

Twleve Months Ended 2017

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

APPALACHIAN POWER COMPANY

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 143)				\$319,931,263
			Total	Allocator		
2	REVENUE CREDITS	(Worksheet E Ln 8) (Note A)	7,031,829	DA	1.00000	\$ 7,031,829
3	Facility Credits under PJM OATT Section 30.9	(Worksheet E Ln 9) (Note X)				\$ -
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				\$ 312,899,434

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)	23,376,588	DA	1.00000	\$ 23,376,588
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)					
7	Annual Rate	((ln 1 - ln 107)/((ln 49 + ln 50 + ln 51 + ln 52 + ln 54) x 100))				15.14%
8	Monthly Rate	(ln 7 / 12)				1.26%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)					
10	Annual Rate	((ln 1 - ln 107 - ln 112) /((ln 49 + ln 50 + ln 51 + ln 52 + ln 54) x 100))				12.90%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)					
12	Annual Rate	((ln 1 - ln 107 - ln 112 - ln 138 - ln 139) /((ln 49 + ln 50 + ln 51 + ln 52 + ln 54) x 100))				3.30%
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 86 Below				13,687,208
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)					7,086,454
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)					1,787,395
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)				4,813,359

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

APPALACHIAN POWER COMPANY

(1)		(2)	(3)	(4)		(5)
RATE BASE CALCULATION		Data Sources (See "General Notes")	TO Total NOTE C	Allocator		Total Transmission
Line No.						
19	GROSS PLANT IN SERVICE					
20	Production	(Worksheet A In 1.E)	6,318,119,995	NA	0.00000	-
21	Less: Production ARO (Enter Negative)	(Worksheet A In 2.E)	(91,037,322)	NA	0.00000	-
22	Transmission	(Worksheet A In 3.E & Ln 147)	2,881,607,575	DA		2,818,376,321
23	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E)	-	TP	0.97806	-
24	Line Deliberately Left Blank		N/A	NA	0.00000	N/A
25	Line Deliberately Left Blank		N/A	NA	0.00000	N/A
26	Distribution	(Worksheet A In 5.E)	3,680,417,293	NA	0.00000	-
27	Less: Distribution ARO (Enter Negative)	(Worksheet A In 6.E)	-	NA	0.00000	-
28	General Plant	(Worksheet A In 7.E)	232,859,905	W/S	0.08046	18,736,371
29	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	-	W/S	0.08046	-
30	Intangible Plant	(Worksheet A In 9.E)	127,492,362	W/S	0.08046	10,258,289
30	TOTAL GROSS PLANT	(sum Ins 19 to 29)	13,149,459,807	GP(h)=	0.216539	2,847,370,980
				GTD=	0.42950	
31	ACCUMULATED DEPRECIATION AND AMORTIZATION					
32	Production	(Worksheet A In 12.E)	2,233,010,137	NA	0.00000	-
33	Less: Production ARO (Enter Negative)	(Worksheet A In 13.E)	(31,719,181)	NA	0.00000	-
34	Transmission	(Worksheet A In 14.E & 28.E)	727,597,526	TP1=	0.96973	705,570,252
35	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.E)	-	TP1=	0.96973	-
36	Line Deliberately Left Blank		N/A	DA	0.00000	N/A
37	Line Deliberately Left Blank		N/A	DA	0.00000	N/A
38	Line Deliberately Left Blank		N/A	TP	0.00000	N/A
39	Line Deliberately Left Blank		N/A	W/S	0.00000	N/A
40	Line Deliberately Left Blank		N/A	DA	0.00000	N/A
41	Distribution	(Worksheet A In 16.E)	1,250,586,874	NA	0.00000	-
42	Less: Distribution ARO (Enter Negative)	(Worksheet A In 17.E)	-	NA	0.00000	-
43	General Plant	(Worksheet A In 18.E)	77,955,800	W/S	0.08046	6,272,479
44	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	-	W/S	0.08046	-
45	Intangible Plant	(Worksheet A In 20.E)	70,487,938	W/S	0.08046	5,671,600
46	TOTAL ACCUMULATED DEPRECIATION	(sum Ins 32 to 45)	4,327,919,093			717,514,330
47	NET PLANT IN SERVICE					
48	Production	(In 19 + In 20 - In 32 - In 33)	4,025,791,717			-
49	Transmission	(In 21 + In 22 - In 34 - In 35)	2,154,010,049			2,112,806,069
50	Line Deliberately Left Blank		N/A			N/A
51	Line Deliberately Left Blank		N/A			N/A
52	Line Deliberately Left Blank		N/A			N/A
53	Line Deliberately Left Blank		N/A			N/A
54	Line Deliberately Left Blank		N/A			N/A
55	Distribution	(In 25 + In 26 - In 41 - In 42)	2,429,830,420			-
56	General Plant	(In 27 + In 28 - In 43 - In 44)	154,904,106			12,463,892
57	Intangible Plant	(In 29 - In 45)	57,004,424			4,586,689
58	TOTAL NET PLANT IN SERVICE	(sum Ins 48 to 57)	8,821,540,715	NP(h)=	0.241438	2,129,856,651
59	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)				
60	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	(311,882,709)	NA		-
61	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(1,988,095,009)	DA		(474,049,999)
62	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(852,101,751)	DA		(37,597,416)
63	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	407,389,555	DA		61,027,053
64	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	(882,851)	DA		(115,806)
65	TOTAL ADJUSTMENTS	(sum Ins 60 to 64)	(2,745,572,765)			(450,736,168)
66	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	4,468,605	DA		-
67	REGULATORY ASSETS	(Worksheet A In 36.E)	-	DA		-
68	WORKING CAPITAL	(Note E)				
69	Cash Working Capital	(1/8 * In 89)	3,773,426			3,690,625
70	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	899,936	TP	0.97806	880,188
71	A&G Materials & Supplies	(Worksheet C, In 3.(F))	333,038	W/S	0.08046	26,797
72	Stores Expense	(Worksheet C, In 4.(F))	-	GP(h)	0.21654	-
73	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.G)	190,799,218	W/S	0.08046	15,352,084
74	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.F)	3,699,042	GP(h)	0.21654	800,987
75	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.E)	-	DA	1.00000	-
76	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.D)	(186,570,659)	NA	0.00000	-
77	TOTAL WORKING CAPITAL	(sum Ins 69 to 76)	12,934,000			20,750,682
78	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	(2,695,122)	DA	1.00000	(2,695,122)
79	RATE BASE (sum Ins 58, 65, 66, 67, 77, 78)		6,090,675,433			1,697,176,043

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

APPALACHIAN POWER COMPANY

	(1)	(2)	(3)	(4)	(5)	
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission	
Line No.	OPERATION & MAINTENANCE EXPENSE					
80	Production	321.80.b	1,217,299,555			
81	Distribution	322.156.b	153,936,785			
82	Customer Related Expense	322 & 323.164,171,178.b	68,126,053			
83	Regional Marketing Expenses	322.131.b	6,027,942			
84	Transmission	321.112.b	242,735,734			
85	TOTAL O&M EXPENSES	(sum Ins 80 to 84)	1,688,126,070			
86	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	13,687,208			
87	Less: Account 565	(Note H) 321.96.b	160,995,983			
88	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	37,865,137			
89	Total O&M Allocable to Transmission	(Ins 84 - 86 - 87 - 88)	30,187,406	TP	0.97806	29,525,002
90	Administrative and General	323.197.b (Note J)	111,746,732			
91	Less: Acct. 924, Property Insurance	323.185.b	2,679,953			
92	Acct. 9260039 PBOP Expense	PBOP Worksheet O Line 9 & 10, (Note K)	(15,087,648)			
93	Acct. 9260057 PBOP Medicare Subsidy	PBOP Worksheet O Line 11, (Note K)	-			
94	PBOP Expense Billed From AEPSC	PBOP Worksheet O Line 13, (Note K)	(1,113,249)			
95	Acct. 928, Reg. Com. Exp.	323.189.b	1,161			
96	Acct. 930.1, Gen. Advert. Exp.	323.191.b	938,268			
97	Acct. 930.2, Misc. Gen. Exp.	323.192.b	6,710,836			
98	Balance of A & G	(In 90 - sum In 91 to In 97)	117,617,411	W/S	0.08046	9,463,731
99	Plus: Acct. 924, Property Insurance	(In 91)	2,679,953	GP(h)	0.21654	580,314
100	Acct. 928 - Transmission Specific	Worksheet F In 20.(E) (Note L)	-	TP	0.97806	-
101	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 37.(E) (Note L)	-	TP	0.97806	-
102	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	2,742,428	DA	1.00000	2,742,428
103	Settlement Approved PBOP Recovery	PBOP Worksheet O, Col. C, Line 1, (Note M)	-	W/S	0.08046	-
104	A & G Subtotal	(sum Ins 98 to 103)	123,039,793			12,786,473
105	O & M EXPENSE SUBTOTAL	(In 89 + In 104)	153,227,199			42,311,475
106	Line Deliberately Left Blank					
107	Plus: Transmission Lease Payments To Affiliates in Acct 565 (Company Records) (Note H)		-	DA	1.00000	-
108	TOTAL O & M EXPENSE	(In 105 + In 107)	153,227,199			42,311,475
109	DEPRECIATION AND AMORTIZATION EXPENSE					
110	Production	336.2-6.f	199,293,037	NA	0.00000	-
111	Distribution	336.8.f	138,836,508	NA	0.00000	-
112	Transmission	336.7.f	48,939,097	TP1	0.96973	47,457,516
113	Line Deliberately Left Blank		N/A			N/A
114	General	336.10.f	4,898,847	W/S	0.08046	394,171
115	Intangible	336.1.f	17,915,795	W/S	0.08046	1,441,540
116	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 110+111+ 112+113+114+115)	409,883,284			49,293,227
117	TAXES OTHER THAN INCOME	(Note N)				
118	Labor Related					
119	Payroll	Worksheet H In 24.(D)	8,525,712	W/S	0.08046	685,996
120	Plant Related					
121	Property	Worksheet H In 24.(C) & In 59.(C)	69,869,760	DA		23,505,232
122	Gross Receipts/Sales & Use	Worksheet H In 24.(F)	46,946,500	NA	0.00000	-
123	Other	Worksheet H In 24.(E)	5,829,600	GP(h)	0.21654	1,262,336
124	TOTAL OTHER TAXES	(sum Ins 119 to 123)	131,171,572			25,453,563
125	INCOME TAXES	(Note O)				
126	T=1 - {[(1 - SIT) * (1 - FIT)] / (1 - SIT * FIT * p)} =		37.42%			
127	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		41.78%			
128	where WCLTD=(In 167) and WACC = (In 170)					
129	and FIT, SIT & p are as given in Note O.					
130	GRCF=1 / (1 - T) = (from In 126)		1.5979			
131	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	(24,053)			
132	Excess Deferred Income Tax	(Note U)	(38,400)	DA		(70,000)
133	Tax Affect of Permanent Differences	(Note U)	23,839,323	DA		3,503,364
134	Income Tax Calculation	(In 127 * In 139)	208,652,607			58,141,369
135	ITC adjustment	(In 130 * In 131)	(38,434)	NP(h)	0.24144	(9,280)
136	Excess Deferred Income Tax	(In 130 * In 132)	(61,359)			(111,853)
137	Tax Affect of Permanent Differences	(In 130 * In 133)	38,092,939			5,598,038
138	TOTAL INCOME TAXES	(sum Ins 134 to 137)	246,645,752			63,618,274
139	RETURN ON RATE BASE (Rate Base*WACC)	(In 79 * In 170)	499,436,989			139,168,882
140	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		85,841	DA	1.00000	85,841
141	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-			-
142	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 141 * In127)		-			-
143	TOTAL REVENUE REQUIREMENT		1,440,450,636			319,931,263
	(sum Ins 108, 116, 124, 138, 139, 140, 141, 142)					

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

APPALACHIAN POWER COMPANY

SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
144	Total transmission plant	(In 21)								2,881,607,575
145	Less transmission plant excluded from PJM Tariff (Note P)									
146	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (E)) (Note Q)									63,231,254
147	Transmission plant included in PJM Tariff	(In 144 - In 145 - In 146)								2,818,376,321
148	Percent of transmission plant in PJM Tariff	(In 147 / In 144)						TP=		0.97806
149	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total					
150	Production	354.20.b	60,830,764	24,608,366	85,439,130	NA	0.00000			-
151	Transmission	354.21.b	489,967	12,179,791	12,669,758	TP	0.97806		12,391,745	
152	Regional Market Expenses	354.22.b	0	0	-	NA	0.00000			-
153	Distribution	354.23.b	31,669,185	4,350,401	36,019,586	NA	0.00000			-
154	Other (Excludes A&G)	354.24,25,26.b	10,383,835	9,495,132	19,878,967	NA	0.00000			-
155	Total	(sum Ins 150 to 154)	103,373,751	50,633,690	154,007,441					12,391,745
156	Transmission related amount							W/S=		0.08046
157	WEIGHTED AVERAGE COST OF CAPITAL (WACC)									\$
158	Long Term Interest	(Worksheet M, In. 21, col. (E))								183,235,448
159	Preferred Dividends	(Worksheet M, In. 56, col. (E))								-
160	Development of Common Stock:									
161	Proprietary Capital	(Worksheet M, In. 1, col. (E))								3,689,342,846
162	Less: Preferred Stock	(Worksheet M, In. 2, col. (E))								-
163	Less: Account 216.1	(Worksheet M, In. 3, col. (E))								-
164	Less: Account 219	(Worksheet M, In. 4, col. (E))								(9,378,038)
165	Common Stock	(In 161 - In 162 - In 163 - In 164)								3,698,720,884
166			\$	%		Cost (Note S)			Weighted	
167	Long Term Debt (Note T) Worksheet M, In 11, In 22, col.)		3,718,553,807	50.13%		0.0493			0.0247	
168	Preferred Stock (In 162)		-	0.00%		-			0.0000	
169	Common Stock (In 165)		3,698,720,884	49.87%		11.49%			0.0573	
170	Total (Sum Ins 167 to 169)		7,417,274,691					WACC=		0.0820

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

APPALACHIAN POWER COMPANY

Letter

Notes

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

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
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 89. It excludes:
1) Load Scheduling & Dispatch Charges in account 561 that are collected in the OATT Ancillary Services Revenue, as shown on line 86.
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 88
4) All A&G Expenses, as shown on line 104.
- F Consistent with Paragraph 657 of Order 2003-A, the amount on line 78 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 140.
- 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 89. 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 107 to determine the total O&M collected in the formula. The amounts on line 107 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.
The addbacks on line 107 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 107 is the APPALACHIAN 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 92 through 94 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 131) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required:
FIT = 35.00%
SIT= 3.72% (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 158) / average long term debt (ln 167). Preferred Stock cost rate = preferred dividends (ln 159) / preferred outstanding (ln 168). 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 167 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 Tax effect of permanent differences captures the differences in the income taxes due under the Federal and State calculatins that are not the result of timing differences.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.

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Supporting Plant Balances
APPALACHIAN POWER COMPANY

<u>Line</u>		(A)	(B)	(C)	(D)	(E)
<u>Number</u>		<u>Rate Base Item & Supporting Balance</u>	<u>Source of Data</u>	<u>Balance @ December 31, 2017</u>	<u>Balance @ December 31, 2016</u>	<u>Average Balance for 2017</u>
NOTE: Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.						
<u>Plant Investment Balances</u>						
1	Production Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 46		6,377,906,383	6,258,333,607	6,318,119,995
2	Production Asset Retirement Obligation (ARO)	FF1, page 205&204, Col.(g)&(b), Ins 15,24,34,44		91,037,322	91,037,322	91,037,322
3	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58		2,996,481,060	2,766,734,089	2,881,607,575
4	Transmission Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57		-	-	-
5	Distribution Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 75		3,775,132,064	3,585,702,522	3,680,417,293
6	Distribution Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 74		-	-	-
7	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99		244,248,419	221,471,391	232,859,905
8	General Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 98		-	-	-
9	Intangible Plant In Service	FF1, page 205 Col.(g) & pg. 204 Col. (b), In 5		146,211,538	108,773,185	127,492,362
10	Total Property Investment Balance	(Sum of Lines: 3, 1, 5, 7, 9)		13,539,979,464	12,941,014,794	13,240,497,129
11	Total ARO Balance (included in total on line 10)	(Sum of Lines: 4, 2, 6, 8)		91,037,322	91,037,322	91,037,322
<u>Accumulated Depreciation & Amortization Balances</u>						
12	Production Accumulated Depreciation	FF1, page 219, Ins 20-24, Col. (b)		2,293,356,543	2,172,663,731	2,233,010,137
13	Production ARO Accumulated Depreciation	Company Records - Note 1		33,286,089	30,152,273	31,719,181
14	Transmission Accumulated Depreciation	FF1, page 219, In 25, Col. (b)		736,665,511	718,529,541	727,597,526
15	Transmission ARO Accumulated Depreciation	Company Records - Note 1		-	-	-
16	Distribution Accumulated Depreciation	FF1, page 219, In 26, Col. (b)		1,294,516,702	1,206,657,045	1,250,586,874
17	Distribution ARO Accumulated Depreciation	Company Records - Note 1		-	-	-
18	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)		79,997,219	75,914,380	77,955,800
19	General ARO Accumulated Depreciation	Company Records - Note 1		-	-	-
20	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)		79,197,835	61,778,040	70,487,938
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 12, 16, 18, 20)		4,483,733,810	4,235,542,737	4,359,638,274
22	Total ARO Balance (included in total on line 21)	(Sum of Lines: 15, 13, 17, 19)		33,286,089	30,152,273	31,719,181
<u>Generation Step-Up Units</u>						
23	GSU Investment Amount	Company Records - Note 1		63,231,254	63,231,254	63,231,254
24	GSU Accumulated Depreciation	Company Records - Note 1		22,643,779	21,410,770	22,027,275
25	GSU Net Balance	(Line 23 - Line 24)		40,587,475	41,820,484	41,203,980
<u>Transmission Accumulated Depreciation Net of GSU Accumulated Depreciation</u>						
26	Transmission Accumulated Depreciation	(Line 14 Above)		736,665,511	718,529,541	727,597,526
27	Less: GSU Accumulated Depreciation	(Line 24 Above)		22,643,779	21,410,770	22,027,275
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)		714,021,732	697,118,771	705,570,252
<u>Plant Held For Future Use</u>						
29	Plant Held For Future Use	FF1, page 214, In 47, Col. (d)		4,468,605	4,468,605	4,468,605
30	Transmission Plant Held For Future	Company Records - Note 1		-	-	-
<u>Regulatory Assets and Liabilities Approved for Recovery In Ratebase</u>						
Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.						
31						-
32						-
33						-
34						-
35						-
36	Total Regulatory Deferrals Included in Ratebase				-	-

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

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
APPALACHIAN POWER COMPANY

<u>Line Number</u>	<u>(A)</u> <u>Description</u>	<u>(B)</u> <u>Source</u>	<u>(C)</u> <u>Balance @ December 31,</u> <u>2017</u>	<u>(D)</u> <u>Balance @ December 31,</u> <u>2016</u>	<u>(E)</u> <u>Average Balance for</u> <u>2017</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	320,790,270	302,975,148	311,882,709
3	Less: ARO Related Deferrals	Company Records - Note 1			-
4	Less: Other Excluded Deferrals	Company Records - Note 1	320,790,270	302,975,148	311,882,709
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)	2,040,995,412	1,935,194,606	1,988,095,009
8	Less: ARO Related Deferrals	Company Records - Note 1	18,375,714	18,375,714	18,375,714
9	Less: Other Excluded Deferrals	Company Records - Note 1	1,542,200,146	1,449,138,446	1,495,669,296
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	480,419,552	467,680,446	474,049,999
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	862,757,143	841,446,359	852,101,751
13	Less: ARO Related Deferrals	Company Records - Note 1	12,274,742	12,274,742	12,274,742
14	Less: Other Excluded Deferrals	Company Records - Note 1	812,050,028	792,409,159	802,229,593
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	38,432,373	36,762,458	37,597,416
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	418,761,258	396,017,852	407,389,555
18	Less: ARO Related Deferrals	Company Records - Note 1	49,125,163	49,125,163	49,125,163
19	Less: Other Excluded Deferrals	Company Records - Note 1	306,321,478	288,153,200	297,237,339
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	63,314,617	58,739,489	61,027,053
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	850,579	915,123	882,851
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable Ratebase	Ln 22 - ln 23	850,579	915,123	882,851
25	Transmission Related Deferrals	Company Records - Note 1	115,806	115,806	115,806

NOTE 1 On this worksheet, "Company Records" refers to AEP's tax accounting ledger. Projected ending balances reflect proration required by IRS Letter Rule Section I.I67(I)-I(h)(6)(ii).

