

Twelve Months Ended 2017

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

OHIO POWER COMPANY

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(In 130)				\$331,623,962
			Total	Allocator		
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	10,560,286	DA	1.00000	\$ 10,560,286
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				\$ -
4	REVENUE REQUIREMENT For All Company Facilities	(In 1 less In 2 plus In 3)				\$ 321,063,676

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)	11,556,972	DA	1.00000	\$ 11,556,972
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)				
7	Annual Rate	((In 1 - In 95)/((In 42) x 100))			21.69%
8	Monthly Rate	(In 7 / 12)			1.81%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)				
10	Annual Rate	((In 1 - In 95 - In 100) /((In 42) x 100))			18.17%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)				
12	Annual Rate	((In 1 - In 95 - In 100 - In 125 - In 126) /((In 42) x 100))			7.67%
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 75 Below			904,812
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)				15,276
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)				81
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)			889,455

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	(1)	(2)	(3)	(4)	(5)	
	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>	
Line No.						
19	GROSS PLANT IN SERVICE					
20	Production	(Worksheet A In 14.(b))	-	NA	0.00000	-
21	Less: Production ARO (Enter Negative)	(Worksheet A In 14.(c))	-	NA	0.00000	-
22	Transmission	(Worksheet A In 14.(d) & TCOS Ln 134)	2,365,537,435	DA		2,365,537,435
23	Less: Transmission ARO (Enter Negative)	(Worksheet A In 14.(e))	(3,120)	TP	1.00000	(3,120)
24	Distribution	(Worksheet A In 14.(f))	4,539,311,077	NA	0.00000	-
25	Less: Distribution ARO (Enter Negative)	(Worksheet A In 14.(g))	-	NA	0.00000	-
26	General Plant	(Worksheet A In 14.(h))	313,642,929	W/S	0.11590	36,350,104
27	Less: General Plant ARO (Enter Negative)	(Worksheet A In 14.(i))	(613,206)	W/S	0.11590	(71,068)
28	Intangible Plant	(Worksheet A In 14.(j))	121,468,109	W/S	0.11590	14,077,723
29	TOTAL GROSS PLANT	(sum Ins 19 to 27)	7,339,343,224	GP	0.329170	2,415,891,074
				GTD=	0.34259	
30	ACCUMULATED DEPRECIATION AND AMORTIZATION					
31	Production	(Worksheet A In 28.(b))	-	NA	0.00000	-
32	Less: Production ARO (Enter Negative)	(Worksheet A In 28.(c))	-	NA	0.00000	-
33	Transmission	(Worksheet A In 28.(d) & In 43.(c))	848,526,207	TP1=	1.00000	848,526,207
34	Less: Transmission ARO (Enter Negative)	(Worksheet A In 28.(e))	(3,120)	TP1=	1.00000	(3,120)
35	Distribution	(Worksheet A In 28.(f))	1,545,649,657	NA	0.00000	-
36	Less: Distribution ARO (Enter Negative)	(Worksheet A In 28.(g))	-	NA	0.00000	-
37	General Plant	(Worksheet A In 28.(h))	96,848,722	W/S	0.11590	11,224,424
38	Less: General Plant ARO (Enter Negative)	(Worksheet A In 28.(i))	(252,071)	W/S	0.11590	(29,214)
39	Intangible Plant	(Worksheet A In 28.(j))	77,315,857	W/S	0.11590	8,960,634
40	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 30 to 38)	2,568,085,250			868,678,930
41	NET PLANT IN SERVICE					
42	Production	(In 19 + In 20 - In 30 - In 31)	-			-
43	Transmission	(In 21 + In 22 - In 32 - In 33)	1,517,011,228			1,517,011,228
44	Distribution	(In 23 + In 24 - In 34 - In 35)	2,993,661,421			-
45	General Plant	(In 25 + In 26 - In 36 - In 37)	216,433,073			25,083,826
46	Intangible Plant	(In 27 - In 38)	44,152,253			5,117,090
47	TOTAL NET PLANT IN SERVICE	(sum Ins 41 to 45)	4,771,257,973	NP	0.324278	1,547,212,143
48	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
49	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA		-
50	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(1,124,667,640)	DA		(363,071,604)
51	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(350,887,171)	DA		(40,112,184)
52	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	142,509,753	DA		23,061,357
53	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(10,772)	DA		(3,913)
54	TOTAL ADJUSTMENTS	(sum Ins 48 to 52)	(1,333,055,830)			(380,126,344)
55	PLANT HELD FOR FUTURE USE	(Worksheet A In 44.(e) & In 45.(e))	6,456,934	DA		3,682,558
56	REGULATORY ASSETS	(Worksheet A In 51.(e))	-	DA		-
57	UNFUNDED RESERVES (ENTER NEGATIVE) (NOTE Y)	(Worksheet A In 54.(e))	(252,833)	W/S	0.11590	(29,302)
58	WORKING CAPITAL	(Note E)				
59	Cash Working Capital	(1/8 * In 78)	3,867,475			3,867,475
60	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	2,686,417	TP	1.00000	2,686,417
61	A&G Materials & Supplies	(Worksheet C, In 3.(F))	229,446	W/S	0.11590	26,592
62	Stores Expense	(Worksheet C, In 4.(F))	-	GP	0.32917	-
63	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	228,918,011	W/S	0.11590	26,530,786
64	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	2,288,427	GP	0.32917	753,281
65	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	(87,822)	DA	1.00000	(87,822)
66	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(217,279,846)	NA	0.00000	-
67	TOTAL WORKING CAPITAL	(sum Ins 58 to 65)	20,622,107			33,776,729
68	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA	1.00000	-
69	RATE BASE (sum Ins 46, 53, 54, 55, 56, 66, 67)		3,465,028,351			1,204,515,784

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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	824,679,728			
70	Distribution	322.156.b	177,928,990			
71	Customer Related Expense	322 & 323.164,171,178.b	126,498,198			
72	Regional Marketing Expenses	322.131.b	171,483			
73	Transmission	321.112.b	244,904,843			
74	TOTAL O&M EXPENSES	(sum Ins 69 to 73)	1,374,183,242			
75	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	904,812			
76	Less: Account 565	(Note H) 321.96.b	284,309,711			
77	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	(71,249,482)			
78	Total O&M Allocable to Transmission	(Ins 73 - 75 - 76 - 77)	30,939,802	TP	1.00000	30,939,802
79	Administrative and General	323.197.b (Notes J and M)	78,682,060			
80	Less: Acct. 924, Property Insurance	323.185.b	1,175,512			
81	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(7,014,204)			
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)	(690,642)			
84	Acct. 928, Reg. Com. Exp.	323.189.b	1,547,879			
85	Acct. 930.1, Gen. Advert. Exp.	323.191.b	3,434,066			
86	Acct. 930.2, Misc. Gen. Exp.	323.192.b	2,941,417			
87	Balance of A & G	(In 79 - sum In 80 to In 86)	77,288,032	W/S	0.11590	8,957,409
88	Plus: Acct. 924, Property Insurance	(In 80)	1,175,512	GP	0.32917	386,943
89	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	122,800	TP	1.00000	122,800
90	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	-	TP	1.00000	-
91	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 46.(E) (Note L)	328,819	DA	1.00000	328,819
92	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C (Note M)	(32,623,461)	W/S	0.11590	(3,780,944)
93	A & G Subtotal	(sum Ins 87 to 92)	46,291,702			6,015,028
94	O & M EXPENSE SUBTOTAL	(In 78 + In 93)	77,231,504			36,954,830
95	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		2,657,120	DA	1.00000	2,657,120
96	TOTAL O & M EXPENSE	(In 94 + In 95)	79,888,624			39,611,950
97	DEPRECIATION AND AMORTIZATION EXPENSE					
98	Production	336.2-6.f	-	NA	0.00000	-
99	Distribution	336.8.f	119,759,386	NA	0.00000	-
100	Transmission	336.7.f	53,396,717	TP1	1.00000	53,396,717
101	General	336.10.f	4,714,504	W/S	0.11590	546,394
102	Intangible	336.1.f	23,011,529	W/S	0.11590	2,666,955
103	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 98+99+ 100+101+102) (Note N)	200,882,136			56,610,066
104	TAXES OTHER THAN INCOME					
105	Labor Related					
106	Payroll	Worksheet H In 24.(D)	5,781,353	W/S	0.11590	670,038
107	Plant Related					
108	Property	Worksheet H-1 In 3.(C) & 3.(G)	233,692,376	DA		74,032,837
109	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	147,825,008	NA	0.00000	-
110	Other	Worksheet H In 24.(E)	4,325,029	GP	0.32917	1,423,669
111	TOTAL OTHER TAXES	(sum Ins 106 to 110)	391,623,766			76,126,545
112	INCOME TAXES	(Note O)				
113	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		35.72%			
114	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		40.04%			
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)		1.5558			
118	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	(10,166)			
119	Excess Deferred Income Tax	(Note U)	(40,008)	DA		(40,008)
120	Tax Effect of Permanent and Flow-Through Differences	(Note U)	3,231,478	DA		3,057,386
121	Income Tax Calculation	(In 114 * In 126)	127,156,099			44,202,100
122	ITC adjustment	(In 117 * In 118)	(15,816)	GP	0.32917	(5,206)
123	Excess Deferred Income Tax	(In 117 * In 119)	(62,245)			(62,245)
124	Tax Effect of Permanent and Flow-Through Differences	(In 117 * In 120)	5,027,557			4,756,703
125	TOTAL INCOME TAXES	(sum Ins 121 to 124)	132,105,595			48,891,352
126	RETURN ON RATE BASE (Rate Base*WACC)	(In 68 * In 157)	317,541,595			110,384,050
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		1,122,041,715			331,623,962
	(sum Ins 96, 103, 111, 125, 126, 127, 128, 129)					

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
131	Total transmission plant	(In 21)							2,365,537,435	
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)							2,365,537,435	
135	Percent of transmission plant in PJM Tariff	(In 134 / In 131)						TP=	1.00000	
136	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total					
137	Production	354.20.b	31,304	96,119	127,423	NA	0.00000		-	
138	Transmission	354.21.b	389,201	11,077,796	11,466,997	TP	1.00000		11,466,997	
139	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000		-	
140	Distribution	354.23.b	47,066,173	8,658,493	55,724,666	NA	0.00000		-	
141	Other (Excludes A&G)	354.24,25,26.b	16,987,857	14,634,796	31,622,653	NA	0.00000		-	
142	Total	(sum Ins 137 to 141)	64,474,535	34,467,204	98,941,739				11,466,997	
143	Transmission related amount							W/S=	0.11590	
144	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$	
145	Long Term Interest	(Worksheet M, In. 37, col. (d))							98,369,424	
146	Preferred Dividends	(Worksheet M, In. 71)							-	
147	Development of Common Stock:									
148	Proprietary Capital	(Worksheet M, In. 14, col. (b))							2,213,937,716	
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))							2,465,885	
152	Common Stock	(In 148 - In 149 - In 150 - In 151)							2,206,556,127	
153			\$	%		Cost (Note S)		Weighted		
154	Long Term Debt (Note T) Worksheet M, In 28, col. (g), In 38, col. (d))		1,633,422,422	42.54%		6.02%		0.0256		
155	Preferred Stock (In 149)		-	0.00%		-		0.0000		
156	Common Stock (In 152)		2,206,556,127	57.46%		11.49%		0.0660		
157	Total (Sum Ins 154 to 156)		3,839,978,548					WACC=	0.0916	

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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. Interest 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 beginning of year end of year 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 Section1.167(l)-(h)(6)(ii). 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 (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 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) (ln 118) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required:
FIT = 35.00%
SIT= 1.11% (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 145) / Long-Term Debt (ln 154). Preferred Stock cost rate = preferred dividends (ln 146) / preferred outstanding (ln 155). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER08-1329. It includes an additional 50 basis points for PJM RTO Membership. 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 (including 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 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.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Rate Base
OHIO POWER COMPANY

		Gross Plant In Service								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 46	FF1, page 205&204, Col.(g)&(b), lns 15,24,34,44	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 58	Acct. 359.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 57	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 75	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 74	FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 99	Acct. 399.1 FF1, page 207 Col.(g) & pg. 206 Col. (b), ln 98	FF1, page 205 Col.(g) & pg. 204 Col. (b), ln 5
1	December Prior to Rate Year	-	-	2,315,543,568	3,120	4,454,773,907	-	303,534,726	613,205	104,729,070
2	January									
3	February									
4	March									
5	April									
6	May									
7	June									
8	July									
9	August									
10	September									
11	October									
12	November									
13	December of Rate Year	-	-	2,415,531,301	3,120	4,623,848,247	-	323,751,131	613,206	138,207,148
14	Average of the Beginning and End Year Balances	-	-	2,365,537,435	3,120	4,539,311,077	-	313,642,929	613,206	121,468,109

		Accumulated Depreciation								
Line No	Month (a)	Production (b)	Production ARO (c)	Transmission (d)	Transmission ARO (e)	Distribution (f)	Distribution ARO (g)	General (h)	General ARO (i)	Intangible (j)
	(Note A)	FF1, page 219, lns 20-24, Col. (b)	Company Records (Included in total in Column (b))	FF1, page 219, ln 25, Col. (b)	Company Records (Included in total in Column (d))	FF1, page 219, ln 26, Col. (b)	Company Records (Included in total in Column (f))	FF1, page 219, ln 28, Col. (b)	Company Records (Included in total in Column (h))	FF1, page 200, ln 21, Col. (b)
15	December Prior to Rate Year	-	-	846,049,712	3,120	1,520,914,754	-	99,371,978	239,904	68,908,394
16	January									
17	February									
18	March									
19	April									
20	May									
21	June									
22	July									
23	August									
24	September									
25	October									
26	November									
27	December of Rate Year	-	-	851,002,702	3,120	1,570,384,559	-	94,325,465	264,239	85,723,319
28	Average of the Beginning and End Year Balances	-	-	848,526,207	3,120	1,545,649,657	-	96,848,722	252,071	77,315,857

Line No	Month (a)	OATT Ancillary Services (GSU) Plant In Service (b)	OATT Ancillary Services (GSU) Accumulated Depreciation (c) Company Records (included in total in column (b) of accumulated depreciation above)	Excluded Plant - Plant In Service (d) Company Records	Excluded Plant - Accumulated Depreciation (e) Company Records
(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 Beginning and End Year Balances	-	-	-	-

43 Transmission Accum Depreciation net of GSU 848,526,207

Plant Held For Future Use		Source of Data	Balance @ December 31, 2017 (c)	Balance @ December 31, 2016 (d)	Average Balance for 2017 (e)
44	Plant Held For Future Use (a)	FF1, page 214, In 47, Col. (d) (b)	6,248,037	6,665,830	6,456,934
45	Transmission Plant Held For Future Use (Included in total on line 44)	Company Records - Note 1	3,665,408	3,699,708	3,682,558

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)				
52	Description	Account		
53a	Accm Prv I/D Workers Comp	2282003	253,104	252,562
53b				-
54	Total		253,104	252,562

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2017</u>	<u>(D) Balance @ December 31, 2016</u>	<u>(E) Average Balance for 2017</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)	1,220,427,285	1,028,907,995	1,124,667,640
8	Less: ARO Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 7 (Note 1)	714,779	671,318	693,049
9	Less: Other Excluded Deferrals	WS B-1 - Actual Stmt. AF Ln. 6 (Note 1)	827,890,848	693,915,125	760,902,987
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	391,821,658	334,321,551	363,071,604
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	286,460,142	415,314,201	350,887,171
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)	229,693,594	391,856,380	310,774,987
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	56,766,549	23,457,820	40,112,184
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	103,620,308	181,399,199	142,509,753
18	Less: ARO Related Deferrals	WS B-2 - Actual Stmt. AG Ln. 4 (Note 1)	581,374	578,820	580,097
19	Less: Other Excluded Deferrals	WS B-2 - Actual Stmt. AG Ln. 3 (Note 1)	78,562,760	159,173,838	118,868,299
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	24,476,175	21,646,540	23,061,357
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	6,853	21,113	13,983
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	330	6,092	3,211
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	6,523	15,021	10,772
25	Transmission Related Deferrals	WS B-1 - Actual Stmt. AF Ln. 20 (Note 1)	1,711	6,115	3,913

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 I.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.

