

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

For Twelve Months Ended

2017

AEP WEST VIRGINIA TRANSMISSION COMPANY

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 141)				\$80,961,691
			Total		Allocator	
2	REVENUE CREDITS	(Worksheet E, ln 8) (Note A)	-	DA	1.00000	\$ -
3	Facility Credits under PJM OATT Section 30.9	Worksheet E, ln 9) (Note X)				0
4	REVENUE REQUIREMENT For All Company Facilities	(ln 1 less ln 2 plus ln 3)				\$ 80,961,691

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)	45,414,454	DA	1.00000	\$ 45,414,454
6	NET PLANT CARRYING CHARGE w/o intra-AEP charges or credits or ROE incentives (Note B)					
7	Annual Rate	((ln 1- ln 104)/((ln 49 + ln 50 + ln 51 + ln 52 + ln 54) x 100))				12.94%
8	Monthly Rate	(ln 7 / 12)				1.08%
9	NET PLANT CARRYING CHARGE ON LINE 7 , w/o depreciation or ROE incentives (Note B)					
10	Annual Rate	((ln 1- ln 104 - ln 109)/((ln 49 + ln 50 + ln 51 + ln 52 + ln 54) x 100))				11.26%
11	NET PLANT CARRYING CHARGE ON LINE 10, w/o Return, income taxes or ROE incentives (Note B)					
12	Annual Rate	((ln 1 - ln 104 - ln 109 - ln 110 - ln 136 - ln 137) /((ln 49 + ln 50 + ln 51 + ln 52 + ln 54) x 100))				2.16%
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				344,410
16	Less: Load Dispatch - Scheduling, System Control and Dispatch Services (321.88.b)					-
17	Less: Load Dispatch - Reliability, Planning & Standards Development Services (321.92.b)					-
18	Total 561 Internally Developed Costs	(Line 15 - Line 16 - Line 17)				344,410

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

AEP WEST VIRGINIA TRANSMISSION COMPANY

	(1)	(2)	(3)	(4)	(5)
	<u>RATE BASE CALCULATION</u>	<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>	<u>Total</u> <u>Transmission</u>
Line No.					
19	GROSS PLANT IN SERVICE				
20	Line Deliberately Left Blank				
21	Line Deliberately Left Blank				
22	Transmission	(Worksheet A In 3.E & Ln 145)	638,992,924	DA 1.00000	638,992,924
23	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 146)	-	TP 1.00000	-
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	Line Deliberately Left Blank		N/A		N/A
27	General Plant	(Worksheet A In 7.E)	-	W/S 0.99592	-
28	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	-	W/S 0.99592	-
29	Intangible Plant	(Worksheet A In 9.E)	1,829,050	W/S 0.99592	1,821,588
30	TOTAL GROSS PLANT	(Sum of Lines: 21, 22 & 27 to 29)	640,821,974	GP(h)= 0.999988 GTD= 1.00000	640,814,512
31	ACCUMULATED DEPRECIATION AND AMORTIZATION				
32	Line Deliberately Left Blank				
33	Line Deliberately Left Blank				
34	Transmission	(Worksheet A In 14.E & 28.E)	13,191,993	TP1= 1.00000	13,191,993
35	Less: Transmission ARO (Enter Negative)	(Worksheet A In 15.E)	-	TP1= 1.00000	-
36	Line Deliberately Left Blank		N/A		N/A
37	Line Deliberately Left Blank		N/A		N/A
38	Line Deliberately Left Blank		N/A		N/A
39	Line Deliberately Left Blank		N/A		N/A
40	Line Deliberately Left Blank		N/A		N/A
41	Line Deliberately Left Blank		N/A		N/A
42	Line Deliberately Left Blank		N/A		N/A
43	General Plant	(Worksheet A In 18.E)	-	W/S 0.99592	-
44	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	-	W/S 0.99592	-
45	Intangible Plant	(Worksheet A In 20.E)	596,477	W/S 0.99592	594,044
46	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 34, 35 & 43 to 45)	13,788,470		13,786,036
47	NET PLANT IN SERVICE				
48	Line Deliberately Left Blank				
49	Transmission	(In 21 + In 22 - In 34 - In 35)	625,800,932		625,800,932
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	Line Deliberately Left Blank		N/A		N/A
56	General Plant	(In 27 + In 28 - In 43 - In 44)	-		-
57	Intangible Plant	(In 29 - In 45)	1,232,573		1,227,545
58	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 49 to 54 & 56, 57)	627,033,505	NP(h)= 0.999992	627,028,476
59	DEFERRED TAX ADJUSTMENTS TO RATE BASE	(Note D)			
60	Account No. 281.1 (enter negative)	(Worksheet B, In 2 & In 5.E)	-	NA	-
61	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(130,406,150)	DA	(112,237,734)
62	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(26,187,113)	DA	(21,612,126)
63	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	11,989,908	DA	11,786,541
64	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA	-
65	TOTAL ADJUSTMENTS	(sum Ins 60 to 64)	(144,603,355)		(122,063,319)
66	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	-	DA	-
67	REGULATORY ASSETS	(Worksheet A In 41. (E))	-	DA	-
68	WORKING CAPITAL	(Note E)			
69	Cash Working Capital	(1/8 * In 89)	978,616		978,616
70	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	1,509,518	TP 1.00000	1,509,518
71	A&G Materials & Supplies	(Worksheet C, In 3.(F))	-	W/S 0.99592	-
72	Stores Expense	(Worksheet C, In 4.(F))	-	GP(h) 0.99999	-
73	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.(G))	619,613	W/S 0.99592	617,085
74	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.(F))	17,787	GP(h) 0.99999	17,787
75	Prepayments (Account 165) - Transmission Only	(Worksheet C, In 8.(E))	-	DA 1.00000	-
76	Prepayments (Account 165) - Unallocable	(Worksheet C, In 8.(D))	-	NA 0.00000	-
77	TOTAL WORKING CAPITAL	(sum Ins 69 to 76)	3,125,533		3,123,005
78	IPP CONTRIBUTIONS FOR CONSTRUCTION	(Note F) (Worksheet D, In 8.B)	-	DA 1.00000	-
79	RATE BASE (sum Ins 58, 65, 66, 67, 77, 78)		485,555,683		508,088,163

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

AEP WEST VIRGINIA TRANSMISSION COMPANY

	(1)	(2)	(3)	(4)	(5)
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
Line No.	OPERATION & MAINTENANCE EXPENSE				
80	Line Deliberately Left Blank				
81	Line Deliberately Left Blank				
82	Customer Related Expense	322 & 323.164,171,178.b	-		
83	Regional Marketing Expenses	322.131.b	-		
84	Transmission	321.112.b	8,173,336		
85	TOTAL O&M EXPENSES	(sum Ins 82 to 84)	8,173,336		
86	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	344,410		
87	Less: Account 565	(Note H) 321.96.b	-		
88	Less: Regulatory Deferrals & Amortizations	(Note I) (Worksheet F, In 4.C)	-		
89	Total O&M Allocable to Transmission	(Ins 84 - 86 - 87 - 88)	7,828,926	TP 1.00000	7,828,926
90	Administrative and General	323.197.b (Note J)	2,255,561		
91	Less: Acct. 924, Property Insurance	323.185.b	102,588		
92	Acct. 928, Reg. Com. Exp.	323.189.b	-		
93	Acct. 930.1, Gen. Advert. Exp.	323.191.b	-		
94	Acct. 930.2, Misc. Gen. Exp.	323.192.b	18,581		
95	Balance of A & G	(In 90 - sum In 91 to In 94)	2,134,392	W/S 0.99592	2,125,685
96	Plus: Acct. 924, Property Insurance	(In 91)	102,588	GP(h) 0.99999	102,587
97	Acct. 928 - Transmission Specific	Worksheet F In 21.(E) (Note L)	-	TP 1.00000	-
98	Acct 930.1 - Only safety related ads -Direct	Worksheet F In 38.(E) (Note L)	-	TP 1.00000	-
99	Acct 930.2 - Misc Gen. Exp. - Trans	Worksheet F In 43.(E) (Note L)	3,818	DA 1.00000	3,818
100	PBOP Adjustment	Worksheet O Ln 16 (B), (Note K & M)	(4,016)	W/S 0.99592	(4,000)
101	A & G Subtotal	(sum Ins 95 to 100)	2,236,782		2,228,089
102	O & M EXPENSE SUBTOTAL	(In 89 + In 101)	10,065,708		10,057,015
103	Line Deliberately Left Blank	Company Records (Note H)	-	DA 1.00000	-
104	Plus: Transmission Lease Payments To Affiliates in	Acct 565 (Company Records) (Note H)	-	DA 1.00000	-
105	TOTAL O & M EXPENSE	(In 102 + In 104)	10,065,708		10,057,015
106	DEPRECIATION AND AMORTIZATION EXPENSE				
107	Line Deliberately Left Blank				
108	Line Deliberately Left Blank				
109	Transmission	336.7.f	10,509,443	TP1 1.00000	10,509,443
110	Line Deliberately Left Blank		-		-
111	Line Deliberately Left Blank		-		-
112	General	336.10.f	-	W/S 0.99592	-
113	Intangible	336.1.f	365,810	W/S 0.99592	364,318
114	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 109+112+113)	10,875,253		10,873,761
115	TAXES OTHER THAN INCOME	(Note N)			
116	Labor Related				
117	Payroll	Worksheet H In 23.(D)	-	W/S 0.99592	-
118	Plant Related				
119	Property	Worksheet H In 23.(C) & In 47.(C)	3,099,407	DA 1.00000	3,099,407
120	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	-	NA 0.00000	-
121	Other	Worksheet H In 23.(E)	-	GP(h) 0.99999	-
122	TOTAL OTHER TAXES	(sum Ins 117 to 121)	3,099,407		3,099,407
123	INCOME TAXES	(Note O)			
124	T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =		39.23%		
125	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		49.92%		
126	where WCLTD=(In 164) and WACC = (In 167)				
127	and FIT, SIT & p are as given in Note O.				
128	GRCF=1 / (1 - T) = (from In 124)		1.6454		
129	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
130	Excess Deferred Income Tax	(Note U)	-	NP(h) 0.99999	-
131	Tax Effect of Permanent Differences	(Note U)	65,450	NP(h) 0.99999	65,449
132	Income Tax Calculation	(In 125 * In 137)	18,081,269		18,920,341
133	ITC adjustment	(In 128 * In 129)	-	NP(h) 0.99999	-
134	Excess Deferred Income Tax	(In 128 * In 130)	-		-
135	Tax Affect of Permanent Differences	(In 128 * In 131)	107,692		107,691
136	TOTAL INCOME TAXES	(sum Ins 132 to 135)	18,188,962		19,028,032
137	RETURN ON RATE BASE (Rate Base*WACC)	(In 79 * In 167)	36,222,548		37,903,475
138	INTEREST ON IPP CONTRIBUTION FOR CONST. (Note F) (Worksheet D, In 2.(B))		-	DA 1.00000	-
139	(Gains) / Losses on Sales of Plant Held for Future Use (Worksheet N, In 4, Cols. ((F) & (H))		-		-
140	Tax Impact on Net Loss / (Gain) on Sales of Plant Held for Future Use (In 139 * In125)		-		-
141	TOTAL REVENUE REQUIREMENT		78,451,877		80,961,691
	(sum Ins 105, 114, 122, 136, 137, 138, 139, 140)				

SUPPORTING CALCULATIONS

AEP OPERATING COMPANIES' COMPOSITE (Note S)				
168	WEIGHTED AVERAGE COST OF CAPITAL (WACC)			\$
169	Long Term Interest	(Worksheet Q, In. 132)		450,534,104
170	Preferred Dividends	(Worksheet Q, In. 134)		-
171	<u>Development of Common Stock:</u>			
172	Proprietary Capital	(Worksheet Q, In. 135)		8,345,838,049
173	Less: Preferred Stock	(Worksheet Q, In. 136)		-
174	Less: Account 216.1	(Worksheet Q, In. 137)		6,619,045
175	Less: Account 219	(Worksheet Q, In. 138)		(13,587,599)
176	Common Stock	(In 172 - In 173 - In 174 - In 175)		8,352,806,603
177				
178	Long Term Debt (Worksheet Q, In 140)		%	\$
179	Preferred Stock (Worksheet Q, In 141)		50.83%	8,635,339,436
180	Common Stock (Worksheet Q, In 142)		0.00%	-
181	Total (Worksheet Q, In 143)		49.17%	8,352,806,603
				16,988,146,038
				WACC= 0.0830

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

AEP WEST VIRGINIA TRANSMISSION COMPANY

Letter

Notes

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

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
7) If AEP Transmission Companies have any directly assigned transmission facilities, the revenue credits in the formula rate shall include all revenues associated with those directly assigned transmission facilities, irrespective of whether the loads of the customer are included in the formula rate divisor; provided however, such addition to revenue credits shall not be reflected if the costs of such directly assigned transmission facilities are not included in the transmission plant balances on which the formula rate ATRR is based. See Worksheet E for details.
- B The annual and monthly net plant carrying charges on page 1 are used to compute the revenue requirement for RTEP sponsored upgrades or those projects receiving approved incentive-ROE's. Interest will be calculated based on Worksheet R and any over under recovery will be filed and posted as part of the informational filing.
- C Transmission Plant Balances in this study are projected or actual average 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 flow throughs and is completely excluded if the utility chose to utilize amortization of tax credits against FIT expense. An exception to this is pre-1971 ITC balances, which are required to be taken as an offset to rate base. Account 281 is not allocated. In compliance with FERC Rulemaking RM02-7-000, Asset Retirement Obligation deferrals have been removed from ratebase. Transmission ADIT allocations are shown on WS B.
In compliance with FERC Rulemaking the calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-(h)(6)(ii). Detailed balances for the projected or actual period, distinguished between utility and non-utility balances, will be filed and posted as part of the informational filing.
The company will not include the ADIT portion of deferred hedge gains and losses in rate base.
- E Cash Working Capital assigned to transmission is one-eighth of O&M allocated to transmission, as shown on line 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 101.
- 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 138.
- 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 costs are added back on line 104 to determine the total O&M collected in the formula. The amounts on line104 is also excluded in the calculation of the FCR percentage calculated on lines 6 through 12.
The addbacks on line104 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 line104 is the AEP WEST VIRGINIA TRANSMISSION COMPANY general ledger.
- I Removes the impact of state regulatory deferrals or their amortization from Transmission O&M expense.
- J General Plant and Administrative & General expenses, other than in accounts 924, 928, and 930, will be functionalized based on the Wages & Salaries "W/S" allocator. The allocation basis for accounts 924, 928 and 930 are separately presented in the formula. A change in the allocation method for an account must be approved via a 205 filing with the FERC.
- K The Post-employment Benefit Other than Pension (PBOP) expense is fixed based on an approved ratio of PBOP expense to direct labor expense.
- L Expenses reported for these A&G accounts will be included in the cost of service only to the extent they are directly assignable to transmission service. Worksheet F allocates these expense items. Acct 928 Includes Regulatory Commission expenses itemized in FERC Form-1 at page 351, column H. FERC Assessment Fees and Annual Charges shall not be allocated to transmission. Only safety-related and educational advertising costs in Account 930.1 are included in the TCOS. Account 930.2 includes the expenses incurred by the transmission function for Associated Business Development revenues given as a credit to the TCOS on Worksheet E.
- M See note K above. Recoverable PBOP expense is based on a rate of \$(0.058) cents per dollar of direct labor. This rate may be adjusted up or down every four years based on a comparison of the Allowable TransCo PBOP Expense and the Actual PBOP Expense for a four year Historic and four year Projected period. If the over or under collection is greater than plus or minus 20% of the recoverable amount, an adjustment will be proposed in a Section 205 rate filing.
- N Includes only FICA, unemployment, highway, property and other assessments. Gross receipts, sales & use and taxes related to income are excluded.
- O The currently effective income tax rate, where FIT is the Federal income tax rate; SIT is the State income tax rate, and p = the percentage of federal income tax deductible for state income taxes. See Worksheet G for the development of the Company's composite SIT.
A utility that elected to utilize amortization of tax credits against taxable income, rather than book tax credits to Account No. 255 and reduce rate base, must reduce its income tax expense by the amount of the Amortized Investment Tax Credit (Form 1, 266.8.f)
(ln 129) multiplied by (1/1-T) . If the applicable tax rates are zero enter 0.
Inputs Required: FIT = 35.00%
SIT= 6.50% (State Income Tax Rate or Composite SIT. Worksheet G))
p = 0.00% (percent of federal income tax deductible for state purposes)
- The formula rate shall reflect the applicable state and federal statutory tax rates in effect during the period the calculated estimated unit charges are applicable. If the statutory tax rates change during such period, the effective tax rates used in the formula shall be weighted by the number of days the pre-change rate and post-change rate each is in effect.
- P Removes plant excluded from the OATT because it does not meet the PJM's definition of Transmission Facilities or is otherwise ineligible to be recovered under the OATT.
- Q Removes transmission plant (e.g. step-up transformers) included in the development of OATT ancillary service rates and not already removed for reasons indicated in Note P.
- R Includes functional wages & salaries billed by AEP Service Corporation for support of the operating company.
- S Long Term Debt cost rate = long-term interest (Ln 156)/average long term debt (Ln 164). Preferred Stock cost rate = preferred dividends (Ln 160) /preferred outstanding (ln 165). Common Stock cost rate (ROE) = 11.49%, the rate accepted by FERC in Docket No. ER10-355. It includes an additional 50 basis points for PJM RTO membership. All Transmission Companies other than AEP Appalachian Transmission Company utilize their own capital structure and costs as shown on Worksheet M. The calculations on Worksheet M will use the projected or actual arithmetic average of the beginning of year and end of year balances of long-term debt, common and preferred equity and calendar year long term debt interest expenses, preferred dividends and approved ROE. The long term debt balances and long term debt cost rate shall not include any amounts related to hedging activity. As shown on Worksheet Q, the AEP Appalachian Transmission Company capital structure and weighted cost of capital (WACC) shall be based on the weighted composite of the AEP East Operating Companies beginning and ending average outstanding LTD and PS issuances with the common equity portion in Docket No. ER08-1329, and (2) the weighted composite LTD and PS cost using projected or actual calendar year LTD expense and PS dividends of the AEP East Operating Companies excluding all interest rate hedging costs and/or gains, until the Company establishes its own actual capital structure.
- T Tax effect of permanent differences captures the differences in the income taxes due under the Federal and State calculations 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.
- U Cash investment in prepaid pension and benefits recorded in FERC Account 165 is permitted to be included in the formula. A labor expense allocation factor will be used to allocate total company
- V The formula rate shall allocate property tax expense based on the as filed net plant cost allocation method detailed on Worksheet H.
- W AEP Transmission Companies will record depreciation expense using composites of the depreciation rates shown on Worksheet P which rates will not be changed absent a Section 205 or 206 filing at FERC to seek a change in depreciation rates. No other changes to the formula rate may be included in that filing.
- 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.