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
APPALACHIAN 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)	899,936	899,936	899,936			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	333,038	333,038	333,038			
4	Stores Expense (Undistributed)	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary

		<u>Average of YE Balance</u>	<u>Excludable Balances</u>	<u>100% Transmission Related</u>	<u>Transmission Plant Related</u>	<u>Transmission Labor Related</u>	<u>Total Included in Ratebase (E)+(F)+(G)</u>
5							
6	Totals as of December 31, 2017	7,927,601	(186,570,659)	0	3,699,042	190,799,218	194,498,260
7	Totals as of December 31, 2016	<u>7,927,600</u>	<u>(186,570,659)</u>		<u>3,699,042</u>	<u>190,799,218</u>	<u>194,498,260</u>
8	Average Balance	<u>7,927,600</u>	<u>(186,570,659)</u>	-	<u>3,699,042</u>	<u>190,799,218</u>	<u>194,498,260</u>

Prepayments Account 165 - Balance @ 12/31/2017

	2017 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
9	Acc. No.	Description					
10	1650001	Prepaid Insurance	2,004,655	-	2,004,655	2,004,655	Plant Related Insurance Policies
11	165000217	Prepaid Taxes	1,969,967	-	-	-	Prepaid Taxes - Distribution
12	1650003	Prepaid Rents	0	-	-	-	-
13	1650004	Prepaid Interest	24,867	-	-	-	Prepaid Interest - Distribution
14	1650005	Prepaid Employee Benefits	205,636	-	205,636	205,636	Health Savings Program
15	1650006	Other Prepayments	112,544	-	-	-	PPD Sales
16	1650009	Prepaid Carry Cost-Factored AR	87,839	-	-	-	AR Factoring - Retail Only
17	1650010	Prepaid Pension Benefits	160,602,625	-	160,602,625	160,602,625	Prefunded Pension Expense
18	1650014	FAS 158 Qual Contra Asset	(160,602,625)	-	-	-	SFAS 158 Offset
19	1650016	FAS 112 ASSETS	0	-	-	-	SFAS 112 Overfunding Asset
20	1650021	Prepaid Insurance - EIS	978,406	-	978,406	978,406	Plant Related Insurance Policies
21	1650023	Prepaid Lease	715,980	-	715,980	715,980	Prepaid Lease
22	1650031	Prepaid OCIP Work Comp	568,273	-	568,273	568,273	Labor Related Expense
23	1650032	Prepaid OCIP Work Comp LT	321,134	-	321,134	321,134	Labor Related Expense
24	1650033	Prepaid OCIP Work Comp	581,126	-	581,126	581,126	Labor Related Expense
25	1650034	Prepaid OCIP Work Comp LT-Aff	347,165	-	347,165	347,165	Labor Related Expense
26	1650035	PRW without MED-D benefits	28,173,260	-	28,173,260	28,173,260	Labor Related Expense
27	1650036	PRW for Med-D benefits	0	-	-	-	-
28	1650037	FAS 158 Contra-PRW exclud Med-D	(28,173,260)	-	-	-	SFAS 158 Offset
29	165001113	Prepaid Sales Taxes	0	-	-	-	-
30	165001217	Prepaid Use Tax	10,009	-	-	-	Prepaid Use Tax - Generation
	Subtotal - Form 1, p 111.57.c	7,927,601	(186,570,659)	0	3,699,042	190,799,218	194,498,260

Prepayments Account 165 - Balance @ 12/31/ 2016

	2016 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
31	Acc. No.	Description					
32	1650001	Prepaid Insurance	2,004,655	-	2,004,655	2,004,655	Plant Related Insurance Policies
33	165000216	Prepaid Taxes	1,969,967	-	-	-	Prepaid Taxes - Distribution
34	1650003	Prepaid Rents	0	-	-	-	-
35	1650004	Prepaid Interest	24,867	-	-	-	Prepaid Interest - Distribution
36	1650005	Prepaid Employee Benefits	205,636	-	205,636	205,636	Health Savings Program
37	1650006	Other Prepayments	112,544	-	-	-	PPD Sales
38	1650009	Prepaid Carry Cost-Factored AR	87,839	-	-	-	AR Factoring - Retail Only
39	1650010	Prepaid Pension Benefits	160,602,625	-	160,602,625	160,602,625	Prefunded Pension Expense
40	1650014	FAS 158 Qual Contra Asset	(160,602,625)	-	-	-	SFAS 158 Offset
41	1650016	FAS 112 ASSETS	0	-	-	-	SFAS 112 Overfunding Asset
42	1650021	Prepaid Insurance - EIS	978,406	-	978,406	978,406	Plant Related Insurance Policies
43	1650023	Prepaid Lease	715,980	-	715,980	715,980	Prepaid Lease
44	1650031	Prepaid OCIP Work Comp	568,273	-	568,273	568,273	Labor Related Expense
45	1650032	Prepaid OCIP Work Comp LT	321,134	-	321,134	321,134	Labor Related Expense
46	1650033	Prepaid OCIP Work Comp	581,126	-	581,126	581,126	Labor Related Expense
47	1650034	Prepaid OCIP Work Comp LT-Aff	347,165	-	347,165	347,165	Labor Related Expense
48	1650035	PRW without MED-D benefits	28,173,260	-	28,173,260	28,173,260	Labor Related Expense
49	1650036	PRW for Med-D benefits	0	-	-	-	-
50	1650037	FAS 158 Contra-PRW exclud Med-D	(28,173,260)	-	-	-	SFAS 158 Offset
51	165001113	Prepaid Sales Taxes	0	-	-	-	-
52	165001216	Prepaid Use Tax	10,009	-	-	-	Prepaid Use Tax - Generation
	Subtotal - Form 1, p 111.57.d	7,927,600	(186,570,659)		3,699,042	190,799,218	194,498,260

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
APPALACHIAN 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, line 24.b)	(2,609,281)
2	Interest Accrual (Company Records - Note 1)	(85,841)
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, line 24.f)	(2,695,122)
8	Average Balance for Year as Indicated in Column B ((ln 1 + ln 7)/2)	(2,652,202)

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

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
APPALACHIAN POWER COMPANY

Formula Rate
APCO WS E Rev Credits
Page 10 of 45

<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)	5,283,513	5,283,513	-
2	Account 451,Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	3,315,577	2,943,217	372,360
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	22,576,908	20,026,481	2,550,427
4	Account 4560015, Associated Business Development - (Company Records - Note 1)	9,382,000	5,275,335	4,106,665
5	Account 456 - Other Electric Revenues - (Company Records - Note 1)	97,286,120	97,283,744	2,376
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	137,844,118	130,812,289	7,031,829
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	137,844,118	130,812,289	7,031,829

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

9	Facility Credits under PJM OATT Section 30.9			-
---	--	--	--	---

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
APPALACHIAN 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	5660007	Virginia T-RAC UnderRecovery	37,724,687			
2	5660000	Amortization Severanc e	140,450			
3						
4		Total	37,865,137			
<u>Detail of Account 561 Per FERC Form 1</u>						
5	FF1 p 321.84.b	561 - Load Dispatching	0			
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	0			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	4,813,359			
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	7,086,454			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	0			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	0			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	0			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	1,787,395			
14		Total of Account 561	13,687,208			
<u>Account 928</u>						
15	9280000	Regulatory Commission Exp	1,161	1,161	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	-	-	-	
18	9280003	Rate Case Amortization	-	-	-	
19						
20		Total	1,161	1,161	-	
<u>Account 930.1</u>						
21	9301000	General Advertising Expenses	938,268	938,268	-	
22	9301001	Newspaper Advertising Space	-	-	-	
23	9301002	Radio Station Advertising Time	-	-	-	
24	9301003	TV Station Advertising Time	-	-	-	
25	9301004	Newspaper Advertising Prod Exp	-	-	-	
26	9301005	Radio &TV Advertising Prod Exp	-	-	-	
27	9301006	Spec Corporate Comm Info Proj	-	-	-	
28	9301007	Special Adv Space & Prod Exp	-	-	-	
29	9301008	Direct Mail and Handouts	-			
30	9301009	Fairs, Shows, and Exhibits	-			
31	9301010	Publicity	-	-		
32	9301011	Dedications, Tours, & Openings	-	-	-	
33	9301012	Public Opinion Surveys	-	-	-	
34	9301013	Movies Slide Films & Speeches	-	-	-	
35	9301014	Video Communications	-	-	-	
36	9301015	Other Corporate Comm Exp	-	-	-	
37		Total	938,268	938,268	-	
<u>Account 930.2</u>						
38	9302000	Misc General Expenses	1,445,851	1,445,851		
39	9302003	Corporate & Fiscal Expenses	-	0		
40	9302004	Research, Develop&Demonstr Exp	-	0		
41	9302006	Assoc Business Development Materials Sold	-	0	0	
42	9302007	Assoc Business Development Exp	5,264,985	2,522,557	2,742,428	
43		Total	6,710,836	3,968,408	2,742,428	

AEP East Companies
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
APPALACHIAN POWER COMPANY

Tennessee Income Tax Rate	6.50%	
Apportionment Factor - Note 2	2.34%	
Effective State Tax Rate		0.15%
West Virginia Net Income Tax Rate	6.50%	
Apportionment Factor - Note 2	54.27%	
Effective State Tax Rate		3.53%
Virginia Income Tax Rate	6.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Ohio Franchise Tax Rate	0.00%	
Phase-out Factor Note 1	0.00%	
Apportionment Factor - Note 2	0.00%	
Effective State Tax Rate		0.00%
Michigan Business Income Tax Rate	6.00%	
Apportionment Factor - Note 2	0.02%	
Effective State Tax Rate		0.00%
Illinois Corporation Income Tax Rate	7.75%	
Apportionment Factor - Note 2	0.47%	
Effective State Tax Rate		0.04%
Total Effective State Income Tax Rate		3.72%

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
APPALACHIAN POWER COMPANY

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	Gross Receipts Tax	25,712,000				25,712,000
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - West Virginia	48,750,565	48,750,565			
5	Real and Personal Property - Virginia	18,729,191	18,729,191			
6	Real and Personal Property - Tennessee	1,160,059	1,160,059			
7	Real and Personal Property - Other Jurisdictions	1,229,945	1,229,945			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	8,321,850		8,321,850		
10	Federal Unemployment Tax	49,723		49,723		
11	State Unemployment Insurance	154,139		154,139		
12	Production Taxes					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	21,234,500				21,234,500
16	State Public Service Commission Fees	5,649,600			5,649,600	
17	State Franchise Taxes	180,000			180,000	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23						
24	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14.(c)) NOTE 1: The detail of each total company number and its source in the FERC Form 1 is shown on WS H-1.	131,171,572	69,869,760	8,525,712	5,829,600	46,946,500
Functional Property Tax Allocation						
25	Functionalized Net Plant (TCOS, Lns 48 thru 58) VIRGINIA JURISDICTION	Production 4,025,791,717	Transmission 2,154,010,049	Distribution 2,429,830,420	General 154,904,106	Total 8,764,536,291
26	Percentage of Plant in VIRGINIA JURISDICTION	7.44%	45.60%	55.78%	51.55%	
27	Net Plant in VIRGINIA JURISDICTION (Ln 25 * Ln 26)	299,518,904	982,228,582	1,355,359,408	79,853,066	2,716,959,960
28	Less: Net Value of Exempted Generation Plant	43,340,713				
29	Taxable Property Basis (Ln 27 - Ln 28)	256,178,191	982,228,582	1,355,359,408	79,853,066	2,673,619,247
30	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
31	Weighted Net Plant (Ln 29 * Ln 30)	256,178,191	982,228,582	1,355,359,408	79,853,066	
32	General Plant Allocator (Ln 31 / (Total - General Plant))	9.88%	37.87%	52.25%	-100.00%	
33	Functionalized General Plant (Ln 32 * General Plant)	7,886,838	30,239,412	41,726,816	(79,853,066)	-
34	Weighted VIRGINIA JURISDICTION Plant (Ln 31 + 33)	264,065,029	1,012,467,994	1,397,086,224	0	2,673,619,247
35	Functional Percentage (Ln 34/Total Ln 34)	9.88%	37.87%	52.25%		
36	Functionalized Expense in VIRGINIA JURISDICTION WEST VA JURISDICTION	1,849,824	7,092,523	9,786,844		18,729,191
37	Percentage of Plant in WEST VA JURISDICTION	92.02%	51.69%	44.22%	48.27%	
38	Net Plant in WEST VA JURISDICTION (Ln 25 * Ln 37)	3,704,533,538	1,113,407,794	1,074,471,012	74,772,212	5,967,184,555
39	Less: Net Value of Exempted Generation Plant	2,337,891,422				
40	Taxable Property Basis (Ln 38 - Ln 39)	1,366,642,116	1,113,407,794	1,074,471,012	74,772,212	3,629,293,133
41	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
42	Weighted Net Plant (Ln 40 * Ln 41)	1,366,642,116	1,113,407,794	1,074,471,012	74,772,212	
43	General Plant Allocator (Ln 42 / (Total - General Plant))	38.45%	31.32%	30.23%	-100.00%	
44	Functionalized General Plant (Ln 43 * General Plant)	28,748,418	23,421,430	22,602,364	(74,772,212)	-
45	Weighted WEST VA JURISDICTION Plant (Ln 42 + 44)	1,395,390,534	1,136,829,224	1,097,073,376	(0)	3,629,293,133
46	Functional Percentage (Ln 45/Total Ln 45)	38.45%	31.32%	30.23%		
47	Functionalized Expense in WEST VA JURISDICTION TENNESSEE JURISDICTION	18,743,616	15,270,485	14,736,464		48,750,565
48	Net Plant in TENNESSEE JURISDICTION (Ln 25 - Ln 27 - Ln 38)	21,739,275	58,373,672	-	278,827	80,391,775
49	Less: Net Value Exempted Generation Plant					
50	Taxable Property Basis	21,739,275	58,373,672	-	278,827	80,391,775
51	Relative Valuation Factor	100.00%	100.00%	100.00%	100.00%	
52	Weighted Net Plant (Ln 50 * Ln 51)	21,739,275	58,373,672	-	278,827	
53	General Plant Allocator (Ln 52 / (Total - General Plant)	27.14%	72.86%	0.00%	-100.00%	
54	Functionalized General Plant (Ln 54 * General Plant)	75,662	203,165	-	(278,827)	
55	Weighted TENNESSEE JURISDICTION Plant (Ln 52 + 54)	21,814,937	58,576,837	-	0	80,391,775
56	Functional Percentage (Ln 55/Total Ln 55)	27.14%	72.86%	0.00%		
57	Functionalized Expense in TENNESSEE JURISDICTION	314,791	845,268	-		1,160,059
58	Total Other Jurisdictions: (Line 6 * Net Plant Allocator)		296,956			1,229,945
59	Total Func. Property Taxes (Sum Lns 36, 47, 57, 58)	20,908,231	23,505,232	24,523,308		69,869,760

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
APPALACHIAN POWER COMPANY

(A)		(B)	(C)	(D)
Line No.	Annual Tax Expenses by Type (Note 1)	Total Company	FERC FORM 1 Tie-Back	FERC FORM 1 Reference
1	<u>Revenue Taxes</u>			
2	Gross Receipts Tax	25,712,000	25,712,000	P.263.1 ln 4 (i)
			-	P.263.1 ln 28 (i)
			-	P.263.1 ln 29 (i)
			-	P.263.4 ln 12 (i)
3	<u>Real Estate and Personal Property Taxes</u>			
4	Real and Personal Property - West Virginia	48,750,565	48,750,565	P.263 ln 34 (i)
				P.263 ln 35 (i)
				P.263 ln 39 (i)
				P.263 ln 40 (i)
			-	
5	Real and Personal Property - Virginia	18,729,191	18,729,191	P.263.2 ln 19 (i)
			-	P.263.2 ln 20 (i)
			-	P.263.2 ln 23 (i)
			-	P.263.2 ln 24 (i)
			-	P.263.2 ln 25 (i)
			-	P.263.2 ln 26 (i)
			-	P.263.2 ln 27 (i)
			-	P.263.2 ln 28 (i)
			-	
6	Real and Personal Property - Tennessee	1,160,059	1,160,059	P.263.3 ln 7 (i)
			-	P.263.3 ln 8 (i)
			-	
			-	
		1,229,945		
7	Real and Personal Property - Other Jurisdictions		1,229,945	P.263.1 ln 32 (i)
			-	P.263.3 ln 33 (i)
			-	P.263.3 ln 35 (i)
			-	
8	<u>Payroll Taxes</u>			
9	Federal Insurance Contribution (FICA)	8,321,850	8,321,850	P.263 ln 6 (i)
10	Federal Unemployment Tax	49,723	49,723	P.263 ln 9 (i)
11	State Unemployment Insurance	154,139	154,139	P.263.1 ln 17 (i)
			-	P.263.1 ln 38 (i)
			-	P.263.2 ln 33 (i)
			-	P.263.3 ln 19 (i)
			-	P.263.4 ln 20 (i)
12	<u>Production Taxes</u>	-		
13	State Severance Taxes		-	P.263.3 ln 5 (i)
14	<u>Miscellaneous Taxes</u>			
15	State Business & Occupation Tax	21,234,500	21,234,500	P.263 ln 20 (i)
			-	P.263 ln 21 (i)
			-	P.263 ln 23 (i)
16	State Public Service Commission Fees	5,649,600	5,649,600	P.263 ln 25 (i)
			-	P.263 ln 26 (i)
17	State Franchise Taxes	180,000	180,000	P.263.1 ln 21 (i)
			-	P.263.1 ln 22 (i)
			-	P.263.2 ln 9 (i)
			-	P.263.2 ln 10 (i)
			-	P.263.3 ln 3 (i)
			-	P.263.3 ln 4 (i)
			-	P.263.3 ln 29 (i)
			-	P.263.3 ln 30 (i)
			-	
18	State Lic/Registration Fee	-	-	P.263.1 ln 10 (i)
			-	P.263.2 ln 35 (i)
			-	P.263.2 ln 38 (i)
			-	P.263.3 ln 11 (i)
			-	
			-	
19	Misc. State and Local Tax	-	-	P.263.1 ln 8 (i)
			-	P.263.3 ln 21 (i)
20	Sales & Use	-	-	P.263.1 ln 26 (i)
				P.263.2 ln 11(i)
21	Federal Excise Tax	-	-	P.263 ln 13 (i)
			-	P.263 ln 14 (i)
22	Michigan Single Business Tax	-	-	
			-	
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	131,171,572	131,171,572	