OHIO POWER COMPANY
SPECIFIED DEFERRED CREDITS - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2017

(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 12/31/2016			FUNCTIONALIZATION 12/31/2017		
	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
ACCUMULATED DEFERRED FIT ITEMS						(B+C+D+E)/2									
1.00 ACCOUNT 281:															
2.01															
2.02	0	0				0	0	0	0						
2.03															
2.04	0	0	0		0	0									
2.05	0	0	0		0	0									
2.06	0	0	0		0	0									
3 TOTAL ACCOUNT 281	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	0	0	0	0	0	0	0
5 ACCOUNT 282:															
5.01 EXCESS FIT % RATE CHANGE	(65)	(65)				(65)	0	(24)	(41)	-	(24)	(41)	-	(24)	(41)
5.02 BOOK VS. TAX DEPRECIATION	814,315,617	874,404,297				844,359,957	0	296,995,464	547,364,493	-	284,498,982	529,816,635	-	309,491,946	564,912,350
5.03 CAPD INTEREST - SECTION 481(a) - CHANGE IN METHD	303,470	201,608				252,539	0	81,161	171,378	-	95,906	207,563	-	66,416	135,192
5.04 RELOCATION COST - SECTION 481(a) - CHANGE IN METH	462,501	329,881				396,191	0	0	396,191	-	-	462,501	-	-	329,881
5.05 PJM INTEGRATION - SEC 481(a) - INTANG - DFD LABOR	19,434	(60,178)				(20,372)	0	(20,372)	0	-	19,434	-	-	(60,178)	-
5.06 R & D DEDUCTION - SECTION 174	599,982	599,982				599,982	0	130,776	469,206	-	130,776	469,206	-	130,776	469,206
5.07 GYPSUM WALLBOARD CONVEYOR	0	0				0	0	0	0	-	-	-	-	-	-
5.08 BK PLANT IN SERVICE-SFAS 143-ARO	671,318	714,779				693,049	0	11,308	681,741	-	10,959	660,360	-	11,658	703,122
5.09 DFIT-GENERATION PLANT	0	0				0	0	0	0	-	-	-	-	-	-
5.10 GAIN/LOSS ON ACRS/MACRS PROPERTY	65,500,634	71,893,961				68,697,297	0	11,889,876	56,807,422	-	11,191,268	54,309,366	-	12,588,483	59,305,478
5.11 GAIN/LOSS ON ACRS/MACRS-BK/TX UNIT OF PROPERTY	0	0				0	0	0	0	-	-	-	-	-	-
5.12 AOFUDC	0	0				0	0	0	0	-	-	-	-	-	-
5.13 ABFUDC	10,175,248	10,947,148				10,561,198	0	5,171,527	5,389,672	-	4,995,747	5,179,501	-	5,347,307	5,599,842
5.14 ABFUDC-C&SOE GROSS METHOD	3,845,257	3,607,800				3,726,528	0	1,669,822	2,056,707	-	1,716,833	2,128,424	-	1,622,810	1,984,990
5.15 ABFUDC-SMART HOUSE - LAND	2,652	2,652				2,652	0	0	2,652	-	-	2,652	-	-	2,652
5.16 TAXES CAPITALIZED	0	0				0	0	0	0	-	-	-	-	-	-
5.17 PENSIONS CAPITALIZED	0	0				0	0	0	0	-	-	-	-	-	-
5.18 SEC 481 PENS/OPEB ADJUSTMENT	3,800	3,800				3,800	0	1,089	2,712	-	1,089	2,712	-	1,089	2,712
5.19 SAVINGS PLAN CAPITALIZED	0	0				0	0	0	0	-	-	-	-	-	-
5.20 PERCENT REPAIR ALLOWANCE	28,677,572	26,347,346				27,512,459	0	5,287,165	22,225,294	-	5,511,180	23,166,392	-	5,063,150	21,284,196
5.21 BOOK/TAX UNIT OF PROPERTY ADJ	0	13,244,000				6,622,000	0	939,750	5,682,250	-	-	-	-	1,879,500	11,364,500
5.22 BK/TAX UNIT OF PROPERTY ADJ-SEC 481 ADJ	0	90,789,300				45,394,650	0	9,433,550	35,961,100	-	-	-	-	18,867,100	71,922,200
5.23 BK/TAX GAIN-SALE OF MISC PROP	0	0				0	0	0	0	-	-	-	-	-	-
5.24 BK VS. TAX GAIN/LOSS - SPORN UNIT 5	0	0				0	0	0	0	-	-	-	-	-	-
5.25 CAPITALIZED LEASES - A/C 1011 ASSETS	0	0				0	0	0	0	-	-	-	-	-	-
5.26 TX ACCEL AMORT - CAPITALIZED SOFTWARE	0	2,895,942				1,447,971	0	220,586	1,227,385	-	-	-	-	441,172	2,454,771
5.27 CAPITALIZED RELOCATION COSTS	22,432,383	26,410,811				24,421,597	0	2,959,320	21,462,277	-	2,652,459	19,779,923	-	3,266,180	23,144,631
5.28 GAIN ON REACQUIRED DEBT	0	0				0	0	0	0	-	-	-	-	-	-
5.29 REMOVAL COSTS	81,898,192	98,094,220				89,996,206	0	28,311,915	61,684,291	-	23,507,901	58,390,292	-	33,115,930	64,978,290
5.30 REMOVAL COSTS REV-SFAS 143-ARO	0	0				0	0	0	0	-	-	-	-	-	-
5.31 FERC JMG ADJUSTMENT	0	0				0	0	0	0	-	-	-	-	-	-
5.32 NON-UTILITY DEFERRED FIT	760,425	455,873	(760,425)	(455,873)		0									
5.33 SFAS 109 FLOW-THRU 282.3	81,629,979	47,886,307	(81,629,979)	(47,886,307)		0									
5.34 SFAS 109 EXCESS DFIT 282.4	(780,467)	(495,409,402)	780,467	495,409,402		0									
5.35	0	0				0									
6 TOTAL ACCOUNT 282	1,110,517,931	773,360,063	(81,609,937)	447,067,222	1,124,667,639		0	363,082,913	761,584,727	0	334,332,510	694,575,485	0	391,833,315	828,593,970
7 ACCOUNT 282 - ARO-Related Deferrals	(109,149)	(494,694,623)	780,467	495,409,402	693,049		0	11,308	681,741	0	10,959	660,360	0	11,658	703,122
8 ACCOUNT 283:															
9.01 NOL - STATE C/F - DEF STATE TAX ASSET - L/T	0	14,762				7,381	0	0	7,381	-	-	-	-	-	14,762
9.02 DEFD FUEL EXP-CUR DEFL SET UP	79,775,788	36,926,031				58,350,909	0	0	58,350,909	-	-	79,775,788	-	-	36,926,031
9.03 DEFD FUEL EXP-OH FAC-CURRENT	(0)	(0)				0	0	0	(0)	-	-	(0)	-	-	(0)
9.04 CAPD CARRY CHR-DEFD OH DERE	0	0				0	0	0	0	-	-	-	-	-	-
9.05 FAC PROV-CONTRA ASSET-OH	(10,404,304)	0				(5,202,152)	0	0	(5,202,152)	-	-	(10,404,304)	-	-	-
9.06 CARRY CHGS - OH FUEL ADJUST CLAUSE	48,223,601	3,864,506				26,044,054	0	0	26,044,054	-	-	48,223,601	-	-	3,864,506
9.07 CARRYING CHARGES-OHIO FUEL ADJ CLAUSE-CURRENT	0	0				0	0	0	0	-	-	-	-	-	-
9.08 UNRECOV COST FAC-LT RESERVE-OH	0	0				0	0	0	0	-	-	-	-	-	-
9.09 DEFD TAX GAIN - DIVIDEND OF PARK GARAGE	3,657,375	3,657,375				3,657,375	0	0	3,657,375	-	-	3,657,375	-	-	3,657,375
9.10 OH UNRECOV FUEL COST RESERVE	0	0				0	0	0	0	-	-	-	-	-	-
9.11 DEF OH AUCTION EXP-INCREM	(0)	(0)				0	0	0	(0)	-	-	(0)	-	-	(0)
9.12 PROP TX-STATE 2 OLD METHOD-TX	28,096	29,289				28,692	0	22,927	5,765	-	22,340	5,756	-	23,515	5,774
9.13 DEFD TAX GAIN - DIVIDEND OF PARK GARAGE	0	0				0	0	0	0	-	-	-	-	-	-
9.14 DEFD TAX GAIN - SEC I REG ASSET	40,977,735	24,863,990				32,920,862	0	0	32,920,862	-	-	40,977,735	-	-	24,863,990
9.15 DEFERRED INTERCOMPANY TAX G/L	(248,886)	(264,460)				(256,673)	0	(256,673)	0	-	(248,886)	-	-	(264,460)	-
9.16 MTM BK GAIN - A/L - TAX DEFL	118	0				59	0	0	59	-	-	118	-	-	0
9.17 MARK & SPREAD-DEFL-283-A/L	0	0				0	0	0	0	-	-	-	-	-	-
9.18 ACCRUED BK PENSION EXPENSE	57,994,149	57,821,783				57,907,966	0	7,240,393	50,667,572	-	7,261,357	50,732,792	-	7,219,430	50,602,353
9.19 ACCRUED BK PENSION COSTS - SFAS 158	(75,379,934)	(66,236,084)				(70,808,009)	0	(10,309,909)	(60,498,100)	-	(10,608,165)	(64,771,769)	-	(10,011,654)	(56,224,430)
9.20 REG ASSET - DEFERRED RTO COSTS	719,222	499,378				609,300	0	609,300	0	-	719,222	-	-	499,378	-
9.21 COD BILL- PREPAID PENSIONS-DFL	32,508	(93,108)				(30,300)	0	(30,300)	0	-	32,508	-	-	(93,108)	-
9.22 DEFERRED EXPENSES	0	0				0	0	0	0	-	-	-	-	-	-
9.23 RATE CASE DEFD CHARGES	0	0				0	0	0	0	-	-	-	-	-	-
9.24 BK DEFL-DEMAND SIDE MNGMT EXP	20,839	20,839				20,839	0	0	20,839	-	-	20,839	-	-	20,839
9.25 BK DEFL-COOK COAL T LEASE CSTS	0	0				0	0	0	0	-	-	-	-	-	-
9.26 PILOT OBLIGATIONS - PLANT ACQUISITIONS	0	0				0	0	0	0	-	-	-	-	-	-
9.27 BK INVEST-AEPC IN-KIND SERVICES	0	0				0	0	0	0	-	-	-	-	-	-
9.28 BOOK > TAX - EMA - A/C 283	0	0				0	0	0	0	-	-	-	-	-	-
9.29 DEFD BK LOSS - NON-AFF SALE - EMA	0	0				0	0	0	0	-	-	-	-	-	-
9.30 DEFD TX GAIN - INTERCO SALE - EMA	0	0				0	0	0	0	-	-	-	-	-	-
9.31 DEFD TAX GAIN - EPA AUCTION	0	0				0	0	0	0	-	-	-	-	-	-
9.32 DEFD BOOK GAIN-EPA AUCTION	0	0				0	0	0	0	-	-	-	-	-	-
9.33 REG LIAB-UNUSED SHOPPING INCENTIVES	(302,823)	(237,723)				(270,273)	0	0	(270,273)	-	-	(302,823)	-	-	(237,723)
9.34 REG ASSET-DEFD RSP FILING COSTS	0	0				0	0	0	0	-	-	-	-	-	-
9.35 REG ASSET-EXT OF LOCAL FACILITIES	0	0				0	0	0	0	-	-	-	-	-	-
9.36 REG ASSET-DEFD DEREG CARRY CHARGE COSTS	0	0				0	0	0	0	-	-	-	-	-	-
9.37 REG ASSET-UNDER RECOV - OHIO TCR RIDER	0	0				0	0	0	0	-	-	-	-	-	-
9.38 REG ASSET-CARRY CHGS - OHIO TCR RIDER	(0)	(0)				0	0	(0)	0	-	(0)	-	-	(0)	-
9.39 REG ASSET-OHIO STORM RECOVERY	0	0				0	0	0	0	-	-	-	-	-	-

9.40	REG ASSET-SFAS 158 - PENSIONS	75,379,934	66,236,084		70,808,009	0	10,309,909	60,498,100	-	10,608,165	64,771,769	-	10,011,654	56,224,430
9.41	REG ASSET-SFAS 158 - SERP	45,036	109,094		77,065	0	0	77,065	-	-	45,036	-	-	109,094
9.42	REG ASSET-SFAS 158 - OPEB	3,400,065	(6,634,938)		(1,617,437)	0	398,083	(2,015,519)	-	808,532	2,591,533	-	(12,367)	(6,622,571)
9.43	REG ASSET-UNDERRECOVERY ESRP COSTS-OH	0	0		0	0	0	0	-	-	-	-	-	-
9.44	REG ASSET-UND/REC GRIDSMART DIST EXP	0	0		0	0	0	0	-	-	-	-	-	-
9.45	REG ASSET-UND/REC GRIDSMART CARRY CHGS	0	0		0	0	0	0	-	-	-	-	-	-
9.46	REG ASSET-UND/REC GRIDSMART DEPR/A&G EXP	0	0		0	0	0	0	-	-	-	-	-	-
9.47	REG ASSET-UND/REC GRIDSMART DEF EQ CAR CHG	0	0		0	0	0	0	-	-	-	-	-	-
9.48	REG ASSET-PROV FOR REG ASSET WRITE-OFF	0	0		0	0	0	0	-	-	-	-	-	-
9.49	REG ASSET-EDR - ORMET CARRYING COSTS	0	0		0	0	0	0	-	-	-	-	-	-
9.50	REG ASSET-EDR - ORMET	604,429	0		302,214	0	0	302,214	-	-	604,429	-	-	-
9.51	REG ASSET-EXCESS EDR CAP DEFERRAL	0	0		0	0	0	0	-	-	-	-	-	-
9.52	REG ASSET-EXCESS EDR CAP DEF-CAR CSTS	0	0		0	0	0	0	-	-	-	-	-	-
9.53	REG ASSET-DARR-UNRECOGNIZED EQUITY CARRY CHG	0	0		0	0	0	0	-	-	-	-	-	-
9.54	REG ASSET-DARR-CARRYING CHARGES	0	0		0	0	0	0	-	-	-	-	-	-
9.55	REG ASSET-DARR-DISTRIBUTION DEFERRED ASSETS	0	0		0	0	0	0	-	-	-	-	-	-
9.56	REG ASSET-DEFD RECOVERABLE DISTR ASSET FOR PWO	495,833	145,833		320,833	0	0	320,833	-	-	495,833	-	-	145,833
9.57	REG ASSET-UNDER RECOVERED CAPACITY COST	64,742,295	35,619,555		50,180,925	0	0	50,180,925	-	-	64,742,295	-	-	35,619,555
9.58	REG ASSET-CAPACITY COST CARRYING CHARGES	5,910,915	3,210,215		4,560,565	0	0	4,560,565	-	-	5,910,915	-	-	3,210,215
9.59	REG ASSET-UND/REC DIST INVEST RIDER	699,648	0		349,824	0	0	349,824	-	-	699,648	-	-	-
9.60	REG ASSET-UND/REC DIST RECOUP REV PROG	8,806,346	13,888,104		11,347,225	0	0	11,347,225	-	-	8,806,346	-	-	13,888,104
9.61	REG ASSET-DIR UNRECOGNIZED EQUITY	0	0		0	0	0	0	-	-	0	-	-	0
9.62	REG ASSET-UNCOLL-EDR DELAYED PMT ARNGMNT	0	0		0	0	0	0	-	-	-	-	-	-
9.63	REG ASSET-UNREC AER COSTS-OH	321,656	686,688		504,172	0	0	504,172	-	-	321,656	-	-	686,688
9.64	REG ASSET-DIST DECOUPLING CARRYING CHARGES	299,671	425,731		362,701	0	0	362,701	-	-	299,671	-	-	425,731
9.65	REG ASSET-PTBAR CARRYING CHARGES (DIST DECOUP)	171,656	283,032		227,344	0	0	227,344	-	-	171,656	-	-	283,032
9.66	REG ASSET-PTBAR UNDER REC (DIST DECOUP)	5,361,468	7,008,764		6,185,116	0	0	6,185,116	-	-	5,361,468	-	-	7,008,764
9.67	REG ASSET-UNDER RECOVERY-OHIO BTRC	0	31,794,041		15,897,020	0	15,897,020	0	-	-	-	-	31,794,041	-
9.68	REG ASSET-UNDER RECOVERY-ACRR COSTS-OH	237,485	0		118,742	0	0	118,742	-	-	237,485	-	-	-
9.69	REG ASSET-UND/REC gSMART PHASE 2 O&M	1,432,673	0		716,337	0	0	716,337	-	-	1,432,673	-	-	-
9.70	REG ASSET-UNDER RECOVERY OVEC PPA	7,726,369	0		3,863,185	0	0	3,863,185	-	-	7,726,369	-	-	-
9.71	REG ASSET-GLOBAL SETTLE - CAPACITY COSTS	28,945,000	18,293,295		23,619,148	0	0	23,619,148	-	-	28,945,000	-	-	18,293,295
9.72	REG ASSET-GLOBAL SET - CAP CAR CSTS	4,900,000	3,277,753		4,088,877	0	0	4,088,877	-	-	4,900,000	-	-	3,277,753
9.73	BOOK LEASES CAPITALIZED FOR TAX	4,902,282	4,042,140		4,472,211	0	587,422	3,884,790	-	593,251	4,309,031	-	581,592	3,460,548
9.74	CAPITALIZED SOFTWARE COST - BOOK	22,321,174	24,050,893		23,186,033	0	4,612,031	18,574,002	-	4,662,479	17,658,694	-	4,561,583	19,489,310
9.75	LOSS ON REACQUIRED DEBT	3,183,354	2,735,873		2,959,614	0	450,575	2,509,039	-	477,546	2,705,808	-	423,604	2,312,270
9.76	DEFD SFAS 106 BOOK COSTS	0	0		0	0	0	0	-	-	-	-	-	-
9.77	SFAS 106 PST RETIREMENT EXP - NON-DEDUCT CONT	(7,764,689)	(7,764,689)		(7,764,689)	0	(948,370)	(6,816,319)	-	(948,370)	(6,816,319)	-	(948,370)	(6,816,319)
9.78	STATE TAX EXPENSE	0	0		0	0	0	0	-	-	-	-	-	-
9.79	BOOK > TAX BASIS-PRTSHP INVEST	0	0		0	0	0	0	-	-	-	-	-	-
9.80	STATE NOL CURRENT BENEFIT	0	0		0	0	0	0	-	-	-	-	-	-
9.81	SFAS 106-MEDICARE SUBSIDY-(PPACA)-REG ASSET	2,890,170	2,528,898		2,709,534	0	356,832	2,352,702	-	380,621	2,509,549	-	333,043	2,195,855
9.82	TAX CUTS AND JOBS ACT (TCJA)	0	(16,316,215)		(8,158,107)	0	0	(8,158,107)	-	-	-	-	-	(16,316,215)
9.83	REG ASSET - ACCRUED SFAS 112	2,362,670	2,521,568		2,442,119	0	219,315	2,222,804	-	223,452	2,139,219	-	215,178	2,306,390
9.84	NON-UTILITY DEFERRED FIT	158,287	154,224	(158,287)	(154,224)	0								
9.85	SFAS 109 FLOW-THRU 283.3	45,173,860	13,483,142	(45,173,860)	(13,483,142)	0								
9.86	SFAS 109 EXCESS DFIT 283.4	0	(31,309,465)	0	31,309,465	0								
9.87	ADIT FED - SFAS 133 NONAFFIL 2830006	0	0	0	0	0								
9.88	ADIT FED - HDG-CF-INT RATE 28300015	1,591,748	602,412	(1,591,748)	(602,412)	0								
9.89	ADIT FED - HDG-CF-FOR EXCHG 28300016	32,252	16,520	(32,252)	(16,520)	0								
9.90		0	0		0	0	0	0						
9.91		0	0		0	0	0	0						

10		429,425,073	229,955,131	(46,956,147)	17,053,167	314,738,610	0	29,158,555	285,580,057	0	13,984,051	368,484,874	0	44,333,059	202,675,240
11	DEFERRED STATE INCOME TAX	32,845,275	39,451,844			36,148,560	0	10,953,630	25,194,930	-	9,473,769	23,371,506	-	12,433,490	27,018,354
11.01	SFAS 109 - DEFD STATE INCOME TAXES	1,879,346	2,323,045	(1,879,346)	(2,323,045)	0									
12	TOTAL ACCOUNT 283	464,149,694	271,730,020	(48,835,493)	14,730,122	350,887,170	0	40,112,184	310,774,987	0	23,457,820	391,856,380	0	56,766,549	229,693,594
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. (JDITC) IN A/C 255														
18.01	TAX ALLOC-ITC-10%-46F1	15,021	6,523			10,772	0	3,913	6,859	-	6,115	8,906	-	1,711	4,812
18.02		0	0			0	0	0	0						
19															
20	TOTAL ACCOUNT 255	15,021	6,523	0	0	10,772	0	3,913	6,859	0	6,115	8,906	0	1,711	4,812