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Supporting Plant Balances
AEP WEST VIRGINIA TRANSMISSION COMPANY

Line	(A)	(B)	(C)	(D)	(E)
Number	Rate Base Item & Supporting Balance	Source of Data	Balance @ December 31, 2017	Balance @ December 31, 2016	Average Balance for 2017
NOTE: Functional ARO investment and accumulated depreciation balances shown below are included in the total functional balances shown here.					
NOTE: The ratebase should not include the unamortized balance of hedging gains or losses.					
Plant Investment Balances					
1	Line Deliberately Left Blank				
2	Line Deliberately Left Blank				
3	Transmission Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 58	714,170,510	563,815,338	638,992,924
4	Transmission Asset Retirement Obligation	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 57	-	-	-
5	Line Deliberately Left Blank				
6	Line Deliberately Left Blank				
7	General Plant In Service	FF1, page 207 Col.(g) & pg. 206 Col. (b), In 99	-	-	-
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	1,829,050	1,829,050	1,829,050
10	Total Property Investment Balance	(Sum of Lines: 3, 7, 9)	715,999,560	565,644,388	640,821,974
11	Total ARO Balance (included in total on line 10)	(Sum of Lines: 4, 8)	-	-	-
Accumulated Depreciation & Amortization Balances					
12	Line Deliberately Left Blank				
13	Line Deliberately Left Blank				
14	Transmission Accumulated Depreciation	FF1, page 219, In 25, Col. (b)	17,935,040	8,448,945	13,191,993
15	Transmission ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
16	Line Deliberately Left Blank				
17	Line Deliberately Left Blank				
18	General Accumulated Depreciation	FF1, page 219, In 28, Col. (b)	-	-	-
19	General ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
20	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)	779,382	413,572	596,477
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 18, 20)	18,714,422	8,862,517	13,788,470
22	Total ARO Balance (included in total on line 21)	(Sum of Lines: 15, 19)	-	-	-
Generation Step-Up Units					
23	GSU Investment Amount	Company Records - Note 1	-	-	-
24	GSU Accumulated Depreciation	Company Records - Note 1	-	-	-
25	GSU Net Balance	(Line 23 - Line 24)	-	-	-
Transmission Accumulated Depreciation Net of GSU Accumulated Depreciation					
26	Transmission Accumulated Depreciation	(Line 14 Above)	17,935,040	8,448,945	13,191,993
27	Less: GSU Accumulated Depreciation	(Line 24 Above)	-	-	-
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)	17,935,040	8,448,945	13,191,993
Plant Held For Future Use					
29	Plant Held For Future Use	FF1, page 214, In 47, Col. (d)	-	-	-
30	Transmission Plant Held For Future	Company Records - Note 1	-	-	-
Regulatory Assets and Liabilities Approved for Recovery In Ratebase					
Note: Regulatory Assets & Liabilities can only be included in ratebase pursuant to a 205 filing with the FERC.					
31	Beginning Balance of Regulatory Asset (Note 1)		-	13,489	6,745
32	Amortization in Months		-	6	3
33	Monthly Amortization	(line 32 / line 33)	-	2,248	1,124
34	Months in to be amortized		-	6	3
35	Amortization Expense in 2017	(line 34 X line 35)	-	13,489	6,745
36	Months in 2017 to be amortized	(line 32 - line 36)	-	-	-
37	Amortization Expense in 2017	(line 32 + line 36)/2	-	-	-
38	Ending Balance of Regulatory Asset		-	-	-
39	Average Balance of Regulatory Asset		-	6,745	3,372
40	Unamortized Balance of Regulatory Asset at YE		-	-	-
41	Total Regulatory Deferrals Included in Ratebase (Note 1)		-	-	-

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet B Supporting ADIT and ITC Balances
AEP WEST VIRGINIA TRANSMISSION COMPANY

<u>Line Number</u>	<u>(A) Description</u>	<u>(B) Source</u>	<u>(C) Balance @ December 31, 2017</u>	<u>(D) Balance @ December 31, 2016</u>	<u>(E) Average Balance for 2017</u>
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, ln 8, Col. (k)	-	-	-
3	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
4	Less: Other Excluded Deferrals	Company Records - Note 1	-	-	-
5	Transmission Related Deferrals	Ln 2 - ln 3 - ln 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, ln 5, Col. (k)	148,425,467	112,386,833	130,406,150
8	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
9	Less: Other Excluded Deferrals	Company Records - Note 1	27,840,429	8,496,404	18,168,416
10	Transmission Related Deferrals	Ln 7 - ln 8 - ln 9	120,585,038	103,890,429	112,237,734
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, ln 9, Col. (k)	26,187,113	26,187,113	26,187,113
13	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
14	Less: Other Excluded Deferrals	Company Records - Note 1	4,574,987	4,574,987	4,574,987
15	Transmission Related Deferrals	Ln 12 - ln 13 - ln 14	21,612,126	21,612,126	21,612,126
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, ln 8, Col. (c)	8,091,408	15,888,408	11,989,908
18	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
19	Less: Other Excluded Deferrals	Company Records - Note 1	203,367	203,367	203,367
20	Transmission Related Deferrals	Ln 17 - ln 18 - ln 19	7,888,041	15,685,041	11,786,541
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, ln 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - ln 23	-	-	-
25	Transmission Related Deferrals	Company Records - Note 1	-	-	-

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.167(l)-(h)(6)(ii).

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet C Supporting Working Capital Rate Base Adjustments
AEP WEST VIRGINIA TRANSMISSION COMPANY

Formula Rate
WS C - Working Capital
Page 8 of 48

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)
Materials & Supplies								
Line Number	Source	Balance @ December 31, 2017	Balance @ December 31, 2016	Average Balance for 2017				
1								
2	Transmission Materials & Supplies	FF1, p. 227, ln 8, Col. (c) & (b)	1,509,518	1,509,518	1,509,518			
3	General Materials & Supplies	FF1, p. 227, ln 11, Col. (c) & (b)	0	0	-			
4	Stores Expense (Undistributed)	FF1, p. 227, ln 16, Col. (c) & (b)	0	0	-			

Prepayment Balance Summary							
5	Average of YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	
6	Totals as of December 31, 2017	637,399	0	0	17,787	619,613	637,399
7	Totals as of December 31, 2016	637,399	0	0	17,787	619,613	637,399
8	Average Balance	637,399	-	-	17,787	619,613	637,399

Prepayments Account 165 - Balance @ 12/31/2017									
9	Acc. No.	Description	2017 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
10	1650001	Prepaid Insurance	10,308	-		10,308		10,308	Plant related insurance policies
11	165000214	Prepaid Taxes	-	-		-		-	
12	1650003	Prepaid Rents	-	-		-		-	
13	1650004	Prepaid Interest	-	-		-		-	
14	1650005	Prepaid Employee Benefits	-	-		-		-	
15	1650006	Other Prepayments	-	-		-		-	
16	1650009	Prepaid Carry Cost-Factored AR	-	-		-		-	
17	1650010	Prepaid Pension Benefits	-	-		-		-	
18	1650014	FAS 158 Qual Contra Asset	-	-		-		-	
19	1650016	FAS 112 ASSETS	-	-		-		-	
20	1650021	Prepaid Insurance - EIS	6,257	-		6,257		6,257	Plant related insurance policies
21	1650023	Prepaid Lease	1,221	-		1,221	-	1,221	Prepaid lease
22	1650031	Prepaid OCIP Work Comp	125,962	-			125,962	125,962	Labor related Workers' Compensation
23	1650032	Prepaid OCIP Work Comp LT	165,768	-			165,768	165,768	Labor related Workers' Compensation
24	1650033	Prepaid OCIP Work Comp - Aff	150,441	-			150,441	150,441	Labor related Workers' Compensation
25	1650034	Prepaid OCIP Work Comp LT- Aff	177,442	-			177,442	177,442	Labor related Workers' Compensation
	Subtotal - Form 1, p 111.57.c		637,399	0	0	17,787	619,613	637,399	

Prepayments Account 165 - Balance @ 12/31/ 2016									
26	Acc. No.	Description	2016 YE Balance	Excludable Balances	100% Transmission Related	Transmission Plant Related	Transmission Labor Related	Total Included in Ratebase (E)+(F)+(G)	Explanation
27	1650001	Prepaid Insurance	10,308			10,308		10,308	Plant related insurance policies
28	165000214	Prepaid Taxes	-	-		-		-	
29	1650003	Prepaid Rents	-	-		-		-	
30	1650004	Prepaid Interest	-	-				-	
31	1650005	Prepaid Employee Benefits	-	-				-	
32	1650006	Other Prepayments	-	-				-	
33	1650009	Prepaid Carry Cost-Factored AR	-	-				-	
34	1650010	Prepaid Pension Benefits	-	-				-	
35	1650014	FAS 158 Qual Contra Asset	-					-	
34	1650016	FAS 112 ASSETS	-	-				-	
35	1650021	Prepaid Insurance - EIS	6,257	-		6,257		6,257	Plant related insurance policies
36	1650023	Prepaid Lease	1,221	-		1,221	-	1,221	Prepaid lease
37	1650031	Prepaid OCIP Work Comp	125,962	-			125,962	125,962	Labor related Workers' Compensation
38	1650032	Prepaid OCIP Work Comp LT	165,768	-			165,768	165,768	Labor related Workers' Compensation
39	1650033	Prepaid OCIP Work Comp - Aff	150,441	-			150,441	150,441	Labor related Workers' Compensation
40	1650034	Prepaid OCIP Work Comp LT- Aff	177,442				177,442	177,442	Labor related Workers' Compensation
	Subtotal - Form 1, p 111.57.c		637,399	0	0	17,787	619,613	637,399	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
AEP WEST VIRGINIA TRANSMISSION 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	Interest Expense (Company Records - Note 1)	-
3	Revenue Credits to Generators (Company Records - Note 1)	-
4	<u>Other Adjustments</u>	
5	Accounting Adjustment (Company Records - Note 1)	-
6		-
7	Net Funds from IPP Customers 12/31/2017 (2017 FORM 1, P269, line 24.f)	-
8	Average Balance for Year as Indicated in Column $((\text{Ln } 1 + \text{Ln } 7)/2)$	-

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet E Supporting Revenue Credits
AEP WEST VIRGINIA TRANSMISSION COMPANY

<u>Line Number</u>	<u>Description</u>	<u>Total Company</u>	<u>Non- Transmission</u>	<u>Transmission</u>
1	Account 450, Forfeited Discounts (FF1 p.300.16.(b); Company Records - Note 1)	-	-	-
2	Account 451,Miscellaneous Service Revenues (FF1 p.300.17.(b); Company Records - Note 1)	-	-	-
3	Account 454, Rent from Electric Property (FF1 p.300.19.(b); Company Records - Note 1)	-	-	-
4	Account 4560015, Associated Business Development - (Company Records - Note 1)	-	-	-
5	Account 456 - Other Electric Revenues - (Company Records - Note 1)	61,490,400	61,490,400	-
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	61,490,400	61,490,400	-
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	61,490,400	61,490,400	-
9	Facility Credits under PJM OATT Section 30.9			-

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet F Supporting Allocation of Specific O&M or A&G Expenses
AEP WEST VIRGINIA TRANSMISSION COMPANY

Formula Rate
WS F Misc Exp
Page 11 of 48

Line Number	(A) Item No.	(B) Description	(C) 2017 Expense	(D) 100% Non-Transmission	(E) 100% Transmission Specific	(F) Explanation
Regulatory O&M Deferrals & Amortizations						
1	5700005	Maint Station-Reliability-Df	-			
2						
3						
4		Total	-			
Detail of Account 561 Per FERC Form 1						
5	FF1 p 321.84.b	561 - Load Dispatching	344,410			
6	FF1 p 321.85.b	561.1 - Load Dispatch - Reliability	-			
7	FF1 p 321.86.b	561.2 - Load Dispatch - Monitor & Operate Trans System	-			
8	FF1 p 321.87.b	561.3 - Load Dispatch - Trans Service & Scheduling	-			
9	FF1 p 321.88.b	561.4 - Scheduling, System Control & Dispatch	-			
10	FF1 p 321.89.b	561.5 - Reliability, Planning and Standards Development	-			
11	FF1 p 321.90.b	561.6 - Transmission Service Studies	-			
12	FF1 p 321.91.b	561.7 - Generation Interconnection Studies	-			
13	FF1 p 321.92.b	561.8 - Reliability, Planning and Standards Development Services	-			
14		Total of Account 561	344,410			
Account 928						
15	9280000	Regulatory Commission Exp	-	-	-	
16	9280001	Regulatory Commission Exp-Adm	-	-	-	
17	9280002	Regulatory Commission Exp-Case	-	-	-	
18	9280003	Regulatory Commission Exp-Case	-	-	-	
19	9280004	Regulatory Commission Exp-Case	-	-	-	
20	9280005	Regulatory Commission Exp-Case	-	-	-	
21		Total	-	-	-	
Account 930.1						
22	9301000	General Advertising Expenses	-	-	-	
23	9301001	Newspaper Advertising Space	-	-	-	
24	9301002	Radio Station Advertising Time	-	-	-	
25	9301003	TV Station Advertising Time	-	-	-	
26	9301004	Newspaper Advertising Prod Exp	-	-	-	
27	9301005	Radio &TV Advertising Prod Exp	-	-	-	
28	9301006	Spec Corporate Comm Info Proj	-	-	-	
29	9301007	Special Adv Space & Prod Exp	-	-	-	
30	9301008	Direct Mail and Handouts	-	-	-	
31	9301009	Fairs, Shows, and Exhibits	-	-	-	
32	9301010	Publicity	-	-	-	
33	9301011	Dedications, Tours, & Openings	-	-	-	
34	9301012	Public Opinion Surveys	-	-	-	
35	9301013	Movies Slide Films & Speeches	-	-	-	
36	9301014	Video Communications	-	-	-	
37	9301015	Other Corporate Comm Exp	-	-	-	
38		Total	-	-	-	
Account 930.2						
39	9302000	Misc General Expenses	14,763	14,763	-	
40	9302003	Corporate & Fiscal Expenses	-	-	-	
41	9302004	Research, Develop&Demonstr Exp	-	-	-	
42	9302007	Assoc Business Development Exp	3,818	-	3,818	
43		Total	18,581	14,763	3,818	

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet G Supporting - Development of Composite State Income Tax Rate
AEP WEST VIRGINIA TRANSMISSION COMPANY