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

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

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
APPALACHIAN POWER COMPANY

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

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

ROE w/o incentives (TCOS, ln 169)				11.49%
Project ROE Incentive Adder				
ROE with additional basis point incentive				11.49%
Determine R (cost of long term debt, cost of preferred stock and equity percentage is from the TCOS, lns 167 through 169)				
	<u>%</u>	<u>Cost</u>	<u>Weighted cost</u>	
Long Term Debt	50.13%	4.93%	2.470%	
Preferred Stock	0.00%	0.00%	0.000%	
Common Stock	49.87%	11.49%	<u>5.730%</u>	
R =			8.200%	

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

Rate Base (TCOS, ln 79)	1,697,176,043
R (from A. above)	8.200%
Return (Rate Base x R)	139,168,882

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

Return (from B. above)	139,168,882
Effective Tax Rate (TCOS, ln 127)	41.78%
Income Tax Calculation (Return x CIT)	58,141,369
ITC Adjustment	(9,280)
Excess Deferred Income Tax	(111,853)
Tax Affect of Permanent Differences	<u>5,598,038</u>
Income Taxes	63,618,274

SUMMARY OF PROJECTED ANNUAL RTEP		REVENUE REQUIREMENTS		
		Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR	2017	23,376,588	23,376,588	\$ -

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

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

Annual Revenue Requirement (TCOS, ln 1)	319,931,263
Lease Payments (TCOS, Ln 107)	-
Return (TCOS, ln 139)	139,168,882
Income Taxes (TCOS, ln 138)	<u>63,618,274</u>
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	117,144,107

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	117,144,107
Return (from I.B. above)	139,168,882
Income Taxes (from I.C. above)	<u>63,618,274</u>
Annual Revenue Requirement, with Basis Point ROE increase	319,931,263
Depreciation (TCOS, ln 112)	<u>47,457,516</u>
Annual Rev. Req. w/ Basis Point ROE increase, less Depreciation	272,473,747

C. Determine FCR with hypothetical basis point ROE increase.

Net Transmission Plant (TCOS, ln 49)	2,112,806,069
Annual Revenue Requirement, with Basis Point ROE increase	319,931,263
FCR with Basis Point increase in ROE	15.14%
Annual Rev. Req. w/ Basis Point ROE increase, less Dep.	272,473,747
FCR with Basis Point ROE increase, less Depreciation	12.90%
FCR less Depreciation (TCOS, ln 10)	<u>12.90%</u>
Incremental FCR with Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Rate Year (2017) (P. 206, Ln 58(b)):	2,766,734,089
Transmission Plant @ End of Rate Year (2017) (P 207, Ln 58(g)):	<u>2,996,481,060</u>
Subtotal	5,763,215,149
Average Transmission Plant Balance for 2017	2,881,607,575
Annual Depreciation and Amortization Expense (TCOS, ln 112)	47,457,516
Composite Depreciation Rate	1.65%
Depreciable Life for Composite Depreciation Rate	60.72
Round to nearest whole year	61

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b0318 (Amos 765/138 kV Transformer)

Current Projected Year ARR	1,743,200
Current Projected Year ARR w/ Incentive	1,743,200
Current Projected Year Incentive ARR	-

Details						
Investment	13,798,879	Current Year				2017
Service Year (yyyy)	2008	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense				226,211
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2008	13,798,879	113,106	13,685,773	1,885,357	1,885,357	\$ -
2009	13,685,773	226,211	13,459,562	1,976,583	1,976,583	\$ -
2010	13,459,562	226,211	13,233,351	1,947,410	1,947,410	\$ -
2011	13,233,351	226,211	13,007,140	1,918,237	1,918,237	\$ -
2012	13,007,140	226,211	12,780,929	1,889,064	1,889,064	\$ -
2013	12,780,929	226,211	12,554,718	1,859,891	1,859,891	\$ -
2014	12,554,718	226,211	12,328,507	1,830,718	1,830,718	\$ -
2015	12,328,507	226,211	12,102,296	1,801,546	1,801,546	\$ -
2016	12,102,296	226,211	11,876,084	1,772,373	1,772,373	\$ -
2017	11,876,084	226,211	11,649,873	1,743,200	1,743,200	\$ -
2018	11,649,873	226,211	11,423,662	1,714,027	1,714,027	\$ -
2019	11,423,662	226,211	11,197,451	1,684,854	1,684,854	\$ -
2020	11,197,451	226,211	10,971,240	1,655,681	1,655,681	\$ -
2021	10,971,240	226,211	10,745,029	1,626,508	1,626,508	\$ -
2022	10,745,029	226,211	10,518,818	1,597,336	1,597,336	\$ -
2023	10,518,818	226,211	10,292,606	1,568,163	1,568,163	\$ -
2024	10,292,606	226,211	10,066,395	1,538,990	1,538,990	\$ -
2025	10,066,395	226,211	9,840,184	1,509,817	1,509,817	\$ -
2026	9,840,184	226,211	9,613,973	1,480,644	1,480,644	\$ -
2027	9,613,973	226,211	9,387,762	1,451,471	1,451,471	\$ -
2028	9,387,762	226,211	9,161,551	1,422,298	1,422,298	\$ -
2029	9,161,551	226,211	8,935,340	1,393,126	1,393,126	\$ -
2030	8,935,340	226,211	8,709,129	1,363,953	1,363,953	\$ -
2031	8,709,129	226,211	8,482,917	1,334,780	1,334,780	\$ -
2032	8,482,917	226,211	8,256,706	1,305,607	1,305,607	\$ -
2033	8,256,706	226,211	8,030,495	1,276,434	1,276,434	\$ -
2034	8,030,495	226,211	7,804,284	1,247,261	1,247,261	\$ -
2035	7,804,284	226,211	7,578,073	1,218,088	1,218,088	\$ -
2036	7,578,073	226,211	7,351,862	1,188,915	1,188,915	\$ -
2037	7,351,862	226,211	7,125,651	1,159,743	1,159,743	\$ -
2038	7,125,651	226,211	6,899,440	1,130,570	1,130,570	\$ -
2039	6,899,440	226,211	6,673,228	1,101,397	1,101,397	\$ -
2040	6,673,228	226,211	6,447,017	1,072,224	1,072,224	\$ -
2041	6,447,017	226,211	6,220,806	1,043,051	1,043,051	\$ -
2042	6,220,806	226,211	5,994,595	1,013,878	1,013,878	\$ -
2043	5,994,595	226,211	5,768,384	984,705	984,705	\$ -
2044	5,768,384	226,211	5,542,173	955,533	955,533	\$ -
2045	5,542,173	226,211	5,315,962	926,360	926,360	\$ -
2046	5,315,962	226,211	5,089,750	897,187	897,187	\$ -
2047	5,089,750	226,211	4,863,539	868,014	868,014	\$ -
2048	4,863,539	226,211	4,637,328	838,841	838,841	\$ -
2049	4,637,328	226,211	4,411,117	809,668	809,668	\$ -
2050	4,411,117	226,211	4,184,906	780,495	780,495	\$ -
2051	4,184,906	226,211	3,958,695	751,323	751,323	\$ -
2052	3,958,695	226,211	3,732,484	722,150	722,150	\$ -
2053	3,732,484	226,211	3,506,273	692,977	692,977	\$ -
2054	3,506,273	226,211	3,280,061	663,804	663,804	\$ -
2055	3,280,061	226,211	3,053,850	634,631	634,631	\$ -
2056	3,053,850	226,211	2,827,639	605,458	605,458	\$ -
2057	2,827,639	226,211	2,601,428	576,285	576,285	\$ -
2058	2,601,428	226,211	2,375,217	547,113	547,113	\$ -
2059	2,375,217	226,211	2,149,006	517,940	517,940	\$ -
2060	2,149,006	226,211	1,922,795	488,767	488,767	\$ -
2061	1,922,795	226,211	1,696,583	459,594	459,594	\$ -
2062	1,696,583	226,211	1,470,372	430,421	430,421	\$ -
2063	1,470,372	226,211	1,244,161	401,248	401,248	\$ -
2064	1,244,161	226,211	1,017,950	372,075	372,075	\$ -
2065	1,017,950	226,211	791,739	342,903	342,903	\$ -
2066	791,739	226,211	565,528	313,730	313,730	\$ -
2067	565,528	226,211	339,317	284,557	284,557	\$ -
Project Totals			13,459,562	68,588,974	68,588,974	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

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

[illegible]

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

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

A. Base Plan Facilities

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

Project Description:	RTEP ID: b1712.2 (Altavista-Leesville 138kV line)
-----------------------------	---

Current Projected Year ARR	331,151
Current Projected Year ARR w/ Incentive	331,151
Current Projected Year Incentive ARR	-

Details						
Investment	2,476,289	Current Year				2017
Service Year (yyyy)	2011	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense				40,595
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2011	2,476,289	-	2,476,289	319,350	319,350	\$ -
2012	2,476,289	40,595	2,435,694	357,327	357,327	\$ -
2013	2,435,694	40,595	2,395,099	352,092	352,092	\$ -
2014	2,395,099	40,595	2,354,504	346,856	346,856	\$ -
2015	2,354,504	40,595	2,313,909	341,621	341,621	\$ -
2016	2,313,909	40,595	2,273,314	336,386	336,386	\$ -
2017	2,273,314	40,595	2,232,720	331,151	331,151	\$ -
2018	2,232,720	40,595	2,192,125	325,915	325,915	\$ -
2019	2,192,125	40,595	2,151,530	320,680	320,680	\$ -
2020	2,151,530	40,595	2,110,935	315,445	315,445	\$ -
2021	2,110,935	40,595	2,070,340	310,210	310,210	\$ -
2022	2,070,340	40,595	2,029,745	304,974	304,974	\$ -
2023	2,029,745	40,595	1,989,150	299,739	299,739	\$ -
2024	1,989,150	40,595	1,948,555	294,504	294,504	\$ -
2025	1,948,555	40,595	1,907,960	289,269	289,269	\$ -
2026	1,907,960	40,595	1,867,365	284,034	284,034	\$ -
2027	1,867,365	40,595	1,826,771	278,798	278,798	\$ -
2028	1,826,771	40,595	1,786,176	273,563	273,563	\$ -
2029	1,786,176	40,595	1,745,581	268,328	268,328	\$ -
2030	1,745,581	40,595	1,704,986	263,093	263,093	\$ -
2031	1,704,986	40,595	1,664,391	257,857	257,857	\$ -
2032	1,664,391	40,595	1,623,796	252,622	252,622	\$ -
2033	1,623,796	40,595	1,583,201	247,387	247,387	\$ -
2034	1,583,201	40,595	1,542,606	242,152	242,152	\$ -
2035	1,542,606	40,595	1,502,011	236,916	236,916	\$ -
2036	1,502,011	40,595	1,461,416	231,681	231,681	\$ -
2037	1,461,416	40,595	1,420,822	226,446	226,446	\$ -
2038	1,420,822	40,595	1,380,227	221,211	221,211	\$ -
2039	1,380,227	40,595	1,339,632	215,975	215,975	\$ -
2040	1,339,632	40,595	1,299,037	210,740	210,740	\$ -
2041	1,299,037	40,595	1,258,442	205,505	205,505	\$ -
2042	1,258,442	40,595	1,217,847	200,270	200,270	\$ -
2043	1,217,847	40,595	1,177,252	195,034	195,034	\$ -
2044	1,177,252	40,595	1,136,657	189,799	189,799	\$ -
2045	1,136,657	40,595	1,096,062	184,564	184,564	\$ -
2046	1,096,062	40,595	1,055,467	179,329	179,329	\$ -
2047	1,055,467	40,595	1,014,873	174,093	174,093	\$ -
2048	1,014,873	40,595	974,278	168,858	168,858	\$ -
2049	974,278	40,595	933,683	163,623	163,623	\$ -
2050	933,683	40,595	893,088	158,388	158,388	\$ -
2051	893,088	40,595	852,493	153,153	153,153	\$ -
2052	852,493	40,595	811,898	147,917	147,917	\$ -
2053	811,898	40,595	771,303	142,682	142,682	\$ -
2054	771,303	40,595	730,708	137,447	137,447	\$ -
2055	730,708	40,595	690,113	132,212	132,212	\$ -
2056	690,113	40,595	649,518	126,976	126,976	\$ -
2057	649,518	40,595	608,924	121,741	121,741	\$ -
2058	608,924	40,595	568,329	116,506	116,506	\$ -
2059	568,329	40,595	527,734	111,271	111,271	\$ -
2060	527,734	40,595	487,139	106,035	106,035	\$ -
2061	487,139	40,595	446,544	100,800	100,800	\$ -
2062	446,544	40,595	405,949	95,565	95,565	\$ -
2063	405,949	40,595	365,354	90,330	90,330	\$ -
2064	365,354	40,595	324,759	85,094	85,094	\$ -
2065	324,759	40,595	284,164	79,859	79,859	\$ -
2066	284,164	40,595	243,569	74,624	74,624	\$ -
2067	243,569	40,595	202,975	69,389	69,389	\$ -
2068	202,975	40,595	162,380	64,153	64,153	\$ -
2069	162,380	40,595	121,785	58,918	58,918	\$ -
2070	121,785	40,595	81,190	53,683	53,683	\$ -
Project Totals		2,395,099		12,444,141	12,444,141	

[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.

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

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

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

A. Base Plan Facilities

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

Project Description:	RTEP ID: b2020 (Rebuild Amos-Kanawha River 138 kV corridor)
-----------------------------	---

Current Projected Year ARR	2,152,715
Current Projected Year ARR w/ Incentive	2,152,715
Current Projected Year Incentive ARR	-

Details						
Investment	15,426,951	Current Year				2017
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	9	FCR w/o incentives, less depreciation				12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense				252,901
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	15,426,951	63,225	15,363,726	2,048,654	2,048,654	\$ -
2015	15,363,726	252,901	15,110,825	2,217,945	2,217,945	\$ -
2016	15,110,825	252,901	14,857,924	2,185,330	2,185,330	\$ -
2017	14,857,924	252,901	14,605,023	2,152,715	2,152,715	\$ -
2018	14,605,023	252,901	14,352,122	2,120,101	2,120,101	\$ -
2019	14,352,122	252,901	14,099,222	2,087,486	2,087,486	\$ -
2020	14,099,222	252,901	13,846,321	2,054,871	2,054,871	\$ -
2021	13,846,321	252,901	13,593,420	2,022,256	2,022,256	\$ -
2022	13,593,420	252,901	13,340,519	1,989,641	1,989,641	\$ -
2023	13,340,519	252,901	13,087,618	1,957,026	1,957,026	\$ -
2024	13,087,618	252,901	12,834,717	1,924,412	1,924,412	\$ -
2025	12,834,717	252,901	12,581,817	1,891,797	1,891,797	\$ -
2026	12,581,817	252,901	12,328,916	1,859,182	1,859,182	\$ -
2027	12,328,916	252,901	12,076,015	1,826,567	1,826,567	\$ -
2028	12,076,015	252,901	11,823,114	1,793,952	1,793,952	\$ -
2029	11,823,114	252,901	11,570,213	1,761,337	1,761,337	\$ -
2030	11,570,213	252,901	11,317,312	1,728,722	1,728,722	\$ -
2031	11,317,312	252,901	11,064,412	1,696,108	1,696,108	\$ -
2032	11,064,412	252,901	10,811,511	1,663,493	1,663,493	\$ -
2033	10,811,511	252,901	10,558,610	1,630,878	1,630,878	\$ -
2034	10,558,610	252,901	10,305,709	1,598,263	1,598,263	\$ -
2035	10,305,709	252,901	10,052,808	1,565,648	1,565,648	\$ -
2036	10,052,808	252,901	9,799,907	1,533,033	1,533,033	\$ -
2037	9,799,907	252,901	9,547,007	1,500,419	1,500,419	\$ -
2038	9,547,007	252,901	9,294,106	1,467,804	1,467,804	\$ -
2039	9,294,106	252,901	9,041,205	1,435,189	1,435,189	\$ -
2040	9,041,205	252,901	8,788,304	1,402,574	1,402,574	\$ -
2041	8,788,304	252,901	8,535,403	1,369,959	1,369,959	\$ -
2042	8,535,403	252,901	8,282,502	1,337,344	1,337,344	\$ -
2043	8,282,502	252,901	8,029,602	1,304,730	1,304,730	\$ -
2044	8,029,602	252,901	7,776,701	1,272,115	1,272,115	\$ -
2045	7,776,701	252,901	7,523,800	1,239,500	1,239,500	\$ -
2046	7,523,800	252,901	7,270,899	1,206,885	1,206,885	\$ -
2047	7,270,899	252,901	7,017,998	1,174,270	1,174,270	\$ -
2048	7,017,998	252,901	6,765,097	1,141,655	1,141,655	\$ -
2049	6,765,097	252,901	6,512,197	1,109,040	1,109,040	\$ -
2050	6,512,197	252,901	6,259,296	1,076,426	1,076,426	\$ -
2051	6,259,296	252,901	6,006,395	1,043,811	1,043,811	\$ -
2052	6,006,395	252,901	5,753,494	1,011,196	1,011,196	\$ -
2053	5,753,494	252,901	5,500,593	978,581	978,581	\$ -
2054	5,500,593	252,901	5,247,692	945,966	945,966	\$ -
2055	5,247,692	252,901	4,994,792	913,351	913,351	\$ -
2056	4,994,792	252,901	4,741,891	880,737	880,737	\$ -
2057	4,741,891	252,901	4,488,990	848,122	848,122	\$ -
2058	4,488,990	252,901	4,236,089	815,507	815,507	\$ -
2059	4,236,089	252,901	3,983,188	782,892	782,892	\$ -
2060	3,983,188	252,901	3,730,287	750,277	750,277	\$ -
2061	3,730,287	252,901	3,477,386	717,662	717,662	\$ -
2062	3,477,386	252,901	3,224,486	685,048	685,048	\$ -
2063	3,224,486	252,901	2,971,585	652,433	652,433	\$ -
2064	2,971,585	252,901	2,718,684	619,818	619,818	\$ -
2065	2,718,684	252,901	2,465,783	587,203	587,203	\$ -
2066	2,465,783	252,901	2,212,882	554,588	554,588	\$ -
2067	2,212,882	252,901	1,959,981	521,973	521,973	\$ -
2068	1,959,981	252,901	1,707,081	489,358	489,358	\$ -
2069	1,707,081	252,901	1,454,180	456,744	456,744	\$ -
2070	1,454,180	252,901	1,201,279	424,129	424,129	\$ -
2071	1,201,279	252,901	948,378	391,514	391,514	\$ -
2072	948,378	252,901	695,477	358,899	358,899	\$ -
2073	695,477	252,901	442,576	326,284	326,284	\$ -
Project Totals	14,984,375			77,103,420	77,103,420	

[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.