OHIO POWER COMPANY
ACCUMULATED DEFERRED INCOME TAX IN ACCOUNT 190 - Actual Cycle Only
PERIOD ENDED DECEMBER 31, 2017

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 (B+C+D+E)/2	FUNCTIONALIZATION AVERAGE			FUNCTIONALIZATION 12/31/2016			FUNCTIONALIZATION 12/31/2017		
	ACCUMULATED DEFERRED FIT ITEMS	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017	BALANCE AS OF 12-31-2016	BALANCE AS OF 12-31-2017		GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION	GENERATION	TRANSMISSION	DISTRIBUTION
1	ACCOUNT 190:														
2.01	NOL & TAX CREDIT C/F - DEF TAX ASSET	6,372,866	12,581,494			9,477,180	0	221,534	9,255,647	-	136,623	6,236,243	-	306,444	12,275,050
2.02	SEC ALLOC - ITC - GENERATION PLANT	0	0			0	0	0	0	-	-	-	-	-	-
2.03	IGCC REVENUES	0	0			0	0	0	0	-	-	-	-	-	-
2.04	INT EXP CAPITALIZED FOR TAX	25,467,661	27,739,079			26,603,370	0	13,199,884	13,403,486	-	12,701,409	12,766,252	-	13,698,358	14,040,720
2.05	CIAC - BOOK RECEIPTS	18,452,813	18,301,941			18,377,377	0	2,443,642	15,933,735	-	2,591,191	15,861,622	-	2,296,092	16,005,849
2.06	CUST ADV INC FOR TAX	5,968,557	7,749,164			6,858,860	0	0	6,858,860	-	-	5,968,557	-	-	7,749,164
2.07	TAXABLE GRANTS-CAPITAL PORTION	0	0			0	0	0	0	-	-	-	-	-	-
2.08	PROVS POSS REV REFDS	65,366,213	32,509,935			48,938,074	0	3,635,887	45,302,186	-	2,840,248	62,525,965	-	4,431,527	28,078,407
2.09	LOSS ON DISP OF PROP - SFAS 143 - ARO -BK	0	0			0	0	0	0	-	-	-	-	-	-
2.10	PROV FOR REFUND-DEFERRED FAC-OH	0	0			0	0	0	0	-	-	-	-	-	-
2.11	MARK & SPREAD - DEFL - 190 - A/L	0	0			0	0	0	0	-	-	-	-	-	-
2.12	PROV WORKER'S COMP	55,563	51,236			53,399	0	5,985	47,414	-	5,152	50,410	-	6,817	44,418
2.13	SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN	1,905	15,576			8,740	0	0	8,740	-	-	1,905	-	-	15,576
2.14	ACCRD SUP EXEC RETIR PLAN COSTS-SFAS 158	45,036	109,094			77,065	0	0	77,065	-	-	45,036	-	-	109,094
2.15	ACCRD BK SUP. SAVINGS PLAN EXP	162,461	228,091			195,276	0	0	195,276	-	-	162,461	-	-	228,091
2.16	ACCRUED BK BENEFIT COSTS	0	0			0	0	0	0	-	-	-	-	-	-
2.17	ACCRUED PSI PLAN EXP	299,045	700,214			499,630	0	0	499,630	-	-	299,045	-	-	700,214
2.18	STOCK BASED COMP-CAREER SHARES	0	257,039			128,519	0	0	128,519	-	-	-	-	-	257,039
2.19	BK ACCRD CUST EDUC FUND REIMB	0	0			0	0	0	0	-	-	-	-	-	-
2.20	BK PROV-LT COAL NOTE RECEIVABLE	0	0			0	0	0	0	-	-	-	-	-	-
2.21	BK PROV UNCOLL ACCTS	107,708	209,920			158,814	0	0	158,814	-	-	107,708	-	-	209,920
2.22	BK PROV UNCOLL ACCTS-LT ORMET	0	0			0	0	0	0	-	-	-	-	-	-
2.23	BK PROV UNCOLL ACCTS-LT	0	0			0	0	0	0	-	-	-	-	-	-
2.24	PROV-TRADING CREDIT RISK - A/L	0	0			0	0	0	0	-	-	-	-	-	-
2.25	PROV-FAS 157 - A/L	0	0			0	0	0	0	-	-	-	-	-	-
2.26	PIP CUSTOMER BAD DEBTS - BOOK	2,752,816	2,752,816			2,752,816	0	0	2,752,816	-	-	2,752,816	-	-	2,752,816
2.27	DEFD COMPENSATION-BOOK EXPENSE	0	0			0	0	0	0	-	-	-	-	-	-
2.28	BK LOSS PROV - PLANT M&S	0	0			0	0	0	0	-	-	-	-	-	-
2.29	ACCRD COMPANY INCENT PLAN-ENGAGE TO GAIN	0	0			0	0	0	0	-	-	-	-	-	-
2.30	ACCRD COMPANYWIDE INCENTV PLAN	4,574,197	2,339,269			3,456,733	0	161,880	3,294,853	-	190,927	4,383,270	-	132,834	2,206,435
2.31	ACCRD ENVIRONMENTAL LIAB-CURRENT	0	0			0	0	0	0	-	-	-	-	-	-
2.32	ACCRUED BOOK VACATION PAY	3,120,068	3,612,536			3,366,302	0	(101,008)	3,467,310	-	(140,183)	3,260,251	-	(61,833)	3,674,369
2.33	(ICDP)-INCENTIVE COMP DEFERRAL PLAN	33,621	37,270			35,446	0	0	35,446	-	-	33,621	-	-	37,270
2.34	ACCRUED MGMT INCENTIVE BONUS	0	0			0	0	0	0	-	-	-	-	-	-
2.35	ACCRD PARTNERSHIP WITH OH-NONCURRENT	0	0			0	0	0	0	-	-	-	-	-	-
2.36	ACCRD PARTNERSHIP WITH OH-CURRENT	350,000	0			175,000	0	0	175,000	-	-	350,000	-	-	-
2.37	ACCRD OH GROWTH FUND-NONCURRENT	1,400,000	1,653,793			1,526,896	0	0	1,526,896	-	-	1,400,000	-	-	1,653,793
2.38	ACCRD OH GROWTH FUND-CURRENT	866,052	105,000			485,526	0	0	485,526	-	-	866,052	-	-	105,000
2.39	ACCRUED BK SEI EMP BENEFIT COSTS	0	0			0	0	0	0	-	-	-	-	-	-
2.40	ACCRUED BOOK SEVERANCE BENEFITS	0	0			0	0	0	0	-	-	-	-	-	-
2.41	BK ACCRUAL -COOK CT RENT HOLIDAY	0	0			0	0	0	0	-	-	-	-	-	-
2.42	ACCRUED INTEREST EXPENSE - STATE	0	0			0	0	0	0	-	-	-	-	-	-
2.43	ACCRUED INTEREST-LONG-TERM - FIN 48	(31,310)	237,941			103,315	0	(27,655)	130,970	-	(48,654)	17,344	-	(6,656)	244,596
2.44	ACCRUED INTEREST-SHORT-TERM - FIN 48	(195,238)	5,891			(94,674)	0	316	(94,990)	-	192	(195,430)	-	440	5,450
2.45	ACCRUED STATE INCOME TAX EXP	0	0			0	0	0	0	-	-	-	-	-	-
2.46	ACCRUED RTO CARRYING CHARGES	0	0			0	0	0	0	-	-	-	-	-	-
2.47	ACCRD LOW INCOME HOUSING OBLIGATIONS	0	0			0	0	0	0	-	-	-	-	-	-
2.48	BK DFL RAIL TRANS REV/EXP	0	0			0	0	0	0	-	-	-	-	-	-
2.49	PROV LOSS-CAR CHG-PURCHASED EMA	0	0			0	0	0	0	-	-	-	-	-	-
2.50	CCD BILL-DFRD RETIRE BENE-DFL	2,159	2,159			2,159	0	2,159	0	-	2,159	-	-	2,159	-
2.51	FEDERAL MITIGATION PROGRAMS	0	0			0	0	0	0	-	-	-	-	-	-
2.52	STATE MITIGATION PROGRAMS	0	0			0	0	0	0	-	-	-	-	-	-
2.53	DEFD CREDITS - DEFD DEPR & CAPACITY CST	0	0			0	0	0	0	-	-	-	-	-	-
2.54	DEFD STORM DAMAGE	(25,063)	0			(12,532)	0	0	(12,532)	-	-	(25,063)	-	-	-
2.55	TX DFL JT POLE ATT CSTS	8,730,270	9,525,372			9,127,821	0	0	9,127,821	-	-	8,730,270	-	-	9,525,372
2.56	BK ACC MIN RENTS-GAVIN SCRUB	0	0			0	0	0	0	-	-	-	-	-	-
2.57	DEFD BK CONTRACT REVENUE	287,459	216,508			251,984	0	251,984	0	-	287,459	-	-	216,508	-
2.58	TAX > BOOK BASIS - EMA - A/C 190	0	0			0	0	0	0	-	-	-	-	-	-
2.59	DEFD TX LOSS - INTERCO SALE - EMA	0	0			0	0	0	0	-	-	-	-	-	-
2.60	REG LIAB-UNREAL MTM GAIN-DEFL	0	0			0	0	0	0	-	0	-	-	0	-
2.61	BK AMORT-QUAL OF SRVC ENHANCE	0	0			0	0	0	0	-	-	-	-	-	-
2.62	DEFD BOOK GAIN-EPA AUCTION	0	0			0	0	0	0	-	-	-	-	-	-
2.63	ADVANCE RENTAL INC (CUR MO)	442,191	493,989			468,090	0	0	468,090	-	-	442,191	-	-	493,989
2.64	REG ASSET-DEFD EQ CAR CHG-FUEL-AMORT-A/L	0	(38,108,885)			(19,054,443)	0	0	(19,054,443)	-	-	-	-	-	(38,108,885)
2.65	SECURITIZATION DEFD EQUITY INCOME - LONG-TERM	19,236,951	11,672,371			15,454,661	0	0	15,454,661	-	-	19,236,951	-	-	11,672,371
2.66	DEFD CREDITS - EXT OF LOCAL FACILITIES	0	0			0	0	0	0	-	-	-	-	-	-
2.67	REG LIAB-GRIDSMART RESERVE	0	0			0	0	0	0	-	-	-	-	-	-
2.68	REG LIAB - DEFD DEREG CARRY CHARGE COSTS	0	0			0	0	0	0	-	-	-	-	-	-
2.69	DEFD REV-BONUS LEASE SHORT-TERM	0	129,190			64,595	0	63,387	1,208	-	-	-	-	126,773	2,416
2.70	DEFD REV-BONUS LEASE LONG-TERM	0	287,007			143,503	0	141,288	2,215	-	-	-	-	282,577	4,430
2.71	IMPAIRED ASSETS RES - FAS 121 - BK	0	0			0	0	0	0	-	-	-	-	-	-
2.72	AMORT - GOODWILL PER BOOKS	1,290,898	961,307			1,126,102	0	0	1,126,102	-	-	1,290,898	-	-	961,307
2.73	CAPITALIZED SOFTWARE COSTS-TAX	73,083	146,326			109,704	0	(30)	109,734	-	(25)	73,107	-	(35)	146,361
2.74	INSTALL ALLOWANCES CAPD - TAX	0	0			0	0	0	0	-	-	-	-	-	-
2.75	BK CAPD SETTLEMENT CHARGES	0	0			0	0	0	0	-	-	-	-	-	-
2.76	ACCRD SFAS 106 PST RETIRE EXP	(9,042,711)	(10,814,440)			(9,928,576)	0	(2,563,406)	(7,365,169)	-	(2,374,085)	(6,668,626)	-	(2,752,728)	(8,061,712)
2.77	ACCRD OPEB COSTS - SFAS 158	3,400,065	(6,634,938)			(1,617,437)	0	398,083	(2,015,519)	-	808,532	2,591,533	-	(12,367)	(6,622,571)
2.78	ACCRD SFAS 112 PST EMPLOY BEN	2,362,670	2,521,568			2,442,119	0	219,315	2,222,804	-	223,452	2,139,219	-	215,178	2,306,390
2.79	ACCRD BOOK ARO EXPENSE - SFAS 143	578,820	581,374			580,097	0	11,308	568,789	-	10,959	567,862	-	11,658	569,716

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, 2017	Balance @ December 31, 2016	Average Balance for 2017				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	1,825,743	3,547,090	2,686,417			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	182,653	276,238	229,446			
4	Stores Expense (Undistributed) - Account 163	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary (Note 1)

		<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>
5							
6	Totals as of December 31, 2017	15,908,157	(219,153,079)	(266,024)	2,458,306	232,868,954	235,061,236
7	Totals as of December 31, 2016	<u>11,769,381</u>	<u>(215,406,613)</u>	<u>90,380</u>	<u>2,118,548</u>	<u>224,967,067</u>	<u>227,175,995</u>
8	Average Balance	13,838,769	(217,279,846)	(87,822)	2,288,427	228,918,011	231,118,616

Prepayments Account 165 - Balance @ 12/31/2017

9	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
10	1650001	Prepaid Insurance	1,331,151	-		1,331,151		1,331,151	Plant Related Insurance Policies
11	1650003	Prepaid Rents	0	-				-	
12	1650004	Prepaid Interest	0	-				-	
13	1650005	Prepaid Employee Benefits	0	-				-	Health Savings
14	1650006	Other Prepayments	4,243,073	4,243,073				-	Distribution
15	1650009	Prepaid Carry Cost-Factored AR	473,205	473,205				-	AR Factoring - Retail Only
16	1650010	Prepaid Pension Benefits	197,634,044	-			197,634,044	197,634,044	Prepaid Pension Expense
17	165001217	Prepaid Taxes	150,000	150,000				-	Prepaid Taxes-Distribution
18	1650013	Gavin JMG ST Prepaid Exp - Aff	0	-				-	
19	1650014	FAS 158 Qual Contra Asset	(197,634,044)	(197,634,044)				-	FAS 158 Liability
20	1650016	FAS 112 ASSETS	0	-		-		-	
21	1650017	Prepayments - Coal	0	-				-	
22	1650019	Prepaid Pension Expense - CG&E	74,790	-	74,790			74,790	Prepaid Pension Expense
23	1650020	Prepaid Pension Expense - DP&L	(340,814)	-	(340,814)			(340,814)	Prepaid Pension Expense
24	1650021	Prepaid Insurance - EIS	1,127,155	-		1,127,155		1,127,155	Energy EIS Services
25	1650023	Prepaid Lease	88,714	88,714				-	Distribution Lease
26	1650035	PRW Without Med-D Benefits	35,234,910	-			35,234,910	35,234,910	Prepaid Pension Expense
27	1650030	Other Prepayments -Long Term	8,760,883	8,760,883				-	Smart Grid prepaid equipment
28	1650037	FAS158 Contra-PRW Exc Med-D	(35,234,910)	(35,234,910)				-	FAS 158 Liability
29				-	-			-	
30				-	-			-	
	Subtotal - Form 1, p 111.57.c		15,908,157	(219,153,079)	(266,024)	2,458,306	232,868,954	235,061,236	

Prepayments Account 165 - Balance @ 12/31/ 2016

31	Acc. No.	Description	2016 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	1,222,533	-		1,222,533		1,222,533	Plant Related Insurance Policies
33	1650003	Prepaid Rents	0	-				-	
34	1650004	Prepaid Interest	0	-				-	
35	1650005	Prepaid Employee Benefits	257,000	-			257,000	257,000	Health Savings
36	1650006	Other Prepayments	6,394,536	6,394,536				-	Distribution
37	1650009	Prepaid Carry Cost-Factored AR	859,688	859,688				-	AR Factoring - Retail Only
38	1650010	Prepaid Pension Benefits	196,365,728	-			196,365,728	196,365,728	Prepaid Pension Expense
39	165001216	Prepaid Taxes	100,000	100,000				-	Prepaid Taxes-Distribution
40	1650013	Gavin JMG ST Prepaid Exp - Aff	0	-				-	
41	1650014	FAS 158 Qual Contra Asset	(196,365,728)	(196,365,728)				-	FAS 158 Liability
42	1650016	FAS 112 ASSETS	0	-				-	
43	1650017	Prepayments - Coal	0	-				-	
44	1650019	Prepaid Pension Expense - C	74,801	-	74,801			74,801	Prepaid Pension Expense
45	1650020	Prepaid Pension Expense - D	15,579	-	15,579			15,579	Prepaid Pension Expense
46	1650021	Prepaid Insurance - EIS	896,015	-		896,015		896,015	Energy EIS Services
47	1650023	Prepaid Lease	15,220	15,220				-	Distribution Lease
48	1650030	Other Prepayment	1,934,010	1,934,010				-	Distribution
49	1650035	PRW Without Med-D Benefits	28,344,339	-			28,344,339	28,344,339	Prepaid Pension Expense
50	1650036	PRW for Med-D Benefits	0	-				-	
51	1650037	FAS158 Contra-PRW Exc Med-D	(28,344,339)	(28,344,339)				-	FAS 158 Liability
52				-				-	
	Subtotal - Form 1, p 111.57.d		11,769,381	(215,406,613)	90,380	2,118,548	224,967,067	227,175,995	

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

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

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) 2017</u>
1	Net Funds from IPP Customers 12/31/2016 (2017 FORM 1, P269)	0
2	Interest Accrual (Company Records - Note 1)	0
3	Revenue Credits to Generators (Company Records - Note 1)	0
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	0
6		-
7	Net Funds from IPP Customers 12/31/2017 (2017 FORM 1, P269)	-
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 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

Formula Rate
OPCO WS E Rev Credits
Page 16 of 53

<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)	2,586,899	2,586,899	-
2	Account 451, Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	7,565,013	7,445,155	119,857
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	37,845,746	27,854,553	9,991,193
4	Account 4560015, Associated Business Development - (Company Records - Notes 1, 2)	4,054,177	3,724,320	329,857
5	Account 456 - Other Electric Revenues - (Company Records - Notes 1,2)	93,393,868	93,274,489	119,379
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))	145,445,702	134,885,415	10,560,286
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	145,445,702	134,885,415	10,560,286

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	-
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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