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

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

Line No.	(A) Account	(B) Total Company NOTE 1	(C) Property	(D) Labor	(E) Other	(F) Non-Allocable
1	Revenue Taxes					
2	Gross Receipts Tax	-				-
3	Real Estate and Personal Property Taxes					
4	Real and Personal Property - West Virginia	3,099,407	3,099,407			
5	Real and Personal Property - Virginia	-	-			
6	Real and Personal Property - Tennessee	-	-			
7	Real and Personal Property - Other Jurisdictions	-	-			
8	Payroll Taxes					
9	Federal Insurance Contribution (FICA)	-		-		
10	Federal Unemployment Tax	-		-		
11	State Unemployment Insurance	-		-		
12	<i>Line Deliberately Left Blank</i>					
13	State Severance Taxes	-				-
14	Miscellaneous Taxes					
15	State Business & Occupation Tax	-				-
16	State Public Service Commission Fees	-			-	
17	State Franchise Taxes	-			-	
18	State Lic/Registration Fee	-			-	
19	Misc. State and Local Tax	-			-	
20	Sales & Use	-				-
21	Federal Excise Tax	-				-
22	Michigan Single Business Tax	-				-
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c)) NOTE 1: The detail of each total company number and its source in the FERC Form 1 is shown on WS H-1.	3,099,407	3,099,407	-	-	-

Functional Property Tax Allocation

	Column (B)		Column (D)		Total
	Deliberately Left Blank	Transmission	Deliberately Left Blank	General	
24	Functionalized Net Plant (TCOS, Lns 48 thru 58)	-	625,800,932	-	625,800,932
25	WEST VIRGINIA JURISDICTION				
26	Percentage of Plant in WEST VIRGINIA JURISDICTION	-	-	-	-
27	Net Plant in WEST VIRGINIA JURISDICTION (Ln 24 * Ln 25)	-	-	-	-
28	Less: Net Value of Exempted Generation Plant	-	-	-	-
29	Taxable Property Basis (Ln 26 - Ln 27)	-	-	-	-
30	Relative Valuation Factor	-	-	-	-
31	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-
32	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%
33	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-
34	Weighted WEST VIRGINIA JURISDICTION Plant (Ln 30 + 32)	-	-	-	-
35	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%	
36	Functionalized Expense in WEST VIRGINIA JURISDICTION	-	3,099,407	-	3,099,407
37	JURISDICTION				
38	Net Plant in JURISDICTION (Ln 24 - Ln 26)	-	625,800,932	-	625,800,932
39	Less: Net Value Exempted Generation Plant	-	625,800,932	-	625,800,932
40	Taxable Property Basis	-	625,800,932	-	625,800,932
41	Relative Valuation Factor	-	-	-	-
42	Weighted Net Plant (Ln 38 * Ln 39)	-	-	-	-
43	General Plant Allocator (Ln 40 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%
44	Functionalized General Plant (Ln 42 * General Plant)	-	-	-	-
45	Weighted JURISDICTION Plant (Ln 40 + 42)	-	-	-	-
46	Functional Percentage (Ln 43/Total Ln 43)	0.00%	100.00%	0.00%	
47	Functionalized Expense in JURISDICTION	-	-	-	-
48	Total Other Jurisdictions: (Line 7 * Net Plant Allocator)		-		-
49	Total Func. Property Taxes (Sum Lns 35, 45, 46)	-	3,099,407	-	3,099,407

(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	-		P.263.1 ln 7 (i) P.263.2 ln 3 (i) P.263.2 ln 4 (i)
3	<u>Real Estate and Personal Property Taxes</u>			
4	Real and Personal Property - West Virginia	3,099,407	3,099,407	P.263 ln 34 (i) P.263 ln 35 (i) P.263 ln 38 (i) P.263 ln 39 (i) P.263.1 ln 2 (i) P.263.1 ln 3 (i)
5	Real and Personal Property - Virginia	-	-	P.263.2 ln 21 (i) P.263.2 ln 22 (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)
6	Real and Personal Property - Tennessee	-		P.263.3 ln 3 (i) P.263.3 ln 4 (i)
7	Real and Personal Property - Other Jurisdictions	-		P.263.4 ln 12 (i)
8	<u>Payroll Taxes</u>			
9	Federal Insurance Contribution (FICA)	-		P.263 ln 6 (i)
10	Federal Unemployment Tax	-		P.263 ln 9 (i)
11	State Unemployment Insurance	-		P.263.1 ln 23 (i) P.263.2 ln 33 (i) P.263.3 ln 16 (i)
12	<i>Line Left Deliberately Blank</i>			
13	State Severance Taxes	-		
14	<u>Miscellaneous Taxes</u>			
15	State Business & Occupation Tax	-		P.263 ln 21 (i) P.263 ln 22 (i)
16	State Public Service Commission Fees	-		P.263 ln 26 (i) P.263 ln 27 (i) P.263.3 ln 20 (i)
17	State Franchise Taxes	-		P.263 ln 12 (i) P.263 ln 13 (i) P.263.1 ln 34 (i) P.263.2 ln 10 (i) P.263.2 ln 11 (i) P.263.2 ln 38 (i) P.263.2 ln 39 (i) P.263.3 ln 27 (i) P.263.3 ln 28 (i) P.263.4 ln 20 (i) P.263.4 ln 27 (i)
18	State Lic/Registration Fee	-		P.263.1 ln 15 (i) P.263.2 ln 13 (i) P.263.3 ln 8 (i) P.263.4 ln 21 (i)
19	Misc. State and Local Tax	-		P.263.1 ln 12 (i)
20	Sales & Use	-	-	P.263 ln 16 (i) P.263 ln 31(i) P.263.2 ln 16 (i) P.263.2 ln 17 (i) P.263.3 ln 21 (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))	3,099,407	3,099,407	

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet I RESERVED
AEP WEST VIRGINIA TRANSMISSION COMPANY

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

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

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

ROE w/o incentives (TCOS, ln 166)			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 164 through 166)			
	%	Cost	Weighted cost
Long Term Debt	49.79%	3.40%	1.690%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	50.21%	11.49%	5.770%
		R =	7.460%

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS				
	Rev Require	W Incentives	Incentive Amounts	
PROJECTED YEAR	2017	45,414,454	45,414,454	\$ -

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

Rate Base (TCOS, ln 79)	508,088,163
R (from A. above)	7.460%
Return (Rate Base x R)	37,903,475

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

Return (from B. above)	37,903,475
Effective Tax Rate (TCOS, ln 125)	49.92%
Income Tax Calculation (Return x CIT)	18,920,341
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	107,691
Income Taxes	19,028,032

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)	80,961,691
Lease Payments (TCOS, Ln 104)	-
Return (TCOS, ln 137)	37,903,475
Income Taxes (TCOS, ln 136)	19,028,032
Annual Revenue Requirement, Less Return and Taxes	24,030,183

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

Annual Revenue Requirement, Less Return and Taxes	24,030,183
Return (from I.B. above)	37,903,475
Income Taxes (from I.C. above)	19,028,032
Annual Revenue Requirement, with 0 Basis Point ROE increase	80,961,691
Depreciation & Amortization (TCOS, ln 109)	10,509,443
Annual Rev. Req. w/0 Basis Point ROE increase, less Depreciation	70,452,248

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

Net Transmission Plant (Projected TCOS, ln 49)	625,800,932
Annual Revenue Requirement, with 0 Basis Point ROE increase	80,961,691
FCR with 0 Basis Point increase in ROE	12.94%
Annual Rev. Req. w / 0 Basis Point ROE increase, less Dep.	70,452,248
FCR with 0 Basis Point ROE increase, less Depreciation	11.26%
FCR less Depreciation (TCOS, ln 10)	11.26%
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)):	563,815,338
Transmission Plant @ End of Rate Year (2017) (P.207, ln 58,(g)):	714,170,510
Subtotal	1,277,985,848
Average Transmission Plant Balance for 2017	638,992,924
Annual Depreciation and Amortization Expense (TCOS, ln 109)	10,509,443
Composite Depreciation Rate	1.64%
Depreciable Life for Composite Depreciation Rate	60.80
Average Life in Whole Years	61

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

AEP WEST VIRGINIA TRANSMISSION COMPANY Worksheet J - ATRR PROJECTED Calculation for PJM Projects Charged to Benefiting Zones

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1661 (Install a 765 kV circuit breaker at Wyoming station)

Current Projected Year ARR	544,400
Current Projected Year ARR w/ Incentive	544,400
Current Projected Year Incentive ARR	-

Details			
Investment	4,383,073	Current Year	2017
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	11.26%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	11.26%
CIAC (Yes or No)	No	Annual Depreciation Expense	71,854

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	4,383,073	5,988	4,377,085	499,094	499,094	\$ -
2015	4,377,085	71,854	4,305,232	560,578	560,578	\$ -
2016	4,305,232	71,854	4,233,378	552,489	552,489	\$ -
2017	4,233,378	71,854	4,161,524	544,400	544,400	\$ -
2018	4,161,524	71,854	4,089,671	536,311	536,311	\$ -
2019	4,089,671	71,854	4,017,817	528,221	528,221	\$ -
2020	4,017,817	71,854	3,945,963	520,132	520,132	\$ -
2021	3,945,963	71,854	3,874,110	512,043	512,043	\$ -
2022	3,874,110	71,854	3,802,256	503,954	503,954	\$ -
2023	3,802,256	71,854	3,730,402	495,864	495,864	\$ -
2024	3,730,402	71,854	3,658,549	487,775	487,775	\$ -
2025	3,658,549	71,854	3,586,695	479,686	479,686	\$ -
2026	3,586,695	71,854	3,514,841	471,597	471,597	\$ -
2027	3,514,841	71,854	3,442,988	463,508	463,508	\$ -
2028	3,442,988	71,854	3,371,134	455,418	455,418	\$ -
2029	3,371,134	71,854	3,299,280	447,329	447,329	\$ -
2030	3,299,280	71,854	3,227,427	439,240	439,240	\$ -
2031	3,227,427	71,854	3,155,573	431,151	431,151	\$ -
2032	3,155,573	71,854	3,083,719	423,061	423,061	\$ -
2033	3,083,719	71,854	3,011,866	414,972	414,972	\$ -
2034	3,011,866	71,854	2,940,012	406,883	406,883	\$ -
2035	2,940,012	71,854	2,868,158	398,794	398,794	\$ -
2036	2,868,158	71,854	2,796,305	390,704	390,704	\$ -
2037	2,796,305	71,854	2,724,451	382,615	382,615	\$ -
2038	2,724,451	71,854	2,652,597	374,526	374,526	\$ -
2039	2,652,597	71,854	2,580,744	366,437	366,437	\$ -
2040	2,580,744	71,854	2,508,890	358,347	358,347	\$ -
2041	2,508,890	71,854	2,437,036	350,258	350,258	\$ -
2042	2,437,036	71,854	2,365,183	342,169	342,169	\$ -
2043	2,365,183	71,854	2,293,329	334,080	334,080	\$ -
2044	2,293,329	71,854	2,221,476	325,990	325,990	\$ -
2045	2,221,476	71,854	2,149,622	317,901	317,901	\$ -
2046	2,149,622	71,854	2,077,768	309,812	309,812	\$ -
2047	2,077,768	71,854	2,005,915	301,723	301,723	\$ -
2048	2,005,915	71,854	1,934,061	293,634	293,634	\$ -
2049	1,934,061	71,854	1,862,207	285,544	285,544	\$ -
2050	1,862,207	71,854	1,790,354	277,455	277,455	\$ -
2051	1,790,354	71,854	1,718,500	269,366	269,366	\$ -
2052	1,718,500	71,854	1,646,646	261,277	261,277	\$ -
2053	1,646,646	71,854	1,574,793	253,187	253,187	\$ -
2054	1,574,793	71,854	1,502,939	245,098	245,098	\$ -
2055	1,502,939	71,854	1,431,085	237,009	237,009	\$ -
2056	1,431,085	71,854	1,359,232	228,920	228,920	\$ -
2057	1,359,232	71,854	1,287,378	220,830	220,830	\$ -
2058	1,287,378	71,854	1,215,524	212,741	212,741	\$ -
2059	1,215,524	71,854	1,143,671	204,652	204,652	\$ -
2060	1,143,671	71,854	1,071,817	196,563	196,563	\$ -
2061	1,071,817	71,854	999,963	188,473	188,473	\$ -
2062	999,963	71,854	928,110	180,384	180,384	\$ -
2063	928,110	71,854	856,256	172,295	172,295	\$ -
2064	856,256	71,854	784,402	164,206	164,206	\$ -
2065	784,402	71,854	712,549	156,117	156,117	\$ -
2066	712,549	71,854	640,695	148,027	148,027	\$ -
2067	640,695	71,854	568,841	139,938	139,938	\$ -
2068	568,841	71,854	496,988	131,849	131,849	\$ -
2069	496,988	71,854	425,134	123,760	123,760	\$ -
2070	425,134	71,854	353,280	115,670	115,670	\$ -
2071	353,280	71,854	281,427	107,581	107,581	\$ -
2072	281,427	71,854	209,573	99,492	99,492	\$ -
2073	209,573	71,854	137,720	91,403	91,403	\$ -
Project Totals		4,245,353		19,732,533	19,732,533	-

** 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 **		
\$ 541,349		\$ 541,349		
\$ 511,336		\$ 511,336		

A. Base Plan Facilities

Current Projected Year ARR	10,531,029
Current Projected Year ARR w/ Incentive	10,531,029
Current Projected Year Incentive ARR	-

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.

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

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.

A. Base Plan Facilities

Current Projected Year ARR	2,437,179
Current Projected Year ARR w/ Incentive	2,437,179
Current Projected Year Incentive ARR	-

Current Projected Year ARR	2,437,179
Current Projected Year ARR w/ Incentive	2,437,179
Current Projected Year Incentive ARR	-

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

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.

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: b1948 (Establish a new 765/345 interconnection at Sporn. Install a 765/345 kV transformer at Mountaineer and build ¾ mile of 345 kV to Sporn)

Current Projected Year ARR	7,102,318
Current Projected Year ARR w/ Incentive	7,102,318
Current Projected Year Incentive ARR	-

Details						
Investment	56,690,810	Current Year		2017		
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)		-		
Service Month (1-12)	6	FCR w/o incentives, less depreciation		11.26%		
Useful life	61	FCR w/incentives approved for these facilities, less dep.		11.26%		
CIAC (Yes or No)	No	Annual Depreciation Expense		929,358		
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	56,690,810	464,679	56,226,131	6,820,735	6,820,735	\$ -
2016	56,226,131	929,358	55,296,774	7,206,944	7,206,944	\$ -
2017	55,296,774	929,358	54,367,416	7,102,318	7,102,318	\$ -
2018	54,367,416	929,358	53,438,059	6,997,691	6,997,691	\$ -
2019	53,438,059	929,358	52,508,701	6,893,065	6,893,065	\$ -
2020	52,508,701	929,358	51,579,344	6,788,439	6,788,439	\$ -
2021	51,579,344	929,358	50,649,986	6,683,812	6,683,812	\$ -
2022	50,649,986	929,358	49,720,628	6,579,186	6,579,186	\$ -
2023	49,720,628	929,358	48,791,271	6,474,559	6,474,559	\$ -
2024	48,791,271	929,358	47,861,913	6,369,933	6,369,933	\$ -
2025	47,861,913	929,358	46,932,556	6,265,306	6,265,306	\$ -
2026	46,932,556	929,358	46,003,198	6,160,680	6,160,680	\$ -
2027	46,003,198	929,358	45,073,841	6,056,053	6,056,053	\$ -
2028	45,073,841	929,358	44,144,483	5,951,427	5,951,427	\$ -
2029	44,144,483	929,358	43,215,126	5,846,801	5,846,801	\$ -
2030	43,215,126	929,358	42,285,768	5,742,174	5,742,174	\$ -
2031	42,285,768	929,358	41,356,411	5,637,548	5,637,548	\$ -
2032	41,356,411	929,358	40,427,053	5,532,921	5,532,921	\$ -
2033	40,427,053	929,358	39,497,695	5,428,295	5,428,295	\$ -
2034	39,497,695	929,358	38,568,338	5,323,668	5,323,668	\$ -
2035	38,568,338	929,358	37,638,980	5,219,042	5,219,042	\$ -
2036	37,638,980	929,358	36,709,623	5,114,415	5,114,415	\$ -
2037	36,709,623	929,358	35,780,265	5,009,789	5,009,789	\$ -
2038	35,780,265	929,358	34,850,908	4,905,162	4,905,162	\$ -
2039	34,850,908	929,358	33,921,550	4,800,536	4,800,536	\$ -
2040	33,921,550	929,358	32,992,193	4,695,910	4,695,910	\$ -
2041	32,992,193	929,358	32,062,835	4,591,283	4,591,283	\$ -
2042	32,062,835	929,358	31,133,478	4,486,657	4,486,657	\$ -
2043	31,133,478	929,358	30,204,120	4,382,030	4,382,030	\$ -
2044	30,204,120	929,358	29,274,763	4,277,404	4,277,404	\$ -
2045	29,274,763	929,358	28,345,405	4,172,777	4,172,777	\$ -
2046	28,345,405	929,358	27,416,047	4,068,151	4,068,151	\$ -
2047	27,416,047	929,358	26,486,690	3,963,524	3,963,524	\$ -
2048	26,486,690	929,358	25,557,332	3,858,898	3,858,898	\$ -
2049	25,557,332	929,358	24,627,975	3,754,272	3,754,272	\$ -
2050	24,627,975	929,358	23,698,617	3,649,645	3,649,645	\$ -
2051	23,698,617	929,358	22,769,260	3,545,019	3,545,019	\$ -
2052	22,769,260	929,358	21,839,902	3,440,392	3,440,392	\$ -
2053	21,839,902	929,358	20,910,545	3,335,766	3,335,766	\$ -
2054	20,910,545	929,358	19,981,187	3,231,139	3,231,139	\$ -
2055	19,981,187	929,358	19,051,830	3,126,513	3,126,513	\$ -
2056	19,051,830	929,358	18,122,472	3,021,886	3,021,886	\$ -
2057	18,122,472	929,358	17,193,115	2,917,260	2,917,260	\$ -
2058	17,193,115	929,358	16,263,757	2,812,634	2,812,634	\$ -
2059	16,263,757	929,358	15,334,399	2,708,007	2,708,007	\$ -
2060	15,334,399	929,358	14,405,042	2,603,381	2,603,381	\$ -
2061	14,405,042	929,358	13,475,684	2,498,754	2,498,754	\$ -
2062	13,475,684	929,358	12,546,327	2,394,128	2,394,128	\$ -
2063	12,546,327	929,358	11,616,969	2,289,501	2,289,501	\$ -
2064	11,616,969	929,358	10,687,612	2,184,875	2,184,875	\$ -
2065	10,687,612	929,358	9,758,254	2,080,248	2,080,248	\$ -
2066	9,758,254	929,358	8,828,897	1,975,622	1,975,622	\$ -
2067	8,828,897	929,358	7,899,539	1,870,996	1,870,996	\$ -
2068	7,899,539	929,358	6,970,182	1,766,369	1,766,369	\$ -
2069	6,970,182	929,358	6,040,824	1,661,743	1,661,743	\$ -
2070	6,040,824	929,358	5,111,466	1,557,116	1,557,116	\$ -
2071	5,111,466	929,358	4,182,109	1,452,490	1,452,490	\$ -
2072	4,182,109	929,358	3,252,751	1,347,863	1,347,863	\$ -
2073	3,252,751	929,358	2,323,394	1,243,237	1,243,237	\$ -
2074	2,323,394	929,358	1,394,036	1,138,610	1,138,610	\$ -
Project Totals		55,296,774		253,014,600	253,014,600	-