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

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

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

A. Base Plan Facilities

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

Project Description:	RTEP ID: b2021 (Kanawha River Gen Retirement - Upgrades)
-----------------------------	--

Current Projected Year ARR	308,414
Current Projected Year ARR w/ Incentive	308,414
Current Projected Year Incentive ARR	-

Details						
Investment	2,201,839	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				12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense				36,096
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	2,201,839	-	2,201,839	283,956	283,956	\$ -
2015	2,201,839	36,096	2,165,743	317,724	317,724	\$ -
2016	2,165,743	36,096	2,129,648	313,069	313,069	\$ -
2017	2,129,648	36,096	2,093,552	308,414	308,414	\$ -
2018	2,093,552	36,096	2,057,456	303,759	303,759	\$ -
2019	2,057,456	36,096	2,021,360	299,104	299,104	\$ -
2020	2,021,360	36,096	1,985,265	294,449	294,449	\$ -
2021	1,985,265	36,096	1,949,169	289,794	289,794	\$ -
2022	1,949,169	36,096	1,913,073	285,139	285,139	\$ -
2023	1,913,073	36,096	1,876,978	280,484	280,484	\$ -
2024	1,876,978	36,096	1,840,882	275,829	275,829	\$ -
2025	1,840,882	36,096	1,804,786	271,174	271,174	\$ -
2026	1,804,786	36,096	1,768,690	266,519	266,519	\$ -
2027	1,768,690	36,096	1,732,595	261,864	261,864	\$ -
2028	1,732,595	36,096	1,696,499	257,209	257,209	\$ -
2029	1,696,499	36,096	1,660,403	252,554	252,554	\$ -
2030	1,660,403	36,096	1,624,307	247,899	247,899	\$ -
2031	1,624,307	36,096	1,588,212	243,244	243,244	\$ -
2032	1,588,212	36,096	1,552,116	238,589	238,589	\$ -
2033	1,552,116	36,096	1,516,020	233,934	233,934	\$ -
2034	1,516,020	36,096	1,479,925	229,279	229,279	\$ -
2035	1,479,925	36,096	1,443,829	224,624	224,624	\$ -
2036	1,443,829	36,096	1,407,733	219,969	219,969	\$ -
2037	1,407,733	36,096	1,371,637	215,314	215,314	\$ -
2038	1,371,637	36,096	1,335,542	210,659	210,659	\$ -
2039	1,335,542	36,096	1,299,446	206,004	206,004	\$ -
2040	1,299,446	36,096	1,263,350	201,349	201,349	\$ -
2041	1,263,350	36,096	1,227,255	196,694	196,694	\$ -
2042	1,227,255	36,096	1,191,159	192,039	192,039	\$ -
2043	1,191,159	36,096	1,155,063	187,384	187,384	\$ -
2044	1,155,063	36,096	1,118,967	182,729	182,729	\$ -
2045	1,118,967	36,096	1,082,872	178,074	178,074	\$ -
2046	1,082,872	36,096	1,046,776	173,419	173,419	\$ -
2047	1,046,776	36,096	1,010,680	168,764	168,764	\$ -
2048	1,010,680	36,096	974,584	164,109	164,109	\$ -
2049	974,584	36,096	938,489	159,454	159,454	\$ -
2050	938,489	36,096	902,393	154,799	154,799	\$ -
2051	902,393	36,096	866,297	150,144	150,144	\$ -
2052	866,297	36,096	830,202	145,488	145,488	\$ -
2053	830,202	36,096	794,106	140,833	140,833	\$ -
2054	794,106	36,096	758,010	136,178	136,178	\$ -
2055	758,010	36,096	721,914	131,523	131,523	\$ -
2056	721,914	36,096	685,819	126,868	126,868	\$ -
2057	685,819	36,096	649,723	122,213	122,213	\$ -
2058	649,723	36,096	613,627	117,558	117,558	\$ -
2059	613,627	36,096	577,532	112,903	112,903	\$ -
2060	577,532	36,096	541,436	108,248	108,248	\$ -
2061	541,436	36,096	505,340	103,593	103,593	\$ -
2062	505,340	36,096	469,244	98,938	98,938	\$ -
2063	469,244	36,096	433,149	94,283	94,283	\$ -
2064	433,149	36,096	397,053	89,628	89,628	\$ -
2065	397,053	36,096	360,957	84,973	84,973	\$ -
2066	360,957	36,096	324,861	80,318	80,318	\$ -
2067	324,861	36,096	288,766	75,663	75,663	\$ -
2068	288,766	36,096	252,670	71,008	71,008	\$ -
2069	252,670	36,096	216,574	66,353	66,353	\$ -
2070	216,574	36,096	180,479	61,698	61,698	\$ -
2071	180,479	36,096	144,383	57,043	57,043	\$ -
2072	144,383	36,096	108,287	52,388	52,388	\$ -
2073	108,287	36,096	72,191	47,733	47,733	\$ -
Project Totals		2,129,648		11,064,942	11,064,942	

[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.

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

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b2017 (Rebuild Sporn-Waterford-Muskingum River 345 kV line)

Current Projected Year ARR	2,125,650
Current Projected Year ARR w/ Incentive	2,125,650
Current Projected Year Incentive ARR	-

Details						
Investment Year (yyyy)	2015	Current Year				2017
Service Month (1-12)	5	ROE increase accepted by FERC (Basis Points)				-
Useful life	61	FCR w/o incentives, less depreciation				12.90%
CIAC (Yes or No)	No	FCR w/incentives approved for these facilities, less dep.				12.90%
		Annual Depreciation Expense				247,224
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	15,080,671	144,214	14,936,457	2,079,763	2,079,763	\$ -
2016	14,936,457	247,224	14,689,233	2,157,533	2,157,533	\$ -
2017	14,689,233	247,224	14,442,009	2,125,650	2,125,650	\$ -
2018	14,442,009	247,224	14,194,785	2,093,767	2,093,767	\$ -
2019	14,194,785	247,224	13,947,560	2,061,884	2,061,884	\$ -
2020	13,947,560	247,224	13,700,336	2,030,002	2,030,002	\$ -
2021	13,700,336	247,224	13,453,112	1,998,119	1,998,119	\$ -
2022	13,453,112	247,224	13,205,888	1,966,236	1,966,236	\$ -
2023	13,205,888	247,224	12,958,664	1,934,353	1,934,353	\$ -
2024	12,958,664	247,224	12,711,440	1,902,471	1,902,471	\$ -
2025	12,711,440	247,224	12,464,216	1,870,588	1,870,588	\$ -
2026	12,464,216	247,224	12,216,992	1,838,705	1,838,705	\$ -
2027	12,216,992	247,224	11,969,768	1,806,822	1,806,822	\$ -
2028	11,969,768	247,224	11,722,543	1,774,940	1,774,940	\$ -
2029	11,722,543	247,224	11,475,319	1,743,057	1,743,057	\$ -
2030	11,475,319	247,224	11,228,095	1,711,174	1,711,174	\$ -
2031	11,228,095	247,224	10,980,871	1,679,291	1,679,291	\$ -
2032	10,980,871	247,224	10,733,647	1,647,408	1,647,408	\$ -
2033	10,733,647	247,224	10,486,423	1,615,526	1,615,526	\$ -
2034	10,486,423	247,224	10,239,199	1,583,643	1,583,643	\$ -
2035	10,239,199	247,224	9,991,975	1,551,760	1,551,760	\$ -
2036	9,991,975	247,224	9,744,751	1,519,877	1,519,877	\$ -
2037	9,744,751	247,224	9,497,526	1,487,995	1,487,995	\$ -
2038	9,497,526	247,224	9,250,302	1,456,112	1,456,112	\$ -
2039	9,250,302	247,224	9,003,078	1,424,229	1,424,229	\$ -
2040	9,003,078	247,224	8,755,854	1,392,346	1,392,346	\$ -
2041	8,755,854	247,224	8,508,630	1,360,464	1,360,464	\$ -
2042	8,508,630	247,224	8,261,406	1,328,581	1,328,581	\$ -
2043	8,261,406	247,224	8,014,182	1,296,698	1,296,698	\$ -
2044	8,014,182	247,224	7,766,958	1,264,815	1,264,815	\$ -
2045	7,766,958	247,224	7,519,733	1,232,933	1,232,933	\$ -
2046	7,519,733	247,224	7,272,509	1,201,050	1,201,050	\$ -
2047	7,272,509	247,224	7,025,285	1,169,167	1,169,167	\$ -
2048	7,025,285	247,224	6,778,061	1,137,284	1,137,284	\$ -
2049	6,778,061	247,224	6,530,837	1,105,402	1,105,402	\$ -
2050	6,530,837	247,224	6,283,613	1,073,519	1,073,519	\$ -
2051	6,283,613	247,224	6,036,389	1,041,636	1,041,636	\$ -
2052	6,036,389	247,224	5,789,165	1,009,753	1,009,753	\$ -
2053	5,789,165	247,224	5,541,941	977,871	977,871	\$ -
2054	5,541,941	247,224	5,294,716	945,988	945,988	\$ -
2055	5,294,716	247,224	5,047,492	914,105	914,105	\$ -
2056	5,047,492	247,224	4,800,268	882,222	882,222	\$ -
2057	4,800,268	247,224	4,553,044	850,340	850,340	\$ -
2058	4,553,044	247,224	4,305,820	818,457	818,457	\$ -
2059	4,305,820	247,224	4,058,596	786,574	786,574	\$ -
2060	4,058,596	247,224	3,811,372	754,691	754,691	\$ -
2061	3,811,372	247,224	3,564,148	722,809	722,809	\$ -
2062	3,564,148	247,224	3,316,924	690,926	690,926	\$ -
2063	3,316,924	247,224	3,069,699	659,043	659,043	\$ -
2064	3,069,699	247,224	2,822,475	627,160	627,160	\$ -
2065	2,822,475	247,224	2,575,251	595,278	595,278	\$ -
2066	2,575,251	247,224	2,328,027	563,395	563,395	\$ -
2067	2,328,027	247,224	2,080,803	531,512	531,512	\$ -
2068	2,080,803	247,224	1,833,579	499,629	499,629	\$ -
2069	1,833,579	247,224	1,586,355	467,747	467,747	\$ -
2070	1,586,355	247,224	1,339,131	435,864	435,864	\$ -
2071	1,339,131	247,224	1,091,907	403,981	403,981	\$ -
2072	1,091,907	247,224	844,682	372,098	372,098	\$ -
2073	844,682	247,224	597,458	340,215	340,215	\$ -
2074	597,458	247,224	350,234	308,333	308,333	\$ -
Project Totals	74,822,790	14,730,437	74,822,790	74,822,790	74,822,790	-

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

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

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

[illegible]

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1660 (Install a 765/500 kV transformer at Cloverdale)

Current Projected Year ARR	8,889,735
Current Projected Year ARR w/ Incentive	8,889,735
Current Projected Year Incentive ARR	-

Details						
Investment	61,681,514	Current Year				2017
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	11	FCR w/incentives, less depreciation				12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense				1,011,172
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	61,681,514	84,264	61,597,250	8,033,462	8,033,462	\$ -
2017	61,597,250	1,011,172	60,586,077	8,889,735	8,889,735	\$ -
2018	60,586,077	1,011,172	59,574,905	8,759,331	8,759,331	\$ -
2019	59,574,905	1,011,172	58,563,733	8,628,927	8,628,927	\$ -
2020	58,563,733	1,011,172	57,552,560	8,498,523	8,498,523	\$ -
2021	57,552,560	1,011,172	56,541,388	8,368,120	8,368,120	\$ -
2022	56,541,388	1,011,172	55,530,215	8,237,716	8,237,716	\$ -
2023	55,530,215	1,011,172	54,519,043	8,107,312	8,107,312	\$ -
2024	54,519,043	1,011,172	53,507,871	7,976,908	7,976,908	\$ -
2025	53,507,871	1,011,172	52,496,698	7,846,504	7,846,504	\$ -
2026	52,496,698	1,011,172	51,485,526	7,716,101	7,716,101	\$ -
2027	51,485,526	1,011,172	50,474,354	7,585,697	7,585,697	\$ -
2028	50,474,354	1,011,172	49,463,181	7,455,293	7,455,293	\$ -
2029	49,463,181	1,011,172	48,452,009	7,324,889	7,324,889	\$ -
2030	48,452,009	1,011,172	47,440,837	7,194,485	7,194,485	\$ -
2031	47,440,837	1,011,172	46,429,664	7,064,082	7,064,082	\$ -
2032	46,429,664	1,011,172	45,418,492	6,933,678	6,933,678	\$ -
2033	45,418,492	1,011,172	44,407,320	6,803,274	6,803,274	\$ -
2034	44,407,320	1,011,172	43,396,147	6,672,870	6,672,870	\$ -
2035	43,396,147	1,011,172	42,384,975	6,542,467	6,542,467	\$ -
2036	42,384,975	1,011,172	41,373,802	6,412,063	6,412,063	\$ -
2037	41,373,802	1,011,172	40,362,630	6,281,659	6,281,659	\$ -
2038	40,362,630	1,011,172	39,351,458	6,151,255	6,151,255	\$ -
2039	39,351,458	1,011,172	38,340,285	6,020,851	6,020,851	\$ -
2040	38,340,285	1,011,172	37,329,113	5,890,448	5,890,448	\$ -
2041	37,329,113	1,011,172	36,317,941	5,760,044	5,760,044	\$ -
2042	36,317,941	1,011,172	35,306,768	5,629,640	5,629,640	\$ -
2043	35,306,768	1,011,172	34,295,596	5,499,236	5,499,236	\$ -
2044	34,295,596	1,011,172	33,284,424	5,368,832	5,368,832	\$ -
2045	33,284,424	1,011,172	32,273,251	5,238,429	5,238,429	\$ -
2046	32,273,251	1,011,172	31,262,079	5,108,025	5,108,025	\$ -
2047	31,262,079	1,011,172	30,250,906	4,977,621	4,977,621	\$ -
2048	30,250,906	1,011,172	29,239,734	4,847,217	4,847,217	\$ -
2049	29,239,734	1,011,172	28,228,562	4,716,813	4,716,813	\$ -
2050	28,228,562	1,011,172	27,217,389	4,586,410	4,586,410	\$ -
2051	27,217,389	1,011,172	26,206,217	4,456,006	4,456,006	\$ -
2052	26,206,217	1,011,172	25,195,045	4,325,602	4,325,602	\$ -
2053	25,195,045	1,011,172	24,183,872	4,195,198	4,195,198	\$ -
2054	24,183,872	1,011,172	23,172,700	4,064,794	4,064,794	\$ -
2055	23,172,700	1,011,172	22,161,528	3,934,391	3,934,391	\$ -
2056	22,161,528	1,011,172	21,150,355	3,803,987	3,803,987	\$ -
2057	21,150,355	1,011,172	20,139,183	3,673,583	3,673,583	\$ -
2058	20,139,183	1,011,172	19,128,010	3,543,179	3,543,179	\$ -
2059	19,128,010	1,011,172	18,116,838	3,412,776	3,412,776	\$ -
2060	18,116,838	1,011,172	17,105,666	3,282,372	3,282,372	\$ -
2061	17,105,666	1,011,172	16,094,493	3,151,968	3,151,968	\$ -
2062	16,094,493	1,011,172	15,083,321	3,021,564	3,021,564	\$ -
2063	15,083,321	1,011,172	14,072,149	2,891,160	2,891,160	\$ -
2064	14,072,149	1,011,172	13,060,976	2,760,757	2,760,757	\$ -
2065	13,060,976	1,011,172	12,049,804	2,630,353	2,630,353	\$ -
2066	12,049,804	1,011,172	11,038,632	2,499,949	2,499,949	\$ -
2067	11,038,632	1,011,172	10,027,459	2,369,545	2,369,545	\$ -
2068	10,027,459	1,011,172	9,016,287	2,239,141	2,239,141	\$ -
2069	9,016,287	1,011,172	8,005,115	2,108,738	2,108,738	\$ -
2070	8,005,115	1,011,172	6,993,942	1,978,334	1,978,334	\$ -
2071	6,993,942	1,011,172	5,982,770	1,847,930	1,847,930	\$ -
2072	5,982,770	1,011,172	4,971,597	1,717,526	1,717,526	\$ -
2073	4,971,597	1,011,172	3,960,425	1,587,122	1,587,122	\$ -
2074	3,960,425	1,011,172	2,949,253	1,456,719	1,456,719	\$ -
2075	2,949,253	1,011,172	1,938,080	1,326,315	1,326,315	\$ -
Project Totals			59,743,434	309,406,926	309,406,926	

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		

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

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

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

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1660.1 (Cloverdale: Establish 500 kV station and 500 to 765 kV tie)

Current Projected Year ARR	3,514,742
Current Projected Year ARR w/ Incentive	3,514,742
Current Projected Year Incentive ARR	-