	(A)	(B)	(C)	(D)	(E)	(F)
<u>Line</u> <u>Number</u>	<u>Item No.</u>	<u>Description</u>	<u>2017</u> <u>Expense</u>	<u>100%</u> <u>Non-Transmission</u>	<u>100%</u> <u>Transmission</u> <u>Specific</u>	<u>Explanation</u>
<u>Regulatory O&M Deferrals & Amortizations</u>						
1	5660005	Misc Transmission Expense	(71,249,482)			
2						
3						
4		Total	(71,249,482)			
<u>Detail of Account 561 Per FERC Form 1</u>						
5						
6	FF1 p 321.85.b 561.1 - Load Dispatch - Reliability		8,623			
7	FF1 p 321.86.b 561.2 - Load Dispatch - Monitor & Operate Trans System		676,777			
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		15,276			
10	FF1 p 321.89.b 561.5 - Reliability, Planning and Standards Development		204,040			
11	FF1 p 321.90.b 561.6 - Transmission Service Studies		15			
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 Ser		81			
14		Total of Account 561	904,812			
<u>Account 928</u>						
15	9280000	Regulatory Commission Exp	3,438	3,438	-	
16	9280001	Regulatory Commission Exp-Adm	255,330	255,330	-	
17	9280002	Regulatory Commission Exp-Case	1,166,311	1,166,311	-	
18	9280003		-	-	-	
19	9280004		-	-	-	
20	9280005	Reg Com Exp-FERC Trans Case	122,800		122,800	
21		Total (FERC Form 1 p.323.189.b)	1,547,879	1,425,079	122,800	
<u>Account 930.1</u>						
22	9301000	General Advertising Expenses	13,660	13,660	-	
23	9301001	Newspaper Advertising Space	1,324	1,324	-	
24	9301002	Radio Station Advertising Time	-	-	-	
25	9301003	TV Station Advertising Time	280,000	280,000	-	
26	9301006	Spec Corporate Comm Info Proj	-	-	-	
27	9301007	Special Adv Space & Prod Exp	121,019	121,019	-	
28	9301008	Direct Mail and Handouts	-	-	-	
29	9301009	Fairs, Shows, and Exhibits	-	-	-	
30	9301010	Publicity	1,939	1,939	-	
31	9301011	Dedications, Tours, & Openings	-	-	-	
32	9301012	Public Opinion Surveys	166,283	166,283	-	
33	9301013	Movies Slide Films & Speeches	-	-	-	
34	9301014	Video Communications	-	-	-	
35	9301015	Other Corporate Comm Exp	2,849,842	2,849,842	-	
36				-	-	
37				-	-	
38		Total (FERC Form 1 p.323.191.b)	3,434,067	3,434,067	-	
<u>Account 930.2</u>						
39	9302000	Misc General Expenses	1,802,629	1,802,629		
40	9302003	Corporate & Fiscal Expenses	27,994	27,994		
41	9302004	Research, Develop&Demonstr Exp	1,791	1,791		
42	9302006	Assoc Business Development Materials Sold	6,994	6,994		
43	9302007	Assoc Business Development Exp	1,374,509	1,045,690	328,819	
44	9302019	gSMART-Ov/Und Misc Gen Exp	-272,500	(272,500)	-	
45	9302458	AEPSC nonaffiliated expense	0	-	-	
46		Total (FERC Form 1 p.323.192.b)	2,941,417	2,612,598	328,819	

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 1	0.4154%	
Effective State Tax Rate		0.03%
Illinois Corporation Income Tax	9.5000%	
Apportionment Factor - Note 1	0.3139%	
Effective State Tax Rate		0.03%
Michigan Business Income Tax	6.0000%	
Apportionment Factor - Note 1	0.0148%	
Effective State Tax Rate		0.00%
Kentucky Business Income Tax	6.0000%	
Apportionment Factor - Note 1	0.0455%	
Effective State Tax Rate		0.00%
Ohio Municipal Net Income Tax	1.0676%	
Apportionment Factor - Note 1	98.7700%	
Effective State Tax Rate		1.05%
State #6 Income Tax Rate		
Apportionment Factor - Note 1		
Effective State Tax Rate		0.00%
Total Effective State Income Tax Rate		<u>1.11%</u>

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet H Supporting Taxes Other than Income
OHIO POWER COMPANY

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	<u>Revenue Taxes</u>					
2	Gross Receipts Tax	147,821,009				147,821,009
3	<u>Real Estate and Personal Property Taxes</u>					
4	Real and Personal Property - Ohio	232,791,899	232,791,899			
5	Real and Personal Property - West Virginia	873,230	873,230			
6	Real and Personal Property - Other Jurisdictions	27,247	27,247			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	<u>Payroll Taxes</u>					
9	Federal Insurance Contribution (FICA)	5,579,041		5,579,041		
10	Federal Unemployment Tax	36,391		36,391		
11	State Unemployment Insurance	165,921		165,921		
12	<u>Production Taxes</u>					
13	State Severance Taxes	-				-
14	<u>Miscellaneous Taxes</u>					
15	List Individual Taxes Here	-				-
16		4,312,695			4,312,695	
17		11,519			11,519	
18		-			-	
19		815			815	
20		-			-	-
21		3,999				3,999
22		-				-
23						
24	Total Taxes by Allocable Basis	391,623,766	233,692,376	5,781,353	4,325,029	147,825,008

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

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

Functional Property Tax Allocation

		Production	Transmsission	Distribution	General	Total
25	Functionalized Net Plant (TCOS, Lns 41 thru 46)	-	1,517,011,228	2,993,661,421	216,433,073	4,727,105,721
	OHIO JURISDICTION					
26	Percentage of Plant in OHIO JURISDICTION	0.00%	95.29%	100.00%	99.07%	
27	Net Plant in OHIO JURISDICTION (Ln 25 * Ln 26)	-	1,445,559,999	2,993,661,421	214,420,245	4,653,641,664
28	Less: Net Value of Exempted Generation Plant	-				
29	Taxable Property Basis (Ln 27 - Ln 28)	-	1,445,559,999	2,993,661,421	214,420,245	4,653,641,664
30	Relative Valuation Factor	24%	85%	85%	24%	
31	Weighted Net Plant (Ln 29 * Ln 30)	-	1,228,725,999	2,544,612,207	51,460,859	
32	General Plant Allocator (Ln 31 / (Total - General Plant))	0.00%	32.56%	67.44%	-100.00%	
33	Functionalized General Plant (Ln 32 * General Plant)	-	16,757,389	34,703,470	(51,460,859)	-
34	Weighted OHIO JURISDICTION Plant (Ln 31 + 33)	-	1,245,483,388	2,579,315,677	(0)	3,824,799,065
35	Functional Percentage (Ln 34/Total Ln 34)	0.00%	32.56%	67.44%		
	WEST VA JURISDICTION					
36	Percentage of Plant in WEST VA JURISDICTION	100.00%	4.71%	0.00%	0.93%	
37	Net Plant in WEST VA JURISDICTION (Ln 25 * Ln 36)	-	71,451,229	-	2,012,828	73,464,056
38	Less: Net Value of Exempted Generation Plant	-				
39	Taxable Property Basis (Ln 37 - Ln 38)	-	71,451,229	-	2,012,828	73,464,056
40	Relative Valuation Factor	100%	100%	100%	100%	
41	Weighted Net Plant (Ln 39 * Ln 40)	-	71,451,229	-	2,012,828	
42	General Plant Allocator (Ln 41 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%	
43	Functionalized General Plant (Ln 42 * General Plant)	-	2,012,828	-	(2,012,828)	-
44	Weighted WEST VA JURISDICTION Plant (Ln 41 + 43)	-	73,464,056	-	(0)	73,464,056
45	Functional Percentage (Ln 44/Total Ln 44)	0.00%	100.00%	0.00%		
	Other Jurisdictions					
46	Net Plant in Other Jurisdictions (Ln 25 - Ln 27 - Ln 37)	-	-	-	(0)	(0)
47	Less: Net Value Exempted Generation Plant					
48	Taxable Property Basis	-	-	-	(0)	(0)
49	Relative Valuation Factor					
50	Weighted Net Plant (Ln 48 * Ln 49)	-	-	-	-	
51	General Plant Allocator (Ln 50 / (Total - General Plant))	0.00%	0.00%	0.00%	-100.00%	
52	Functionalized General Plant (Ln 52 * General Plant)	-	-	-	-	
53	Weighted Other Jurisdictions Plant (Ln 50 + 52)	-	-	-	-	-
54	Functional Percentage (Ln 53/Total Ln 53)	#DIV/0!	#DIV/0!	#DIV/0!		

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	Revenue Taxes			
2	Gross Receipts Tax	147,821,009		
			(188,064)	P.263 ln 9 (i)
			7,109,706	P.263 ln 10 (i)
			150,244	P.263 ln 11 (i)
			140,749,123	P.263 ln 14 (i)

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Real Estate and Personal Propety Tax Detail	Tax Year	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference	Tax Year Factor (Note 2)	Transmission Function (Note 2)
	Annual Tax Expenses by Type (Note 1)						

3	Real Estate and Personal Property Taxes Total (Ln 4 + Ln 5 + Ln 6 + Ln 7)		233,692,376				74,032,837
4	Real and Personal Property - Ohio		232,791,899				73,150,564
		2011		39,576	P.263.1 ln 2 (i)	26.89%	10,642
		2012		39,645	P.263.1 ln 3 (i)	26.91%	10,667
		2013		45,017	P.263.1 ln 4 (i)	30.61%	13,778
		2014		17,218	P.263.1 ln 5 (i)	30.65%	5,278
		2015		(1,562,305)	P.263.1 ln 6 (i)	31.34%	(489,585)
		2016		233,722,567	P.263.1 ln 7 (i)	31.42%	73,439,823
		2016		(12,848)	P.263.1 ln 10 (i)	31.42%	(4,037)
		2017		205,004	P.263.1 ln 11 (i)	32.56%	66,756
		2016		(16,975)	P.263.1 ln 13 (i)	31.42%	(5,334)
		2017		315,000	P.263.1 ln 14 (i)	32.56%	102,575
							-
							-
							-
5	Real and Personal Property - West Virginia		873,230				873,230
		2015		415,628	P.263.1 ln 16 (i)	100.00%	415,628
		2016		457,602	P.263.1 ln 17 (i)	100.00%	457,602
							-
							-
							-
							-
							-
							-
6	Real and Personal Property - Other		27,247				9,043
		2015		247	P.263.1 ln 20 (i)	33.08%	82
		2016		27,000	P.263.1 ln 21 (i)	33.19%	8,962
							-
							-
							-
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	Payroll Taxes			
9	Federal Insurance Contribution (FICA)	5,579,041	5,579,041	P.263 ln 3 (i)
10	Federal Unemployment Tax	36,391	36,391	P.263 ln 4 (i)
11	State Unemployment Insurance	165,921	165,921	P.263 ln 17 (i)
12	Payroll Taxes	419	419	P.263.1 ln 38 (i)
13	Production Taxes	-		
14	State Severance Taxes			
15	Miscellaneous Taxes			
16	State Business & Occupation Tax	-		
17	State Public Service Commission Fees	4,312,695	4,312,695	P.263 ln 12 (i)
18	State Franchise Taxes	11,519	1,468 10,051	P.263 ln 29 (i) P.263 ln 30 (i)
19	State Lic/Registration Fee	-		
20	Misc. State and Local Tax	815	815	P.263.2 ln 9 (i)
21	Sales & Use	-		
22	Federal Excise Tax	3,999	3,999	P.263.2 ln 4 (i)
23	Michigan Single Business Tax	-	-	

24	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))		
		391,624,185	391,624,185

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

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

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet I RESERVED FOR FUTURE USE
OHIO POWER COMPANY

AEP East Companies
Cost of Service Formula Rate Using 2017 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)			11.49%
Project ROE Incentive Adder			0
ROE with additional 0 basis point incentive			11.49%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 154 through156)			
	%	Cost	Weighted cost
Long Term Debt	42.54%	6.02%	2.562%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	57.46%	11.49%	6.602%
		R =	9.164%

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
TRUE-UP YEAR	2017	Rev Require	W Incentives	Incentive Amounts
As Projected in Prior Year WS J	\$ 12,195,901	\$ 12,195,901	\$ -	-
Actual after True-up	\$ 11,556,972	\$ 11,556,972	\$ -	-
True-up of ARR For 2017	(638,929)	(638,929)	-	-

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

Rate Base (TCOS, ln 68)	1,204,515,784
R (from A. above)	9.164%
Return (Rate Base x R)	110,384,050

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

Return (from B. above)	110,384,050
Effective Tax Rate (TCOS, ln 114)	40.04%
Income Tax Calculation (Return x CIT)	44,202,100
ITC Adjustment	(5,206)
Excess Deferred Income Tax	(62,245)
Tax Affect of Permanent Differences	4,756,703
Income Taxes	48,891,352

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)	331,623,962
Lease Payments (TCOS, ln 95)	2,657,120
Return (TCOS, ln 126)	110,384,050
Income Taxes (TCOS, ln 125)	48,891,352
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	169,691,440

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	169,691,440
Return (from I.B. above)	110,384,050
Income Taxes (from I.C. above)	48,891,352
Annual Revenue Requirement, with 0 Basis Point ROE increase	328,966,842
Depreciation (TCOS, ln 100)	53,396,717
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	275,570,125

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

Net Transmission Plant (TCOS, ln 42)	1,517,011,228
Annual Revenue Requirement, with 0 Basis Point ROE increase	328,966,842
FCR with 0 Basis Point increase in ROE	21.69%

Annual Rev. Req. w / 0 Basis Point ROE increase, less Dep.	275,570,125
FCR with 0 Basis Point ROE increase, less Depreciation	18.17%
FCR less Depreciation (TCOS, ln 10)	18.17%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Average Transmission Plant Balance for 2017 (TCOS, ln 21)	2,365,537,435
Annual Depreciation and Amortization Expense (TCOS, ln 100)	53,396,717
Composite Depreciation Rate	2.26%
Depreciable Life for Composite Depreciation Rate	44.30
Round to nearest whole year	44

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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	996,311	996,311	-
Prior Yr True-Up	946,819	946,819	-
True-Up Adjustment	(49,492)	(49,492)	-

Details							
Investment	5,559,038	Current Year				2017	
Service Year (yyyy)	2009	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	3	FCR w/o incentives, less depreciation				18.17%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				18.17%	
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	5,559,038	94,756	5,464,282	5,511,660	1,095,968	1,095,968	\$ -
2010	5,464,282	126,342	5,337,940	5,401,111	1,107,471	1,107,471	\$ -
2011	5,337,940	126,342	5,211,598	5,274,769	1,084,521	1,084,521	\$ -
2012	5,211,598	126,342	5,085,256	5,148,427	1,061,571	1,061,571	\$ -
2013	5,085,256	126,342	4,958,915	5,022,085	1,038,620	1,038,620	\$ -
2014	4,958,915	126,342	4,832,573	4,895,744	1,015,670	1,015,670	\$ -
2015	4,832,573	126,342	4,706,231	4,769,402	992,719	992,719	\$ -
2016	4,706,231	126,342	4,579,889	4,643,060	969,769	969,769	\$ -
2017	4,579,889	126,342	4,453,547	4,516,718	946,819	946,819	\$ -
2018	4,453,547	126,342	4,327,206	4,390,377	923,868	923,868	\$ -
2019	4,327,206	126,342	4,200,864	4,264,035	900,918	900,918	\$ -
2020	4,200,864	126,342	4,074,522	4,137,693	877,967	877,967	\$ -
2021	4,074,522	126,342	3,948,180	4,011,351	855,017	855,017	\$ -
2022	3,948,180	126,342	3,821,839	3,885,010	832,067	832,067	\$ -
2023	3,821,839	126,342	3,695,497	3,758,668	809,116	809,116	\$ -
2024	3,695,497	126,342	3,569,155	3,632,326	786,166	786,166	\$ -
2025	3,569,155	126,342	3,442,813	3,505,984	763,215	763,215	\$ -
2026	3,442,813	126,342	3,316,472	3,379,642	740,265	740,265	\$ -
2027	3,316,472	126,342	3,190,130	3,253,301	717,315	717,315	\$ -
2028	3,190,130	126,342	3,063,788	3,126,959	694,364	694,364	\$ -
2029	3,063,788	126,342	2,937,446	3,000,617	671,414	671,414	\$ -
2030	2,937,446	126,342	2,811,104	2,874,275	648,463	648,463	\$ -
2031	2,811,104	126,342	2,684,763	2,747,934	625,513	625,513	\$ -
2032	2,684,763	126,342	2,558,421	2,621,592	602,563	602,563	\$ -
2033	2,558,421	126,342	2,432,079	2,495,250	579,612	579,612	\$ -
2034	2,432,079	126,342	2,305,737	2,368,908	556,662	556,662	\$ -
2035	2,305,737	126,342	2,179,396	2,242,566	533,711	533,711	\$ -
2036	2,179,396	126,342	2,053,054	2,116,225	510,761	510,761	\$ -
2037	2,053,054	126,342	1,926,712	1,989,883	487,811	487,811	\$ -
2038	1,926,712	126,342	1,800,370	1,863,541	464,860	464,860	\$ -
2039	1,800,370	126,342	1,674,028	1,737,199	441,910	441,910	\$ -
2040	1,674,028	126,342	1,547,687	1,610,858	418,959	418,959	\$ -
2041	1,547,687	126,342	1,421,345	1,484,516	396,009	396,009	\$ -
2042	1,421,345	126,342	1,295,003	1,358,174	373,059	373,059	\$ -
2043	1,295,003	126,342	1,168,661	1,231,832	350,108	350,108	\$ -
2044	1,168,661	126,342	1,042,320	1,105,491	327,158	327,158	\$ -
2045	1,042,320	126,342	915,978	979,149	304,207	304,207	\$ -
2046	915,978	126,342	789,636	852,807	281,257	281,257	\$ -
2047	789,636	126,342	663,294	726,465	258,307	258,307	\$ -
2048	663,294	126,342	536,953	600,123	235,356	235,356	\$ -
2049	536,953	126,342	410,611	473,782	212,406	212,406	\$ -
2050	410,611	126,342	284,269	347,440	189,455	189,455	\$ -
2051	284,269	126,342	157,927	221,098	166,505	166,505	\$ -
2052	157,927	126,342	31,585	94,756	143,555	143,555	\$ -
2053	31,585	31,585	-	15,793	34,454	34,454	\$ -
2054	-	-	-	-	-	-	\$ -
2055	-	-	-	-	-	-	\$ -
2056	-	-	-	-	-	-	\$ -
2057	-	-	-	-	-	-	\$ -
2058	-	-	-	-	-	-	\$ -
2059	-	-	-	-	-	-	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
Project Totals		5,559,038			28,027,482	28,027,482	

[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: 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)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,245,646	1,245,646	-
Prior Yr True-Up	1,210,906	1,210,906	-
True-Up Adjustment	(34,740)	(34,740)	-

Details			
Investment	6,529,258	Current Year	2017
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	18.17%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	18.17%
CIA/C (Yes or No)	No	Annual Depreciation Expense	148,392