** 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 **		
\$ 6,946,099		\$ 6,946,099		

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	2,745,014
Current Projected Year ARR w/ Incentive	2,745,014
Current Projected Year Incentive ARR	-

Details						
Investment	21,750,538	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	11.26%			
Useful life	61	FCR w/incentives approved for these facilities, less dep.	11.26%			
CIAC (Yes or No)	No	Annual Depreciation Expense	356,566			
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	21,750,538	-	21,750,538	2,448,661	2,448,661	\$ -
2016	21,750,538	356,566	21,393,972	2,785,156	2,785,156	\$ -
2017	21,393,972	356,566	21,037,406	2,745,014	2,745,014	\$ -
2018	21,037,406	356,566	20,680,839	2,704,872	2,704,872	\$ -
2019	20,680,839	356,566	20,324,273	2,664,730	2,664,730	\$ -
2020	20,324,273	356,566	19,967,707	2,624,588	2,624,588	\$ -
2021	19,967,707	356,566	19,611,141	2,584,446	2,584,446	\$ -
2022	19,611,141	356,566	19,254,575	2,544,304	2,544,304	\$ -
2023	19,254,575	356,566	18,898,008	2,504,162	2,504,162	\$ -
2024	18,898,008	356,566	18,541,442	2,464,020	2,464,020	\$ -
2025	18,541,442	356,566	18,184,876	2,423,878	2,423,878	\$ -
2026	18,184,876	356,566	17,828,310	2,383,736	2,383,736	\$ -
2027	17,828,310	356,566	17,471,744	2,343,594	2,343,594	\$ -
2028	17,471,744	356,566	17,115,177	2,303,452	2,303,452	\$ -
2029	17,115,177	356,566	16,758,611	2,263,310	2,263,310	\$ -
2030	16,758,611	356,566	16,402,045	2,223,168	2,223,168	\$ -
2031	16,402,045	356,566	16,045,479	2,183,026	2,183,026	\$ -
2032	16,045,479	356,566	15,688,913	2,142,884	2,142,884	\$ -
2033	15,688,913	356,566	15,332,346	2,102,742	2,102,742	\$ -
2034	15,332,346	356,566	14,975,780	2,062,600	2,062,600	\$ -
2035	14,975,780	356,566	14,619,214	2,022,458	2,022,458	\$ -
2036	14,619,214	356,566	14,262,648	1,982,316	1,982,316	\$ -
2037	14,262,648	356,566	13,906,082	1,942,174	1,942,174	\$ -
2038	13,906,082	356,566	13,549,515	1,902,033	1,902,033	\$ -
2039	13,549,515	356,566	13,192,949	1,861,891	1,861,891	\$ -
2040	13,192,949	356,566	12,836,383	1,821,749	1,821,749	\$ -
2041	12,836,383	356,566	12,479,817	1,781,607	1,781,607	\$ -
2042	12,479,817	356,566	12,123,251	1,741,465	1,741,465	\$ -
2043	12,123,251	356,566	11,766,684	1,701,323	1,701,323	\$ -
2044	11,766,684	356,566	11,410,118	1,661,181	1,661,181	\$ -
2045	11,410,118	356,566	11,053,552	1,621,039	1,621,039	\$ -
2046	11,053,552	356,566	10,696,986	1,580,897	1,580,897	\$ -
2047	10,696,986	356,566	10,340,420	1,540,755	1,540,755	\$ -
2048	10,340,420	356,566	9,983,854	1,500,613	1,500,613	\$ -
2049	9,983,854	356,566	9,627,287	1,460,471	1,460,471	\$ -
2050	9,627,287	356,566	9,270,721	1,420,329	1,420,329	\$ -
2051	9,270,721	356,566	8,914,155	1,380,187	1,380,187	\$ -
2052	8,914,155	356,566	8,557,589	1,340,045	1,340,045	\$ -
2053	8,557,589	356,566	8,201,023	1,299,903	1,299,903	\$ -
2054	8,201,023	356,566	7,844,456	1,259,761	1,259,761	\$ -
2055	7,844,456	356,566	7,487,890	1,219,619	1,219,619	\$ -
2056	7,487,890	356,566	7,131,324	1,179,477	1,179,477	\$ -
2057	7,131,324	356,566	6,774,758	1,139,335	1,139,335	\$ -
2058	6,774,758	356,566	6,418,192	1,099,193	1,099,193	\$ -
2059	6,418,192	356,566	6,061,625	1,059,051	1,059,051	\$ -
2060	6,061,625	356,566	5,705,059	1,018,909	1,018,909	\$ -
2061	5,705,059	356,566	5,348,493	978,767	978,767	\$ -
2062	5,348,493	356,566	4,991,927	938,625	938,625	\$ -
2063	4,991,927	356,566	4,635,361	898,483	898,483	\$ -
2064	4,635,361	356,566	4,278,794	858,341	858,341	\$ -
2065	4,278,794	356,566	3,922,228	818,199	818,199	\$ -
2066	3,922,228	356,566	3,565,662	778,057	778,057	\$ -
2067	3,565,662	356,566	3,209,096	737,915	737,915	\$ -
2068	3,209,096	356,566	2,852,530	697,773	697,773	\$ -
2069	2,852,530	356,566	2,495,963	657,631	657,631	\$ -
2070	2,495,963	356,566	2,139,397	617,489	617,489	\$ -
2071	2,139,397	356,566	1,782,831	577,347	577,347	\$ -
2072	1,782,831	356,566	1,426,265	537,205	537,205	\$ -
2073	1,426,265	356,566	1,069,699	497,063	497,063	\$ -
2074	1,069,699	356,566	713,132	456,921	456,921	\$ -
Project Totals		21,037,406		98,089,941	98,089,941	-

** 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.

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	174,707
Current Projected Year ARR w/ Incentive	174,707
Current Projected Year Incentive ARR	-

Details						
Investment	1,394,514	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				11.26%
Useful life	61	FCR w/incentives approved for these facilities, less dep.				11.26%
CIAC (Yes or No)	No	Annual Depreciation Expense				22,861
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	1,394,514	11,430	1,383,084	167,780	167,780	\$ -
2016	1,383,084	22,861	1,360,223	177,281	177,281	\$ -
2017	1,360,223	22,861	1,337,362	174,707	174,707	\$ -
2018	1,337,362	22,861	1,314,501	172,133	172,133	\$ -
2019	1,314,501	22,861	1,291,640	169,560	169,560	\$ -
2020	1,291,640	22,861	1,268,779	166,986	166,986	\$ -
2021	1,268,779	22,861	1,245,918	164,412	164,412	\$ -
2022	1,245,918	22,861	1,223,057	161,839	161,839	\$ -
2023	1,223,057	22,861	1,200,196	159,265	159,265	\$ -
2024	1,200,196	22,861	1,177,336	156,691	156,691	\$ -
2025	1,177,336	22,861	1,154,475	154,118	154,118	\$ -
2026	1,154,475	22,861	1,131,614	151,544	151,544	\$ -
2027	1,131,614	22,861	1,108,753	148,970	148,970	\$ -
2028	1,108,753	22,861	1,085,892	146,397	146,397	\$ -
2029	1,085,892	22,861	1,063,031	143,823	143,823	\$ -
2030	1,063,031	22,861	1,040,170	141,249	141,249	\$ -
2031	1,040,170	22,861	1,017,309	138,676	138,676	\$ -
2032	1,017,309	22,861	994,449	136,102	136,102	\$ -
2033	994,449	22,861	971,588	133,528	133,528	\$ -
2034	971,588	22,861	948,727	130,955	130,955	\$ -
2035	948,727	22,861	925,866	128,381	128,381	\$ -
2036	925,866	22,861	903,005	125,807	125,807	\$ -
2037	903,005	22,861	880,144	123,234	123,234	\$ -
2038	880,144	22,861	857,283	120,660	120,660	\$ -
2039	857,283	22,861	834,422	118,086	118,086	\$ -
2040	834,422	22,861	811,561	115,513	115,513	\$ -
2041	811,561	22,861	788,701	112,939	112,939	\$ -
2042	788,701	22,861	765,840	110,365	110,365	\$ -
2043	765,840	22,861	742,979	107,792	107,792	\$ -
2044	742,979	22,861	720,118	105,218	105,218	\$ -
2045	720,118	22,861	697,257	102,644	102,644	\$ -
2046	697,257	22,861	674,396	100,071	100,071	\$ -
2047	674,396	22,861	651,535	97,497	97,497	\$ -
2048	651,535	22,861	628,674	94,923	94,923	\$ -
2049	628,674	22,861	605,813	92,350	92,350	\$ -
2050	605,813	22,861	582,953	89,776	89,776	\$ -
2051	582,953	22,861	560,092	87,202	87,202	\$ -
2052	560,092	22,861	537,231	84,629	84,629	\$ -
2053	537,231	22,861	514,370	82,055	82,055	\$ -
2054	514,370	22,861	491,509	79,481	79,481	\$ -
2055	491,509	22,861	468,648	76,908	76,908	\$ -
2056	468,648	22,861	445,787	74,334	74,334	\$ -
2057	445,787	22,861	422,926	71,760	71,760	\$ -
2058	422,926	22,861	400,065	69,187	69,187	\$ -
2059	400,065	22,861	377,205	66,613	66,613	\$ -
2060	377,205	22,861	354,344	64,039	64,039	\$ -
2061	354,344	22,861	331,483	61,466	61,466	\$ -
2062	331,483	22,861	308,622	58,892	58,892	\$ -
2063	308,622	22,861	285,761	56,319	56,319	\$ -
2064	285,761	22,861	262,900	53,745	53,745	\$ -
2065	262,900	22,861	240,039	51,171	51,171	\$ -
2066	240,039	22,861	217,178	48,598	48,598	\$ -
2067	217,178	22,861	194,318	46,024	46,024	\$ -
2068	194,318	22,861	171,457	43,450	43,450	\$ -
2069	171,457	22,861	148,596	40,877	40,877	\$ -
2070	148,596	22,861	125,735	38,303	38,303	\$ -
2071	125,735	22,861	102,874	35,729	35,729	\$ -
2072	102,874	22,861	80,013	33,156	33,156	\$ -
2073	80,013	22,861	57,152	30,582	30,582	\$ -
2074	57,152	22,861	34,291	28,008	28,008	\$ -
Project Totals		1,360,223		6,223,802	6,223,802	-

** 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 **		
\$ 231,097		\$ 231,097		

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	19,038,423
Current Projected Year ARR w/ Incentive	19,038,423
Current Projected Year Incentive ARR	-

Details						
Investment	152,151,765	Current Year	2017			
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-			
Service Month (1-12)	5	FCR w/o incentives, less depreciation	11.26%			
Useful life	61	FCR w/incentives approved for these facilities, less dep.	11.26%			
CIAC (Yes or No)	No	Annual Depreciation Expense	2,494,291			
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	152,151,765	1,455,003	150,696,762	18,502,245	18,502,245	\$ -
2016	150,696,762	2,494,291	148,202,471	19,319,228	19,319,228	\$ -
2017	148,202,471	2,494,291	145,708,179	19,038,423	19,038,423	\$ -
2018	145,708,179	2,494,291	143,213,888	18,757,617	18,757,617	\$ -
2019	143,213,888	2,494,291	140,719,597	18,476,812	18,476,812	\$ -
2020	140,719,597	2,494,291	138,225,306	18,196,006	18,196,006	\$ -
2021	138,225,306	2,494,291	135,731,014	17,915,200	17,915,200	\$ -
2022	135,731,014	2,494,291	133,236,723	17,634,395	17,634,395	\$ -
2023	133,236,723	2,494,291	130,742,432	17,353,589	17,353,589	\$ -
2024	130,742,432	2,494,291	128,248,141	17,072,783	17,072,783	\$ -
2025	128,248,141	2,494,291	125,753,849	16,791,978	16,791,978	\$ -
2026	125,753,849	2,494,291	123,259,558	16,511,172	16,511,172	\$ -
2027	123,259,558	2,494,291	120,765,267	16,230,366	16,230,366	\$ -
2028	120,765,267	2,494,291	118,270,976	15,949,561	15,949,561	\$ -
2029	118,270,976	2,494,291	115,776,685	15,668,755	15,668,755	\$ -
2030	115,776,685	2,494,291	113,282,393	15,387,950	15,387,950	\$ -
2031	113,282,393	2,494,291	110,788,102	15,107,144	15,107,144	\$ -
2032	110,788,102	2,494,291	108,293,811	14,826,338	14,826,338	\$ -
2033	108,293,811	2,494,291	105,799,520	14,545,533	14,545,533	\$ -
2034	105,799,520	2,494,291	103,305,228	14,264,727	14,264,727	\$ -
2035	103,305,228	2,494,291	100,810,937	13,983,921	13,983,921	\$ -
2036	100,810,937	2,494,291	98,316,646	13,703,116	13,703,116	\$ -
2037	98,316,646	2,494,291	95,822,355	13,422,310	13,422,310	\$ -
2038	95,822,355	2,494,291	93,328,064	13,141,505	13,141,505	\$ -
2039	93,328,064	2,494,291	90,833,772	12,860,699	12,860,699	\$ -
2040	90,833,772	2,494,291	88,339,481	12,579,893	12,579,893	\$ -
2041	88,339,481	2,494,291	85,845,190	12,299,088	12,299,088	\$ -
2042	85,845,190	2,494,291	83,350,899	12,018,282	12,018,282	\$ -
2043	83,350,899	2,494,291	80,856,607	11,737,476	11,737,476	\$ -
2044	80,856,607	2,494,291	78,362,316	11,456,671	11,456,671	\$ -
2045	78,362,316	2,494,291	75,868,025	11,175,865	11,175,865	\$ -
2046	75,868,025	2,494,291	73,373,734	10,895,060	10,895,060	\$ -
2047	73,373,734	2,494,291	70,879,442	10,614,254	10,614,254	\$ -
2048	70,879,442	2,494,291	68,385,151	10,333,448	10,333,448	\$ -
2049	68,385,151	2,494,291	65,890,860	10,052,643	10,052,643	\$ -
2050	65,890,860	2,494,291	63,396,569	9,771,837	9,771,837	\$ -
2051	63,396,569	2,494,291	60,902,278	9,491,031	9,491,031	\$ -
2052	60,902,278	2,494,291	58,407,986	9,210,226	9,210,226	\$ -
2053	58,407,986	2,494,291	55,913,695	8,929,420	8,929,420	\$ -
2054	55,913,695	2,494,291	53,419,404	8,648,615	8,648,615	\$ -
2055	53,419,404	2,494,291	50,925,113	8,367,809	8,367,809	\$ -
2056	50,925,113	2,494,291	48,430,821	8,087,003	8,087,003	\$ -
2057	48,430,821	2,494,291	45,936,530	7,806,198	7,806,198	\$ -
2058	45,936,530	2,494,291	43,442,239	7,525,392	7,525,392	\$ -
2059	43,442,239	2,494,291	40,947,948	7,244,586	7,244,586	\$ -
2060	40,947,948	2,494,291	38,453,656	6,963,781	6,963,781	\$ -
2061	38,453,656	2,494,291	35,959,365	6,682,975	6,682,975	\$ -
2062	35,959,365	2,494,291	33,465,074	6,402,170	6,402,170	\$ -
2063	33,465,074	2,494,291	30,970,783	6,121,364	6,121,364	\$ -
2064	30,970,783	2,494,291	28,476,492	5,840,558	5,840,558	\$ -
2065	28,476,492	2,494,291	25,982,200	5,559,753	5,559,753	\$ -
2066	25,982,200	2,494,291	23,487,909	5,278,947	5,278,947	\$ -
2067	23,487,909	2,494,291	20,993,618	4,998,141	4,998,141	\$ -
2068	20,993,618	2,494,291	18,499,327	4,717,336	4,717,336	\$ -
2069	18,499,327	2,494,291	16,005,035	4,436,530	4,436,530	\$ -
2070	16,005,035	2,494,291	13,510,744	4,155,725	4,155,725	\$ -
2071	13,510,744	2,494,291	11,016,453	3,874,919	3,874,919	\$ -
2072	11,016,453	2,494,291	8,522,162	3,594,113	3,594,113	\$ -
2073	8,522,162	2,494,291	6,027,870	3,313,308	3,313,308	\$ -
2074	6,027,870	2,494,291	3,533,579	3,032,502	3,032,502	\$ -
Project Totals		148,618,186		677,878,292	677,878,292	-