Details						
Investment	24,387,070	Current Year				2017
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	11	FCR w/o incentives, less depreciation				12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense				399,788
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	24,387,070	33,316	24,353,754	3,176,196	3,176,196	\$ -
2017	24,353,754	399,788	23,953,966	3,514,742	3,514,742	\$ -
2018	23,953,966	399,788	23,554,178	3,463,184	3,463,184	\$ -
2019	23,554,178	399,788	23,154,390	3,411,626	3,411,626	\$ -
2020	23,154,390	399,788	22,754,602	3,360,068	3,360,068	\$ -
2021	22,754,602	399,788	22,354,814	3,308,510	3,308,510	\$ -
2022	22,354,814	399,788	21,955,026	3,256,952	3,256,952	\$ -
2023	21,955,026	399,788	21,555,238	3,205,394	3,205,394	\$ -
2024	21,555,238	399,788	21,155,450	3,153,837	3,153,837	\$ -
2025	21,155,450	399,788	20,755,662	3,102,279	3,102,279	\$ -
2026	20,755,662	399,788	20,355,874	3,050,721	3,050,721	\$ -
2027	20,355,874	399,788	19,956,086	2,999,163	2,999,163	\$ -
2028	19,956,086	399,788	19,556,298	2,947,605	2,947,605	\$ -
2029	19,556,298	399,788	19,156,510	2,896,047	2,896,047	\$ -
2030	19,156,510	399,788	18,756,722	2,844,490	2,844,490	\$ -
2031	18,756,722	399,788	18,356,934	2,792,932	2,792,932	\$ -
2032	18,356,934	399,788	17,957,146	2,741,374	2,741,374	\$ -
2033	17,957,146	399,788	17,557,358	2,689,816	2,689,816	\$ -
2034	17,557,358	399,788	17,157,570	2,638,258	2,638,258	\$ -
2035	17,157,570	399,788	16,757,782	2,586,700	2,586,700	\$ -
2036	16,757,782	399,788	16,357,994	2,535,142	2,535,142	\$ -
2037	16,357,994	399,788	15,958,206	2,483,585	2,483,585	\$ -
2038	15,958,206	399,788	15,558,418	2,432,027	2,432,027	\$ -
2039	15,558,418	399,788	15,158,630	2,380,469	2,380,469	\$ -
2040	15,158,630	399,788	14,758,842	2,328,911	2,328,911	\$ -
2041	14,758,842	399,788	14,359,054	2,277,353	2,277,353	\$ -
2042	14,359,054	399,788	13,959,265	2,225,795	2,225,795	\$ -
2043	13,959,265	399,788	13,559,477	2,174,237	2,174,237	\$ -
2044	13,559,477	399,788	13,159,689	2,122,680	2,122,680	\$ -
2045	13,159,689	399,788	12,759,901	2,071,122	2,071,122	\$ -
2046	12,759,901	399,788	12,360,113	2,019,564	2,019,564	\$ -
2047	12,360,113	399,788	11,960,325	1,968,006	1,968,006	\$ -
2048	11,960,325	399,788	11,560,537	1,916,448	1,916,448	\$ -
2049	11,560,537	399,788	11,160,749	1,864,890	1,864,890	\$ -
2050	11,160,749	399,788	10,760,961	1,813,332	1,813,332	\$ -
2051	10,760,961	399,788	10,361,173	1,761,775	1,761,775	\$ -
2052	10,361,173	399,788	9,961,385	1,710,217	1,710,217	\$ -
2053	9,961,385	399,788	9,561,597	1,658,659	1,658,659	\$ -
2054	9,561,597	399,788	9,161,809	1,607,101	1,607,101	\$ -
2055	9,161,809	399,788	8,762,021	1,555,543	1,555,543	\$ -
2056	8,762,021	399,788	8,362,233	1,503,985	1,503,985	\$ -
2057	8,362,233	399,788	7,962,445	1,452,428	1,452,428	\$ -
2058	7,962,445	399,788	7,562,657	1,400,870	1,400,870	\$ -
2059	7,562,657	399,788	7,162,869	1,349,312	1,349,312	\$ -
2060	7,162,869	399,788	6,763,081	1,297,754	1,297,754	\$ -
2061	6,763,081	399,788	6,363,293	1,246,196	1,246,196	\$ -
2062	6,363,293	399,788	5,963,505	1,194,638	1,194,638	\$ -
2063	5,963,505	399,788	5,563,717	1,143,080	1,143,080	\$ -
2064	5,563,717	399,788	5,163,929	1,091,523	1,091,523	\$ -
2065	5,163,929	399,788	4,764,141	1,039,965	1,039,965	\$ -
2066	4,764,141	399,788	4,364,353	988,407	988,407	\$ -
2067	4,364,353	399,788	3,964,565	936,849	936,849	\$ -
2068	3,964,565	399,788	3,564,777	885,291	885,291	\$ -
2069	3,564,777	399,788	3,164,989	833,733	833,733	\$ -
2070	3,164,989	399,788	2,765,201	782,175	782,175	\$ -
2071	2,765,201	399,788	2,365,413	730,618	730,618	\$ -
2072	2,365,413	399,788	1,965,624	679,060	679,060	\$ -
2073	1,965,624	399,788	1,565,836	627,502	627,502	\$ -
2074	1,565,836	399,788	1,166,048	575,944	575,944	\$ -
2075	1,166,048	399,788	766,260	524,386	524,386	\$ -
Project Totals		23,620,810		122,330,466	122,330,466	

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		

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

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

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

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1663.2 (Jacksons Ferry 765 kV breakers, switches, bus work, and relays)

Current Projected Year ARR	779,062
Current Projected Year ARR w/ Incentive	779,062
Current Projected Year Incentive ARR	-

Details						
Investment	5,479,205	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				12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense				89,823
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	5,479,205	-	5,479,205	706,615	706,615	\$ -
2016	5,479,205	89,823	5,389,382	790,646	790,646	\$ -
2017	5,389,382	89,823	5,299,559	779,062	779,062	\$ -
2018	5,299,559	89,823	5,209,736	767,478	767,478	\$ -
2019	5,209,736	89,823	5,119,913	755,894	755,894	\$ -
2020	5,119,913	89,823	5,030,090	744,310	744,310	\$ -
2021	5,030,090	89,823	4,940,267	732,726	732,726	\$ -
2022	4,940,267	89,823	4,850,444	721,143	721,143	\$ -
2023	4,850,444	89,823	4,760,621	709,559	709,559	\$ -
2024	4,760,621	89,823	4,670,798	697,975	697,975	\$ -
2025	4,670,798	89,823	4,580,975	686,391	686,391	\$ -
2026	4,580,975	89,823	4,491,152	674,807	674,807	\$ -
2027	4,491,152	89,823	4,401,329	663,223	663,223	\$ -
2028	4,401,329	89,823	4,311,506	651,640	651,640	\$ -
2029	4,311,506	89,823	4,221,683	640,056	640,056	\$ -
2030	4,221,683	89,823	4,131,860	628,472	628,472	\$ -
2031	4,131,860	89,823	4,042,036	616,888	616,888	\$ -
2032	4,042,036	89,823	3,952,213	605,304	605,304	\$ -
2033	3,952,213	89,823	3,862,390	593,720	593,720	\$ -
2034	3,862,390	89,823	3,772,567	582,136	582,136	\$ -
2035	3,772,567	89,823	3,682,744	570,553	570,553	\$ -
2036	3,682,744	89,823	3,592,921	558,969	558,969	\$ -
2037	3,592,921	89,823	3,503,098	547,385	547,385	\$ -
2038	3,503,098	89,823	3,413,275	535,801	535,801	\$ -
2039	3,413,275	89,823	3,323,452	524,217	524,217	\$ -
2040	3,323,452	89,823	3,233,629	512,633	512,633	\$ -
2041	3,233,629	89,823	3,143,806	501,050	501,050	\$ -
2042	3,143,806	89,823	3,053,983	489,466	489,466	\$ -
2043	3,053,983	89,823	2,964,160	477,882	477,882	\$ -
2044	2,964,160	89,823	2,874,337	466,298	466,298	\$ -
2045	2,874,337	89,823	2,784,514	454,714	454,714	\$ -
2046	2,784,514	89,823	2,694,691	443,130	443,130	\$ -
2047	2,694,691	89,823	2,604,868	431,546	431,546	\$ -
2048	2,604,868	89,823	2,515,045	419,963	419,963	\$ -
2049	2,515,045	89,823	2,425,222	408,379	408,379	\$ -
2050	2,425,222	89,823	2,335,399	396,795	396,795	\$ -
2051	2,335,399	89,823	2,245,576	385,211	385,211	\$ -
2052	2,245,576	89,823	2,155,753	373,627	373,627	\$ -
2053	2,155,753	89,823	2,065,930	362,043	362,043	\$ -
2054	2,065,930	89,823	1,976,107	350,460	350,460	\$ -
2055	1,976,107	89,823	1,886,284	338,876	338,876	\$ -
2056	1,886,284	89,823	1,796,461	327,292	327,292	\$ -
2057	1,796,461	89,823	1,706,638	315,708	315,708	\$ -
2058	1,706,638	89,823	1,616,815	304,124	304,124	\$ -
2059	1,616,815	89,823	1,526,992	292,540	292,540	\$ -
2060	1,526,992	89,823	1,437,169	280,956	280,956	\$ -
2061	1,437,169	89,823	1,347,345	269,373	269,373	\$ -
2062	1,347,345	89,823	1,257,522	257,789	257,789	\$ -
2063	1,257,522	89,823	1,167,699	246,205	246,205	\$ -
2064	1,167,699	89,823	1,077,876	234,621	234,621	\$ -
2065	1,077,876	89,823	988,053	223,037	223,037	\$ -
2066	988,053	89,823	898,230	211,453	211,453	\$ -
2067	898,230	89,823	808,407	199,870	199,870	\$ -
2068	808,407	89,823	718,584	188,286	188,286	\$ -
2069	718,584	89,823	628,761	176,702	176,702	\$ -
2070	628,761	89,823	538,938	165,118	165,118	\$ -
2071	538,938	89,823	449,115	153,534	153,534	\$ -
2072	449,115	89,823	359,292	141,950	141,950	\$ -
2073	359,292	89,823	269,469	130,366	130,366	\$ -
2074	269,469	89,823	179,646	118,783	118,783	\$ -
Project Totals	5,299,559	5,299,559		27,534,750	27,534,750	-

[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.

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

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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	57,580
Current Projected Year ARR w/ Incentive	57,580
Current Projected Year Incentive ARR	-

Details						
Investment	412,631	Current Year				2017
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	9	FCR w/o incentives, less depreciation				12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense				6,764
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2014	412,631	1,691	410,940	54,796	54,796	\$ -
2015	410,940	6,764	404,175	59,324	59,324	\$ -
2016	404,175	6,764	397,411	58,452	58,452	\$ -
2017	397,411	6,764	390,647	57,580	57,580	\$ -
2018	390,647	6,764	383,882	56,707	56,707	\$ -
2019	383,882	6,764	377,118	55,835	55,835	\$ -
2020	377,118	6,764	370,353	54,962	54,962	\$ -
2021	370,353	6,764	363,589	54,090	54,090	\$ -
2022	363,589	6,764	356,824	53,218	53,218	\$ -
2023	356,824	6,764	350,060	52,345	52,345	\$ -
2024	350,060	6,764	343,295	51,473	51,473	\$ -
2025	343,295	6,764	336,531	50,601	50,601	\$ -
2026	336,531	6,764	329,767	49,728	49,728	\$ -
2027	329,767	6,764	323,002	48,856	48,856	\$ -
2028	323,002	6,764	316,238	47,984	47,984	\$ -
2029	316,238	6,764	309,473	47,111	47,111	\$ -
2030	309,473	6,764	302,709	46,239	46,239	\$ -
2031	302,709	6,764	295,944	45,366	45,366	\$ -
2032	295,944	6,764	289,180	44,494	44,494	\$ -
2033	289,180	6,764	282,415	43,622	43,622	\$ -
2034	282,415	6,764	275,651	42,749	42,749	\$ -
2035	275,651	6,764	268,887	41,877	41,877	\$ -
2036	268,887	6,764	262,122	41,005	41,005	\$ -
2037	262,122	6,764	255,358	40,132	40,132	\$ -
2038	255,358	6,764	248,593	39,260	39,260	\$ -
2039	248,593	6,764	241,829	38,388	38,388	\$ -
2040	241,829	6,764	235,064	37,515	37,515	\$ -
2041	235,064	6,764	228,300	36,643	36,643	\$ -
2042	228,300	6,764	221,535	35,770	35,770	\$ -
2043	221,535	6,764	214,771	34,898	34,898	\$ -
2044	214,771	6,764	208,007	34,026	34,026	\$ -
2045	208,007	6,764	201,242	33,153	33,153	\$ -
2046	201,242	6,764	194,478	32,281	32,281	\$ -
2047	194,478	6,764	187,713	31,409	31,409	\$ -
2048	187,713	6,764	180,949	30,536	30,536	\$ -
2049	180,949	6,764	174,184	29,664	29,664	\$ -
2050	174,184	6,764	167,420	28,792	28,792	\$ -
2051	167,420	6,764	160,656	27,919	27,919	\$ -
2052	160,656	6,764	153,891	27,047	27,047	\$ -
2053	153,891	6,764	147,127	26,175	26,175	\$ -
2054	147,127	6,764	140,362	25,302	25,302	\$ -
2055	140,362	6,764	133,598	24,430	24,430	\$ -
2056	133,598	6,764	126,833	23,557	23,557	\$ -
2057	126,833	6,764	120,069	22,685	22,685	\$ -
2058	120,069	6,764	113,304	21,813	21,813	\$ -
2059	113,304	6,764	106,540	20,940	20,940	\$ -
2060	106,540	6,764	99,776	20,068	20,068	\$ -
2061	99,776	6,764	93,011	19,196	19,196	\$ -
2062	93,011	6,764	86,247	18,323	18,323	\$ -
2063	86,247	6,764	79,482	17,451	17,451	\$ -
2064	79,482	6,764	72,718	16,579	16,579	\$ -
2065	72,718	6,764	65,953	15,706	15,706	\$ -
2066	65,953	6,764	59,189	14,834	14,834	\$ -
2067	59,189	6,764	52,424	13,961	13,961	\$ -
2068	52,424	6,764	45,660	13,089	13,089	\$ -
2069	45,660	6,764	38,896	12,217	12,217	\$ -
2070	38,896	6,764	32,131	11,344	11,344	\$ -
2071	32,131	6,764	25,367	10,472	10,472	\$ -
2072	25,367	6,764	18,602	9,600	9,600	\$ -
2073	18,602	6,764	11,838	8,727	8,727	\$ -
Project Totals		400,793		2,062,317	2,062,317	-

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:

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

RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		
\$ -		\$ -		
\$ -		\$ -		

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1797.1 (Reconductor portion of Cloverdale-Lexington 500 kV line)

Current Projected Year ARR	3,438,786
Current Projected Year ARR w/ Incentive	3,438,786
Current Projected Year Incentive ARR	-

Details						
Investment	24,006,786	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				12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense				393,554
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	24,006,786	196,777	23,810,009	3,280,075	3,280,075	\$ -
2017	23,810,009	393,554	23,416,455	3,438,786	3,438,786	\$ -
2018	23,416,455	393,554	23,022,901	3,388,033	3,388,033	\$ -
2019	23,022,901	393,554	22,629,347	3,337,279	3,337,279	\$ -
2020	22,629,347	393,554	22,235,794	3,286,525	3,286,525	\$ -
2021	22,235,794	393,554	21,842,240	3,235,771	3,235,771	\$ -
2022	21,842,240	393,554	21,448,686	3,185,017	3,185,017	\$ -
2023	21,448,686	393,554	21,055,132	3,134,263	3,134,263	\$ -
2024	21,055,132	393,554	20,661,578	3,083,509	3,083,509	\$ -
2025	20,661,578	393,554	20,268,024	3,032,755	3,032,755	\$ -
2026	20,268,024	393,554	19,874,470	2,982,002	2,982,002	\$ -
2027	19,874,470	393,554	19,480,917	2,931,248	2,931,248	\$ -
2028	19,480,917	393,554	19,087,363	2,880,494	2,880,494	\$ -
2029	19,087,363	393,554	18,693,809	2,829,740	2,829,740	\$ -
2030	18,693,809	393,554	18,300,255	2,778,986	2,778,986	\$ -
2031	18,300,255	393,554	17,906,701	2,728,232	2,728,232	\$ -
2032	17,906,701	393,554	17,513,147	2,677,478	2,677,478	\$ -
2033	17,513,147	393,554	17,119,593	2,626,724	2,626,724	\$ -
2034	17,119,593	393,554	16,726,039	2,575,971	2,575,971	\$ -
2035	16,726,039	393,554	16,332,486	2,525,217	2,525,217	\$ -
2036	16,332,486	393,554	15,938,932	2,474,463	2,474,463	\$ -
2037	15,938,932	393,554	15,545,378	2,423,709	2,423,709	\$ -
2038	15,545,378	393,554	15,151,824	2,372,955	2,372,955	\$ -
2039	15,151,824	393,554	14,758,270	2,322,201	2,322,201	\$ -
2040	14,758,270	393,554	14,364,716	2,271,447	2,271,447	\$ -
2041	14,364,716	393,554	13,971,162	2,220,693	2,220,693	\$ -
2042	13,971,162	393,554	13,577,608	2,169,940	2,169,940	\$ -
2043	13,577,608	393,554	13,184,055	2,119,186	2,119,186	\$ -
2044	13,184,055	393,554	12,790,501	2,068,432	2,068,432	\$ -
2045	12,790,501	393,554	12,396,947	2,017,678	2,017,678	\$ -
2046	12,396,947	393,554	12,003,393	1,966,924	1,966,924	\$ -
2047	12,003,393	393,554	11,609,839	1,916,170	1,916,170	\$ -
2048	11,609,839	393,554	11,216,285	1,865,416	1,865,416	\$ -
2049	11,216,285	393,554	10,822,731	1,814,662	1,814,662	\$ -
2050	10,822,731	393,554	10,429,178	1,763,909	1,763,909	\$ -
2051	10,429,178	393,554	10,035,624	1,713,155	1,713,155	\$ -
2052	10,035,624	393,554	9,642,070	1,662,401	1,662,401	\$ -
2053	9,642,070	393,554	9,248,516	1,611,647	1,611,647	\$ -
2054	9,248,516	393,554	8,854,962	1,560,893	1,560,893	\$ -
2055	8,854,962	393,554	8,461,408	1,510,139	1,510,139	\$ -
2056	8,461,408	393,554	8,067,854	1,459,385	1,459,385	\$ -
2057	8,067,854	393,554	7,674,300	1,408,631	1,408,631	\$ -
2058	7,674,300	393,554	7,280,747	1,357,878	1,357,878	\$ -
2059	7,280,747	393,554	6,887,193	1,307,124	1,307,124	\$ -
2060	6,887,193	393,554	6,493,639	1,256,370	1,256,370	\$ -
2061	6,493,639	393,554	6,100,085	1,205,616	1,205,616	\$ -
2062	6,100,085	393,554	5,706,531	1,154,862	1,154,862	\$ -
2063	5,706,531	393,554	5,312,977	1,104,108	1,104,108	\$ -
2064	5,312,977	393,554	4,919,423	1,053,354	1,053,354	\$ -
2065	4,919,423	393,554	4,525,869	1,002,600	1,002,600	\$ -
2066	4,525,869	393,554	4,132,316	951,847	951,847	\$ -
2067	4,132,316	393,554	3,738,762	901,093	901,093	\$ -
2068	3,738,762	393,554	3,345,208	850,339	850,339	\$ -
2069	3,345,208	393,554	2,951,654	799,585	799,585	\$ -
2070	2,951,654	393,554	2,558,100	748,831	748,831	\$ -
2071	2,558,100	393,554	2,164,546	698,077	698,077	\$ -
2072	2,164,546	393,554	1,770,992	647,323	647,323	\$ -
2073	1,770,992	393,554	1,377,439	596,569	596,569	\$ -
2074	1,377,439	393,554	983,885	545,815	545,815	\$ -
2075	983,885	393,554	590,331	495,062	495,062	\$ -
Project Totals			23,416,455	119,328,592	119,328,592	

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

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

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

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1712.1 (Altavista-Leesville 138kV line)

Current Projected Year ARR	35,555
Current Projected Year ARR w/ Incentive	35,555
Current Projected Year Incentive ARR	-