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 **
2012	6,529,258	12366.01894	6,516,892	6,523,075	1,197,304	1,197,304	\$ -	\$ 832,082	\$ 365,222	\$ 832,082	\$ 365,222	\$ -
2013	6,516,892	148,392	6,368,500	6,442,696	1,318,729	1,318,729	\$ -	\$ 1,210,587	\$ 108,142	\$ 1,210,587	\$ 108,142	\$ -
2014	6,368,500	148,392	6,220,108	6,294,304	1,291,773	1,291,773	\$ -	\$ 1,247,628	\$ 44,145	\$ 1,247,628	\$ 44,145	\$ -
2015	6,220,108	148,392	6,071,715	6,145,911	1,264,817	1,264,817	\$ -	\$ 1,279,512	\$ (14,695)	\$ 1,279,512	\$ (14,695)	\$ -
2016	6,071,715	148,392	5,923,323	5,997,519	1,237,861	1,237,861	\$ -	\$ 1,233,385	\$ 4,476	\$ 1,233,385	\$ 4,476	\$ -
2017	5,923,323	148,392	5,774,931	5,849,127	1,210,906	1,210,906	\$ -	\$ 1,245,646	\$ (34,740)	\$ 1,245,646	\$ (34,740)	\$ -
2018	5,774,931	148,392	5,626,539	5,700,735	1,183,950	1,183,950	\$ -					
2019	5,626,539	148,392	5,478,146	5,552,343	1,156,994	1,156,994	\$ -					
2020	5,478,146	148,392	5,329,754	5,403,950	1,130,038	1,130,038	\$ -					
2021	5,329,754	148,392	5,181,362	5,255,558	1,103,082	1,103,082	\$ -					
2022	5,181,362	148,392	5,032,970	5,107,166	1,076,126	1,076,126	\$ -					
2023	5,032,970	148,392	4,884,577	4,958,774	1,049,170	1,049,170	\$ -					
2024	4,884,577	148,392	4,736,185	4,810,381	1,022,214	1,022,214	\$ -					
2025	4,736,185	148,392	4,587,793	4,661,989	995,258	995,258	\$ -					
2026	4,587,793	148,392	4,439,401	4,513,597	968,302	968,302	\$ -					
2027	4,439,401	148,392	4,291,009	4,365,205	941,346	941,346	\$ -					
2028	4,291,009	148,392	4,142,616	4,216,812	914,390	914,390	\$ -					
2029	4,142,616	148,392	3,994,224	4,068,420	887,434	887,434	\$ -					
2030	3,994,224	148,392	3,845,832	3,920,028	860,478	860,478	\$ -					
2031	3,845,832	148,392	3,697,440	3,771,636	833,522	833,522	\$ -					
2032	3,697,440	148,392	3,549,047	3,623,244	806,566	806,566	\$ -					
2033	3,549,047	148,392	3,400,655	3,474,851	779,611	779,611	\$ -					
2034	3,400,655	148,392	3,252,263	3,326,459	752,655	752,655	\$ -					
2035	3,252,263	148,392	3,103,871	3,178,067	725,699	725,699	\$ -					
2036	3,103,871	148,392	2,955,479	3,029,675	698,743	698,743	\$ -					
2037	2,955,479	148,392	2,807,086	2,881,282	671,787	671,787	\$ -					
2038	2,807,086	148,392	2,658,694	2,732,890	644,831	644,831	\$ -					
2039	2,658,694	148,392	2,510,302	2,584,498	617,875	617,875	\$ -					
2040	2,510,302	148,392	2,361,910	2,436,106	590,919	590,919	\$ -					
2041	2,361,910	148,392	2,213,517	2,287,714	563,963	563,963	\$ -					
2042	2,213,517	148,392	2,065,125	2,139,321	537,007	537,007	\$ -					
2043	2,065,125	148,392	1,916,733	1,990,929	510,051	510,051	\$ -					
2044	1,916,733	148,392	1,768,341	1,842,537	483,095	483,095	\$ -					
2045	1,768,341	148,392	1,619,948	1,694,145	456,139	456,139	\$ -					
2046	1,619,948	148,392	1,471,556	1,545,752	429,183	429,183	\$ -					
2047	1,471,556	148,392	1,323,164	1,397,360	402,227	402,227	\$ -					
2048	1,323,164	148,392	1,174,772	1,248,968	375,271	375,271	\$ -					
2049	1,174,772	148,392	1,026,380	1,100,576	348,315	348,315	\$ -					
2050	1,026,380	148,392	877,987	952,183	321,360	321,360	\$ -					
2051	877,987	148,392	729,595	803,791	294,404	294,404	\$ -					
2052	729,595	148,392	581,203	655,399	267,448	267,448	\$ -					
2053	581,203	148,392	432,811	507,007	240,492	240,492	\$ -					
2054	432,811	148,392	284,418	358,615	213,536	213,536	\$ -					
2055	284,418	148,392	136,026	210,222	186,580	186,580	\$ -					
2056	136,026	136,026	-	68,013	148,381	148,381	\$ -					
2057	-	-	-	-	-	-	\$ -					
2058	-	-	-	-	-	-	\$ -					
2059	-	-	-	-	-	-	\$ -					
2060	-	-	-	-	-	-	\$ -					
2061	-	-	-	-	-	-	\$ -					
2062	-	-	-	-	-	-	\$ -					
2063	-	-	-	-	-	-	\$ -					
2064	-	-	-	-	-	-	\$ -					
2065	-	-	-	-	-	-	\$ -					
2066	-	-	-	-	-	-	\$ -					
2067	-	-	-	-	-	-	\$ -					
2068	-	-	-	-	-	-	\$ -					
2069	-	-	-	-	-	-	\$ -					
2070	-	-	-	-	-	-	\$ -					
2071	-	-	-	-	-	-	\$ -					
Project Totals		6,529,258			33,709,832	33,709,832	-					

** 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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	222,274	222,274	-
Prior Yr True-Up	176,177	176,177	-
True-Up Adjustment	(46,097)	(46,097)	-

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.

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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	929,340	929,340	-
Prior Yr True-Up	1,081,723	1,081,723	-
True-Up Adjustment	152,383	152,383	-

Details			
Investment	5,705,686	Current Year	2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	18.17%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	18.17%
CIAAC (Yes or No)	No	Annual Depreciation Expense	129,675

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	5,705,686	10,806	5,694,880	5,700,283	1,046,282	1,046,282	\$ -	\$ 528,784	\$ 517,498	\$ 528,784	\$ 517,498	\$ -
2014	5,694,880	129,675	5,565,205	5,630,042	1,152,391	1,152,391	\$ -	\$ 1,017,894	\$ 134,497	\$ 1,017,894	\$ 134,497	\$ -
2015	5,565,205	129,675	5,435,530	5,500,368	1,128,835	1,128,835	\$ -	\$ 953,651	\$ 175,184	\$ 953,651	\$ 175,184	\$ -
2016	5,435,530	129,675	5,305,856	5,370,693	1,105,279	1,105,279	\$ -	\$ 919,468	\$ 185,811	\$ 919,468	\$ 185,811	\$ -
2017	5,305,856	129,675	5,176,181	5,241,018	1,081,723	1,081,723	\$ -	\$ 929,340	\$ 152,383	\$ 929,340	\$ 152,383	\$ -
2018	5,176,181	129,675	5,046,506	5,111,344	1,058,167	1,058,167	\$ -					\$ -
2019	5,046,506	129,675	4,916,832	4,981,669	1,034,611	1,034,611	\$ -					\$ -
2020	4,916,832	129,675	4,787,157	4,851,994	1,011,056	1,011,056	\$ -					\$ -
2021	4,787,157	129,675	4,657,482	4,722,320	987,500	987,500	\$ -					\$ -
2022	4,657,482	129,675	4,527,808	4,592,645	963,944	963,944	\$ -					\$ -
2023	4,527,808	129,675	4,398,133	4,462,970	940,388	940,388	\$ -					\$ -
2024	4,398,133	129,675	4,268,458	4,333,296	916,832	916,832	\$ -					\$ -
2025	4,268,458	129,675	4,138,784	4,203,621	893,276	893,276	\$ -					\$ -
2026	4,138,784	129,675	4,009,109	4,073,946	869,721	869,721	\$ -					\$ -
2027	4,009,109	129,675	3,879,434	3,944,272	846,165	846,165	\$ -					\$ -
2028	3,879,434	129,675	3,749,760	3,814,597	822,609	822,609	\$ -					\$ -
2029	3,749,760	129,675	3,620,085	3,684,922	799,053	799,053	\$ -					\$ -
2030	3,620,085	129,675	3,490,410	3,555,248	775,497	775,497	\$ -					\$ -
2031	3,490,410	129,675	3,360,736	3,425,573	751,941	751,941	\$ -					\$ -
2032	3,360,736	129,675	3,231,061	3,295,898	728,386	728,386	\$ -					\$ -
2033	3,231,061	129,675	3,101,386	3,166,223	704,830	704,830	\$ -					\$ -
2034	3,101,386	129,675	2,971,711	3,036,549	681,274	681,274	\$ -					\$ -
2035	2,971,711	129,675	2,842,037	2,906,874	657,718	657,718	\$ -					\$ -
2036	2,842,037	129,675	2,712,362	2,777,199	634,162	634,162	\$ -					\$ -
2037	2,712,362	129,675	2,582,687	2,647,525	610,606	610,606	\$ -					\$ -
2038	2,582,687	129,675	2,453,013	2,517,850	587,051	587,051	\$ -					\$ -
2039	2,453,013	129,675	2,323,338	2,388,175	563,495	563,495	\$ -					\$ -
2040	2,323,338	129,675	2,193,663	2,258,501	539,939	539,939	\$ -					\$ -
2041	2,193,663	129,675	2,063,989	2,128,826	516,383	516,383	\$ -					\$ -
2042	2,063,989	129,675	1,934,314	1,999,151	492,827	492,827	\$ -					\$ -
2043	1,934,314	129,675	1,804,639	1,869,477	469,271	469,271	\$ -					\$ -
2044	1,804,639	129,675	1,674,965	1,739,802	445,715	445,715	\$ -					\$ -
2045	1,674,965	129,675	1,545,290	1,610,127	422,160	422,160	\$ -					\$ -
2046	1,545,290	129,675	1,415,615	1,480,453	398,604	398,604	\$ -					\$ -
2047	1,415,615	129,675	1,285,941	1,350,778	375,048	375,048	\$ -					\$ -
2048	1,285,941	129,675	1,156,266	1,221,103	351,492	351,492	\$ -					\$ -
2049	1,156,266	129,675	1,026,591	1,091,429	327,936	327,936	\$ -					\$ -
2050	1,026,591	129,675	896,917	961,754	304,380	304,380	\$ -					\$ -
2051	896,917	129,675	767,242	832,079	280,825	280,825	\$ -					\$ -
2052	767,242	129,675	637,567	702,405	257,269	257,269	\$ -					\$ -
2053	637,567	129,675	507,893	572,730	233,713	233,713	\$ -					\$ -
2054	507,893	129,675	378,218	443,055	210,157	210,157	\$ -					\$ -
2055	378,218	129,675	248,543	313,380	186,601	186,601	\$ -					\$ -
2056	248,543	129,675	118,868	183,706	163,045	163,045	\$ -					\$ -
2057	118,868	118,868	-	59,434	129,665	129,665	\$ -					\$ -
2058	-	-	-	-	-	-	\$ -					\$ -
2059	-	-	-	-	-	-	\$ -					\$ -
2060	-	-	-	-	-	-	\$ -					\$ -
2061	-	-	-	-	-	-	\$ -					\$ -
2062	-	-	-	-	-	-	\$ -					\$ -
2063	-	-	-	-	-	-	\$ -					\$ -
2064	-	-	-	-	-	-	\$ -					\$ -
2065	-	-	-	-	-	-	\$ -					\$ -
2066	-	-	-	-	-	-	\$ -					\$ -
2067	-	-	-	-	-	-	\$ -					\$ -
2068	-	-	-	-	-	-	\$ -					\$ -
2069	-	-	-	-	-	-	\$ -					\$ -
2070	-	-	-	-	-	-	\$ -					\$ -
2071	-	-	-	-	-	-	\$ -					\$ -
2072	-	-	-	-	-	-	\$ -					\$ -
Project Totals		5,705,686			29,457,821	29,457,821	-					

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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	367,158	367,158	-
Prior Yr True-Up	396,756	396,756	-
True-Up Adjustment	29,598	29,598	-

Details				
Investment	2,088,951	Current Year	2017	
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)	-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation	18.17%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.	18.17%	
CIAC (Yes or No)	No	Annual Depreciation Expense	47,476	

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	2,088,951	-	2,088,951	2,088,951	379,465	379,465	\$ -	\$ 424,916	(45,451)	\$ 424,916	(45,451)	\$ -
2014	2,088,951	47,476	2,041,475	2,065,213	422,629	422,629	\$ -	\$ 372,954	49,675	\$ 372,954	49,675	\$ -
2015	2,041,475	47,476	1,993,999	2,017,737	414,005	414,005	\$ -	\$ 375,622	38,383	\$ 375,622	38,383	\$ -
2016	1,993,999	47,476	1,946,523	1,970,261	405,381	405,381	\$ -	\$ 363,235	42,146	\$ 363,235	42,146	\$ -
2017	1,946,523	47,476	1,899,046	1,922,784	396,756	396,756	\$ -	\$ 367,158	29,598	\$ 367,158	29,598	\$ -
2018	1,899,046	47,476	1,851,570	1,875,308	388,132	388,132	\$ -	\$ -	-	\$ -	-	\$ -
2019	1,851,570	47,476	1,804,094	1,827,832	379,508	379,508	\$ -	\$ -	-	\$ -	-	\$ -
2020	1,804,094	47,476	1,756,618	1,780,356	370,884	370,884	\$ -	\$ -	-	\$ -	-	\$ -
2021	1,756,618	47,476	1,709,142	1,732,880	362,260	362,260	\$ -	\$ -	-	\$ -	-	\$ -
2022	1,709,142	47,476	1,661,666	1,685,404	353,635	353,635	\$ -	\$ -	-	\$ -	-	\$ -
2023	1,661,666	47,476	1,614,189	1,637,927	345,011	345,011	\$ -	\$ -	-	\$ -	-	\$ -
2024	1,614,189	47,476	1,566,713	1,590,451	336,387	336,387	\$ -	\$ -	-	\$ -	-	\$ -
2025	1,566,713	47,476	1,519,237	1,542,975	327,763	327,763	\$ -	\$ -	-	\$ -	-	\$ -
2026	1,519,237	47,476	1,471,761	1,495,499	319,139	319,139	\$ -	\$ -	-	\$ -	-	\$ -
2027	1,471,761	47,476	1,424,285	1,448,023	310,514	310,514	\$ -	\$ -	-	\$ -	-	\$ -
2028	1,424,285	47,476	1,376,809	1,376,809	301,890	301,890	\$ -	\$ -	-	\$ -	-	\$ -
2029	1,376,809	47,476	1,329,332	1,353,071	293,266	293,266	\$ -	\$ -	-	\$ -	-	\$ -
2030	1,329,332	47,476	1,281,856	1,305,594	284,642	284,642	\$ -	\$ -	-	\$ -	-	\$ -
2031	1,281,856	47,476	1,234,380	1,258,118	276,018	276,018	\$ -	\$ -	-	\$ -	-	\$ -
2032	1,234,380	47,476	1,186,904	1,210,642	267,393	267,393	\$ -	\$ -	-	\$ -	-	\$ -
2033	1,186,904	47,476	1,139,428	1,163,166	258,769	258,769	\$ -	\$ -	-	\$ -	-	\$ -
2034	1,139,428	47,476	1,091,952	1,115,690	250,145	250,145	\$ -	\$ -	-	\$ -	-	\$ -
2035	1,091,952	47,476	1,044,476	1,068,214	241,521	241,521	\$ -	\$ -	-	\$ -	-	\$ -
2036	1,044,476	47,476	996,999	1,020,737	232,896	232,896	\$ -	\$ -	-	\$ -	-	\$ -
2037	996,999	47,476	949,523	973,261	224,272	224,272	\$ -	\$ -	-	\$ -	-	\$ -
2038	949,523	47,476	902,047	925,785	215,648	215,648	\$ -	\$ -	-	\$ -	-	\$ -
2039	902,047	47,476	854,571	878,309	207,024	207,024	\$ -	\$ -	-	\$ -	-	\$ -
2040	854,571	47,476	807,095	830,833	198,400	198,400	\$ -	\$ -	-	\$ -	-	\$ -
2041	807,095	47,476	759,619	783,357	189,775	189,775	\$ -	\$ -	-	\$ -	-	\$ -
2042	759,619	47,476	712,142	735,880	181,151	181,151	\$ -	\$ -	-	\$ -	-	\$ -
2043	712,142	47,476	664,666	688,404	172,527	172,527	\$ -	\$ -	-	\$ -	-	\$ -
2044	664,666	47,476	617,190	640,928	163,903	163,903	\$ -	\$ -	-	\$ -	-	\$ -
2045	617,190	47,476	569,714	593,452	155,279	155,279	\$ -	\$ -	-	\$ -	-	\$ -
2046	569,714	47,476	522,238	545,976	146,654	146,654	\$ -	\$ -	-	\$ -	-	\$ -
2047	522,238	47,476	474,762	498,500	138,030	138,030	\$ -	\$ -	-	\$ -	-	\$ -
2048	474,762	47,476	427,285	451,024	129,406	129,406	\$ -	\$ -	-	\$ -	-	\$ -
2049	427,285	47,476	379,809	403,547	120,782	120,782	\$ -	\$ -	-	\$ -	-	\$ -
2050	379,809	47,476	332,333	356,071	112,158	112,158	\$ -	\$ -	-	\$ -	-	\$ -
2051	332,333	47,476	284,857	308,595	103,533	103,533	\$ -	\$ -	-	\$ -	-	\$ -
2052	284,857	47,476	237,381	261,119	94,909	94,909	\$ -	\$ -	-	\$ -	-	\$ -
2053	237,381	47,476	189,905	213,643	86,285	86,285	\$ -	\$ -	-	\$ -	-	\$ -
2054	189,905	47,476	142,428	166,167	77,661	77,661	\$ -	\$ -	-	\$ -	-	\$ -
2055	142,428	47,476	94,952	118,690	69,037	69,037	\$ -	\$ -	-	\$ -	-	\$ -
2056	94,952	47,476	47,476	71,214	60,412	60,412	\$ -	\$ -	-	\$ -	-	\$ -
2057	47,476	47,476	-	23,738	51,788	51,788	\$ -	\$ -	-	\$ -	-	\$ -
2058	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2059	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2060	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2061	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2062	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2063	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2064	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2065	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2066	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2067	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2068	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2069	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2070	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2071	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
2072	-	-	-	-	-	-	\$ -	\$ -	-	\$ -	-	\$ -
Project Totals		2,088,951			10,816,643	10,816,643	-					

** 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)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	41,186	41,186	-
Prior Yr True-Up	30,304	30,304	-
True-Up Adjustment	(10,882)	(10,882)	-