** 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 **		
\$ 772,367		\$ 772,367		

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: b2022 (Terminate Tristate-Kyger Creek 345 kV line at Sporn)

Current Projected Year ARR	552,054
Current Projected Year ARR w/ Incentive	552,054
Current Projected Year Incentive ARR	-

Details						
Investment	4,384,974	Current Year	2017			
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-			
Service Month (1-12)	10	FCR w/o incentives, less depreciation	11.26%			
Useful life	61	FCR w/incentives approved for these facilities, less dep.	11.26%			
CIAC (Yes or No)	No	Annual Depreciation Expense	71,885			
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	4,384,974	11,981	4,372,993	504,964	504,964	\$ -
2016	4,372,993	71,885	4,301,108	560,147	560,147	\$ -
2017	4,301,108	71,885	4,229,224	552,054	552,054	\$ -
2018	4,229,224	71,885	4,157,339	543,962	543,962	\$ -
2019	4,157,339	71,885	4,085,454	535,869	535,869	\$ -
2020	4,085,454	71,885	4,013,569	527,776	527,776	\$ -
2021	4,013,569	71,885	3,941,684	519,683	519,683	\$ -
2022	3,941,684	71,885	3,869,799	511,591	511,591	\$ -
2023	3,869,799	71,885	3,797,915	503,498	503,498	\$ -
2024	3,797,915	71,885	3,726,030	495,405	495,405	\$ -
2025	3,726,030	71,885	3,654,145	487,312	487,312	\$ -
2026	3,654,145	71,885	3,582,260	479,220	479,220	\$ -
2027	3,582,260	71,885	3,510,375	471,127	471,127	\$ -
2028	3,510,375	71,885	3,438,491	463,034	463,034	\$ -
2029	3,438,491	71,885	3,366,606	454,941	454,941	\$ -
2030	3,366,606	71,885	3,294,721	446,849	446,849	\$ -
2031	3,294,721	71,885	3,222,836	438,756	438,756	\$ -
2032	3,222,836	71,885	3,150,951	430,663	430,663	\$ -
2033	3,150,951	71,885	3,079,066	422,570	422,570	\$ -
2034	3,079,066	71,885	3,007,182	414,478	414,478	\$ -
2035	3,007,182	71,885	2,935,297	406,385	406,385	\$ -
2036	2,935,297	71,885	2,863,412	398,292	398,292	\$ -
2037	2,863,412	71,885	2,791,527	390,199	390,199	\$ -
2038	2,791,527	71,885	2,719,642	382,107	382,107	\$ -
2039	2,719,642	71,885	2,647,758	374,014	374,014	\$ -
2040	2,647,758	71,885	2,575,873	365,921	365,921	\$ -
2041	2,575,873	71,885	2,503,988	357,828	357,828	\$ -
2042	2,503,988	71,885	2,432,103	349,736	349,736	\$ -
2043	2,432,103	71,885	2,360,218	341,643	341,643	\$ -
2044	2,360,218	71,885	2,288,333	333,550	333,550	\$ -
2045	2,288,333	71,885	2,216,449	325,457	325,457	\$ -
2046	2,216,449	71,885	2,144,564	317,365	317,365	\$ -
2047	2,144,564	71,885	2,072,679	309,272	309,272	\$ -
2048	2,072,679	71,885	2,000,794	301,179	301,179	\$ -
2049	2,000,794	71,885	1,928,909	293,087	293,087	\$ -
2050	1,928,909	71,885	1,857,025	284,994	284,994	\$ -
2051	1,857,025	71,885	1,785,140	276,901	276,901	\$ -
2052	1,785,140	71,885	1,713,255	268,808	268,808	\$ -
2053	1,713,255	71,885	1,641,370	260,716	260,716	\$ -
2054	1,641,370	71,885	1,569,485	252,623	252,623	\$ -
2055	1,569,485	71,885	1,497,600	244,530	244,530	\$ -
2056	1,497,600	71,885	1,425,716	236,437	236,437	\$ -
2057	1,425,716	71,885	1,353,831	228,345	228,345	\$ -
2058	1,353,831	71,885	1,281,946	220,252	220,252	\$ -
2059	1,281,946	71,885	1,210,061	212,159	212,159	\$ -
2060	1,210,061	71,885	1,138,176	204,066	204,066	\$ -
2061	1,138,176	71,885	1,066,291	195,974	195,974	\$ -
2062	1,066,291	71,885	994,407	187,881	187,881	\$ -
2063	994,407	71,885	922,522	179,788	179,788	\$ -
2064	922,522	71,885	850,637	171,695	171,695	\$ -
2065	850,637	71,885	778,752	163,603	163,603	\$ -
2066	778,752	71,885	706,867	155,510	155,510	\$ -
2067	706,867	71,885	634,983	147,417	147,417	\$ -
2068	634,983	71,885	563,098	139,324	139,324	\$ -
2069	563,098	71,885	491,213	131,232	131,232	\$ -
2070	491,213	71,885	419,328	123,139	123,139	\$ -
2071	419,328	71,885	347,443	115,046	115,046	\$ -
2072	347,443	71,885	275,558	106,953	106,953	\$ -
2073	275,558	71,885	203,674	98,861	98,861	\$ -
2074	203,674	71,885	131,789	90,768	90,768	\$ -
Project Totals		4,253,185		19,706,955	19,706,955	-

** 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 **		
\$ 366,645		\$ 366,645		

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	281,554
Current Projected Year ARR w/ Incentive	281,554
Current Projected Year Incentive ARR	-

Details						
Investment	2,272,479	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	11.26%			
Useful life	61	FCR w/incentives approved for these facilities, less dep.	11.26%			
CIAC (Yes or No)	No	Annual Depreciation Expense	37,254			
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	2,272,479	9,313	2,263,166	264,623	264,623	\$ -
2015	2,263,166	37,254	2,225,912	289,942	289,942	\$ -
2016	2,225,912	37,254	2,188,658	285,748	285,748	\$ -
2017	2,188,658	37,254	2,151,404	281,554	281,554	\$ -
2018	2,151,404	37,254	2,114,151	277,360	277,360	\$ -
2019	2,114,151	37,254	2,076,897	273,166	273,166	\$ -
2020	2,076,897	37,254	2,039,643	268,972	268,972	\$ -
2021	2,039,643	37,254	2,002,389	264,778	264,778	\$ -
2022	2,002,389	37,254	1,965,136	260,584	260,584	\$ -
2023	1,965,136	37,254	1,927,882	256,390	256,390	\$ -
2024	1,927,882	37,254	1,890,628	252,196	252,196	\$ -
2025	1,890,628	37,254	1,853,374	248,002	248,002	\$ -
2026	1,853,374	37,254	1,816,121	243,808	243,808	\$ -
2027	1,816,121	37,254	1,778,867	239,614	239,614	\$ -
2028	1,778,867	37,254	1,741,613	235,420	235,420	\$ -
2029	1,741,613	37,254	1,704,359	231,226	231,226	\$ -
2030	1,704,359	37,254	1,667,105	227,032	227,032	\$ -
2031	1,667,105	37,254	1,629,852	222,838	222,838	\$ -
2032	1,629,852	37,254	1,592,598	218,644	218,644	\$ -
2033	1,592,598	37,254	1,555,344	214,450	214,450	\$ -
2034	1,555,344	37,254	1,518,090	210,256	210,256	\$ -
2035	1,518,090	37,254	1,480,837	206,062	206,062	\$ -
2036	1,480,837	37,254	1,443,583	201,868	201,868	\$ -
2037	1,443,583	37,254	1,406,329	197,674	197,674	\$ -
2038	1,406,329	37,254	1,369,075	193,480	193,480	\$ -
2039	1,369,075	37,254	1,331,822	189,286	189,286	\$ -
2040	1,331,822	37,254	1,294,568	185,092	185,092	\$ -
2041	1,294,568	37,254	1,257,314	180,898	180,898	\$ -
2042	1,257,314	37,254	1,220,060	176,704	176,704	\$ -
2043	1,220,060	37,254	1,182,807	172,510	172,510	\$ -
2044	1,182,807	37,254	1,145,553	168,316	168,316	\$ -
2045	1,145,553	37,254	1,108,299	164,122	164,122	\$ -
2046	1,108,299	37,254	1,071,045	159,928	159,928	\$ -
2047	1,071,045	37,254	1,033,792	155,734	155,734	\$ -
2048	1,033,792	37,254	996,538	151,540	151,540	\$ -
2049	996,538	37,254	959,284	147,346	147,346	\$ -
2050	959,284	37,254	922,030	143,152	143,152	\$ -
2051	922,030	37,254	884,777	138,958	138,958	\$ -
2052	884,777	37,254	847,523	134,764	134,764	\$ -
2053	847,523	37,254	810,269	130,570	130,570	\$ -
2054	810,269	37,254	773,015	126,376	126,376	\$ -
2055	773,015	37,254	735,762	122,182	122,182	\$ -
2056	735,762	37,254	698,508	117,988	117,988	\$ -
2057	698,508	37,254	661,254	113,794	113,794	\$ -
2058	661,254	37,254	624,000	109,600	109,600	\$ -
2059	624,000	37,254	586,747	105,406	105,406	\$ -
2060	586,747	37,254	549,493	101,212	101,212	\$ -
2061	549,493	37,254	512,239	97,018	97,018	\$ -
2062	512,239	37,254	474,985	92,824	92,824	\$ -
2063	474,985	37,254	437,732	88,630	88,630	\$ -
2064	437,732	37,254	400,478	84,436	84,436	\$ -
2065	400,478	37,254	363,224	80,242	80,242	\$ -
2066	363,224	37,254	325,970	76,048	76,048	\$ -
2067	325,970	37,254	288,717	71,854	71,854	\$ -
2068	288,717	37,254	251,463	67,660	67,660	\$ -
2069	251,463	37,254	214,209	63,466	63,466	\$ -
2070	214,209	37,254	176,955	59,272	59,272	\$ -
2071	176,955	37,254	139,702	55,078	55,078	\$ -
2072	139,702	37,254	102,448	50,884	50,884	\$ -
2073	102,448	37,254	65,194	46,690	46,690	\$ -
Project Totals		2,207,285		10,195,287	10,195,287	-

** 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 **		
\$ -		\$ -		
\$ -		\$ -		

A. Base Plan Facilities

Current Projected Year ARR	781,130
Current Projected Year ARR w/ Incentive	781,130
Current Projected Year Incentive ARR	-

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.

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

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.

A. Base Plan Facilities

Current Projected Year ARR	1,226,646
Current Projected Year ARR w/ Incentive	1,226,646
Current Projected Year Incentive ARR	-

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

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

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

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

ROE w/o incentives (TCOS, In 166)				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 True-Up TCOS, Ins 164 through 166)				
	%	Cost	Weighted cost	
Long Term Debt	49.79%	3.40%	1.690%	
Preferred Stock	0.00%	0.00%	0.000%	
Common Stock	50.21%	11.49%	5.770%	
R =			7.460%	

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

Rate Base (True-Up TCOS, In 79)	508,088,163
R (fom A. above)	7.460%
Return (Rate Base x R)	37,903,475

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

Return (from B. above)	37,903,475
Effective Tax Rate (TCOS, In 125)	49.92%
Income Tax Calculation (Return x CIT)	18,920,341
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	107,691
Income Taxes	19,028,032

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, In 1)	80,961,691
Lease Payments (TCOS, Lns 104)	-
Return (TCOS, In 137)	37,903,475
Income Taxes (TCOS, In 136)	19,028,032
Annual Revenue Requirement, Less Lease Payments, Return and Taxes	24,030,183

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	24,030,183
Return (from I.B. above)	37,903,475
Income Taxes (from I.C. above)	19,028,032
Annual Revenue Requirement, with 0 Basis Point ROE increase	80,961,691
Depreciation (TCOS, In 109)	10,509,443
Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation	70,452,248

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

Net Transmission Plant (Projected TCOS, In 49)	625,800,932
Annual Revenue Requirement, with 0 Basis Point ROE increase	80,961,691
FCR with 0 Basis Point increase in ROE	12.94%

Annual Rev. Req. w/ 0 Basis Point ROE increase, less Dep.	70,452,248
FCR with 0 Basis Point ROE increase, less Depreciation	11.26%
FCR less Depreciation (TCOS, In 10)	11.26%
Incremental FCR with 0 Basis Point ROE increase, less Depreciation	0.00%

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Rate Year (2016) (P.206, In 58,(b)):	563,815,338
Transmission Plant @ End of Rate Year (2016) (P.207, In 58,(g)):	714,170,510
Subtotal	1,277,985,848
Average Transmission Plant Balance for 2016	638,992,924
Annual Depreciation and Amortization Expense (TCOS, In 109)	10,509,443
Composite Depreciation Rate	1.64%
Depreciable Life for Composite Depreciation Rate	60.80
Average Life in Whole Years	61

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

SUMMARY OF TRUED-UP ANNUAL REVENUE REQUIREMENTS FOR RTEPPROJECTS				
		Rev Require	W Incentives	Incentive Amounts
TRUE-UP YEAR	As Projected in Prior Year WS J	\$ -	\$ -	\$ -
	Actual After True-up	\$ 25,296,385	\$ 25,296,385	\$ -
	True-up of ARR For 2017	25,296,385	25,296,385	-

A. Base Plan Facilities

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

Project Description: RTEP ID: b1661 (Install a 765 kV circuit breaker at Wyoming station)

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

[illegible]

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

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

A. Base Plan Facilities

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	10,675,971	10,675,971	-
True-Up Adjustment	10,675,971	10,675,971	-

Details			
Investment	85,007,057	Current Year	2016
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	8	FCR w/o incentives, less depreciation	11.26%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	11.26%
CIAC (Yes or No)	No	Annual Depreciation Expense	1,393,558