Details						
Investment	267,989	Current Year				2017
Service Year (yyyy)	2011	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense				4,393
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2011	267,989	2,197	265,792	36,616	36,616	\$ -
2012	265,792	4,393	261,399	38,387	38,387	\$ -
2013	261,399	4,393	257,006	37,821	37,821	\$ -
2014	257,006	4,393	252,613	37,254	37,254	\$ -
2015	252,613	4,393	248,219	36,688	36,688	\$ -
2016	248,219	4,393	243,826	36,121	36,121	\$ -
2017	243,826	4,393	239,433	35,555	35,555	\$ -
2018	239,433	4,393	235,040	34,988	34,988	\$ -
2019	235,040	4,393	230,646	34,421	34,421	\$ -
2020	230,646	4,393	226,253	33,855	33,855	\$ -
2021	226,253	4,393	221,860	33,288	33,288	\$ -
2022	221,860	4,393	217,466	32,722	32,722	\$ -
2023	217,466	4,393	213,073	32,155	32,155	\$ -
2024	213,073	4,393	208,680	31,589	31,589	\$ -
2025	208,680	4,393	204,287	31,022	31,022	\$ -
2026	204,287	4,393	199,893	30,455	30,455	\$ -
2027	199,893	4,393	195,500	29,889	29,889	\$ -
2028	195,500	4,393	191,107	29,322	29,322	\$ -
2029	191,107	4,393	186,714	28,756	28,756	\$ -
2030	186,714	4,393	182,320	28,189	28,189	\$ -
2031	182,320	4,393	177,927	27,623	27,623	\$ -
2032	177,927	4,393	173,534	27,056	27,056	\$ -
2033	173,534	4,393	169,141	26,489	26,489	\$ -
2034	169,141	4,393	164,747	25,923	25,923	\$ -
2035	164,747	4,393	160,354	25,356	25,356	\$ -
2036	160,354	4,393	155,961	24,790	24,790	\$ -
2037	155,961	4,393	151,568	24,223	24,223	\$ -
2038	151,568	4,393	147,174	23,657	23,657	\$ -
2039	147,174	4,393	142,781	23,090	23,090	\$ -
2040	142,781	4,393	138,388	22,523	22,523	\$ -
2041	138,388	4,393	133,995	21,957	21,957	\$ -
2042	133,995	4,393	129,601	21,390	21,390	\$ -
2043	129,601	4,393	125,208	20,824	20,824	\$ -
2044	125,208	4,393	120,815	20,257	20,257	\$ -
2045	120,815	4,393	116,421	19,691	19,691	\$ -
2046	116,421	4,393	112,028	19,124	19,124	\$ -
2047	112,028	4,393	107,635	18,557	18,557	\$ -
2048	107,635	4,393	103,242	17,991	17,991	\$ -
2049	103,242	4,393	98,848	17,424	17,424	\$ -
2050	98,848	4,393	94,455	16,858	16,858	\$ -
2051	94,455	4,393	90,062	16,291	16,291	\$ -
2052	90,062	4,393	85,669	15,725	15,725	\$ -
2053	85,669	4,393	81,275	15,158	15,158	\$ -
2054	81,275	4,393	76,882	14,591	14,591	\$ -
2055	76,882	4,393	72,489	14,025	14,025	\$ -
2056	72,489	4,393	68,096	13,458	13,458	\$ -
2057	68,096	4,393	63,702	12,892	12,892	\$ -
2058	63,702	4,393	59,309	12,325	12,325	\$ -
2059	59,309	4,393	54,916	11,759	11,759	\$ -
2060	54,916	4,393	50,523	11,192	11,192	\$ -
2061	50,523	4,393	46,129	10,626	10,626	\$ -
2062	46,129	4,393	41,736	10,059	10,059	\$ -
2063	41,736	4,393	37,343	9,492	9,492	\$ -
2064	37,343	4,393	32,949	8,926	8,926	\$ -
2065	32,949	4,393	28,556	8,359	8,359	\$ -
2066	28,556	4,393	24,163	7,793	7,793	\$ -
2067	24,163	4,393	19,770	7,226	7,226	\$ -
2068	19,770	4,393	15,376	6,660	6,660	\$ -
2069	15,376	4,393	10,983	6,093	6,093	\$ -
2070	10,983	4,393	6,590	5,526	5,526	\$ -
Project Totals	261,399	261,399	1,332,071	1,332,071	1,332,071	

CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS:				
CUMULATIVE HISTORY OF PROJECTED ANNUAL REVENUE REQUIREMENTS: INPUT PROJECTED ARR (WITH & WITHOUT INCENTIVES) FROM EACH PRIOR YEAR TEMPLATE BELOW TO MAINTAIN HISTORY OF PROJECTED ARRS OVER THE LIFE OF THE PROJECT.				
RTEP Projected Rev. Req't.From Prior Year Template w/o Incentives		RTEP Projected Rev. Req't.From Prior Year Template with Incentives **		

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

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

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

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet K Supporting Calculation of TRUE-UP PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
APPALACHIAN 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 169)		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 167 through169)			
	%	Cost	Weighted cost
Long Term Debt	50.13%	4.93%	2.470%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	49.87%	11.49%	5.730%
R =		8.200%	

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	\$ -	\$ -	\$ -
	Actual after True-up	\$ 6,647,744	\$ 6,647,744	\$ -
	True-up of ARR For 2017	6,647,744	6,647,744	-

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

Rate Base (TCOS, ln 79)	1,697,176,043
R (from A. above)	8.200%
Return (Rate Base x R)	139,168,882

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

Return (from B. above)	139,168,882
Effective Tax Rate (TCOS, ln 127)	41.78%
Income Tax Calculation (Return x CIT)	58,141,369
ITC Adjustment	(9,280)
Excess Deferred Income Tax	(111,853)
Tax Affect of Permanent Differences	5,598,038
Income Taxes	63,618,274

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)	319,931,263
Lease Payments (TCOS, ln 107)	-
Return (TCOS, ln 139)	139,168,882
Income Taxes (TCOS, ln 138)	63,618,274
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	117,144,107

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	117,144,107
Return (from I.B. above)	139,168,882
Income Taxes (from I.C. above)	63,618,274
Annual Revenue Requirement, with 0 Basis Point ROE increase	319,931,263
Depreciation (TCOS, ln 112)	47,457,516
Annual Rev. Req, w/ 0 Basis Point ROE increase, less Depreciation	272,473,747

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

Net Transmission Plant (TCOS, ln 49)	2,112,806,069
Annual Revenue Requirement, with 0 Basis Point ROE increase	319,931,263
FCR with 0 Basis Point increase in ROE	15.14%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	272,473,747
FCR with 0 Basis Point ROE increase, less Depreciation	12.90%
FCR less Depreciation (TCOS, ln 10)	12.90%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Rate Year (2017) (P. 206, ln 58(b)):	2,766,734,089
Transmission Plant @ End of Rate Year (2017) (P. 207, ln 58(g)):	2,996,481,060
Subtotal	5,763,215,149
Average Transmission Plant Balance for 2017	2,881,607,575
Annual Depreciation and Amortization Expense (TCOS, ln 112)	47,457,516
Composite Depreciation Rate	1.65%
Depreciable Life for Composite Depreciation Rate	60.72
Round to nearest whole year	61

A. Base Plan Facilities

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

Project Description: RTEP ID: b0318 (Amos 765/138 kV Transformer)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,772,373	1,772,373	-
True-Up Adjustment	1,772,373	1,772,373	-

Details			
Investment	13,798,879	Current Year	2016
Service Year (yyyy)	2008	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	6	FCR w/o incentives, less depreciation	12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense	226,211

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 ##
2008	13,798,879	113,106	13,685,773	13,742,326	1,885,357	1,885,357	\$ -
2009	13,685,773	226,211	13,459,562	13,572,668	1,976,583	1,976,583	\$ -
2010	13,459,562	226,211	13,233,351	13,346,457	1,947,410	1,947,410	\$ -
2011	13,233,351	226,211	13,007,140	13,120,246	1,918,237	1,918,237	\$ -
2012	13,007,140	226,211	12,780,929	12,894,034	1,889,064	1,889,064	\$ -
2013	12,780,929	226,211	12,554,718	12,667,823	1,859,891	1,859,891	\$ -
2014	12,554,718	226,211	12,328,507	12,441,612	1,830,718	1,830,718	\$ -
2015	12,328,507	226,211	12,102,296	12,215,401	1,801,546	1,801,546	\$ -
2016	12,102,296	226,211	11,876,084	11,989,190	1,772,373	1,772,373	\$ -
2017	11,876,084	226,211	11,649,873	11,762,979	1,743,200	1,743,200	\$ -
2018	11,649,873	226,211	11,423,662	11,536,768	1,714,027	1,714,027	\$ -
2019	11,423,662	226,211	11,197,451	11,310,557	1,684,854	1,684,854	\$ -
2020	11,197,451	226,211	10,971,240	11,084,345	1,655,681	1,655,681	\$ -
2021	10,971,240	226,211	10,745,029	10,858,134	1,626,508	1,626,508	\$ -
2022	10,745,029	226,211	10,518,818	10,631,923	1,597,336	1,597,336	\$ -
2023	10,518,818	226,211	10,292,606	10,405,712	1,568,163	1,568,163	\$ -
2024	10,292,606	226,211	10,066,395	10,179,501	1,538,990	1,538,990	\$ -
2025	10,066,395	226,211	9,840,184	9,953,290	1,509,817	1,509,817	\$ -
2026	9,840,184	226,211	9,613,973	9,727,079	1,480,644	1,480,644	\$ -
2027	9,613,973	226,211	9,387,762	9,500,868	1,451,471	1,451,471	\$ -
2028	9,387,762	226,211	9,161,551	9,274,656	1,422,298	1,422,298	\$ -
2029	9,161,551	226,211	8,935,340	9,048,445	1,393,126	1,393,126	\$ -
2030	8,935,340	226,211	8,709,129	8,822,234	1,363,953	1,363,953	\$ -
2031	8,709,129	226,211	8,482,917	8,596,023	1,334,780	1,334,780	\$ -
2032	8,482,917	226,211	8,256,706	8,369,812	1,305,607	1,305,607	\$ -
2033	8,256,706	226,211	8,030,495	8,143,601	1,276,434	1,276,434	\$ -
2034	8,030,495	226,211	7,804,284	7,917,390	1,247,261	1,247,261	\$ -
2035	7,804,284	226,211	7,578,073	7,691,178	1,218,088	1,218,088	\$ -
2036	7,578,073	226,211	7,351,862	7,464,967	1,188,915	1,188,915	\$ -
2037	7,351,862	226,211	7,125,651	7,238,756	1,159,743	1,159,743	\$ -
2038	7,125,651	226,211	6,899,440	7,012,545	1,130,570	1,130,570	\$ -
2039	6,899,440	226,211	6,673,228	6,786,334	1,101,397	1,101,397	\$ -
2040	6,673,228	226,211	6,447,017	6,560,123	1,072,224	1,072,224	\$ -
2041	6,447,017	226,211	6,220,806	6,333,912	1,043,051	1,043,051	\$ -
2042	6,220,806	226,211	5,994,595	6,107,701	1,013,878	1,013,878	\$ -
2043	5,994,595	226,211	5,768,384	5,881,489	984,705	984,705	\$ -
2044	5,768,384	226,211	5,542,173	5,655,278	955,533	955,533	\$ -
2045	5,542,173	226,211	5,315,962	5,429,067	926,360	926,360	\$ -
2046	5,315,962	226,211	5,089,750	5,202,856	897,187	897,187	\$ -
2047	5,089,750	226,211	4,863,539	4,976,645	868,014	868,014	\$ -
2048	4,863,539	226,211	4,637,328	4,750,434	838,841	838,841	\$ -
2049	4,637,328	226,211	4,411,117	4,524,223	809,668	809,668	\$ -
2050	4,411,117	226,211	4,184,906	4,298,011	780,495	780,495	\$ -
2051	4,184,906	226,211	3,958,695	4,071,800	751,323	751,323	\$ -
2052	3,958,695	226,211	3,732,484	3,845,589	722,150	722,150	\$ -
2053	3,732,484	226,211	3,506,273	3,619,378	692,977	692,977	\$ -
2054	3,506,273	226,211	3,280,061	3,393,167	663,804	663,804	\$ -
2055	3,280,061	226,211	3,053,850	3,166,956	634,631	634,631	\$ -
2056	3,053,850	226,211	2,827,639	2,940,745	605,458	605,458	\$ -
2057	2,827,639	226,211	2,601,428	2,714,534	576,285	576,285	\$ -
2058	2,601,428	226,211	2,375,217	2,488,322	547,113	547,113	\$ -
2059	2,375,217	226,211	2,149,006	2,262,111	517,940	517,940	\$ -
2060	2,149,006	226,211	1,922,795	2,035,900	488,767	488,767	\$ -
2061	1,922,795	226,211	1,696,583	1,809,689	459,594	459,594	\$ -
2062	1,696,583	226,211	1,470,372	1,583,478	430,421	430,421	\$ -
2063	1,470,372	226,211	1,244,161	1,357,267	401,248	401,248	\$ -
2064	1,244,161	226,211	1,017,950	1,131,056	372,075	372,075	\$ -
2065	1,017,950	226,211	791,739	904,845	342,903	342,903	\$ -
2066	791,739	226,211	565,528	678,633	313,730	313,730	\$ -
2067	565,528	226,211	339,317	452,422	284,557	284,557	\$ -

[illegible]

Project Totals	13,459,562	68,588,974	68,588,974
----------------	------------	------------	------------

*** 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: b1712.2 (Altavista-Leesville 138kV line)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	36,404	36,404	-
True-Up Adjustment	36,404	36,404	-

Details							
Investment	267,989	Current Year					2016
Service Year (yyyy)	2011	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	12	FCR w/o incentives, less depreciation					12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.					12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense					4,393
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 ##
2011	267,989	-	267,989	267,989	34,560.66	34,561	\$ -
2012	267,989	4,393	263,596	265,792	38,671	38,671	\$ -
2013	263,596	4,393	259,202	261,399	38,104	38,104	\$ -
2014	259,202	4,393	254,809	257,006	37,537	37,537	\$ -
2015	254,809	4,393	250,416	252,613	36,971	36,971	\$ -
2016	250,416	4,393	246,023	248,219	36,404	36,404	\$ -
2017	246,023	4,393	241,629	243,826	35,838	35,838	\$ -
2018	241,629	4,393	237,236	239,433	35,271	35,271	\$ -
2019	237,236	4,393	232,843	235,040	34,705	34,705	\$ -
2020	232,843	4,393	228,450	230,646	34,138	34,138	\$ -
2021	228,450	4,393	224,056	226,253	33,572	33,572	\$ -
2022	224,056	4,393	219,663	221,860	33,005	33,005	\$ -
2023	219,663	4,393	215,270	217,466	32,438	32,438	\$ -
2024	215,270	4,393	210,877	213,073	31,872	31,872	\$ -
2025	210,877	4,393	206,483	208,680	31,305	31,305	\$ -
2026	206,483	4,393	202,090	204,287	30,739	30,739	\$ -
2027	202,090	4,393	197,697	199,893	30,172	30,172	\$ -
2028	197,697	4,393	193,304	195,500	29,606	29,606	\$ -
2029	193,304	4,393	188,910	191,107	29,039	29,039	\$ -
2030	188,910	4,393	184,517	186,714	28,472	28,472	\$ -
2031	184,517	4,393	180,124	182,320	27,906	27,906	\$ -
2032	180,124	4,393	175,730	177,927	27,339	27,339	\$ -
2033	175,730	4,393	171,337	173,534	26,773	26,773	\$ -
2034	171,337	4,393	166,944	169,141	26,206	26,206	\$ -
2035	166,944	4,393	162,551	164,747	25,640	25,640	\$ -
2036	162,551	4,393	158,157	160,354	25,073	25,073	\$ -
2037	158,157	4,393	153,764	155,961	24,506	24,506	\$ -
2038	153,764	4,393	149,371	151,568	23,940	23,940	\$ -
2039	149,371	4,393	144,978	147,174	23,373	23,373	\$ -
2040	144,978	4,393	140,584	142,781	22,807	22,807	\$ -
2041	140,584	4,393	136,191	138,388	22,240	22,240	\$ -
2042	136,191	4,393	131,798	133,995	21,674	21,674	\$ -
2043	131,798	4,393	127,405	129,601	21,107	21,107	\$ -
2044	127,405	4,393	123,011	125,208	20,540	20,540	\$ -
2045	123,011	4,393	118,618	120,815	19,974	19,974	\$ -
2046	118,618	4,393	114,225	116,421	19,407	19,407	\$ -
2047	114,225	4,393	109,832	112,028	18,841	18,841	\$ -
2048	109,832	4,393	105,438	107,635	18,274	18,274	\$ -
2049	105,438	4,393	101,045	103,242	17,708	17,708	\$ -
2050	101,045	4,393	96,652	98,848	17,141	17,141	\$ -
2051	96,652	4,393	92,259	94,455	16,574	16,574	\$ -
2052	92,259	4,393	87,865	90,062	16,008	16,008	\$ -
2053	87,865	4,393	83,472	85,669	15,441	15,441	\$ -
2054	83,472	4,393	79,079	81,275	14,875	14,875	\$ -
2055	79,079	4,393	74,685	76,882	14,308	14,308	\$ -
2056	74,685	4,393	70,292	72,489	13,742	13,742	\$ -
2057	70,292	4,393	65,899	68,096	13,175	13,175	\$ -
2058	65,899	4,393	61,506	63,702	12,609	12,609	\$ -
2059	61,506	4,393	57,112	59,309	12,042	12,042	\$ -
2060	57,112	4,393	52,719	54,916	11,475	11,475	\$ -
2061	52,719	4,393	48,326	50,523	10,909	10,909	\$ -
2062	48,326	4,393	43,933	46,129	10,342	10,342	\$ -
2063	43,933	4,393	39,539	41,736	9,776	9,776	\$ -
2064	39,539	4,393	35,146	37,343	9,209	9,209	\$ -
2065	35,146	4,393	30,753	32,949	8,643	8,643	\$ -
2066	30,753	4,393	26,360	28,556	8,076	8,076	\$ -
2067	26,360	4,393	21,966	24,163	7,509	7,509	\$ -
2068	21,966	4,393	17,573	19,770	6,943	6,943	\$ -
2069	17,573	4,393	13,180	15,376	6,376	6,376	\$ -
2070	13,180	4,393	8,787	10,983	5,810	5,810	\$ -
Project Totals		259,202		1,346,730	1,346,730		-

[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: b2020 (Rebuild Amos-Kanawha River 138 kV corridor)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,613,284	1,613,284	-
True-Up Adjustment	1,613,284	1,613,284	-