Details									
Investment	151,331	Current Year					2017		
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)					-		
Service Month (1-12)	6	FCR w/o incentives, less depreciation					18.17%		
Useful life	44	FCR w/incentives approved for these facilities, less dep.					18.17%		
CIAC (Yes or No)	No	Annual Depreciation Expense					3,439		
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	151,331	1,720	149,611	150,471	29,053	29,053	\$	-	
2017	149,611	3,439	146,172	147,892	30,304	30,304	\$	-	
2018	146,172	3,439	142,733	144,452	29,680	29,680	\$	-	
2019	142,733	3,439	139,293	141,013	29,055	29,055	\$	-	
2020	139,293	3,439	135,854	137,574	28,430	28,430	\$	-	
2021	135,854	3,439	132,415	134,134	27,805	27,805	\$	-	
2022	132,415	3,439	128,975	130,695	27,181	27,181	\$	-	
2023	128,975	3,439	125,536	127,256	26,556	26,556	\$	-	
2024	125,536	3,439	122,097	123,816	25,931	25,931	\$	-	
2025	122,097	3,439	118,657	120,377	25,306	25,306	\$	-	
2026	118,657	3,439	115,218	116,938	24,681	24,681	\$	-	
2027	115,218	3,439	111,779	113,498	24,057	24,057	\$	-	
2028	111,779	3,439	108,339	110,059	23,432	23,432	\$	-	
2029	108,339	3,439	104,900	106,620	22,807	22,807	\$	-	
2030	104,900	3,439	101,461	103,180	22,182	22,182	\$	-	
2031	101,461	3,439	98,021	99,741	21,558	21,558	\$	-	
2032	98,021	3,439	94,582	96,302	20,933	20,933	\$	-	
2033	94,582	3,439	91,143	92,862	20,308	20,308	\$	-	
2034	91,143	3,439	87,703	89,423	19,683	19,683	\$	-	
2035	87,703	3,439	84,264	85,984	19,059	19,059	\$	-	
2036	84,264	3,439	80,825	82,544	18,434	18,434	\$	-	
2037	80,825	3,439	77,385	79,105	17,809	17,809	\$	-	
2038	77,385	3,439	73,946	75,666	17,184	17,184	\$	-	
2039	73,946	3,439	70,506	72,226	16,559	16,559	\$	-	
2040	70,506	3,439	67,067	68,787	15,935	15,935	\$	-	
2041	67,067	3,439	63,628	65,347	15,310	15,310	\$	-	
2042	63,628	3,439	60,188	61,908	14,685	14,685	\$	-	
2043	60,188	3,439	56,749	58,469	14,060	14,060	\$	-	
2044	56,749	3,439	53,310	55,029	13,436	13,436	\$	-	
2045	53,310	3,439	49,870	51,590	12,811	12,811	\$	-	
2046	49,870	3,439	46,431	48,151	12,186	12,186	\$	-	
2047	46,431	3,439	42,992	44,711	11,561	11,561	\$	-	
2048	42,992	3,439	39,552	41,272	10,937	10,937	\$	-	
2049	39,552	3,439	36,113	37,833	10,312	10,312	\$	-	
2050	36,113	3,439	32,674	34,393	9,687	9,687	\$	-	
2051	32,674	3,439	29,234	30,954	9,062	9,062	\$	-	
2052	29,234	3,439	25,795	27,515	8,437	8,437	\$	-	
2053	25,795	3,439	22,356	24,075	7,813	7,813	\$	-	
2054	22,356	3,439	18,916	20,636	7,188	7,188	\$	-	
2055	18,916	3,439	15,477	17,197	6,563	6,563	\$	-	
2056	15,477	3,439	12,038	13,757	5,938	5,938	\$	-	
2057	12,038	3,439	8,598	10,318	5,314	5,314	\$	-	
2058	8,598	3,439	5,159	6,879	4,689	4,689	\$	-	
2059	5,159	3,439	1,720	3,439	4,064	4,064	\$	-	
2060	1,720	1,720	-	860	1,876	1,876	\$	-	
2061	-	-	-	-	-	-	\$	-	
2062	-	-	-	-	-	-	\$	-	
2063	-	-	-	-	-	-	\$	-	
2064	-	-	-	-	-	-	\$	-	
2065	-	-	-	-	-	-	\$	-	
2066	-	-	-	-	-	-	\$	-	
2067	-	-	-	-	-	-	\$	-	
2068	-	-	-	-	-	-	\$	-	
2069	-	-	-	-	-	-	\$	-	
2070	-	-	-	-	-	-	\$	-	
2071	-	-	-	-	-	-	\$	-	
2072	-	-	-	-	-	-	\$	-	
2073	-	-	-	-	-	-	\$	-	
2074	-	-	-	-	-	-	\$	-	
2075	-	-	-	-	-	-	\$	-	
Project Totals		151,331			769,851	769,851			

[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.

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)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	750,034	750,034	-
Prior Yr True-Up	758,493	758,493	-
True-Up Adjustment	8,459	8,459	-

Details							
Investment	4,008,040	Current Year				2017	
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	10	FCR w/o incentives, less depreciation				18.17%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				18.17%	
CIAC (Yes or No)	No	Annual Depreciation Expense				91,092	
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	4,008,040	15,182	3,992,858	4,000,449	741,877	741,877	\$ -
2014	3,992,858	91,092	3,901,766	3,947,312	808,134	808,134	\$ -
2015	3,901,766	91,092	3,810,674	3,856,220	791,587	791,587	\$ -
2016	3,810,674	91,092	3,719,583	3,765,128	775,040	775,040	\$ -
2017	3,719,583	91,092	3,628,491	3,674,037	758,493	758,493	\$ -
2018	3,628,491	91,092	3,537,399	3,582,945	741,946	741,946	\$ -
2019	3,537,399	91,092	3,446,307	3,491,853	725,399	725,399	\$ -
2020	3,446,307	91,092	3,355,215	3,400,761	708,851	708,851	\$ -
2021	3,355,215	91,092	3,264,123	3,309,669	692,304	692,304	\$ -
2022	3,264,123	91,092	3,173,032	3,218,578	675,757	675,757	\$ -
2023	3,173,032	91,092	3,081,940	3,127,486	659,210	659,210	\$ -
2024	3,081,940	91,092	2,990,848	3,036,394	642,663	642,663	\$ -
2025	2,990,848	91,092	2,899,756	2,945,302	626,116	626,116	\$ -
2026	2,899,756	91,092	2,808,664	2,854,210	609,569	609,569	\$ -
2027	2,808,664	91,092	2,717,573	2,763,118	593,021	593,021	\$ -
2028	2,717,573	91,092	2,626,481	2,672,027	576,474	576,474	\$ -
2029	2,626,481	91,092	2,535,389	2,580,935	559,927	559,927	\$ -
2030	2,535,389	91,092	2,444,297	2,489,843	543,380	543,380	\$ -
2031	2,444,297	91,092	2,353,205	2,398,751	526,833	526,833	\$ -
2032	2,353,205	91,092	2,262,113	2,307,659	510,286	510,286	\$ -
2033	2,262,113	91,092	2,171,022	2,216,568	493,739	493,739	\$ -
2034	2,171,022	91,092	2,079,930	2,125,476	477,192	477,192	\$ -
2035	2,079,930	91,092	1,988,838	2,034,384	460,644	460,644	\$ -
2036	1,988,838	91,092	1,897,746	1,943,292	444,097	444,097	\$ -
2037	1,897,746	91,092	1,806,654	1,852,200	427,550	427,550	\$ -
2038	1,806,654	91,092	1,715,563	1,761,108	411,003	411,003	\$ -
2039	1,715,563	91,092	1,624,471	1,670,017	394,456	394,456	\$ -
2040	1,624,471	91,092	1,533,379	1,578,925	377,909	377,909	\$ -
2041	1,533,379	91,092	1,442,287	1,487,833	361,362	361,362	\$ -
2042	1,442,287	91,092	1,351,195	1,396,741	344,814	344,814	\$ -
2043	1,351,195	91,092	1,260,103	1,305,649	328,267	328,267	\$ -
2044	1,260,103	91,092	1,169,012	1,214,558	311,720	311,720	\$ -
2045	1,169,012	91,092	1,077,920	1,123,466	295,173	295,173	\$ -
2046	1,077,920	91,092	986,828	1,032,374	278,626	278,626	\$ -
2047	986,828	91,092	895,736	941,282	262,079	262,079	\$ -
2048	895,736	91,092	804,644	850,190	245,532	245,532	\$ -
2049	804,644	91,092	713,553	759,098	228,985	228,985	\$ -
2050	713,553	91,092	622,461	668,007	212,437	212,437	\$ -
2051	622,461	91,092	531,369	576,915	195,890	195,890	\$ -
2052	531,369	91,092	440,277	485,823	179,343	179,343	\$ -
2053	440,277	91,092	349,185	394,731	162,796	162,796	\$ -
2054	349,185	91,092	258,093	303,639	146,249	146,249	\$ -
2055	258,093	91,092	167,002	212,548	129,702	129,702	\$ -
2056	167,002	91,092	75,910	121,456	113,155	113,155	\$ -
2057	75,910	75,910	-	37,955	82,804	82,804	\$ -
2058	-	-	-	-	-	-	\$ -
2059	-	-	-	-	-	-	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
Project Totals		4,008,040			20,632,391	20,632,391	

[illegible]

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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	22,935	22,935	-
Prior Yr True-Up	22,027	22,027	-
True-Up Adjustment	(908)	(908)	-

Details									
Investment	118,332	Current Year					2017		
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)					-		
Service Month (1-12)	1	FCR w/o incentives, less depreciation					18.17%		
Useful life	44	FCR w/incentives approved for these facilities, less dep.					18.17%		
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	117,099	23,737	23,737	\$	-	
2014	115,867	2,689	113,177	114,522	23,493	23,493	\$	-	
2015	113,177	2,689	110,488	111,833	23,004	23,004	\$	-	
2016	110,488	2,689	107,799	109,143	22,516	22,516	\$	-	
2017	107,799	2,689	105,109	106,454	22,027	22,027	\$	-	
2018	105,109	2,689	102,420	103,765	21,539	21,539	\$	-	
2019	102,420	2,689	99,731	101,075	21,050	21,050	\$	-	
2020	99,731	2,689	97,041	98,386	20,561	20,561	\$	-	
2021	97,041	2,689	94,352	95,697	20,073	20,073	\$	-	
2022	94,352	2,689	91,662	93,007	19,584	19,584	\$	-	
2023	91,662	2,689	88,973	90,318	19,096	19,096	\$	-	
2024	88,973	2,689	86,284	87,628	18,607	18,607	\$	-	
2025	86,284	2,689	83,594	84,939	18,119	18,119	\$	-	
2026	83,594	2,689	80,905	82,250	17,630	17,630	\$	-	
2027	80,905	2,689	78,216	79,560	17,142	17,142	\$	-	
2028	78,216	2,689	75,526	76,871	16,653	16,653	\$	-	
2029	75,526	2,689	72,837	74,182	16,165	16,165	\$	-	
2030	72,837	2,689	70,148	71,492	15,676	15,676	\$	-	
2031	70,148	2,689	67,458	68,803	15,188	15,188	\$	-	
2032	67,458	2,689	64,769	66,114	14,699	14,699	\$	-	
2033	64,769	2,689	62,079	63,424	14,211	14,211	\$	-	
2034	62,079	2,689	59,390	60,735	13,722	13,722	\$	-	
2035	59,390	2,689	56,701	58,045	13,234	13,234	\$	-	
2036	56,701	2,689	54,011	55,356	12,745	12,745	\$	-	
2037	54,011	2,689	51,322	52,667	12,256	12,256	\$	-	
2038	51,322	2,689	48,633	49,977	11,768	11,768	\$	-	
2039	48,633	2,689	45,943	47,288	11,279	11,279	\$	-	
2040	45,943	2,689	43,254	44,599	10,791	10,791	\$	-	
2041	43,254	2,689	40,565	41,909	10,302	10,302	\$	-	
2042	40,565	2,689	37,875	39,220	9,814	9,814	\$	-	
2043	37,875	2,689	35,186	36,531	9,325	9,325	\$	-	
2044	35,186	2,689	32,496	33,841	8,837	8,837	\$	-	
2045	32,496	2,689	29,807	31,152	8,348	8,348	\$	-	
2046	29,807	2,689	27,118	28,462	7,860	7,860	\$	-	
2047	27,118	2,689	24,428	25,773	7,371	7,371	\$	-	
2048	24,428	2,689	21,739	23,084	6,883	6,883	\$	-	
2049	21,739	2,689	19,050	20,394	6,394	6,394	\$	-	
2050	19,050	2,689	16,360	17,705	5,906	5,906	\$	-	
2051	16,360	2,689	13,671	15,016	5,417	5,417	\$	-	
2052	13,671	2,689	10,982	12,326	4,928	4,928	\$	-	
2053	10,982	2,689	8,292	9,637	4,440	4,440	\$	-	
2054	8,292	2,689	5,603	6,948	3,951	3,951	\$	-	
2055	5,603	2,689	2,913	4,258	3,463	3,463	\$	-	
2056	2,913	2,689	224	1,569	2,974	2,974	\$	-	
2057	224	224	-	112	244	244	\$	-	
2058	-	-	-	-	-	-	\$	-	
2059	-	-	-	-	-	-	\$	-	
2060	-	-	-	-	-	-	\$	-	
2061	-	-	-	-	-	-	\$	-	
2062	-	-	-	-	-	-	\$	-	
2063	-	-	-	-	-	-	\$	-	
2064	-	-	-	-	-	-	\$	-	
2065	-	-	-	-	-	-	\$	-	
2066	-	-	-	-	-	-	\$	-	
2067	-	-	-	-	-	-	\$	-	
2068	-	-	-	-	-	-	\$	-	
2069	-	-	-	-	-	-	\$	-	
2070	-	-	-	-	-	-	\$	-	
2071	-	-	-	-	-	-	\$	-	
2072	-	-	-	-	-	-	\$	-	
Project Totals		118,332		593,022		593,022			

[illegible]

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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.

A. Base Plan Facilities

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	674,329	674,329	-
Prior Yr True-Up	674,946	674,946	-
True-Up Adjustment	617	617	-

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]

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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)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	828,442	828,442	-
Prior Yr True-Up	845,137	845,137	-
True-Up Adjustment	16,695	16,695	-

[illegible]

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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	176,014	176,014	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	(176,014)	(176,014)	-

Details									
Investment	-	Current Year					2017		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)					-		
Service Month (1-12)	12	FCR w/o incentives, less depreciation					18.17%		
Useful life	44	FCR w/incentives approved for these facilities, less dep.					18.17%		
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 ##		
2014	-	-	-	-	-	-	\$	-	
2015	-	-	-	-	-	-	\$	-	
2016	-	-	-	-	-	-	\$	-	
2017	-	-	-	-	-	-	\$	-	
2018	-	-	-	-	-	-	\$	-	
2019	-	-	-	-	-	-	\$	-	
2020	-	-	-	-	-	-	\$	-	
2021	-	-	-	-	-	-	\$	-	
2022	-	-	-	-	-	-	\$	-	
2023	-	-	-	-	-	-	\$	-	
2024	-	-	-	-	-	-	\$	-	
2025	-	-	-	-	-	-	\$	-	
2026	-	-	-	-	-	-	\$	-	
2027	-	-	-	-	-	-	\$	-	
2028	-	-	-	-	-	-	\$	-	
2029	-	-	-	-	-	-	\$	-	
2030	-	-	-	-	-	-	\$	-	
2031	-	-	-	-	-	-	\$	-	
2032	-	-	-	-	-	-	\$	-	
2033	-	-	-	-	-	-	\$	-	
2034	-	-	-	-	-	-	\$	-	
2035	-	-	-	-	-	-	\$	-	
2036	-	-	-	-	-	-	\$	-	
2037	-	-	-	-	-	-	\$	-	
2038	-	-	-	-	-	-	\$	-	
2039	-	-	-	-	-	-	\$	-	
2040	-	-	-	-	-	-	\$	-	
2041	-	-	-	-	-	-	\$	-	
2042	-	-	-	-	-	-	\$	-	
2043	-	-	-	-	-	-	\$	-	
2044	-	-	-	-	-	-	\$	-	
2045	-	-	-	-	-	-	\$	-	
2046	-	-	-	-	-	-	\$	-	
2047	-	-	-	-	-	-	\$	-	
2048	-	-	-	-	-	-	\$	-	
2049	-	-	-	-	-	-	\$	-	
2050	-	-	-	-	-	-	\$	-	
2051	-	-	-	-	-	-	\$	-	
2052	-	-	-	-	-	-	\$	-	
2053	-	-	-	-	-	-	\$	-	
2054	-	-	-	-	-	-	\$	-	
2055	-	-	-	-	-	-	\$	-	
2056	-	-	-	-	-	-	\$	-	
2057	-	-	-	-	-	-	\$	-	
2058	-	-	-	-	-	-	\$	-	
2059	-	-	-	-	-	-	\$	-	
2060	-	-	-	-	-	-	\$	-	
2061	-	-	-	-	-	-	\$	-	
2062	-	-	-	-	-	-	\$	-	
2063	-	-	-	-	-	-	\$	-	
2064	-	-	-	-	-	-	\$	-	
2065	-	-	-	-	-	-	\$	-	
2066	-	-	-	-	-	-	\$	-	
2067	-	-	-	-	-	-	\$	-	
2068	-	-	-	-	-	-	\$	-	
2069	-	-	-	-	-	-	\$	-	
2070	-	-	-	-	-	-	\$	-	
2071	-	-	-	-	-	-	\$	-	
2072	-	-	-	-	-	-	\$	-	
2073	-	-	-	-	-	-	\$	-	
Project Totals	-	-	-	-	-	-	-	-	-

[illegible]

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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: b2018 (Loop Conesville-Bixby 345 kV circuit into Ohio Central)
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2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	123,326	123,326	-
Prior Yr True-Up	1,396,319	1,396,319	-
True-Up Adjustment	1,272,993	1,272,993	-

Details							
Investment	7,169,898	Current Year				2017	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	2	FCR w/o incentives, less depreciation				18.17%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				18.17%	
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	7,169,898	135,794	7,034,104	7,102,001	1,425,896	1,425,896	\$ -
2016	7,034,104	162,952	6,871,152	6,952,628	1,425,920	1,425,920	\$ -
2017	6,871,152	162,952	6,708,200	6,789,676	1,396,319	1,396,319	\$ -
2018	6,708,200	162,952	6,545,248	6,626,724	1,366,719	1,366,719	\$ -
2019	6,545,248	162,952	6,382,296	6,463,772	1,337,118	1,337,118	\$ -
2020	6,382,296	162,952	6,219,343	6,300,819	1,307,517	1,307,517	\$ -
2021	6,219,343	162,952	6,056,391	6,137,867	1,277,916	1,277,916	\$ -
2022	6,056,391	162,952	5,893,439	5,974,915	1,248,315	1,248,315	\$ -
2023	5,893,439	162,952	5,730,487	5,811,963	1,218,715	1,218,715	\$ -
2024	5,730,487	162,952	5,567,534	5,649,011	1,189,114	1,189,114	\$ -
2025	5,567,534	162,952	5,404,582	5,486,058	1,159,513	1,159,513	\$ -
2026	5,404,582	162,952	5,241,630	5,323,106	1,129,912	1,129,912	\$ -
2027	5,241,630	162,952	5,078,678	5,160,154	1,100,311	1,100,311	\$ -
2028	5,078,678	162,952	4,915,726	4,997,202	1,070,710	1,070,710	\$ -
2029	4,915,726	162,952	4,752,773	4,834,249	1,041,110	1,041,110	\$ -
2030	4,752,773	162,952	4,589,821	4,671,297	1,011,509	1,011,509	\$ -
2031	4,589,821	162,952	4,426,869	4,508,345	981,908	981,908	\$ -
2032	4,426,869	162,952	4,263,917	4,345,393	952,307	952,307	\$ -
2033	4,263,917	162,952	4,100,964	4,182,441	922,706	922,706	\$ -
2034	4,100,964	162,952	3,938,012	4,019,488	893,106	893,106	\$ -
2035	3,938,012	162,952	3,775,060	3,856,536	863,505	863,505	\$ -
2036	3,775,060	162,952	3,612,108	3,693,584	833,904	833,904	\$ -
2037	3,612,108	162,952	3,449,155	3,530,632	804,303	804,303	\$ -
2038	3,449,155	162,952	3,286,203	3,367,679	774,702	774,702	\$ -
2039	3,286,203	162,952	3,123,251	3,204,727	745,102	745,102	\$ -
2040	3,123,251	162,952	2,960,299	3,041,775	715,501	715,501	\$ -
2041	2,960,299	162,952	2,797,347	2,878,823	685,900	685,900	\$ -
2042	2,797,347	162,952	2,634,394	2,715,870	656,299	656,299	\$ -
2043	2,634,394	162,952	2,471,442	2,552,918	626,698	626,698	\$ -
2044	2,471,442	162,952	2,308,490	2,389,966	597,097	597,097	\$ -
2045	2,308,490	162,952	2,145,538	2,227,014	567,497	567,497	\$ -
2046	2,145,538	162,952	1,982,585	2,064,062	537,896	537,896	\$ -
2047	1,982,585	162,952	1,819,633	1,901,109	508,295	508,295	\$ -
2048	1,819,633	162,952	1,656,681	1,738,157	478,694	478,694	\$ -
2049	1,656,681	162,952	1,493,729	1,575,205	449,093	449,093	\$ -
2050	1,493,729	162,952	1,330,777	1,412,253	419,493	419,493	\$ -
2051	1,330,777	162,952	1,167,824	1,249,300	389,892	389,892	\$ -
2052	1,167,824	162,952	1,004,872	1,086,348	360,291	360,291	\$ -</