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	85,007,057	464,519	84,542,538	84,774,797	10,008,409	10,008,409	\$ -
2015	84,542,538	1,393,558	83,148,979	83,845,758	10,832,857	10,832,857	\$ -
2016	83,148,979	1,393,558	81,755,421	82,452,200	10,675,971	10,675,971	\$ -
2017	81,755,421	1,393,558	80,361,863	81,058,642	10,519,086	10,519,086	\$ -
2018	80,361,863	1,393,558	78,968,304	79,665,083	10,362,200	10,362,200	\$ -
2019	78,968,304	1,393,558	77,574,746	78,271,525	10,205,314	10,205,314	\$ -
2020	77,574,746	1,393,558	76,181,188	76,877,967	10,048,428	10,048,428	\$ -
2021	76,181,188	1,393,558	74,787,629	75,484,409	9,891,542	9,891,542	\$ -
2022	74,787,629	1,393,558	73,394,071	74,090,850	9,734,656	9,734,656	\$ -
2023	73,394,071	1,393,558	72,000,513	72,697,292	9,577,770	9,577,770	\$ -
2024	72,000,513	1,393,558	70,606,954	71,303,734	9,420,885	9,420,885	\$ -
2025	70,606,954	1,393,558	69,213,396	69,910,175	9,263,999	9,263,999	\$ -
2026	69,213,396	1,393,558	67,819,838	68,516,617	9,107,113	9,107,113	\$ -
2027	67,819,838	1,393,558	66,426,280	67,123,059	8,950,227	8,950,227	\$ -
2028	66,426,280	1,393,558	65,032,721	65,729,500	8,793,341	8,793,341	\$ -
2029	65,032,721	1,393,558	63,639,163	64,335,942	8,636,455	8,636,455	\$ -
2030	63,639,163	1,393,558	62,245,605	62,942,384	8,479,569	8,479,569	\$ -
2031	62,245,605	1,393,558	60,852,046	61,548,825	8,322,684	8,322,684	\$ -
2032	60,852,046	1,393,558	59,458,488	60,155,267	8,165,798	8,165,798	\$ -
2033	59,458,488	1,393,558	58,064,930	58,761,709	8,008,912	8,008,912	\$ -
2034	58,064,930	1,393,558	56,671,371	57,368,150	7,852,026	7,852,026	\$ -
2035	56,671,371	1,393,558	55,277,813	55,974,592	7,695,140	7,695,140	\$ -
2036	55,277,813	1,393,558	53,884,255	54,581,034	7,538,254	7,538,254	\$ -
2037	53,884,255	1,393,558	52,490,696	53,187,476	7,381,368	7,381,368	\$ -
2038	52,490,696	1,393,558	51,097,138	51,793,917	7,224,483	7,224,483	\$ -
2039	51,097,138	1,393,558	49,703,580	50,400,359	7,067,597	7,067,597	\$ -
2040	49,703,580	1,393,558	48,310,021	49,006,801	6,910,711	6,910,711	\$ -
2041	48,310,021	1,393,558	46,916,463	47,613,242	6,753,825	6,753,825	\$ -
2042	46,916,463	1,393,558	45,522,905	46,219,684	6,596,939	6,596,939	\$ -
2043	45,522,905	1,393,558	44,129,347	44,826,126	6,440,053	6,440,053	\$ -
2044	44,129,347	1,393,558	42,735,788	43,432,567	6,283,168	6,283,168	\$ -
2045	42,735,788	1,393,558	41,342,230	42,039,009	6,126,282	6,126,282	\$ -
2046	41,342,230	1,393,558	39,948,672	40,645,451	5,969,396	5,969,396	\$ -
2047	39,948,672	1,393,558	38,555,113	39,251,892	5,812,510	5,812,510	\$ -
2048	38,555,113	1,393,558	37,161,555	37,858,334	5,655,624	5,655,624	\$ -
2049	37,161,555	1,393,558	35,767,997	36,464,776	5,498,738	5,498,738	\$ -
2050	35,767,997	1,393,558	34,374,438	35,071,218	5,341,852	5,341,852	\$ -
2051	34,374,438	1,393,558	32,980,880	33,677,659	5,184,967	5,184,967	\$ -
2052	32,980,880	1,393,558	31,587,322	32,284,101	5,028,081	5,028,081	\$ -
2053	31,587,322	1,393,558	30,193,763	30,890,543	4,871,195	4,871,195	\$ -
2054	30,193,763	1,393,558	28,800,205	29,496,984	4,714,309	4,714,309	\$ -
2055	28,800,205	1,393,558	27,406,647	28,103,426	4,557,423	4,557,423	\$ -
2056	27,406,647	1,393,558	26,013,088	26,709,868	4,400,537	4,400,537	\$ -
2057	26,013,088	1,393,558	24,619,530	25,316,309	4,243,651	4,243,651	\$ -
2058	24,619,530	1,393,558	23,225,972	23,922,751	4,086,766	4,086,766	\$ -
2059	23,225,972	1,393,558	21,832,414	22,529,193	3,929,880	3,929,880	\$ -
2060	21,832,414	1,393,558	20,438,855	21,135,634	3,772,994	3,772,994	\$ -
2061	20,438,855	1,393,558	19,045,297	19,742,076	3,616,108	3,616,108	\$ -
2062	19,045,297	1,393,558	17,651,739	18,348,518	3,459,222	3,459,222	\$ -
2063	17,651,739	1,393,558	16,258,180	16,954,959	3,302,336	3,302,336	\$ -
2064	16,258,180	1,393,558	14,864,622	15,561,401	3,145,450	3,145,450	\$ -
2065	14,864,622	1,393,558	13,471,064	14,167,843	2,988,565	2,988,565	\$ -
2066	13,471,064	1,393,558	12,077,505	12,774,285	2,831,679	2,831,679	\$ -
2067	12,077,505	1,393,558	10,683,947	11,380,726	2,674,793	2,674,793	\$ -
2068	10,683,947	1,393,558	9,290,389	9,987,168	2,517,907	2,517,907	\$ -
2069	9,290,389	1,393,558	7,896,830	8,593,610	2,361,021	2,361,021	\$ -
2070	7,896,830	1,393,558	6,503,272	7,200,051	2,204,135	2,204,135	\$ -
2071	6,503,272	1,393,558	5,109,714	5,806,493	2,047,249	2,047,249	\$ -
2072	5,109,714	1,393,558	3,716,155	4,412,935	1,890,364	1,890,364	\$ -
2073	3,716,155	1,393,558	2,322,597	3,019,376	1,733,478	1,733,478	\$ -
Project Totals		82,684,460			380,715,292	380,715,292	

[illegible]

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

A. Base Plan Facilities

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	2,470,335	2,470,335	-
True-Up Adjustment	2,470,335	2,470,335	-

Details			
Investment	19,597,955	Current Year	2016
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	11	FCR w/o incentives, less depreciation	11.26%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	11.26%
CIAC (Yes or No)	No	Annual Depreciation Expense	321.278

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	19,597,955	26,773	19,571,182	19,584,568	2,231,591	2,231,591	\$ -
2015	19,571,182	321,278	19,249,904	19,410,543	2,506,504	2,506,504	\$ -
2016	19,249,904	321,278	18,928,626	19,089,265	2,470,335	2,470,335	\$ -
2017	18,928,626	321,278	18,607,348	18,767,987	2,434,165	2,434,165	\$ -
2018	18,607,348	321,278	18,286,070	18,446,709	2,397,996	2,397,996	\$ -
2019	18,286,070	321,278	17,964,792	18,125,431	2,361,827	2,361,827	\$ -
2020	17,964,792	321,278	17,643,514	17,804,153	2,325,658	2,325,658	\$ -
2021	17,643,514	321,278	17,322,236	17,482,875	2,289,488	2,289,488	\$ -
2022	17,322,236	321,278	17,000,958	17,161,597	2,253,319	2,253,319	\$ -
2023	17,000,958	321,278	16,679,680	16,840,319	2,217,150	2,217,150	\$ -
2024	16,679,680	321,278	16,358,402	16,519,041	2,180,980	2,180,980	\$ -
2025	16,358,402	321,278	16,037,124	16,197,763	2,144,811	2,144,811	\$ -
2026	16,037,124	321,278	15,715,846	15,876,485	2,108,642	2,108,642	\$ -
2027	15,715,846	321,278	15,394,568	15,555,207	2,072,473	2,072,473	\$ -
2028	15,394,568	321,278	15,073,291	15,233,930	2,036,303	2,036,303	\$ -
2029	15,073,291	321,278	14,752,013	14,912,652	2,000,134	2,000,134	\$ -
2030	14,752,013	321,278	14,430,735	14,591,374	1,963,965	1,963,965	\$ -
2031	14,430,735	321,278	14,109,457	14,270,096	1,927,796	1,927,796	\$ -
2032	14,109,457	321,278	13,788,179	13,948,818	1,891,626	1,891,626	\$ -
2033	13,788,179	321,278	13,466,901	13,627,540	1,855,457	1,855,457	\$ -
2034	13,466,901	321,278	13,145,623	13,306,262	1,819,288	1,819,288	\$ -
2035	13,145,623	321,278	12,824,345	12,984,984	1,783,119	1,783,119	\$ -
2036	12,824,345	321,278	12,503,067	12,663,706	1,746,949	1,746,949	\$ -
2037	12,503,067	321,278	12,181,789	12,342,428	1,710,780	1,710,780	\$ -
2038	12,181,789	321,278	11,860,511	12,021,150	1,674,611	1,674,611	\$ -
2039	11,860,511	321,278	11,539,233	11,699,872	1,638,442	1,638,442	\$ -
2040	11,539,233	321,278	11,217,955	11,378,594	1,602,272	1,602,272	\$ -
2041	11,217,955	321,278	10,896,677	11,057,316	1,566,103	1,566,103	\$ -
2042	10,896,677	321,278	10,575,399	10,736,038	1,529,934	1,529,934	\$ -
2043	10,575,399	321,278	10,254,121	10,414,760	1,493,765	1,493,765	\$ -
2044	10,254,121	321,278	9,932,843	10,093,482	1,457,595	1,457,595	\$ -
2045	9,932,843	321,278	9,611,565	9,772,204	1,421,426	1,421,426	\$ -
2046	9,611,565	321,278	9,290,287	9,450,926	1,385,257	1,385,257	\$ -
2047	9,290,287	321,278	8,969,009	9,129,648	1,349,088	1,349,088	\$ -
2048	8,969,009	321,278	8,647,732	8,808,370	1,312,918	1,312,918	\$ -
2049	8,647,732	321,278	8,326,454	8,487,093	1,276,749	1,276,749	\$ -
2050	8,326,454	321,278	8,005,176	8,165,815	1,240,580	1,240,580	\$ -
2051	8,005,176	321,278	7,683,898	7,844,537	1,204,411	1,204,411	\$ -
2052	7,683,898	321,278	7,362,620	7,523,259	1,168,241	1,168,241	\$ -
2053	7,362,620	321,278	7,041,342	7,201,981	1,132,072	1,132,072	\$ -
2054	7,041,342	321,278	6,720,064	6,880,703	1,095,903	1,095,903	\$ -
2055	6,720,064	321,278	6,398,786	6,559,425	1,059,734	1,059,734	\$ -
2056	6,398,786	321,278	6,077,508	6,238,147	1,023,564	1,023,564	\$ -
2057	6,077,508	321,278	5,756,230	5,916,869	987,395	987,395	\$ -
2058	5,756,230	321,278	5,434,952	5,595,591	951,226	951,226	\$ -
2059	5,434,952	321,278	5,113,674	5,274,313	915,057	915,057	\$ -
2060	5,113,674	321,278	4,792,396	4,953,035	878,887	878,887	\$ -
2061	4,792,396	321,278	4,471,118	4,631,757	842,718	842,718	\$ -
2062	4,471,118	321,278	4,149,840	4,310,479	806,549	806,549	\$ -
2063	4,149,840	321,278	3,828,562	3,989,201	770,380	770,380	\$ -
2064	3,828,562	321,278	3,507,284	3,667,923	734,210	734,210	\$ -
2065	3,507,284	321,278	3,186,006	3,346,645	698,041	698,041	\$ -
2066	3,186,006	321,278	2,864,728	3,025,367	661,872	661,872	\$ -
2067	2,864,728	321,278	2,543,450	2,704,089	625,703	625,703	\$ -
2068	2,543,450	321,278	2,222,172	2,382,811	589,533	589,533	\$ -
2069	2,222,172	321,278	1,900,895	2,061,534	553,364	553,364	\$ -
2070	1,900,895	321,278	1,579,617	1,740,256	517,195	517,195	\$ -
2071	1,579,617	321,278	1,258,339	1,418,978	481,025	481,025	\$ -
2072	1,258,339	321,278	937,061	1,097,700	444,856	444,856	\$ -
2073	937,061	321,278	615,783	776,422	408,687	408,687	\$ -
Project Totals		18,982,172			88,229,719	88,229,719	

[illegible]

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

A. Base Plan Facilities

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	7,211,311	7,211,311	-
True-Up Adjustment	7,211,311	7,211,311	-

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

[illegible]

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

A. Base Plan Facilities

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	2,740,817	2,740,817	-
True-Up Adjustment	2,740,817	2,740,817	-

Details			
Investment	21,404,277	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	11.26%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	11.26%
CIAC (Yes or No)	No	Annual Depreciation Expense	350,890

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	21,404,277	-	21,404,277	21,404,277	2,409,679	2,409,679	\$ -
2016	21,404,277	350,890	21,053,387	21,228,832	2,740,817	2,740,817	\$ -
2017	21,053,387	350,890	20,702,497	20,877,942	2,701,314	2,701,314	\$ -
2018	20,702,497	350,890	20,351,608	20,527,053	2,661,812	2,661,812	\$ -
2019	20,351,608	350,890	20,000,718	20,176,163	2,622,309	2,622,309	\$ -
2020	20,000,718	350,890	19,649,828	19,825,273	2,582,806	2,582,806	\$ -
2021	19,649,828	350,890	19,298,938	19,474,383	2,543,303	2,543,303	\$ -
2022	19,298,938	350,890	18,948,048	19,123,493	2,503,800	2,503,800	\$ -
2023	18,948,048	350,890	18,597,159	18,772,604	2,464,297	2,464,297	\$ -
2024	18,597,159	350,890	18,246,269	18,421,714	2,424,794	2,424,794	\$ -
2025	18,246,269	350,890	17,895,379	18,070,824	2,385,291	2,385,291	\$ -
2026	17,895,379	350,890	17,544,489	17,719,934	2,345,788	2,345,788	\$ -
2027	17,544,489	350,890	17,193,600	17,369,044	2,306,285	2,306,285	\$ -
2028	17,193,600	350,890	16,842,710	17,018,155	2,266,782	2,266,782	\$ -
2029	16,842,710	350,890	16,491,820	16,667,265	2,227,279	2,227,279	\$ -
2030	16,491,820	350,890	16,140,930	16,316,375	2,187,776	2,187,776	\$ -
2031	16,140,930	350,890	15,790,040	15,965,485	2,148,273	2,148,273	\$ -
2032	15,790,040	350,890	15,439,151	15,614,596	2,108,770	2,108,770	\$ -
2033	15,439,151	350,890	15,088,261	15,263,706	2,069,268	2,069,268	\$ -
2034	15,088,261	350,890	14,737,371	14,912,816	2,029,765	2,029,765	\$ -
2035	14,737,371	350,890	14,386,481	14,561,926	1,990,262	1,990,262	\$ -
2036	14,386,481	350,890	14,035,591	14,211,036	1,950,759	1,950,759	\$ -
2037	14,035,591	350,890	13,684,702	13,860,147	1,911,256	1,911,256	\$ -
2038	13,684,702	350,890	13,333,812	13,509,257	1,871,753	1,871,753	\$ -
2039	13,333,812	350,890	12,982,922	13,158,367	1,832,250	1,832,250	\$ -
2040	12,982,922	350,890	12,632,032	12,807,477	1,792,747	1,792,747	\$ -
2041	12,632,032	350,890	12,281,143	12,456,587	1,753,244	1,753,244	\$ -
2042	12,281,143	350,890	11,930,253	12,105,698	1,713,741	1,713,741	\$ -
2043	11,930,253	350,890	11,579,363	11,754,808	1,674,238	1,674,238	\$ -
2044	11,579,363	350,890	11,228,473	11,403,918	1,634,735	1,634,735	\$ -
2045	11,228,473	350,890	10,877,583	11,053,028	1,595,232	1,595,232	\$ -
2046	10,877,583	350,890	10,526,694	10,702,139	1,555,729	1,555,729	\$ -
2047	10,526,694	350,890	10,175,804	10,351,249	1,516,226	1,516,226	\$ -
2048	10,175,804	350,890	9,824,914	10,000,359	1,476,723	1,476,723	\$ -
2049	9,824,914	350,890	9,474,024	9,649,469	1,437,221	1,437,221	\$ -
2050	9,474,024	350,890	9,123,134	9,298,579	1,397,718	1,397,718	\$ -
2051	9,123,134	350,890	8,772,245	8,947,690	1,358,215	1,358,215	\$ -
2052	8,772,245	350,890	8,421,355	8,596,800	1,318,712	1,318,712	\$ -
2053	8,421,355	350,890	8,070,465	8,245,910	1,279,209	1,279,209	\$ -
2054	8,070,465	350,890	7,719,575	7,895,020	1,239,706	1,239,706	\$ -
2055	7,719,575	350,890	7,368,686	7,544,130	1,200,203	1,200,203	\$ -
2056	7,368,686	350,890	7,017,796	7,193,241	1,160,700	1,160,700	\$ -
2057	7,017,796	350,890	6,666,906	6,842,351	1,121,197	1,121,197	\$ -
2058	6,666,906	350,890	6,316,016	6,491,461	1,081,694	1,081,694	\$ -
2059	6,316,016	350,890	5,965,126	6,140,571	1,042,191	1,042,191	\$ -
2060	5,965,126	350,890	5,614,237	5,789,681	1,002,688	1,002,688	\$ -
2061	5,614,237	350,890	5,263,347	5,438,792	963,185	963,185	\$ -
2062	5,263,347	350,890	4,912,457	5,087,902	923,682	923,682	\$ -
2063	4,912,457	350,890	4,561,567	4,737,012	884,179	884,179	\$ -
2064	4,561,567	350,890	4,210,677	4,386,122	844,676	844,676	\$ -
2065	4,210,677	350,890	3,859,788	4,035,233	805,174	805,174	\$ -
2066	3,859,788	350,890	3,508,898	3,684,343	765,671	765,671	\$ -
2067	3,508,898	350,890	3,158,008	3,333,453	726,168	726,168	\$ -
2068	3,158,008	350,890	2,807,118	2,982,555	686,665	686,665	\$ -
2069	2,807,118	350,890	2,456,229	2,631,673	647,162	647,162	\$ -
2070	2,456,229	350,890	2,105,339	2,280,784	607,659	607,659	\$ -
2071	2,105,339	350,890	1,754,449	1,929,894	568,156	568,156	\$ -
2072	1,754,449	350,890	1,403,559	1,579,004	528,653	528,653	\$ -
2073	1,403,559	350,890	1,052,669	1,228,114	489,150	489,150	\$ -
2074	1,052,669	350,890	701,780	877,224	449,647	449,647	\$ -
Project Totals		20,702,497			96,528,383	96,528,383	