Details							
Investment	11,388,689	Current Year				2016	
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	9	FCR w/o incentives, less depreciation					12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.					12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense					186,700
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	11,388,689	46,675	11,342,014	11,365,352	1,512,384	1,512,384	\$ -
2015	11,342,014	186,700	11,155,314	11,248,664	1,637,361	1,637,361	\$ -
2016	11,155,314	186,700	10,968,614	11,061,964	1,613,284	1,613,284	\$ -
2017	10,968,614	186,700	10,781,915	10,875,264	1,589,206	1,589,206	\$ -
2018	10,781,915	186,700	10,595,215	10,688,565	1,565,129	1,565,129	\$ -
2019	10,595,215	186,700	10,408,515	10,501,865	1,541,052	1,541,052	\$ -
2020	10,408,515	186,700	10,221,815	10,315,165	1,516,974	1,516,974	\$ -
2021	10,221,815	186,700	10,035,115	10,128,465	1,492,897	1,492,897	\$ -
2022	10,035,115	186,700	9,848,415	9,941,765	1,468,819	1,468,819	\$ -
2023	9,848,415	186,700	9,661,716	9,755,066	1,444,742	1,444,742	\$ -
2024	9,661,716	186,700	9,475,016	9,568,366	1,420,665	1,420,665	\$ -
2025	9,475,016	186,700	9,288,316	9,381,666	1,396,587	1,396,587	\$ -
2026	9,288,316	186,700	9,101,616	9,194,966	1,372,510	1,372,510	\$ -
2027	9,101,616	186,700	8,914,916	9,008,266	1,348,433	1,348,433	\$ -
2028	8,914,916	186,700	8,728,217	8,821,566	1,324,355	1,324,355	\$ -
2029	8,728,217	186,700	8,541,517	8,634,867	1,300,278	1,300,278	\$ -
2030	8,541,517	186,700	8,354,817	8,448,167	1,276,201	1,276,201	\$ -
2031	8,354,817	186,700	8,168,117	8,261,467	1,252,123	1,252,123	\$ -
2032	8,168,117	186,700	7,981,417	8,074,767	1,228,046	1,228,046	\$ -
2033	7,981,417	186,700	7,794,717	7,888,067	1,203,968	1,203,968	\$ -
2034	7,794,717	186,700	7,608,018	7,701,368	1,179,891	1,179,891	\$ -
2035	7,608,018	186,700	7,421,318	7,514,668	1,155,814	1,155,814	\$ -
2036	7,421,318	186,700	7,234,618	7,327,968	1,131,736	1,131,736	\$ -
2037	7,234,618	186,700	7,047,918	7,141,268	1,107,659	1,107,659	\$ -
2038	7,047,918	186,700	6,861,218	6,954,568	1,083,582	1,083,582	\$ -
2039	6,861,218	186,700	6,674,519	6,767,868	1,059,504	1,059,504	\$ -
2040	6,674,519	186,700	6,487,819	6,581,169	1,035,427	1,035,427	\$ -
2041	6,487,819	186,700	6,301,119	6,394,469	1,011,350	1,011,350	\$ -
2042	6,301,119	186,700	6,114,419	6,207,769	987,272	987,272	\$ -
2043	6,114,419	186,700	5,927,719	6,021,069	963,195	963,195	\$ -
2044	5,927,719	186,700	5,741,019	5,834,369	939,117	939,117	\$ -
2045	5,741,019	186,700	5,554,320	5,647,670	915,040	915,040	\$ -
2046	5,554,320	186,700	5,367,620	5,460,970	890,963	890,963	\$ -
2047	5,367,620	186,700	5,180,920	5,274,270	866,885	866,885	\$ -
2048	5,180,920	186,700	4,994,220	5,087,570	842,808	842,808	\$ -
2049	4,994,220	186,700	4,807,520	4,900,870	818,731	818,731	\$ -
2050	4,807,520	186,700	4,620,821	4,714,170	794,653	794,653	\$ -
2051	4,620,821	186,700	4,434,121	4,527,471	770,576	770,576	\$ -
2052	4,434,121	186,700	4,247,421	4,340,771	746,499	746,499	\$ -
2053	4,247,421	186,700	4,060,721	4,154,071	722,421	722,421	\$ -
2054	4,060,721	186,700	3,874,021	3,967,371	698,344	698,344	\$ -
2055	3,874,021	186,700	3,687,321	3,780,671	674,266	674,266	\$ -
2056	3,687,321	186,700	3,500,622	3,593,972	650,189	650,189	\$ -
2057	3,500,622	186,700	3,313,922	3,407,272	626,112	626,112	\$ -
2058	3,313,922	186,700	3,127,222	3,220,572	602,034	602,034	\$ -
2059	3,127,222	186,700	2,940,522	3,033,872	577,957	577,957	\$ -
2060	2,940,522	186,700	2,753,822	2,847,172	553,880	553,880	\$ -
2061	2,753,822	186,700	2,567,123	2,660,472	529,802	529,802	\$ -
2062	2,567,123	186,700	2,380,423	2,473,773	505,725	505,725	\$ -
2063	2,380,423	186,700	2,193,723	2,287,073	481,648	481,648	\$ -
2064	2,193,723	186,700	2,007,023	2,100,373	457,570	457,570	\$ -
2065	2,007,023	186,700	1,820,323	1,913,673	433,493	433,493	\$ -
2066	1,820,323	186,700	1,633,623	1,726,973	409,415	409,415	\$ -
2067	1,633,623	186,700	1,446,924	1,540,274	385,338	385,338	\$ -
2068	1,446,924	186,700	1,260,224	1,353,574	361,261	361,261	\$ -
2069	1,260,224	186,700	1,073,524	1,166,874	337,183	337,183	\$ -
2070	1,073,524	186,700	886,824	980,174	313,106	313,106	\$ -
2071	886,824	186,700	700,124	793,474	289,029	289,029	\$ -
2072	700,124	186,700	513,425	606,774	264,951	264,951	\$ -
2073	513,425	186,700	326,725	420,075	240,874	240,874	\$ -
Project Totals		11,061,964			56,920,313	56,920,313	-

Project Totals

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

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

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]

APCo 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: b2021 (Kanawha River Gen Retirement - Upgrades)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	313,069	313,069	-
True-Up Adjustment	313,069	313,069	-

Details			
Investment	2,201,839	Current Year	2016
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense	36,096

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 **
2014	2,201,839	-	2,201,839	2,201,839	283,955.70	283,956	\$ -	\$ 222,712	\$ 61,244	\$ 222,712	\$ 61,244	\$ -
2015	2,201,839	36,096	2,165,743	2,183,791	317,724	317,724	\$ -	\$ 317,491	\$ 233	\$ 317,491	\$ 233	\$ -
2016	2,165,743	36,096	2,129,648	2,147,695	313,069	313,069	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	2,129,648	36,096	2,093,552	2,111,600	308,414	308,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	2,093,552	36,096	2,057,456	2,075,504	303,759	303,759	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	2,057,456	36,096	2,021,360	2,039,408	299,104	299,104	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	2,021,360	36,096	1,985,265	2,003,313	294,449	294,449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	1,985,265	36,096	1,949,169	1,967,217	289,794	289,794	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	1,949,169	36,096	1,913,073	1,931,121	285,139	285,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	1,913,073	36,096	1,876,978	1,895,025	280,484	280,484	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	1,876,978	36,096	1,840,882	1,858,930	275,829	275,829	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	1,840,882	36,096	1,804,786	1,822,834	271,174	271,174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	1,804,786	36,096	1,768,690	1,786,738	266,519	266,519	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	1,768,690	36,096	1,732,595	1,750,642	261,864	261,864	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	1,732,595	36,096	1,696,499	1,714,547	257,209	257,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	1,696,499	36,096	1,660,403	1,678,451	252,554	252,554	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	1,660,403	36,096	1,624,307	1,642,355	247,899	247,899	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	1,624,307	36,096	1,588,212	1,606,260	243,244	243,244	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	1,588,212	36,096	1,552,116	1,570,164	238,589	238,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	1,552,116	36,096	1,516,020	1,534,068	233,934	233,934	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	1,516,020	36,096	1,479,925	1,497,972	229,279	229,279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	1,479,925	36,096	1,443,829	1,461,877	224,624	224,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	1,443,829	36,096	1,407,733	1,425,781	219,969	219,969	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	1,407,733	36,096	1,371,637	1,389,685	215,314	215,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	1,371,637	36,096	1,335,542	1,353,590	210,659	210,659	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	1,335,542	36,096	1,299,446	1,317,494	206,004	206,004	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	1,299,446	36,096	1,263,350	1,281,398	201,349	201,349	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	1,263,350	36,096	1,227,255	1,245,302	196,694	196,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	1,227,255	36,096	1,191,159	1,209,207	192,039	192,039	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	1,191,159	36,096	1,155,063	1,173,111	187,384	187,384	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	1,155,063	36,096	1,118,967	1,137,015	182,729	182,729	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	1,118,967	36,096	1,082,872	1,100,920	178,074	178,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	1,082,872	36,096	1,046,776	1,064,824	173,419	173,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	1,046,776	36,096	1,010,680	1,028,728	168,764	168,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	1,010,680	36,096	974,584	992,632	164,109	164,109	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	974,584	36,096	938,489	956,537	159,454	159,454	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	938,489	36,096	902,393	920,441	154,799	154,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	902,393	36,096	866,297	884,345	150,144	150,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	866,297	36,096	830,202	848,249	145,488	145,488	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	830,202	36,096	794,106	812,154	140,833	140,833	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	794,106	36,096	758,010	776,058	136,178	136,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	758,010	36,096	721,914	739,962	131,523	131,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	721,914	36,096	685,819	703,867	126,868	126,868	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	685,819	36,096	649,723	667,771	122,213	122,213	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	649,723	36,096	613,627	631,675	117,558	117,558	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	613,627	36,096	577,532	595,579	112,903	112,903	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	577,532	36,096	541,436	559,484	108,248	108,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	541,436	36,096	505,340	523,388	103,593	103,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	505,340	36,096	469,244	487,292	98,938	98,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	469,244	36,096	433,149	451,197	94,283	94,283	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	433,149	36,096	397,053	415,101	89,628	89,628	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	397,053	36,096	360,957	379,005	84,973	84,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	360,957	36,096	324,861	342,909	80,318	80,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	324,861	36,096	288,766	306,814	75,663	75,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	288,766	36,096	252,670	270,718	71,008	71,008	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	252,670	36,096	216,574	234,622	66,353	66,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	216,574	36,096	180,479	198,526	61,698	61,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	180,479	36,096	144,383	162,431	57,043	57,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	144,383	36,096	108,287	126,335	52,388	52,388	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2073	108,287	36,096	72,191	90,239	47,733	47,733	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals			2,129,648		11,064,942	11,064,942	-					

** 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 (Rebuild Sporn-Waterford-Muskingum River 345 kV line)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	2,155,829	2,155,829	-
True-Up Adjustment	2,155,829	2,155,829	-

Details			
Investment	15,068,761	Current Year	2016
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	5	FCR w/o incentives, less depreciation	12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense	247,029

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 ##
2015	15,068,761	144,100	14,924,661	14,996,711	2,078,120.56	2,078,121	\$ -
2016	14,924,661	247,029	14,677,632	14,801,146	2,155,829	2,155,829	\$ -
2017	14,677,632	247,029	14,430,603	14,554,118	2,123,971	2,123,971	\$ -
2018	14,430,603	247,029	14,183,574	14,307,089	2,092,114	2,092,114	\$ -
2019	14,183,574	247,029	13,936,545	14,060,060	2,060,256	2,060,256	\$ -
2020	13,936,545	247,029	13,689,516	13,813,031	2,028,398	2,028,398	\$ -
2021	13,689,516	247,029	13,442,488	13,566,002	1,996,541	1,996,541	\$ -
2022	13,442,488	247,029	13,195,459	13,318,973	1,964,683	1,964,683	\$ -
2023	13,195,459	247,029	12,948,430	13,071,944	1,932,826	1,932,826	\$ -
2024	12,948,430	247,029	12,701,401	12,824,915	1,900,968	1,900,968	\$ -
2025	12,701,401	247,029	12,454,372	12,577,887	1,869,110	1,869,110	\$ -
2026	12,454,372	247,029	12,207,343	12,330,858	1,837,253	1,837,253	\$ -
2027	12,207,343	247,029	11,960,314	12,083,829	1,805,395	1,805,395	\$ -
2028	11,960,314	247,029	11,713,286	11,836,800	1,773,538	1,773,538	\$ -
2029	11,713,286	247,029	11,466,257	11,589,771	1,741,680	1,741,680	\$ -
2030	11,466,257	247,029	11,219,228	11,342,742	1,709,823	1,709,823	\$ -
2031	11,219,228	247,029	10,972,199	11,095,713	1,677,965	1,677,965	\$ -
2032	10,972,199	247,029	10,725,170	10,848,684	1,646,107	1,646,107	\$ -
2033	10,725,170	247,029	10,478,141	10,601,656	1,614,250	1,614,250	\$ -
2034	10,478,141	247,029	10,231,112	10,354,627	1,582,392	1,582,392	\$ -
2035	10,231,112	247,029	9,984,083	10,107,598	1,550,535	1,550,535	\$ -
2036	9,984,083	247,029	9,737,055	9,860,569	1,518,677	1,518,677	\$ -
2037	9,737,055	247,029	9,490,026	9,613,540	1,486,820	1,486,820	\$ -
2038	9,490,026	247,029	9,242,997	9,366,511	1,454,962	1,454,962	\$ -
2039	9,242,997	247,029	8,995,968	9,119,482	1,423,104	1,423,104	\$ -
2040	8,995,968	247,029	8,748,939	8,872,454	1,391,247	1,391,247	\$ -
2041	8,748,939	247,029	8,501,910	8,625,425	1,359,389	1,359,389	\$ -
2042	8,501,910	247,029	8,254,881	8,378,396	1,327,532	1,327,532	\$ -
2043	8,254,881	247,029	8,007,852	8,131,367	1,295,674	1,295,674	\$ -
2044	8,007,852	247,029	7,760,824	7,884,338	1,263,817	1,263,817	\$ -
2045	7,760,824	247,029	7,513,795	7,637,309	1,231,959	1,231,959	\$ -
2046	7,513,795	247,029	7,266,766	7,390,280	1,200,101	1,200,101	\$ -
2047	7,266,766	247,029	7,019,737	7,143,251	1,168,244	1,168,244	\$ -
2048	7,019,737	247,029	6,772,708	6,896,223	1,136,386	1,136,386	\$ -
2049	6,772,708	247,029	6,525,679	6,649,194	1,104,529	1,104,529	\$ -
2050	6,525,679	247,029	6,278,650	6,402,165	1,072,671	1,072,671	\$ -
2051	6,278,650	247,029	6,031,622	6,155,136	1,040,813	1,040,813	\$ -
2052	6,031,622	247,029	5,784,593	5,908,107	1,008,956	1,008,956	\$ -
2053	5,784,593	247,029	5,537,564	5,661,078	977,098	977,098	\$ -
2054	5,537,564	247,029	5,290,535	5,414,049	945,241	945,241	\$ -
2055	5,290,535	247,029	5,043,506	5,167,021	913,383	913,383	\$ -
2056	5,043,506	247,029	4,796,477	4,919,992	881,526	881,526	\$ -
2057	4,796,477	247,029	4,549,448	4,672,963	849,668	849,668	\$ -
2058	4,549,448	247,029	4,302,419	4,425,934	817,810	817,810	\$ -
2059	4,302,419	247,029	4,055,391	4,178,905	785,953	785,953	\$ -
2060	4,055,391	247,029	3,808,362	3,931,876	754,095	754,095	\$ -
2061	3,808,362	247,029	3,561,333	3,684,847	722,238	722,238	\$ -
2062	3,561,333	247,029	3,314,304	3,437,818	690,380	690,380	\$ -
2063	3,314,304	247,029	3,067,275	3,190,790	658,523	658,523	\$ -
2064	3,067,275	247,029	2,820,246	2,943,761	626,665	626,665	\$ -
2065	2,820,246	247,029	2,573,217	2,696,732	594,807	594,807	\$ -
2066	2,573,217	247,029	2,326,189	2,449,703	562,950	562,950	\$ -
2067	2,326,189	247,029	2,079,160	2,202,674	531,092	531,092	\$ -
2068	2,079,160	247,029	1,832,131	1,955,645	499,235	499,235	\$ -
2069	1,832,131	247,029	1,585,102	1,708,616	467,377	467,377	\$ -
2070	1,585,102	247,029	1,338,073	1,461,587	435,520	435,520	\$ -
2071	1,338,073	247,029	1,091,044	1,214,559	403,662	403,662	\$ -
2072	1,091,044	247,029	844,015	967,530	371,804	371,804	\$ -
2073	844,015	247,029	596,986	720,501	339,947	339,947	\$ -
2074	596,986	247,029	349,958	473,472	308,089	308,089	\$ -

[illegible]

Project Totals

14,718,803

74,763,699

74,763,699

1

** 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.

APCo 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: b1660 (Install a 765/500 kV transformer at Cloverdale)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details			
Investment	-	Current Year	2016
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense	-

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
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	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2075	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -

Project Totals

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

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

APCo 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: b1660.1 (Cloverdale: Establish 500 kV station and 500 to 765 kV tie)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details			
Investment	-	Current Year	2016
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense	-

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
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	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2075	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
Project Totals		-	-	-	-	-	-		-		-	-

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

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

APCo 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: b1663.2 (Jacksons Ferry 765 kV breakers, switches, bus work, and relays)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	755,633	755,633	-
True-Up Adjustment	755,633	755,633	-

Details			
Investment	5,236,569	Current Year	2016
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense	85,845