[illegible]

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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	219,628	219,628	-
Prior Yr True-Up	238,215	238,215	-
True-Up Adjustment	18,587	18,587	-

Details							
Investment	1,214,619	Current Year				2017	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	6	FCR w/o incentives, less depreciation				18.17%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				18.17%	
CIAC (Yes or No)	No	Annual Depreciation Expense				27,605	
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	1,214,619	13,802	1,200,817	1,207,718	233,188	233,188	\$ -
2016	1,200,817	27,605	1,173,212	1,187,014	243,230	243,230	\$ -
2017	1,173,212	27,605	1,145,607	1,159,409	238,215	238,215	\$ -
2018	1,145,607	27,605	1,118,002	1,131,804	233,201	233,201	\$ -
2019	1,118,002	27,605	1,090,397	1,104,199	228,186	228,186	\$ -
2020	1,090,397	27,605	1,062,792	1,076,594	223,172	223,172	\$ -
2021	1,062,792	27,605	1,035,187	1,048,989	218,157	218,157	\$ -
2022	1,035,187	27,605	1,007,582	1,021,384	213,143	213,143	\$ -
2023	1,007,582	27,605	979,977	993,779	208,128	208,128	\$ -
2024	979,977	27,605	952,372	966,174	203,114	203,114	\$ -
2025	952,372	27,605	924,767	938,569	198,099	198,099	\$ -
2026	924,767	27,605	897,162	910,964	193,085	193,085	\$ -
2027	897,162	27,605	869,557	883,359	188,070	188,070	\$ -
2028	869,557	27,605	841,952	855,754	183,056	183,056	\$ -
2029	841,952	27,605	814,347	828,149	178,041	178,041	\$ -
2030	814,347	27,605	786,742	800,544	173,027	173,027	\$ -
2031	786,742	27,605	759,137	772,939	168,012	168,012	\$ -
2032	759,137	27,605	731,532	745,334	162,997	162,997	\$ -
2033	731,532	27,605	703,927	717,729	157,983	157,983	\$ -
2034	703,927	27,605	676,322	690,124	152,968	152,968	\$ -
2035	676,322	27,605	648,717	662,519	147,954	147,954	\$ -
2036	648,717	27,605	621,112	634,914	142,939	142,939	\$ -
2037	621,112	27,605	593,507	607,310	137,925	137,925	\$ -
2038	593,507	27,605	565,902	579,705	132,910	132,910	\$ -
2039	565,902	27,605	538,297	552,100	127,896	127,896	\$ -
2040	538,297	27,605	510,692	524,495	122,881	122,881	\$ -
2041	510,692	27,605	483,087	496,890	117,867	117,867	\$ -
2042	483,087	27,605	455,482	469,285	112,852	112,852	\$ -
2043	455,482	27,605	427,877	441,680	107,838	107,838	\$ -
2044	427,877	27,605	400,272	414,075	102,823	102,823	\$ -
2045	400,272	27,605	372,667	386,470	97,808	97,808	\$ -
2046	372,667	27,605	345,062	358,865	92,794	92,794	\$ -
2047	345,062	27,605	317,457	331,260	87,779	87,779	\$ -
2048	317,457	27,605	289,852	303,655	82,765	82,765	\$ -
2049	289,852	27,605	262,247	276,050	77,750	77,750	\$ -
2050	262,247	27,605	234,642	248,445	72,736	72,736	\$ -
2051	234,642	27,605	207,037	220,840	67,721	67,721	\$ -
2052	207,037	27,605	179,432	193,235	62,707	62,707	\$ -
2053	179,432	27,605	151,827	165,630	57,692	57,692	\$ -
2054	151,827	27,605	124,222	138,025	52,678	52,678	\$ -
2055	124,222	27,605	96,617	110,420	47,663	47,663	\$ -
2056	96,617	27,605	69,012	82,815	42,649	42,649	\$ -
2057	69,012	27,605	41,407	55,210	37,634	37,634	\$ -
2058	41,407	27,605	13,802	27,605	32,620	32,620	\$ -
2059	13,802	13,802	-	6,901	15,056	15,056	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals		1,214,619			6,179,009	6,179,009	

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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	646,844	646,844	-
Prior Yr True-Up	606,281	606,281	-
True-Up Adjustment	(40,563)	(40,563)	-

Details			
Investment	3,059,125	Current Year	2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	18.17%
Useful life	44	FCR w/incentives approved for these facilities, less dep.	18.17%
CIAC (Yes or No)	No	Annual Depreciation Expense	69,526

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	3,059,125	-	3,059,125	3,059,125	555,700	555,700	\$ -	\$ 559,098	\$ (3,398)	\$ 559,098	\$ (3,398)	\$ -
2016	3,059,125	69,526	2,989,599	3,024,362	618,911	618,911	\$ -	\$ 620,362	\$ (1,451)	\$ 620,362	\$ (1,451)	\$ -
2017	2,989,599	69,526	2,920,074	2,954,837	606,281	606,281	\$ -	\$ 646,844	\$ (40,563)	\$ 646,844	\$ (40,563)	\$ -
2018	2,920,074	69,526	2,850,548	2,885,311	593,652	593,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	2,850,548	69,526	2,781,023	2,815,786	581,022	581,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	2,781,023	69,526	2,711,497	2,746,260	568,393	568,393	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	2,711,497	69,526	2,641,972	2,676,734	555,763	555,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	2,641,972	69,526	2,572,446	2,607,209	543,134	543,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	2,572,446	69,526	2,502,920	2,537,683	530,504	530,504	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	2,502,920	69,526	2,433,395	2,468,158	517,875	517,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	2,433,395	69,526	2,363,869	2,398,632	505,245	505,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	2,363,869	69,526	2,294,344	2,329,107	492,616	492,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	2,294,344	69,526	2,224,818	2,259,581	479,986	479,986	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	2,224,818	69,526	2,155,293	2,190,055	467,356	467,356	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	2,155,293	69,526	2,085,767	2,120,530	454,727	454,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	2,085,767	69,526	2,016,241	2,051,004	442,097	442,097	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	2,016,241	69,526	1,946,716	1,981,479	429,468	429,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	1,946,716	69,526	1,877,190	1,911,953	416,838	416,838	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	1,877,190	69,526	1,807,665	1,842,428	404,209	404,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	1,807,665	69,526	1,738,139	1,772,902	391,579	391,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	1,738,139	69,526	1,668,614	1,703,376	378,950	378,950	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	1,668,614	69,526	1,599,088	1,633,851	366,320	366,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	1,599,088	69,526	1,529,563	1,564,325	353,690	353,690	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	1,529,563	69,526	1,460,037	1,494,800	341,061	341,061	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	1,460,037	69,526	1,390,511	1,425,274	328,431	328,431	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	1,390,511	69,526	1,320,986	1,355,749	315,802	315,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	1,320,986	69,526	1,251,460	1,286,223	303,172	303,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	1,251,460	69,526	1,181,935	1,216,697	290,543	290,543	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	1,181,935	69,526	1,112,409	1,147,172	277,913	277,913	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	1,112,409	69,526	1,042,884	1,077,646	265,284	265,284	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	1,042,884	69,526	973,358	1,008,121	252,654	252,654	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	973,358	69,526	903,832	938,595	240,024	240,024	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	903,832	69,526	834,307	869,070	227,395	227,395	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	834,307	69,526	764,781	799,544	214,765	214,765	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	764,781	69,526	695,256	730,018	202,136	202,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	695,256	69,526	625,730	660,493	189,506	189,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	625,730	69,526	556,205	590,967	176,877	176,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	556,205	69,526	486,679	521,442	164,247	164,247	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	486,679	69,526	417,153	451,916	151,618	151,618	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	417,153	69,526	347,628	382,391	138,988	138,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	347,628	69,526	278,102	312,865	126,359	126,359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	278,102	69,526	208,577	243,339	113,729	113,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	208,577	69,526	139,051	173,814	101,099	101,099	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	139,051	69,526	69,526	104,288	88,470	88,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	69,526	69,526	-	34,763	75,840	75,840	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2073	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2074	-	-	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals		3,059,125			15,840,230	15,840,230	-					

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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	419,228	419,228	-
Prior Yr True-Up	429,906	429,906	-
True-Up Adjustment	10,678	10,678	-

Details				
Investment	2,169,182	Current Year	2017	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation	18.17%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.	18.17%	
CIAC (Yes or No)	No	Annual Depreciation Expense	49,300	

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	2,169,182	-	2,169,182	2,169,182	394,039	394,039	\$ -	\$ 265,269	\$ 128,770	\$ 265,269	\$ 128,770	\$ -
2016	2,169,182	49,300	2,119,882	2,144,532	438,861	438,861	\$ -	\$ 405,050	\$ 33,811	\$ 405,050	\$ 33,811	\$ -
2017	2,119,882	49,300	2,070,583	2,095,233	429,906	429,906	\$ -	\$ 419,228	\$ 10,678	\$ 419,228	\$ 10,678	\$ -
2018	2,070,583	49,300	2,021,283	2,045,933	420,950	420,950	\$ -					
2019	2,021,283	49,300	1,971,984	1,996,633	411,995	411,995	\$ -					
2020	1,971,984	49,300	1,922,684	1,947,334	403,039	403,039	\$ -					
2021	1,922,684	49,300	1,873,384	1,898,034	394,084	394,084	\$ -					
2022	1,873,384	49,300	1,824,085	1,848,735	385,128	385,128	\$ -					
2023	1,824,085	49,300	1,774,785	1,799,435	376,173	376,173	\$ -					
2024	1,774,785	49,300	1,725,486	1,750,135	367,218	367,218	\$ -					
2025	1,725,486	49,300	1,676,186	1,700,836	358,262	358,262	\$ -					
2026	1,676,186	49,300	1,626,887	1,651,536	349,307	349,307	\$ -					
2027	1,626,887	49,300	1,577,587	1,602,237	340,351	340,351	\$ -					
2028	1,577,587	49,300	1,528,287	1,552,937	331,396	331,396	\$ -					
2029	1,528,287	49,300	1,478,988	1,503,638	322,440	322,440	\$ -					
2030	1,478,988	49,300	1,429,688	1,454,338	313,485	313,485	\$ -					
2031	1,429,688	49,300	1,380,389	1,405,038	304,529	304,529	\$ -					
2032	1,380,389	49,300	1,331,089	1,355,739	295,574	295,574	\$ -					
2033	1,331,089	49,300	1,281,789	1,306,439	286,619	286,619	\$ -					
2034	1,281,789	49,300	1,232,490	1,257,140	277,663	277,663	\$ -					
2035	1,232,490	49,300	1,183,190	1,207,840	268,708	268,708	\$ -					
2036	1,183,190	49,300	1,133,891	1,158,540	259,752	259,752	\$ -					
2037	1,133,891	49,300	1,084,591	1,109,241	250,797	250,797	\$ -					
2038	1,084,591	49,300	1,035,291	1,059,941	241,841	241,841	\$ -					
2039	1,035,291	49,300	985,992	1,010,642	232,886	232,886	\$ -					
2040	985,992	49,300	936,692	961,342	223,931	223,931	\$ -					
2041	936,692	49,300	887,393	912,042	214,975	214,975	\$ -					
2042	887,393	49,300	838,093	862,743	206,020	206,020	\$ -					
2043	838,093	49,300	788,793	813,443	197,064	197,064	\$ -					
2044	788,793	49,300	739,494	764,144	188,109	188,109	\$ -					
2045	739,494	49,300	690,194	714,844	179,153	179,153	\$ -					
2046	690,194	49,300	640,895	665,544	170,198	170,198	\$ -					
2047	640,895	49,300	591,595	616,245	161,243	161,243	\$ -					
2048	591,595	49,300	542,296	566,945	152,287	152,287	\$ -					
2049	542,296	49,300	492,996	517,646	143,332	143,332	\$ -					
2050	492,996	49,300	443,696	468,346	134,376	134,376	\$ -					
2051	443,696	49,300	394,397	419,047	125,421	125,421	\$ -					
2052	394,397	49,300	345,097	369,747	116,465	116,465	\$ -					
2053	345,097	49,300	295,798	320,447	107,510	107,510	\$ -					
2054	295,798	49,300	246,498	271,148	98,554	98,554	\$ -					
2055	246,498	49,300	197,198	221,848	89,599	89,599	\$ -					
2056	197,198	49,300	147,899	172,549	80,644	80,644	\$ -					
2057	147,899	49,300	98,599	123,249	71,688	71,688	\$ -					
2058	98,599	49,300	49,300	73,949	62,733	62,733	\$ -					
2059	49,300	49,300	0	24,650	53,777	53,777	\$ -					
2060	0	0	-	0	0	0	\$ -					
2061	-	-	-	-	-	-	\$ -					
2062	-	-	-	-	-	-	\$ -					
2063	-	-	-	-	-	-	\$ -					
2064	-	-	-	-	-	-	\$ -					
2065	-	-	-	-	-	-	\$ -					
2066	-	-	-	-	-	-	\$ -					
2067	-	-	-	-	-	-	\$ -					
2068	-	-	-	-	-	-	\$ -					
2069	-	-	-	-	-	-	\$ -					
2070	-	-	-	-	-	-	\$ -					
2071	-	-	-	-	-	-	\$ -					
2072	-	-	-	-	-	-	\$ -					
2073	-	-	-	-	-	-	\$ -					
2074	-	-	-	-	-	-	\$ -					
Project Totals		2,169,182			11,232,082	11,232,082	-					

** 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)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	28,232	28,232	-
Prior Yr True-Up	123,027	123,027	-
True-Up Adjustment	94,795	94,795	-

Details							
Investment	620,757	Current Year				2017	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation				18.17%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				18.17%	
CIAC (Yes or No)	No	Annual Depreciation Expense				14,108	
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	620,757	-	620,757	620,757	112,763	112,763	\$ -
2016	620,757	14,108	606,649	613,703	125,589	125,589	\$ -
2017	606,649	14,108	592,541	599,595	123,027	123,027	\$ -
2018	592,541	14,108	578,433	585,487	120,464	120,464	\$ -
2019	578,433	14,108	564,325	571,379	117,901	117,901	\$ -
2020	564,325	14,108	550,217	557,271	115,338	115,338	\$ -
2021	550,217	14,108	536,108	543,162	112,775	112,775	\$ -
2022	536,108	14,108	522,000	529,054	110,213	110,213	\$ -
2023	522,000	14,108	507,892	514,946	107,650	107,650	\$ -
2024	507,892	14,108	493,784	500,838	105,087	105,087	\$ -
2025	493,784	14,108	479,676	486,730	102,524	102,524	\$ -
2026	479,676	14,108	465,568	472,622	99,961	99,961	\$ -
2027	465,568	14,108	451,460	458,514	97,399	97,399	\$ -
2028	451,460	14,108	437,352	444,406	94,836	94,836	\$ -
2029	437,352	14,108	423,243	430,298	92,273	92,273	\$ -
2030	423,243	14,108	409,135	416,189	89,710	89,710	\$ -
2031	409,135	14,108	395,027	402,081	87,148	87,148	\$ -
2032	395,027	14,108	380,919	387,973	84,585	84,585	\$ -
2033	380,919	14,108	366,811	373,865	82,022	82,022	\$ -
2034	366,811	14,108	352,703	359,757	79,459	79,459	\$ -
2035	352,703	14,108	338,595	345,649	76,896	76,896	\$ -
2036	338,595	14,108	324,487	331,541	74,334	74,334	\$ -
2037	324,487	14,108	310,379	317,433	71,771	71,771	\$ -
2038	310,379	14,108	296,270	303,324	69,208	69,208	\$ -
2039	296,270	14,108	282,162	289,216	66,645	66,645	\$ -
2040	282,162	14,108	268,054	275,108	64,082	64,082	\$ -
2041	268,054	14,108	253,946	261,000	61,520	61,520	\$ -
2042	253,946	14,108	239,838	246,892	58,957	58,957	\$ -
2043	239,838	14,108	225,730	232,784	56,394	56,394	\$ -
2044	225,730	14,108	211,622	218,676	53,831	53,831	\$ -
2045	211,622	14,108	197,514	204,568	51,269	51,269	\$ -
2046	197,514	14,108	183,406	190,460	48,706	48,706	\$ -
2047	183,406	14,108	169,297	176,351	46,143	46,143	\$ -
2048	169,297	14,108	155,189	162,243	43,580	43,580	\$ -
2049	155,189	14,108	141,081	148,135	41,017	41,017	\$ -
2050	141,081	14,108	126,973	134,027	38,455	38,455	\$ -
2051	126,973	14,108	112,865	119,919	35,892	35,892	\$ -
2052	112,865	14,108	98,757	105,811	33,329	33,329	\$ -
2053	98,757	14,108	84,649	91,703	30,766	30,766	\$ -
2054	84,649	14,108	70,541	77,595	28,203	28,203	\$ -
2055	70,541	14,108	56,432	63,487	25,641	25,641	\$ -
2056	56,432	14,108	42,324	49,378	23,078	23,078	\$ -
2057	42,324	14,108	28,216	35,270	20,515	20,515	\$ -
2058	28,216	14,108	14,108	21,162	17,952	17,952	\$ -
2059	14,108	14,108	-	7,054	15,390	15,390	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals		620,757	3,214,297		3,214,297	3,214,297	

[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: b2019 (Establish Burger 345/138 kV station)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,411,523	1,411,523	-
Prior Yr True-Up	1,358,159	1,358,159	-
True-Up Adjustment	(53,364)	(53,364)	-