[illegible]

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

A. Base Plan Facilities

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	161,148	161,148	-
True-Up Adjustment	161,148	161,148	-

*** 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.

[illegible]

A. Base Plan Facilities

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	935,351	935,351	-
True-Up Adjustment	935,351	935,351	-

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	7,366,510	70,445	7,296,065	7,331,288	895,796	895,796	\$ -
2016	7,296,065	120,762	7,175,303	7,235,684	935,351	935,351	\$ -
2017	7,175,303	120,762	7,054,540	7,114,922	921,756	921,756	\$ -
2018	7,054,540	120,762	6,933,778	6,994,159	908,160	908,160	\$ -
2019	6,933,778	120,762	6,813,015	6,873,397	894,565	894,565	\$ -
2020	6,813,015	120,762	6,692,253	6,752,634	880,969	880,969	\$ -
2021	6,692,253	120,762	6,571,490	6,631,872	867,374	867,374	\$ -
2022	6,571,490	120,762	6,450,728	6,511,109	853,779	853,779	\$ -
2023	6,450,728	120,762	6,329,966	6,390,347	840,183	840,183	\$ -
2024	6,329,966	120,762	6,209,203	6,269,584	826,588	826,588	\$ -
2025	6,209,203	120,762	6,088,441	6,148,822	812,993	812,993	\$ -
2026	6,088,441	120,762	5,967,678	6,028,059	799,397	799,397	\$ -
2027	5,967,678	120,762	5,846,916	5,907,297	785,802	785,802	\$ -
2028	5,846,916	120,762	5,726,153	5,786,534	772,207	772,207	\$ -
2029	5,726,153	120,762	5,605,391	5,665,772	758,611	758,611	\$ -
2030	5,605,391	120,762	5,484,628	5,545,010	745,016	745,016	\$ -
2031	5,484,628	120,762	5,363,866	5,424,247	731,421	731,421	\$ -
2032	5,363,866	120,762	5,243,103	5,303,485	717,825	717,825	\$ -
2033	5,243,103	120,762	5,122,341	5,182,722	704,230	704,230	\$ -
2034	5,122,341	120,762	5,001,579	5,061,960	690,634	690,634	\$ -
2035	5,001,579	120,762	4,880,816	4,941,197	677,039	677,039	\$ -
2036	4,880,816	120,762	4,760,054	4,820,435	663,444	663,444	\$ -
2037	4,760,054	120,762	4,639,291	4,699,672	649,848	649,848	\$ -
2038	4,639,291	120,762	4,518,529	4,578,910	636,253	636,253	\$ -
2039	4,518,529	120,762	4,397,766	4,458,147	622,658	622,658	\$ -
2040	4,397,766	120,762	4,277,004	4,337,385	609,062	609,062	\$ -
2041	4,277,004	120,762	4,156,241	4,216,623	595,467	595,467	\$ -
2042	4,156,241	120,762	4,035,479	4,095,860	581,872	581,872	\$ -
2043	4,035,479	120,762	3,914,716	3,975,098	568,276	568,276	\$ -
2044	3,914,716	120,762	3,793,954	3,854,335	554,681	554,681	\$ -
2045	3,793,954	120,762	3,673,191	3,733,573	541,086	541,086	\$ -
2046	3,673,191	120,762	3,552,429	3,612,810	527,490	527,490	\$ -
2047	3,552,429	120,762	3,431,667	3,492,048	513,895	513,895	\$ -
2048	3,431,667	120,762	3,310,904	3,371,285	500,299	500,299	\$ -
2049	3,310,904	120,762	3,190,142	3,250,523	486,704	486,704	\$ -
2050	3,190,142	120,762	3,069,379	3,129,760	473,109	473,109	\$ -
2051	3,069,379	120,762	2,948,617	3,008,998	459,513	459,513	\$ -
2052	2,948,617	120,762	2,827,854	2,888,235	445,918	445,918	\$ -
2053	2,827,854	120,762	2,707,092	2,767,473	432,323	432,323	\$ -
2054	2,707,092	120,762	2,586,329	2,646,711	418,727	418,727	\$ -
2055	2,586,329	120,762	2,465,567	2,525,948	405,132	405,132	\$ -
2056	2,465,567	120,762	2,344,804	2,405,186	391,537	391,537	\$ -
2057	2,344,804	120,762	2,224,042	2,284,423	377,941	377,941	\$ -
2058	2,224,042	120,762	2,103,279	2,163,661	364,346	364,346	\$ -
2059	2,103,279	120,762	1,982,517	2,042,898	350,751	350,751	\$ -
2060	1,982,517	120,762	1,861,755	1,922,136	337,155	337,155	\$ -
2061	1,861,755	120,762	1,740,992	1,801,373	323,560	323,560	\$ -
2062	1,740,992	120,762	1,620,230	1,680,611	309,965	309,965	\$ -
2063	1,620,230	120,762	1,499,467	1,559,848	296,369	296,369	\$ -
2064	1,499,467	120,762	1,378,705	1,439,086	282,774	282,774	\$ -
2065	1,378,705	120,762	1,257,942	1,318,324	269,178	269,178	\$ -
2066	1,257,942	120,762	1,137,180	1,197,561	255,583	255,583	\$ -
2067	1,137,180	120,762	1,016,417	1,076,799	241,988	241,988	\$ -
2068	1,016,417	120,762	895,655	956,036	228,392	228,392	\$ -
2069	895,655	120,762	774,892	835,274	214,797	214,797	\$ -
2070	774,892	120,762	654,130	714,511	201,202	201,202	\$ -
2071	654,130	120,762	533,368	593,749	187,606	187,606	\$ -
2072	533,368	120,762	412,605	472,986	174,011	174,011	\$ -
2073	412,605	120,762	291,843	352,224	160,416	160,416	\$ -
2074	291,843	120,762	171,080	231,461	146,820	146,820	\$ -
Project Totals	7,195,430				32,819,844	32,819,844	

[illegible]

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

A. Base Plan Facilities

(e.g. ER05-925-000)

RTEP ID: b2022 (Terminate Tristate-Kyger Creek 345 kV line at Sporn)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	547,652	547,652	-
True-Up Adjustment	547,652	547,652	-

Details			
Investment	4,287,158	Current Year	2016
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	-
Service Month (1-12)	10	FCR w/o incentives, less depreciation	11.26%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	11.26%
CIAC (Yes or No)	No	Annual Depreciation Expense	70,281

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		4,287,158	11,714	4,275,444	4,281,301	493,700	493,700	\$ -
2016		4,275,444	70,281	4,205,163	4,240,304	547,652	547,652	\$ -
2017		4,205,163	70,281	4,134,882	4,170,023	539,740	539,740	\$ -
2018		4,134,882	70,281	4,064,601	4,099,741	531,827	531,827	\$ -
2019		4,064,601	70,281	3,994,319	4,029,460	523,915	523,915	\$ -
2020		3,994,319	70,281	3,924,038	3,959,179	516,003	516,003	\$ -
2021		3,924,038	70,281	3,853,757	3,888,897	508,091	508,091	\$ -
2022		3,853,757	70,281	3,783,476	3,818,616	500,179	500,179	\$ -
2023		3,783,476	70,281	3,713,194	3,748,335	492,266	492,266	\$ -
2024		3,713,194	70,281	3,642,913	3,678,054	484,354	484,354	\$ -
2025		3,642,913	70,281	3,572,632	3,607,772	476,442	476,442	\$ -
2026		3,572,632	70,281	3,502,350	3,537,491	468,530	468,530	\$ -
2027		3,502,350	70,281	3,432,069	3,467,210	460,617	460,617	\$ -
2028		3,432,069	70,281	3,361,788	3,396,928	452,705	452,705	\$ -
2029		3,361,788	70,281	3,291,507	3,326,647	444,793	444,793	\$ -
2030		3,291,507	70,281	3,221,225	3,256,366	436,881	436,881	\$ -
2031		3,221,225	70,281	3,150,944	3,186,085	428,969	428,969	\$ -
2032		3,150,944	70,281	3,080,663	3,115,803	421,056	421,056	\$ -
2033		3,080,663	70,281	3,010,381	3,045,522	413,144	413,144	\$ -
2034		3,010,381	70,281	2,940,100	2,975,241	405,232	405,232	\$ -
2035		2,940,100	70,281	2,869,819	2,904,960	397,320	397,320	\$ -
2036		2,869,819	70,281	2,799,538	2,834,678	389,407	389,407	\$ -
2037		2,799,538	70,281	2,729,256	2,764,397	381,495	381,495	\$ -
2038		2,729,256	70,281	2,658,975	2,694,116	373,583	373,583	\$ -
2039		2,658,975	70,281	2,588,694	2,623,834	365,671	365,671	\$ -
2040		2,588,694	70,281	2,518,412	2,553,553	357,759	357,759	\$ -
2041		2,518,412	70,281	2,448,131	2,483,272	349,846	349,846	\$ -
2042		2,448,131	70,281	2,377,850	2,412,991	341,934	341,934	\$ -
2043		2,377,850	70,281	2,307,569	2,342,709	334,022	334,022	\$ -
2044		2,307,569	70,281	2,237,287	2,272,428	326,110	326,110	\$ -
2045		2,237,287	70,281	2,167,006	2,202,147	318,197	318,197	\$ -
2046		2,167,006	70,281	2,096,725	2,131,865	310,285	310,285	\$ -
2047		2,096,725	70,281	2,026,444	2,061,584	302,373	302,373	\$ -
2048		2,026,444	70,281	1,956,162	1,991,303	294,461	294,461	\$ -
2049		1,956,162	70,281	1,885,881	1,921,022	286,549	286,549	\$ -
2050		1,885,881	70,281	1,815,600	1,850,740	278,636	278,636	\$ -
2051		1,815,600	70,281	1,745,318	1,780,459	270,724	270,724	\$ -
2052		1,745,318	70,281	1,675,037	1,710,178	262,812	262,812	\$ -
2053		1,675,037	70,281	1,604,756	1,639,897	254,900	254,900	\$ -
2054		1,604,756	70,281	1,534,475	1,569,615	246,988	246,988	\$ -
2055		1,534,475	70,281	1,464,193	1,499,334	239,075	239,075	\$ -
2056		1,464,193	70,281	1,393,912	1,429,053	231,163	231,163	\$ -
2057		1,393,912	70,281	1,323,631	1,358,771	223,251	223,251	\$ -
2058		1,323,631	70,281	1,253,349	1,288,490	215,339	215,339	\$ -
2059		1,253,349	70,281	1,183,068	1,218,209	207,426	207,426	\$ -
2060		1,183,068	70,281	1,112,787	1,147,928	199,514	199,514	\$ -
2061		1,112,787	70,281	1,042,506	1,077,646	191,602	191,602	\$ -
2062		1,042,506	70,281	972,224	1,007,365	183,690	183,690	\$ -
2063		972,224	70,281	901,943	937,084	175,778	175,778	\$ -
2064		901,943	70,281	831,662	866,802	167,865	167,865	\$ -
2065		831,662	70,281	761,381	796,521	159,953	159,953	\$ -
2066		761,381	70,281	691,099	726,240	152,041	152,041	\$ -
2067		691,099	70,281	620,818	655,959	144,129	144,129	\$ -
2068		620,818	70,281	550,537	585,677	136,216	136,216	\$ -
2069		550,537	70,281	480,255	515,396	128,304	128,304	\$ -
2070		480,255	70,281	409,974	445,115	120,392	120,392	\$ -
2071		409,974	70,281	339,693	374,833	112,480	112,480	\$ -
2072		339,693	70,281	269,412	304,552	104,568	104,568	\$ -
2073		269,412	70,281	199,130	234,271	96,655	96,655	\$ -
2074		199,130	70,281	128,849	163,990	88,743	88,743	\$ -
Project Totals			4,158,309			19,267,351	19,267,351	

** 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 YEARS:

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]

A. Base Plan Facilities

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	1,311	1,311	-
True-Up Adjustment	1,311	1,311	-

Details			
Investment	10,425	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	11.26%
Useful life	61	FCR w/incentives approved for these facilities, less dep.	11.26%
CIAC (Yes or No)	No	Annual Depreciation Expense	171

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

[illegible]

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

A. Base Plan Facilities

Project Description: RTEP ID: b2230 (Replace existing 150 MVAR reactor at Amos 765 kV)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	#N/A	#N/A	#N/A
Prior Yr True-Up	#N/A	#N/A	#N/A
True-Up Adjustment	#N/A	#N/A	#N/A

** 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.

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]

A. Base Plan Facilities

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

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

[illegible]

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet L RESERVED
AEP WEST VIRGINIA TRANSMISSION COMPANY

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
AEP WEST VIRGINIA TRANSMISSION 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 @ 12/31/2017	Balances @ 12/31/2016	Average
<u>Development of Average Balance of Common Equity</u>				
1	Proprietary Capital (112.16.c&d)	363,599,900	272,845,406	318,222,653
2	Less Preferred Stock (Ln 48 Below)	-	-	-
3	Less Account 216.1 (112.12.c&d)	-	-	-
4	Less Account 219.1 (112.15.c&d)	-	-	-
5	Average Balance of Common Equity	363,599,900	272,845,406	318,222,653

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)	263,000,000	263,000,000	263,000,000
9	Senior Unsecured Notes (112.21.c&d)	105,000,000	-	52,500,000
10	Less: Fair Value Hedges (See Note on Ln 12 below)	-	-	-
11	Total Average Debt	368,000,000	263,000,000	315,500,000

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

13 Annual Interest Expense for 2017

14	Interest on Long Term Debt (256-257.33.i)		10,712,050	
	Less: Total Hedge (Gain)/Expense Accumulated from p 256-257, col (i) of FERC Form 1			-
15	included in Ln 14 and shown in Ln 32 below.			-
16	Amort of Debt Discount & Expense (117.63.c)			-
17	Amort of Loss on Reacquired Debt (117.64.c)			-
18	Less: Amort of Premium on Debt (117.65.c)			-
19	Less: Amort of Gain on Reacquired Debt (117.66.c)			-
20	Total Interest Expense (Ln 14 - Ln 15 + Ln 16 + Ln 17 - Ln 18 - Ln 19)		10,712,050	

21	Average Cost of Debt for (Ln 20/Ln 11)	3.40%
----	--	-------

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUCED FROM TCOS

22 AEP WEST VIRGINIA TRANSMISSION COMPANY may not include costs (or gains) related to interest hedging activities

Amortization Period

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

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

Development of Cost of Preferred Stock

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

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet N - Gains (Losses) on Sales of Plant Held For Future Use
AEP WEST VIRGINIA TRANSMISSION COMPANY

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

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

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

PBOP	(A)	(B)
1	<u>Calculation of PBOP Expenses</u>	
2	<u>AEP System PBOP Rate</u>	
3	Total AEP System PBOP expenses	-\$92,333,868
4	Base Year relating to retired personnel	\$0
5	Amount allocated on Labor	-\$92,333,868
6	Total AEP System Direct Labor Expense	\$1,314,167,144
7	AEP System PBOP expense per dollar of direct labor (PBOP Rate)	-\$0.070
8	Currently Approved PBOP Rate	-\$0.058
9	Base PBOP TransCo labor expensed in current year	660,748
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$38,323
11	Direct PBOP Expense per Actuarial Report	\$0
12	Additional PBOP Ledger Entry (From Company Records)	\$0
13	Medicare Credit	\$0
14	PBOP Expenses From AEP Affiliates (From Company Records)	-\$34,307
15	Actual PBOP Expense (Sum Lines 11-14)	-\$34,307
16	PBOP Adjustment Line 10 less Line 15	-\$4,016

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

As part of the annual update process, AEP will provide to transmission customers and include in its informational filing an independently prepared actuarial report that includes a ten (10) year forecast of PBOP expenses. During the annual update process conducted for rate year 2018 and every four years thereafter, Worksheet O will be used to determine whether the PBOP allowance rate (\$PBOP per \$Direct O&M Labor) should be adjusted going forward for the next four years. If the annual actuarial report issued during the year of any PBOP rate review projects PBOP costs during the next four years that, when allocated to the AEP Transmission Companies based on their projected direct labor expenses over that same projected four-year period, absent a change in the PBOP Rate, will likely cause the AEP East Transmission Companies to over or under collect their cumulative PBOP expenses by more than 20% of the projected next four year's total PBOP expense, taking into account the net over or under collection of such expenses during the previous four years, the PBOP rate shall be adjusted. In order to determine whether continued use of the then approved PBOP rate is likely to result in the AEP Companies' incurrence of a cumulative allowance of PBOP costs under the formula rate will result in a cumulative over or under-recovery of actual PBOP expenses exceeding 20% over the subsequent four year period, Worksheet O will be used to determine (a) the level of cumulative over or under collections of PBOP expense during the time since the PBOP allowance rate was last set, including carrying costs based on the weighted average cost of capital each year from the formula rate actual transmission cost-of-service (b) the cumulative net present value of projected PBOP costs during the next four years as estimated by the then current actuarial report, assuming a discount rate equal to the actual transmission cost of service average cost of capital for the immediately prior calendar year and (c) the cumulative net present value of continued collections over the next four years based on the projected AEP Transmission Companies direct labor expenses and the then effective PBOP allowance rate assuming a discount rate equal to the prior year weighted average cost of capital. If the absolute value of (a)+(b)-(c) exceeds 20% of (b), then the PBOP allowance rate used in the formula rate calculation shall be changed to the value that will cause the projected result of (a)+(b)-(c) to equal zero. If the projected over or under collection during the next four years, (a)+(b)-(c), is less than 20% of (b), then the PBOP Rate will continue in effect for the next four years at the then effective rate. If it is determined through this procedure AEP Companies will over-recover or under-recover actual PBOP expenses by more than 20% over the subsequent four-year period, AEP shall make a filing under FPA Section 205 to change the PBOP Rate stated in the formula rate shown on Worksheet O. No other changes to the formula rate may be included in that filing.

