							-
65 Total Long Term Debt Balance	-	-	-	-	-	-	-
66 NOTE: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (p. 257, Column H of the FF1)							
<u>Development of Long Term Debt Interest Expense</u>							
67 Interest on Long Term Debt (256-257.33.i)							-
68 Amort of Debt Discount & Expense (117.63.c)							-
69 Amort of Loss on Reacquired Debt (117.64.c)							-
70 Less: Amort of Premium on Debt (117.65.c)							-
71 Less: Amort of Gain on Reacquired Debt (117.66.c)							-
72 Less: Hedge Interest on pp 256-257(i)							-
73 LTD Interest Expense	-	-	-	-	-	-	-
<u>Development of Cost of Preferred Stock and Preferred Dividends</u>							
74 Dividend Rate (p. 250-251. 7.a)							
75 Par Value (p. 250-251. 8.c)							
76 Shares Outstanding (p.250-251. 8.e)							
77 Monetary Value (Ln 75 * Ln 76)	-	-	-	-	-	-	-
78 Dividend Amount (Ln 74 * Ln 77)	-	-	-	-	-	-	-
79 Dividend Rate (p. 250-251. 7.a)							
80 Par Value (p. 250-251. 8.c)							
81 Shares Outstanding (p.250-251. 8.e)							
82 Monetary Value (Ln 80 * Ln 81)	-	-	-	-	-	-	-
83 Dividend Amount (Ln 79 * Ln 82)	-	-	-	-	-	-	-
84 Dividend Rate (p. 250-251. 7.a)							
85 Par Value (p. 250-251. 8.c)							
86 Shares Outstanding (p.250-251. 8.e)							
87 Monetary Value (Ln 85 * Ln 86)	-	-	-	-	-	-	-
88 Dividend Amount (Ln 84 * Ln 87)	-	-	-	-	-	-	-
89 Dividend Rate (p. 250-251. 7.a)							
90 Par Value (p. 250-251. 8.c)							
91 Shares Outstanding (p.250-251. 8.e)							
92 Monetary Value (Ln 90 * Ln 91)	-	-	-	-	-	-	-
93 Dividend Amount (Ln 89 * Ln 92)	-	-	-	-	-	-	-
94 Preferred Stock (Lns 77, 82, 87,92)	-	-	-	-	-	-	-
95 Preferred Dividends (Lns 78, 83, 88,93)	-	-	-	-	-	-	-
<u>Development of Common Equity</u>							
96 Proprietary Capital (112.16.c)							-
97 Less: Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
98 Less: Account 216.1 (112.12.c)							-
99 Less: Account 219.1 (112.15.c)							-
100 Balance of Common Equity	-	-	-	-	-	-	-
<u>Calculation of Capital Shares</u>							
101 Long Term Debt (Ln 65 Above)	-	-	-	-	-	-	-
102 Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
103 Common Equity (Ln 100 Above)	-	-	-	-	-	-	-
104 Total Company Structure	-	-	-	-	-	-	-
105 LTD Capital Shares (Ln 101 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
106 Preferred Stock Capital Shares (Ln 102 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
107 Common Equity Capital Shares (Ln 103 / Ln 104)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
108 Reserved							
109 Reserved							
110 Reserved							
111 Reserved							
<u>Calculation of Capital Cost Rate</u>							
112 LTD Capital Cost Rate (Ln 73 / Ln 65)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
113 Preferred Stock Capital Cost Rate (Ln 95 / Ln 94)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
114 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
<u>Calculation of Weighted Capital Cost Rate</u>							
115 LTD Weighted Capital Cost Rate (Ln 105 * Ln 112)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
116 Preferred Stock Capital Cost Rate (Ln 106 * Ln 113)	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
117 Common Equity Capital Cost Rate (Ln 107 * Ln 114)	#DIV/0!	#DIV/0!	#DIV/0!				

[illegible]

AEPTCo Subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet R - True-up With Interest

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018	-	2017 Forecasted Revenue Requirement For Year 2017	=	True-up Adjustment - Over (Under) Recovery
\$0		\$0		\$0

Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3420%				

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

Calculation of Interest

Calculation of Interest				Monthly			
January	Year 2017	-	0.3420%	12	-	-	-
February	Year 2017	-	0.3420%	11	-	-	-
March	Year 2017	-	0.3420%	10	-	-	-
April	Year 2017	-	0.3420%	9	-	-	-
May	Year 2017	-	0.3420%	8	-	-	-
June	Year 2017	-	0.3420%	7	-	-	-
July	Year 2017	-	0.3420%	6	-	-	-
August	Year 2017	-	0.3420%	5	-	-	-
September	Year 2017	-	0.3420%	4	-	-	-
October	Year 2017	-	0.3420%	3	-	-	-
November	Year 2017	-	0.3420%	2	-	-	-
December	Year 2017	-	0.3420%	1	-	-	-
					-	-	-

				Annual		
January through December	Year 2018	-	0.3420%	12	-	-

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

<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly		
January	Year 2019	-	0.3420%	-	-	-
February	Year 2019	-	0.3420%	-	-	-
March	Year 2019	-	0.3420%	-	-	-
April	Year 2019	-	0.3420%	-	-	-
May	Year 2019	-	0.3420%	-	-	-
June	Year 2019	-	0.3420%	-	-	-
July	Year 2019	-	0.3420%	-	-	-
August	Year 2019	-	0.3420%	-	-	-
September	Year 2019	-	0.3420%	-	-	-
October	Year 2019	-	0.3420%	-	-	-
November	Year 2019	-	0.3420%	-	-	-
December	Year 2019	-	0.3420%	-	-	-

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.

AEPTCo Subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet R - True-up With Interest

Reconciliation Revenue Requirement For Year 2017 Available May 25, 2018	-	2017 Forecasted Revenue Requirement For Year 2017	=	True-up Adjustment - Over (Under) Recovery
\$0		\$0		\$0

Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
		0.3420%				

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

Calculation of Interest

						Monthly	
January	Year 2017	-	0.3420%	12	-	-	-
February	Year 2017	-	0.3420%	11	-	-	-
March	Year 2017	-	0.3420%	10	-	-	-
April	Year 2017	-	0.3420%	9	-	-	-
May	Year 2017	-	0.3420%	8	-	-	-
June	Year 2017	-	0.3420%	7	-	-	-
July	Year 2017	-	0.3420%	6	-	-	-
August	Year 2017	-	0.3420%	5	-	-	-
September	Year 2017	-	0.3420%	4	-	-	-
October	Year 2017	-	0.3420%	3	-	-	-
November	Year 2017	-	0.3420%	2	-	-	-
December	Year 2017	-	0.3420%	1	-	-	-
						-	-

						Annual	
January through Decem	Year 2018	-	0.3420%	12	-	-	-

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

						Monthly	
January	Year 2019	-	0.3420%	-	-	-	-
February	Year 2019	-	0.3420%	-	-	-	-
March	Year 2019	-	0.3420%	-	-	-	-
April	Year 2019	-	0.3420%	-	-	-	-
May	Year 2019	-	0.3420%	-	-	-	-
June	Year 2019	-	0.3420%	-	-	-	-
July	Year 2019	-	0.3420%	-	-	-	-
August	Year 2019	-	0.3420%	-	-	-	-
September	Year 2019	-	0.3420%	-	-	-	-
October	Year 2019	-	0.3420%	-	-	-	-
November	Year 2019	-	0.3420%	-	-	-	-
December	Year 2019	-	0.3420%	-	-	-	-
						-	-

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.