Details							
Investment	6,852,888	Current Year				2017	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation				18.17%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				18.17%	
CIAC (Yes or No)	No	Annual Depreciation Expense				155,747	
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	6,852,888	-	6,852,888	6,852,888	1,244,850	1,244,850	\$ -
2016	6,852,888	155,747	6,697,141	6,775,014	1,386,451	1,386,451	\$ -
2017	6,697,141	155,747	6,541,393	6,619,267	1,358,159	1,358,159	\$ -
2018	6,541,393	155,747	6,385,646	6,463,519	1,329,867	1,329,867	\$ -
2019	6,385,646	155,747	6,229,898	6,307,772	1,301,575	1,301,575	\$ -
2020	6,229,898	155,747	6,074,151	6,152,024	1,273,283	1,273,283	\$ -
2021	6,074,151	155,747	5,918,403	5,996,277	1,244,991	1,244,991	\$ -
2022	5,918,403	155,747	5,762,656	5,840,530	1,216,699	1,216,699	\$ -
2023	5,762,656	155,747	5,606,908	5,684,782	1,188,407	1,188,407	\$ -
2024	5,606,908	155,747	5,451,161	5,529,035	1,160,115	1,160,115	\$ -
2025	5,451,161	155,747	5,295,413	5,373,287	1,131,823	1,131,823	\$ -
2026	5,295,413	155,747	5,139,666	5,217,540	1,103,531	1,103,531	\$ -
2027	5,139,666	155,747	4,983,919	5,061,792	1,075,239	1,075,239	\$ -
2028	4,983,919	155,747	4,828,171	4,906,045	1,046,947	1,046,947	\$ -
2029	4,828,171	155,747	4,672,424	4,750,297	1,018,655	1,018,655	\$ -
2030	4,672,424	155,747	4,516,676	4,594,550	990,363	990,363	\$ -
2031	4,516,676	155,747	4,360,929	4,438,802	962,071	962,071	\$ -
2032	4,360,929	155,747	4,205,181	4,283,055	933,779	933,779	\$ -
2033	4,205,181	155,747	4,049,434	4,127,308	905,487	905,487	\$ -
2034	4,049,434	155,747	3,893,686	3,971,560	877,195	877,195	\$ -
2035	3,893,686	155,747	3,737,939	3,815,813	848,902	848,902	\$ -
2036	3,737,939	155,747	3,582,191	3,660,065	820,610	820,610	\$ -
2037	3,582,191	155,747	3,426,444	3,504,318	792,318	792,318	\$ -
2038	3,426,444	155,747	3,270,697	3,348,570	764,026	764,026	\$ -
2039	3,270,697	155,747	3,114,949	3,192,823	735,734	735,734	\$ -
2040	3,114,949	155,747	2,959,202	3,037,075	707,442	707,442	\$ -
2041	2,959,202	155,747	2,803,454	2,881,328	679,150	679,150	\$ -
2042	2,803,454	155,747	2,647,707	2,725,580	650,858	650,858	\$ -
2043	2,647,707	155,747	2,491,959	2,569,833	622,566	622,566	\$ -
2044	2,491,959	155,747	2,336,212	2,414,086	594,274	594,274	\$ -
2045	2,336,212	155,747	2,180,464	2,258,338	565,982	565,982	\$ -
2046	2,180,464	155,747	2,024,717	2,102,591	537,690	537,690	\$ -
2047	2,024,717	155,747	1,868,969	1,946,843	509,398	509,398	\$ -
2048	1,868,969	155,747	1,713,222	1,791,096	481,106	481,106	\$ -
2049	1,713,222	155,747	1,557,475	1,635,348	452,814	452,814	\$ -
2050	1,557,475	155,747	1,401,727	1,479,601	424,522	424,522	\$ -
2051	1,401,727	155,747	1,245,980	1,323,853	396,230	396,230	\$ -
2052	1,245,980	155,747	1,090,232	1,168,106	367,938	367,938	\$ -
2053	1,090,232	155,747	934,485	1,012,358	339,646	339,646	\$ -
2054	934,485	155,747	778,737	856,611	311,354	311,354	\$ -
2055	778,737	155,747	622,990	700,864	283,062	283,062	\$ -
2056	622,990	155,747	467,242	545,116	254,770	254,770	\$ -
2057	467,242	155,747	311,495	389,369	226,478	226,478	\$ -
2058	311,495	155,747	155,747	233,621	198,186	198,186	\$ -
2059	155,747	155,747	0	77,874	169,893	169,893	\$ -
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			35,484,435	35,484,435	

[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: b2017 (Reconductor or rebuild Sporn - Waterford - Muskingum River 345 kV line)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,177,370	1,177,370	-
Prior Yr True-Up	1,167,843	1,167,843	-
True-Up Adjustment	(9,527)	(9,527)	-

Details							
Investment	5,965,092	Current Year				2017	
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-	
Service Month (1-12)	5	FCR w/o incentives, less depreciation				18.17%	
Useful life	44	FCR w/incentives approved for these facilities, less dep.				18.17%	
CIAC (Yes or No)	No	Annual Depreciation Expense				135,570	
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	5,965,092	79,083	5,886,009	5,925,551	1,155,479	1,155,479	\$ -
2016	5,886,009	135,570	5,750,439	5,818,224	1,192,470	1,192,470	\$ -
2017	5,750,439	135,570	5,614,869	5,682,654	1,167,843	1,167,843	\$ -
2018	5,614,869	135,570	5,479,299	5,547,084	1,143,216	1,143,216	\$ -
2019	5,479,299	135,570	5,343,728	5,411,513	1,118,590	1,118,590	\$ -
2020	5,343,728	135,570	5,208,158	5,275,943	1,093,963	1,093,963	\$ -
2021	5,208,158	135,570	5,072,588	5,140,373	1,069,336	1,069,336	\$ -
2022	5,072,588	135,570	4,937,017	5,004,803	1,044,709	1,044,709	\$ -
2023	4,937,017	135,570	4,801,447	4,869,232	1,020,082	1,020,082	\$ -
2024	4,801,447	135,570	4,665,877	4,733,662	995,456	995,456	\$ -
2025	4,665,877	135,570	4,530,307	4,598,092	970,829	970,829	\$ -
2026	4,530,307	135,570	4,394,736	4,462,521	946,202	946,202	\$ -
2027	4,394,736	135,570	4,259,166	4,326,951	921,575	921,575	\$ -
2028	4,259,166	135,570	4,123,596	4,191,381	896,949	896,949	\$ -
2029	4,123,596	135,570	3,988,026	4,055,811	872,322	872,322	\$ -
2030	3,988,026	135,570	3,852,455	3,920,240	847,695	847,695	\$ -
2031	3,852,455	135,570	3,716,885	3,784,670	823,068	823,068	\$ -
2032	3,716,885	135,570	3,581,315	3,649,100	798,441	798,441	\$ -
2033	3,581,315	135,570	3,445,744	3,513,530	773,815	773,815	\$ -
2034	3,445,744	135,570	3,310,174	3,377,959	749,188	749,188	\$ -
2035	3,310,174	135,570	3,174,604	3,242,389	724,561	724,561	\$ -
2036	3,174,604	135,570	3,039,034	3,106,819	699,934	699,934	\$ -
2037	3,039,034	135,570	2,903,463	2,971,248	675,307	675,307	\$ -
2038	2,903,463	135,570	2,767,893	2,835,678	650,681	650,681	\$ -
2039	2,767,893	135,570	2,632,323	2,700,108	626,054	626,054	\$ -
2040	2,632,323	135,570	2,496,753	2,564,538	601,427	601,427	\$ -
2041	2,496,753	135,570	2,361,182	2,428,967	576,800	576,800	\$ -
2042	2,361,182	135,570	2,225,612	2,293,397	552,173	552,173	\$ -
2043	2,225,612	135,570	2,090,042	2,157,827	527,547	527,547	\$ -
2044	2,090,042	135,570	1,954,471	2,022,257	502,920	502,920	\$ -
2045	1,954,471	135,570	1,818,901	1,886,686	478,293	478,293	\$ -
2046	1,818,901	135,570	1,683,331	1,751,116	453,666	453,666	\$ -
2047	1,683,331	135,570	1,547,761	1,615,546	429,040	429,040	\$ -
2048	1,547,761	135,570	1,412,190	1,479,975	404,413	404,413	\$ -
2049	1,412,190	135,570	1,276,620	1,344,405	379,786	379,786	\$ -
2050	1,276,620	135,570	1,141,050	1,208,835	355,159	355,159	\$ -
2051	1,141,050	135,570	1,005,480	1,073,265	330,532	330,532	\$ -
2052	1,005,480	135,570	869,909	937,694	305,906	305,906	\$ -
2053	869,909	135,570	734,339	802,124	281,279	281,279	\$ -
2054	734,339	135,570	598,769	666,554	256,652	256,652	\$ -
2055	598,769	135,570	463,198	530,984	232,025	232,025	\$ -
2056	463,198	135,570	327,628	395,413	207,398	207,398	\$ -
2057	327,628	135,570	192,058	259,843	182,772	182,772	\$ -
2058	192,058	135,570	56,488	124,273	158,145	158,145	\$ -
2059	56,488	56,488	-	28,244	61,618	61,618	\$ -
2060	-	-	-	-	-	-	\$ -
2061	-	-	-	-	-	-	\$ -
2062	-	-	-	-	-	-	\$ -
2063	-	-	-	-	-	-	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -
Project Totals	5,965,092	5,965,092		30,255,316	30,255,316	30,255,316	

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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	1,027,649	1,027,649	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	(1,027,649)	(1,027,649)	-

Details							
Investment	-	Current Year		2017			
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)		-			
Service Month (1-12)	6	FCR w/o incentives, less depreciation		18.17%			
Useful life	44	FCR w/incentives approved for these facilities, less dep.		18.17%			
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]

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

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	836,737	836,737	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	(836,737)	(836,737)	-

Details							
Investment	-	Current Year					2017
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	12	FCR w/o incentives, less depreciation					18.17%
Useful life	44	FCR w/incentives approved for these facilities, less dep.					18.17%
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 ##
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	-	-	-	-	-	-	\$ -
2075	-	-	-	-	-	-	\$ -
2076	-	-	-	-	-	-	\$ -

[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: b1818 (Expand Allen w/ 345/138 kV xfmr. and cut in double circuit tower line)

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.

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: b1870 (675 MVA xfmr. Brandy Station)

2017	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,665	1,665	-
True-Up Adjustment	1,665	1,665	-

Details									
Investment	8,640	Current Year					2017		
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)					-		
Service Month (1-12)	8	FCR w/o incentives, less depreciation					18.17%		
Useful life	44	FCR w/incentives approved for these facilities, less dep.					18.17%		
CIAC (Yes or No)	No	Annual Depreciation Expense					196		
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 ##		
2014	8,640	65	8,575	8,607	1,629	1,629	\$	-	
2015	8,575	196	8,378	8,476	1,736	1,736	\$	-	
2016	8,378	196	8,182	8,280	1,700	1,700	\$	-	
2017	8,182	196	7,985	8,084	1,665	1,665	\$	-	
2018	7,985	196	7,789	7,887	1,629	1,629	\$	-	
2019	7,789	196	7,593	7,691	1,593	1,593	\$	-	
2020	7,593	196	7,396	7,495	1,558	1,558	\$	-	
2021	7,396	196	7,200	7,298	1,522	1,522	\$	-	
2022	7,200	196	7,004	7,102	1,486	1,486	\$	-	
2023	7,004	196	6,807	6,905	1,451	1,451	\$	-	
2024	6,807	196	6,611	6,709	1,415	1,415	\$	-	
2025	6,611	196	6,415	6,513	1,379	1,379	\$	-	
2026	6,415	196	6,218	6,316	1,344	1,344	\$	-	
2027	6,218	196	6,022	6,120	1,308	1,308	\$	-	
2028	6,022	196	5,825	5,924	1,272	1,272	\$	-	
2029	5,825	196	5,629	5,727	1,237	1,237	\$	-	
2030	5,629	196	5,433	5,531	1,201	1,201	\$	-	
2031	5,433	196	5,236	5,335	1,165	1,165	\$	-	
2032	5,236	196	5,040	5,138	1,130	1,130	\$	-	
2033	5,040	196	4,844	4,942	1,094	1,094	\$	-	
2034	4,844	196	4,647	4,745	1,058	1,058	\$	-	
2035	4,647	196	4,451	4,549	1,023	1,023	\$	-	
2036	4,451	196	4,255	4,353	987	987	\$	-	
2037	4,255	196	4,058	4,156	951	951	\$	-	
2038	4,058	196	3,862	3,960	916	916	\$	-	
2039	3,862	196	3,665	3,764	880	880	\$	-	
2040	3,665	196	3,469	3,567	844	844	\$	-	
2041	3,469	196	3,273	3,371	809	809	\$	-	
2042	3,273	196	3,076	3,175	773	773	\$	-	
2043	3,076	196	2,880	2,978	737	737	\$	-	
2044	2,880	196	2,684	2,782	702	702	\$	-	
2045	2,684	196	2,487	2,585	666	666	\$	-	
2046	2,487	196	2,291	2,389	630	630	\$	-	
2047	2,291	196	2,095	2,193	595	595	\$	-	
2048	2,095	196	1,898	1,996	559	559	\$	-	
2049	1,898	196	1,702	1,800	523	523	\$	-	
2050	1,702	196	1,505	1,604	488	488	\$	-	
2051	1,505	196	1,309	1,407	452	452	\$	-	
2052	1,309	196	1,113	1,211	416	416	\$	-	
2053	1,113	196	916	1,015	381	381	\$	-	
2054	916	196	720	818	345	345	\$	-	
2055	720	196	524	622	309	309	\$	-	
2056	524	196	327	425	274	274	\$	-	
2057	327	196	131	229	238	238	\$	-	
2058	131	131	-	65	143	143	\$	-	
2059	-	-	-	-	-	-	\$	-	
2060	-	-	-	-	-	-	\$	-	
2061	-	-	-	-	-	-	\$	-	
2062	-	-	-	-	-	-	\$	-	
2063	-	-	-	-	-	-	\$	-	
2064	-	-	-	-	-	-	\$	-	
2065	-	-	-	-	-	-	\$	-	
2066	-	-	-	-	-	-	\$	-	
2067	-	-	-	-	-	-	\$	-	
2068	-	-	-	-	-	-	\$	-	
2069	-	-	-	-	-	-	\$	-	
2070	-	-	-	-	-	-	\$	-	
2071	-	-	-	-	-	-	\$	-	
2072	-	-	-	-	-	-	\$	-	
2073	-	-	-	-	-	-	\$	-	
Project Totals		8,640			44,215	44,215			

[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.

AEP East Companies
Cost of Service Formula Rate Using 2017 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

		Average Balance of Common Equity				
Line No	Month (a)	Proprietary Capital (b)	Less: Preferred Stock (c)	Less Undistributed 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	2,117,544,466	-	4,915,704	3,016,012	2,109,612,750
2	January					
3	February					
4	March					
5	April					
6	May					
7	June					
8	July					
9	August					
10	September					
11	October					
12	November					
13	December of Rate Year	2,310,330,965	-	4,915,704	1,915,758	2,303,499,503
14	Average of the Beginning and End Year Balances	2,213,937,716	-	4,915,704	2,465,885	2,206,556,127

		Average Balance of Long Term Debt					
Line No	Month (a)	Acct 221 Bonds (b)	Less: Acct 222 Reacquired Bonds (c)	Acct 223 LT Advances from Assoc. Companies (d)	Acct 224 Senior Unsecured Notes (e)	Less: Fair Value Hedges (f)	Gross Proceeds Outstanding Long-Term Debt (g)=(b)-(c)+(d)+(e)-(f)
		(FF1 112.18)	(FF1 112.19)	(FF1 112.20)	(FF1 112.21)	FF1, page 257, Col. (h) - Note 1	
(Note A)							
15	December Prior to Rate Year	-	345,400,000	-	1,978,861,479	-	1,633,461,479
16	January						
17	February						
18	March						
19	April						
20	May						
21	June						
22	July						
23	August						
24	September						
25	October						
26	November						
27	December of Rate Year	-	345,400,000	-	1,978,783,364	-	1,633,383,364
28	Average of the Beginning and End Year Balances	-	345,400,000	-	1,978,822,422	-	1,633,422,422

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	Annual Interest Expense for 2017						
30	Interest on Long Term Debt - Accts 221 - 224 (256-257.33.i)			95,865,686			
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.			(1,679,213)			
32	Plus: Allowed Hedge Recovery From Ln 55 below.			(1,679,213)			
33	Amort of Debt Discount & Expense - Acct 428 (117.63.c)			1,225,222			
34	Amort of Loss on Reacquired Debt - Acct 428.1 (117.64.c)			1,278,516			
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	Total Interest Expense (Ln 30 - 31 + 33 + 34 - 35 - 36)			98,369,424			
38	Average Cost of Debt for 2017 (Ln 37/ Ln 28 (g))			6.02%			

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 2017	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	June-06	June-16
41	SUN Cash Flow Hedge - 5.375%	(1,679,213)		(1,679,213)	(2,868,654)	September-09	September-19
42				-			
43				-			
44				-			
45				-			
46				-			
47				-			
48				-			
49					(2,868,654)		
50	Total Hedge Amortization	(1,679,213)	-				
51	Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 40 to 48)			(1,679,213)			
52	Total Average Capital Structure Balance for 2017 (TCOS, Ln 157)			3,839,978,548			
53	Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
54	Limit of Recoverable Amount			1,919,989			
55	Recoverable Hedge Amortization (Lesser of Ln 51 or Ln 54)			(1,679,213)			

Development of Cost of Preferred Stock

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

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

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 2017		-		-	

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 2017

		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 2017	Actual Expense	Allowable Expense	One Year Functional Expense (Over)/Under
		(A) (Line 14)	(B)=(A)/Total (A)	(C)=(B) * -127041505	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
2	APCo	(10,786,934)	35.95%	(45,673,479)	8.501%	(917,029)	(3,882,836)	2,965,807
3	I&M	(8,341,369)	27.80%	(35,318,595)	3.875%	(323,253)	(1,368,701)	1,045,448
4	KPCo	(2,497,070)	8.32%	(10,572,965)	7.390%	(184,544)	(781,386)	596,842
5	KNGP	(238,736)	0.80%	(1,010,844)	10.505%	(25,079)	(106,188)	81,109
6	OPCo	(7,704,846)	25.68%	(32,623,461)	11.590%	(892,964)	(3,780,944)	2,887,979
7	WPCo	(435,072)	1.45%	(1,842,161)	2.529%	(11,002)	(46,585)	35,583
8	Sum of Lines 2 to 7	(30,004,027)		(127,041,505)		(2,353,871)	(9,966,640)	7,612,769

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

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

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

AEP EAST COMPANIES
Worksheet - P CALCULATION OF
TOTAL WEIGHTED AVERAGE DEPRECIATION RATES
FOR TRANSMISSION PLANT PROPERTY ACCOUNT
EFFECTIVE AS OF 1/1/2012
FOR SINGLE JURISDICTION COMPANIES
OHIO POWER COMPANY

	PLANT ACCT.	RATES Note 1
TRANSMISSION PLANT		
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 At	356.0	1.91%
Overhead Conductor & Devices M	356.0	1.91%
Overhead Conductor & Devices 13	356.0	1.91%
Overhead Conductor & Devices 69	356.0	1.91%
Overhead Conductor & Devices Cl	356.0	1.91%
Underground Conduit	357.0	2.26%
Underground Conductors	358.0	3.27%

Reference:

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

General Note:

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