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2015	5,236,569	-	5,236,569	5,236,569	675,323	675,323	\$ -	\$ 0	\$ 675,323	\$ 0	\$ 675,323	\$ -
2016	5,236,569	85,845	5,150,724	5,193,646	755,633	755,633	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017	5,150,724	85,845	5,064,878	5,107,801	744,563	744,563	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2018	5,064,878	85,845	4,979,033	5,021,956	733,492	733,492	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2019	4,979,033	85,845	4,893,187	4,936,110	722,421	722,421	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2020	4,893,187	85,845	4,807,342	4,850,265	711,350	711,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2021	4,807,342	85,845	4,721,497	4,764,419	700,279	700,279	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2022	4,721,497	85,845	4,635,651	4,678,574	689,208	689,208	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2023	4,635,651	85,845	4,549,806	4,592,729	678,137	678,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2024	4,549,806	85,845	4,463,960	4,506,883	667,066	667,066	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2025	4,463,960	85,845	4,378,115	4,421,038	655,996	655,996	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2026	4,378,115	85,845	4,292,270	4,335,192	644,925	644,925	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2027	4,292,270	85,845	4,206,424	4,249,347	633,854	633,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2028	4,206,424	85,845	4,120,579	4,163,502	622,783	622,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2029	4,120,579	85,845	4,034,733	4,077,656	611,712	611,712	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2030	4,034,733	85,845	3,948,888	3,991,811	600,641	600,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2031	3,948,888	85,845	3,863,043	3,905,965	589,570	589,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2032	3,863,043	85,845	3,777,197	3,820,120	578,499	578,499	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2033	3,777,197	85,845	3,691,352	3,734,275	567,429	567,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2034	3,691,352	85,845	3,605,507	3,648,429	556,358	556,358	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2035	3,605,507	85,845	3,519,661	3,562,584	545,287	545,287	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2036	3,519,661	85,845	3,433,816	3,476,738	534,216	534,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2037	3,433,816	85,845	3,347,970	3,390,893	523,145	523,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2038	3,347,970	85,845	3,262,125	3,305,048	512,074	512,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2039	3,262,125	85,845	3,176,280	3,219,022	501,003	501,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2040	3,176,280	85,845	3,090,434	3,133,357	489,932	489,932	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2041	3,090,434	85,845	3,004,589	3,047,511	478,862	478,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2042	3,004,589	85,845	2,918,743	2,961,666	467,791	467,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2043	2,918,743	85,845	2,832,898	2,875,821	456,720	456,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2044	2,832,898	85,845	2,747,053	2,789,975	445,649	445,649	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2045	2,747,053	85,845	2,661,207	2,704,130	434,578	434,578	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2046	2,661,207	85,845	2,575,362	2,618,285	423,507	423,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2047	2,575,362	85,845	2,489,516	2,532,439	412,436	412,436	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2048	2,489,516	85,845	2,403,671	2,446,594	401,365	401,365	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2049	2,403,671	85,845	2,317,826	2,360,748	390,295	390,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2050	2,317,826	85,845	2,231,980	2,274,903	379,224	379,224	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2051	2,231,980	85,845	2,146,135	2,189,058	368,153	368,153	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2052	2,146,135	85,845	2,060,289	2,103,212	357,082	357,082	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2053	2,060,289	85,845	1,974,444	2,017,367	346,011	346,011	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2054	1,974,444	85,845	1,888,599	1,931,521	334,940	334,940	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2055	1,888,599	85,845	1,802,753	1,845,676	323,869	323,869	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2056	1,802,753	85,845	1,716,908	1,759,831	312,798	312,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2057	1,716,908	85,845	1,631,062	1,673,985	301,727	301,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2058	1,631,062	85,845	1,545,217	1,588,140	290,657	290,657	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2059	1,545,217	85,845	1,459,372	1,502,294	279,586	279,586	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2060	1,459,372	85,845	1,373,526	1,416,449	268,515	268,515	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2061	1,373,526	85,845	1,287,681	1,330,604	257,444	257,444	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2062	1,287,681	85,845	1,201,836	1,244,758	246,373	246,373	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2063	1,201,836	85,845	1,115,990	1,158,913	235,302	235,302	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2064	1,115,990	85,845	1,030,145	1,073,067	224,231	224,231	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2065	1,030,145	85,845	944,299	987,222	213,160	213,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2066	944,299	85,845	858,454	901,377	202,090	202,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2067	858,454	85,845	772,609	815,531	191,019	191,019	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2068	772,609	85,845	686,763	729,686	179,948	179,948	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2069	686,763	85,845	600,918	643,840	168,877	168,877	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2070	600,918	85,845	515,072	557,995	157,806	157,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2071	515,072	85,845	429,227	472,150	146,735	146,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2072	429,227	85,845	343,382	386,304	135,664	135,664	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2073	343,382	85,845	257,536	300,459	124,593	124,593	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2074	257,536	85,845	171,691	214,613	113,523	113,523	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Project Totals		5,064,878			26,315,427	26,315,427	-					

** 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.

APCo 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: b1875 (138 kV Bradley to McClung upgrades)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,152	1,152	-
True-Up Adjustment	1,152	1,152	-

Details		Current Year		2016	
Investment	8,135				
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)			
Service Month (1-12)	9	FCR w/o incentives, less depreciation		12.90%	
Useful life	61	FCR w/incentives approved for these facilities, less dep.		12.90%	
CIAC (Yes or No)	No	Annual Depreciation Expense		133	

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 ##
2014	8,135	33	8,102	8,118	1,080	1,080	\$ -
2015	8,102	133	7,968	8,035	1,170	1,170	\$ -
2016	7,968	133	7,835	7,902	1,152	1,152	\$ -
2017	7,835	133	7,702	7,768	1,135	1,135	\$ -
2018	7,702	133	7,568	7,635	1,118	1,118	\$ -
2019	7,568	133	7,435	7,502	1,101	1,101	\$ -
2020	7,435	133	7,301	7,368	1,084	1,084	\$ -
2021	7,301	133	7,168	7,235	1,066	1,066	\$ -
2022	7,168	133	7,035	7,101	1,049	1,049	\$ -
2023	7,035	133	6,901	6,968	1,032	1,032	\$ -
2024	6,901	133	6,768	6,835	1,015	1,015	\$ -
2025	6,768	133	6,635	6,701	998	998	\$ -
2026	6,635	133	6,501	6,568	980	980	\$ -
2027	6,501	133	6,368	6,435	963	963	\$ -
2028	6,368	133	6,235	6,301	946	946	\$ -
2029	6,235	133	6,101	6,168	929	929	\$ -
2030	6,101	133	5,968	6,035	912	912	\$ -
2031	5,968	133	5,835	5,901	894	894	\$ -
2032	5,835	133	5,701	5,768	877	877	\$ -
2033	5,701	133	5,568	5,634	860	860	\$ -
2034	5,568	133	5,434	5,501	843	843	\$ -
2035	5,434	133	5,301	5,368	826	826	\$ -
2036	5,301	133	5,168	5,234	808	808	\$ -
2037	5,168	133	5,034	5,101	791	791	\$ -
2038	5,034	133	4,901	4,968	774	774	\$ -
2039	4,901	133	4,768	4,834	757	757	\$ -
2040	4,768	133	4,634	4,701	740	740	\$ -
2041	4,634	133	4,501	4,568	722	722	\$ -
2042	4,501	133	4,368	4,434	705	705	\$ -
2043	4,368	133	4,234	4,301	688	688	\$ -
2044	4,234	133	4,101	4,168	671	671	\$ -
2045	4,101	133	3,967	4,034	654	654	\$ -
2046	3,967	133	3,834	3,901	636	636	\$ -
2047	3,834	133	3,701	3,767	619	619	\$ -
2048	3,701	133	3,567	3,634	602	602	\$ -
2049	3,567	133	3,434	3,501	585	585	\$ -
2050	3,434	133	3,301	3,367	568	568	\$ -
2051	3,301	133	3,167	3,234	550	550	\$ -
2052	3,167	133	3,034	3,101	533	533	\$ -
2053	3,034	133	2,901	2,967	516	516	\$ -
2054	2,901	133	2,767	2,834	499	499	\$ -
2055	2,767	133	2,634	2,701	482	482	\$ -
2056	2,634	133	2,501	2,567	464	464	\$ -
2057	2,501	133	2,367	2,434	447	447	\$ -
2058	2,367	133	2,234	2,300	430	430	\$ -
2059	2,234	133	2,100	2,167	413	413	\$ -
2060	2,100	133	1,967	2,034	396	396	\$ -
2061	1,967	133	1,834	1,900	378	378	\$ -
2062	1,834	133	1,700	1,767	361	361	\$ -
2063	1,700	133	1,567	1,634	344	344	\$ -
2064	1,567	133	1,434	1,500	327	327	\$ -
2065	1,434	133	1,300	1,367	310	310	\$ -
2066	1,300	133	1,167	1,234	292	292	\$ -
2067	1,167	133	1,034	1,100	275	275	\$ -
2068	1,034	133	900	967	258	258	\$ -
2069	900	133	767	834	241	241	\$ -
2070	767	133	633	700	224	224	\$ -
2071	633	133	500	567	206	206	\$ -
2072	500	133	367	433	189	189	\$ -
2073	367	133	233	300	172	172	\$ -
Project Totals		7,902			40,658	40,658	-

** 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: b1797.1 (Reconductor portion of Cloverdale-Lexington 500 kV line)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details							
Investment	-	Current Year					2016
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	6	FCR w/o incentives, less depreciation					12.90%
Useful life	61	FCR w/incentives approved for these facilities, less dep.					12.90%
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 ##
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	-	-	-	-	-	-	\$ -
2075	-	-	-	-	-	-	\$ -
Project Totals		-	-	-	-	-	-

[illegible]

Project Totals

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

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

APCo 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: b1712.1 (Altavista-Leesville 138kV line)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details			
Investment	-	Current Year	2016
Service Year (yyyy)	2011	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	12	FCR w/o incentives, less depreciation	12.90%
Useful life	-	FCR w/incentives approved for these facilities, less dep.	12.90%
CIAC (Yes or No)	No	Annual Depreciation Expense	-

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2011	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2012	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2013	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2014	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2015	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2016	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2017	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2018	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2019	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2020	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2021	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2022	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2023	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2024	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2025	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2026	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2027	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2028	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2029	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2030	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2031	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2032	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2033	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2034	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2035	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2036	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2037	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2038	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2039	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2040	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2041	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2042	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2043	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2044	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2045	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2046	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2047	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2048	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2049	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2050	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2051	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2052	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2053	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2054	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2055	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2056	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2057	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2058	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2059	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2060	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2061	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2062	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2063	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2064	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2065	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2066	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2067	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2068	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2069	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2070	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -

Project Totals

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

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

AEP East Companies
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet L Reserved for Future Use
APPALACHIAN POWER COMPANY

**Worksheet M Supporting Calculation of Capital Structure and Weighted Average Cost of Capital
Based on Average of Balances At 12/31/2016 & 12/31/2017**

(A)	(B)	(C)	(D)	(E)
Line		Balances @	Balances @	Average
	<u>Development of Average Balance of Common Equity</u>	<u>12/31/2017</u>	<u>12/31/2016</u>	
1	Proprietary Capital (112.16.c&d)	3,790,031,567	3,588,654,125	3,689,342,846
2	Less Preferred Stock (Ln 55 Below)	0	0	-
3	Less Account 216.1 (112.12.c&d)	-	-	-
4	Less Account 219.1 (112.15.c&d)	(9,619,917)	(9,136,158)	(9,378,038)
5	Average Balance of Common Equity	3,799,651,484	3,597,790,283	3,698,720,884

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

6	Bonds (112.18.c&d)	-	-	-
7	Less: Reacquired Bonds (112.19.c&d)	-	-	-
8	LT Advances from Assoc. Companies (112.20.c&d)	-	-	-
9	Senior Unsecured Notes (112.21.c&d)	3,691,366,307	3,745,741,307	3,718,553,807
10	Less: Fair Value Hedges (See Note on Ln 12 below)	-	-	-
11	Total Average Debt	3,691,366,307	3,745,741,307	3,718,553,807

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

13 Annual Interest Expense for 2017

14	Interest on Long Term Debt (256-257.33.i)	177,723,033
15	Less: Total Hedge Gain/Expense Accumulated from p 256-257, col. (i) of FERC Form 1 included in Ln 14 and shown in Ln 34 below.	(422,541)
16	Plus: Allowed Hedge Recovery From Ln 39 below.	(422,541)
17	Amort of Debt Discount & Expense (117.63.c)	2,594,175
18	Amort of Loss on Reacquired Debt (117.64.c)	2,918,240
19	Less: Amort of Premium on Debt (117.65.c)	-
20	Less: Amort of Gain on Reacquired Debt (117.66.c)	-
21	Total Interest Expense (Ln 14 - Ln 15 + Ln 16 + Ln 17 + Ln 18 - Ln 19 - Ln 20)	183,235,448

22 **Average Cost of Debt for 2017 (Ln 21/Ln 11)** **4.93%**

CALCULATION OF RECOVERABLE HEDGE GAINS/LOSSES

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

					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 23)	Net Includable Hedge Amount	Remaining Unamortized Balance	Beginning	Ending
24 Senior Unsecured Notes - Series I	-		-	-	Jan-05	Jul-14
25 Senior Unsecured Notes - Series K	556,802		556,802	-	Jun-05	Jun-17
26 Senior Unsecured Notes - Series L	(179,160)		(179,160)	-	Sep-05	Oct-35
27 Senior Unsecured Notes - Series H	37,068		37,068	642,612	May-03	May-33
28 Senior Unsecured Notes - Series N	(194,198)		(194,198)	(3,932,519)	Apr-06	Apr-36
29 Senior Unsecured Notes - Series Q	159,672		159,672	3,546,027	Mar-08	Apr-38
30 Senior Unsecured Notes - Series S	328,707		328,707	-	May-10	May-15
31 Senior Unsecured Notes - Series T	(1,131,432)		(1,131,432)	(5,908,592)	Mar-11	Mar-21
32			-			
33				(5,652,472)		
34 Total Hedge Amortization	(422,541)	-				
35 Hedge Gain or Loss Prior to Application of Recovery Limit (Sum of Lines 24 to 32)			(422,541)			
36 Total Average Capital Structure Balance for 2017 (TCOS, Ln 170)			7,417,274,691			
37 Financial Hedge Recovery Limit - Five Basis Points of Total Capital			0.0005			
38 Limit of Recoverable Amount			3,708,637			
39 Recoverable Hedge Amortization (Lesser of Ln 35 or Ln 38)			(422,541)			

Development of Cost of Preferred Stock

Preferred Stock			Average
40 4.125% Series - 100 - Dividend Rate (p. 250-251. 9.a)	4.125%	4.125%	
41 4.125% Series - 100 - Par Value (p. 250-251. 9.c)	\$ 100.00	\$ 100.00	
42 4.125% Series - 100 - Shares O/S (p.250-251. 9.e)	-	-	-
43 4.125% Series - 100 - Monetary Value (Ln 41 * Ln 42)	-	-	-
44 4.125% Series - 100 - Dividend Amount (Ln 40 * Ln 43)	-	-	-
45 4.12% Series - 100 - Dividend Rate (p. 250-251 11.a)	4.120%	4.120%	
46 4.12% Series - 100 - Par Value (p. 250-251 11.c)	\$ 100.00	\$ 100.00	
47 4.12% Series - 100 - Shares O/S (p.250-251 11.e)	-	-	-
48 4.12% Series - 100 - Monetary Value (Ln 46 * Ln 47)	-	-	-
49 4.12% Series - 100 - Dividend Amount (Ln 45 * Ln 48)	-	-	-
50 4.56% Series - 100 - Dividend Rate (p. 250-251. 10a)	4.560%	4.560%	
51 4.56% Series - 100 - Par Value (p. 250-251. 10c)	\$ 100.00	\$ 100.00	
52 4.56% Series - 100 - Shares O/S (p.250-251 10.e)	-	-	-
53 4.56% Series - 100 - Monetary Value (Ln 51 * Ln 52)	-	-	-
54 4.56% Series - 100 - Dividend Amount (Ln 50 * Ln 53)	-	-	-
55 Balance of Preferred Stock (Lns 43, 48, 53)	-	-	-
56 Dividends on Preferred Stock (Lns 44, 49, 54)	-	-	-
57 Average Cost of Preferred Stock (Ln 56/55)	0.00%	0.00%	0.00%

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

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

1 Total AEP East Operating Company PBOP Settlement Amount -

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) * 0	(D)	(E)=(A) * (D)	(F)=(C) * (D)	(G)=(E) - (F)
2	APCo	(16,200,897)	36.57%	-	8.052%	(1,304,430)	-	(1,304,430)
3	I&M	(11,509,436)	25.98%	-	5.095%	(586,456)	-	(586,456)
4	KPCo	(3,481,273)	7.86%	-	6.818%	(237,367)	-	(237,367)
5	KNGP	(378,229)	0.85%	-	9.691%	(36,653)	-	(36,653)
6	OPCo	(11,964,459)	27.01%	-	15.466%	(1,850,380)	-	(1,850,380)
7	WPCo	(769,194)	1.74%	-	2.347%	(18,050)	-	(18,050)
8	Sum of Lines 2 to 7	(44,303,488)		-		(4,033,336)	-	(4,033,336)

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	(15,553,365)	(11,620,295)	(3,566,295)	(334,834)	(11,037,888)	(417,243)	(42,529,920)
10 Additional PBOP Ledger Entries (from Company Records)	465,717	918,897	369,757	4,572	135,109	(290,243)	
11 Medicare Subsidy	-	-	-	-	-	-	-
12 Net Company Expense (Ln 9 + Ln 10 + Ln 11)	(15,087,648)	(10,701,398)	(3,196,538)	(330,262)	(10,902,779)	(707,486)	(40,926,111)
13 PBOP Expenses From AEP Service Corporation (from Company Records)	(1,113,249)	(808,038)	(284,735)	(47,967)	(1,061,680)	(61,708)	(3,377,377)
14 Company PBOP Expense (Ln 12 + Ln 13)	(16,200,897)	(11,509,436)	(3,481,273)	(378,229)	(11,964,459)	(769,194)	(44,303,488)

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

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

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

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019	-	2018 Revenue Requirement Forecast by October 31, 2017	=	True-up Adjustment - Over (Under) Recovery
\$16,511,590		\$15,216,438		(\$1,295,152)

Interest Rate on Amount of Refunds or Surcharges from 35.19a		Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed
			0.2780%				
An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorate over 2020							
<u>Calculation of Interest</u>					Monthly		
January	Year 2018	(107,929)	0.2780%	12	3,601		111,530
February	Year 2018	(107,929)	0.2780%	11	3,300		111,230
March	Year 2018	(107,929)	0.2780%	10	3,000		110,930
April	Year 2018	(107,929)	0.2780%	9	2,700		110,630
May	Year 2018	(107,929)	0.2780%	8	2,400		110,330
June	Year 2018	(107,929)	0.2780%	7	2,100		110,030
July	Year 2018	(107,929)	0.2780%	6	1,800		109,730
August	Year 2018	(107,929)	0.2780%	5	1,500		109,430
September	Year 2018	(107,929)	0.2780%	4	1,200		109,130
October	Year 2018	(107,929)	0.2780%	3	900		108,829
November	Year 2018	(107,929)	0.2780%	2	600		108,529
December	Year 2018	(107,929)	0.2780%	1	300		108,229
					23,403		1,318,555
					Annual		
January through December	Year 2019	1,318,555	0.2780%	12	43,987		1,362,542
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>					Monthly		
January	Year 2020	(1,362,542)	0.2780%		3,788	(115,607)	1,250,723
February	Year 2020	(1,250,723)	0.2780%		3,477	(115,607)	1,138,592
March	Year 2020	(1,138,592)	0.2780%		3,165	(115,607)	1,026,150
April	Year 2020	(1,026,150)	0.2780%		2,853	(115,607)	913,396
May	Year 2020	(913,396)	0.2780%		2,539	(115,607)	800,327
June	Year 2020	(800,327)	0.2780%		2,225	(115,607)	686,945
July	Year 2020	(686,945)	0.2780%		1,910	(115,607)	573,247
August	Year 2020	(573,247)	0.2780%		1,594	(115,607)	459,234
September	Year 2020	(459,234)	0.2780%		1,277	(115,607)	344,903
October	Year 2020	(344,903)	0.2780%		959	(115,607)	230,254
November	Year 2020	(230,254)	0.2780%		640	(115,607)	115,287
December	Year 2020	(115,287)	0.2780%		320	(115,607)	0
					24,746		
True-Up Adjustment with Interest						1,387,289	
Less Over (Under) Recovery						(1,295,152)	
Total Interest						92,137	

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