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

AEP WEST VIRGINIA TRANSMISSION COMPANY

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Capital Structure @ December 31, 2017
Worksheet Q Page 1

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
<u>Development of Long Term Debt Balances at Year End</u>							
1 Bonds (112.18.c&d)	345,097,743	-	-	-	-	-	345,097,743
2 Less: Reacquired Bonds (112.19.c&d)	-	40,000,000	-	-	345,400,000	-	385,400,000
3 LT Advances from Assoc. Companies (112.20.c&d)	-	-	-	20,000,000	-	-	20,000,000
4 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund	3,620,784,367	1,609,281,752	870,000,000	-	2,328,942,762	350,000,000	8,779,008,881
5 Less: Fair Value Hedges (See Note on Ln 7 below)	-	-	-	-	-	-	-
6 Total Long Term Debt Balance	3,965,882,110	1,569,281,752	870,000,000	20,000,000	1,983,542,762	350,000,000	8,758,706,624
7 NOTE: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (page 257, Column H of the FF1)							
<u>Development of Long Term Debt Interest Expense</u>							
8 Interest on Long Term Debt (256-257.33.i)	188,068,200	79,376,715	43,405,169	904,000	117,119,422	7,144,374	436,017,880
9 Amort of Debt Discount & Expense (117.63.c)	2,916,356	1,779,096	716,313	-	1,595,208	171,512	7,178,485
10 Amort of Loss on Reacquired Debt (117.64.c)	3,960,759	1,283,093	33,624	-	1,311,350	-	6,588,826
11 Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
12 Less: Amort of Gain on Reacquired Debt (117.66.c)	-	1,712	-	-	-	-	1,712
13 Less: Hedge Interest on pp 256-257(i)	(422,541)	1,676,623	92,956	-	(2,097,663)	-	(750,625)
14 LTD Interest Expense	195,367,856	80,760,569	44,062,150	904,000	122,123,643	7,315,886	450,534,104
<u>Development of Cost of Preferred Stock and Preferred Dividends</u>							
15 Dividend Rate (p. 250-251. 7.a)	4.50%	4.125%			4.08%		
16 Par Value (p. 250-251. 8.c)	\$ 100.00	\$ 100.00			\$ 100.00		
17 Shares Outstanding (p.250-251. 8.e)	-	-			-		
18 Monetary Value (Ln 16 * Ln 17)	-	-	-	-	-	-	-
19 Dividend Amount (Ln 15 * Ln 18)	-	-	-	-	-	-	-
20 Dividend Rate (p. 250-251. 7.a)		4.120%			4.20%		
21 Par Value (p. 250-251. 8.c)		\$ 100.00			\$ 100.00		
22 Shares Outstanding (p.250-251. 8.e)		-			-		
23 Monetary Value (Ln 21 * Ln 22)	-	-	-	-	-	-	-
24 Dividend Amount (Ln 20 * Ln 23)	-	-	-	-	-	-	-
25 Dividend Rate (p. 250-251. 7.a)		4.560%			4.40%		
26 Par Value (p. 250-251. 8.c)		\$ 100.00			\$ 100.00		
27 Shares Outstanding (p.250-251. 8.e)		-			-		
28 Monetary Value (Ln 26 * Ln 27)	-	-	-	-	-	-	-
29 Dividend Amount (Ln 25 * Ln 28)	-	-	-	-	-	-	-
30 Dividend Rate (p. 250-251. 7.a)					4.50%		
31 Par Value (p. 250-251. 8.c)					\$ 100.00		
32 Shares Outstanding (p.250-251. 8.e)					-		
33 Monetary Value (Ln 31 * Ln 32)	-	-	-	-	-	-	-
34 Dividend Amount (Ln 30 * Ln 33)	-	-	-	-	-	-	-
35 Preferred Stock (Lns 18, 23, 28,33)	-	-	-	-	-	-	-
36 Preferred Dividends (Lns 19, 24, 29,34)	-	-	-	-	-	-	-
<u>Development of Common Equity</u>							
37 Proprietary Capital (112.16.c)	3,475,050,089	2,036,408,552	663,073,876	29,626,191	1,986,574,950	406,461,375	8,597,195,033
38 Less: Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
39 Less: Account 216.1 (112.12.c)	1,758,641	31,416	-	-	4,915,704	-	6,705,761
40 Less: Account 219.1 (112.15.c)	(2,792,656)	(16,739,231)	(1,645,475)	-	4,229,596	61,921	(16,885,845)
41 Balance of Common Equity	3,476,084,104	2,053,116,367	664,719,351	29,626,191	1,977,429,650	406,399,454	8,607,375,117
<u>Calculation of Capital Shares</u>							
42 Long Term Debt (Ln 6 Above)	3,965,882,110	1,569,281,752	870,000,000	20,000,000	1,983,542,762	350,000,000	8,758,706,624
43 Preferred Stock (Ln 35 Above)	-	-	-	-	-	-	-
44 Common Equity (Ln 41 Above)	3,476,084,104	2,053,116,367	664,719,351	29,626,191	1,977,429,650	406,399,454	8,607,375,117
45 Total Company Structure	7,441,966,214	3,622,398,119	1,534,719,351	49,626,191	3,960,972,412	756,399,454	17,366,081,741
46 LTD Capital Shares (Ln 42 / Ln 45)	53.29%	43.32%	56.69%	40.30%	50.08%	46.27%	50.44%
47 Preferred Stock Capital Shares (Ln 43 / Ln 45)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
48 Common Equity Capital Shares (Ln 44 / Ln 45)	46.71%	56.68%	43.31%	59.70%	49.92%	53.73%	49.56%
49 Reserved							
50 Reserved							
51 Reserved							
52 Reserved							
<u>Calculation of Capital Cost Rate</u>							
53 LTD Capital Cost Rate (Ln 14 / Ln 6)	4.93%	5.15%	5.06%	4.52%	6.16%	2.09%	5.14%
54 Preferred Stock Capital Cost Rate (Ln 36 / Ln 35)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
55 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
<u>Calculation of Weighted Capital Cost Rate</u>							
56 LTD Weighted Capital Cost Rate (Ln 46 * Ln 53)	2.63%	2.23%	2.87%	1.82%	3.08%	0.97%	2.59%
57 Preferred Stock Capital Cost Rate (Ln 47 * Ln 54)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
58 Common Equity Capital Cost Rate (Ln 48 * Ln 55)	5.37%	6.51%	4.98%	6.86%	5.74%	6.17%	5.69%
59 Total Company Structure	7.99%	8.74%	7.85%	8.68%	8.82%	7.14%	8.29%

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Capital Structure @ December 31, 2016
Worksheet Q Page 2

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
<u>Development of Long Term Debt Balances at Year End</u>							
60 Bonds (112.18.c&d)	367,622,368	-	-	-	-	-	367,622,368
61 Less: Reacquired Bonds (112.19.c&d)	-	40,000,000	-	-	345,400,000	-	385,400,000
62 LT Advances from Assoc. Companies (112.20.c&d)	86,000,000	-	-	20,000,000	-	25,000,000	131,000,000
63 Senior Unsecured Notes (112.21.c&d) Excludes Spent Nuc Fuel Disp Fund	3,534,821,976	1,628,907,909	820,000,000	-	2,415,019,994	-	8,398,749,879
64 Less: Fair Value Hedges (See Note on Ln 66 below)	-	-	-	-	-	-	-
65 Total Long Term Debt Balance	3,988,444,344	1,588,907,909	820,000,000	20,000,000	2,069,619,994	25,000,000	8,511,972,247
66 NOTE: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (p. 257, Column H of the FF1)							
<u>Development of Long Term Debt Interest Expense</u>							
67 Interest on Long Term Debt (256-257.33.i)	198,433,109	82,484,400	38,642,264	904,000	121,704,036	1,312,500	443,480,309
68 Amort of Debt Discount & Expense (117.63.c)	3,105,002	2,188,650	517,866	-	1,580,870	-	7,392,388
69 Amort of Loss on Reacquired Debt (117.64.c)	7,213,006	8,235,783	33,635	-	1,338,683	-	16,821,107
70 Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
71 Less: Amort of Gain on Reacquired Debt (117.66.c)	-	1,712	-	-	-	-	1,712
72 Less: Hedge Interest on pp 256-257(i)	1,240,531	806,279	92,956	-	(2,097,663)	-	42,103
73 LTD Interest Expense	207,510,586	92,100,842	39,100,809	904,000	126,721,252	1,312,500	467,649,989
<u>Development of Cost of Preferred Stock and Preferred Dividends</u>							
74 Dividend Rate (p. 250-251. 7.a)	4.50%	4.125%			4.08%		
75 Par Value (p. 250-251. 8.c)	\$ 100.00	\$ 100.00			\$ 100.00		
76 Shares Outstanding (p.250-251. 8.e)	-	-			-		
77 Monetary Value (Ln 75 * Ln 76)	-	-	-	-	-	-	-
78 Dividend Amount (Ln 74 * Ln 77)	-	-	-	-	-	-	-
79 Dividend Rate (p. 250-251. 7.a)		4.120%			4.20%		
80 Par Value (p. 250-251. 8.c)		\$ 100.00			\$ 100.00		
81 Shares Outstanding (p.250-251. 8.e)		-			-		
82 Monetary Value (Ln 80 * Ln 81)	-	-	-	-	-	-	-
83 Dividend Amount (Ln 79 * Ln 82)	-	-	-	-	-	-	-
84 Dividend Rate (p. 250-251. 7.a)		4.560%			4.40%		
85 Par Value (p. 250-251. 8.c)		\$ 100.00			\$ 100.00		
86 Shares Outstanding (p.250-251. 8.e)		-			-		
87 Monetary Value (Ln 85 * Ln 86)	-	-	-	-	-	-	-
88 Dividend Amount (Ln 84 * Ln 87)	-	-	-	-	-	-	-
89 Dividend Rate (p. 250-251. 7.a)					4.50%		
90 Par Value (p. 250-251. 8.c)					\$ 100.00		
91 Shares Outstanding (p.250-251. 8.e)					-		
92 Monetary Value (Ln 90 * Ln 91)	-	-	-	-	-	-	-
93 Dividend Amount (Ln 89 * Ln 92)	-	-	-	-	-	-	-
94 Preferred Stock (Lns 77, 82, 87,92)	-	-	-	-	-	-	-
95 Preferred Dividends (Lns 78, 83, 88,93)	-	-	-	-	-	-	-
<u>Development of Common Equity</u>							
96 Proprietary Capital (112.16.c)	3,366,927,928	1,953,950,018	663,642,997	31,277,290	1,980,209,844	98,472,987	8,094,481,064
97 Less: Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
98 Less: Account 216.1 (112.12.c)	1,649,787	(33,162)	-	-	4,915,704	-	6,532,329
99 Less: Account 219.1 (112.15.c)	5,031,962	(14,359,735)	(7,335,603)	-	5,601,842	772,181	(10,289,353)
100 Balance of Common Equity	3,360,246,179	1,968,342,915	670,978,600	31,277,290	1,969,692,298	97,700,806	8,098,238,088
<u>Calculation of Capital Shares</u>							
101 Long Term Debt (Ln 65 Above)	3,988,444,344	1,588,907,909	820,000,000	20,000,000	2,069,619,994	25,000,000	8,511,972,247
102 Preferred Stock (Ln 94 Above)	-	-	-	-	-	-	-
103 Common Equity (Ln 100 Above)	3,360,246,179	1,968,342,915	670,978,600	31,277,290	1,969,692,298	97,700,806	8,098,238,088
104 Total Company Structure	7,348,690,523	3,557,250,824	1,490,978,600	51,277,290	4,039,312,292	122,700,806	16,610,210,335
105 LTD Capital Shares (Ln 101 / Ln 104)	54.27%	44.67%	55.00%	39.00%	51.24%	20.37%	51.25%
106 Preferred Stock Capital Shares (Ln 102 / Ln 104)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
107 Common Equity Capital Shares (Ln 103 / Ln 104)	45.73%	55.33%	45.00%	61.00%	48.76%	79.63%	48.75%
108 Reserved							
109 Reserved							
110 Reserved							
111 Reserved							
<u>Calculation of Capital Cost Rate</u>							
112 LTD Capital Cost Rate (Ln 73 / Ln 65)	5.20%	5.80%	4.77%	4.52%	6.12%	5.25%	5.49%
113 Preferred Stock Capital Cost Rate (Ln 95 / Ln 94)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
114 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
<u>Calculation of Weighted Capital Cost Rate</u>							
115 LTD Weighted Capital Cost Rate (Ln 105 * Ln 112)	2.82%	2.59%	2.62%	1.76%	3.14%	1.07%	2.82%
116 Preferred Stock Capital Cost Rate (Ln 106 * Ln 113)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
117 Common Equity Capital Cost Rate (Ln 107 * Ln 114)	5.25%	6.36%	5.17%	7.01%	5.60%	9.15%	5.60%
118 Total Company Structure	8.08%	8.95%	7.79%	8.77%	8.74%	10.22%	8.42%

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

Line	Appalachian Power Company	Indiana Michigan Power Company	Kentucky Power Company	Kingsport Power Company	Ohio Power Company	Wheeling Power Company	AEP East Operating Companies' Consolidated Capital Structure
<u>Development of Average Long Term Debt</u>							
119 Average Bonds (Ln 1 + Ln 60) / 2	356,360,056	-	-	-	-	-	356,360,056
120 Less: Average Reacquired Bonds (Ln 2 + Ln 61) / 2	-	40,000,000	-	-	345,400,000	-	385,400,000
121 Average LT Advances from Assoc. Companies (Ln 3 + Ln 62) / 2	43,000,000	-	-	20,000,000	-	12,500,000	75,500,000
122 Average Senior Unsecured Notes (Ln 4 + Ln 63) / 2	3,577,803,172	1,619,094,831	845,000,000	-	2,371,981,378	175,000,000	8,588,879,380
123 Less: Average Fair Value Hedges (See Note on Ln 125 below)	-	-	-	-	-	-	-
124 Average Balance of Long Term Debt	3,977,163,227	1,579,094,831	845,000,000	20,000,000	2,026,581,378	187,500,000	8,635,339,436
125 NOTE: The balance of fair value hedges on outstanding long term debt are to be excluded from the balance of long term debt included in the formula's capital structure. (p. 257, Column H of the FF1)							
<u>Development of Long Term Debt Interest Expense</u>							
126 Interest on Long Term Debt (256-257.33.i)	188,068,200	79,376,715	43,405,169	904,000	117,119,422	7,144,374	436,017,880
127 Amort of Debt Discount & Expense (117.63.c)	2,916,356	1,779,096	716,313	-	1,595,208	171,512	7,178,485
128 Amort of Loss on Reacquired Debt (117.64.c)	3,960,759	1,283,093	33,624	-	1,311,350	-	6,588,826
129 Less: Amort of Premium on Debt (117.65.c)	-	-	-	-	-	-	-
130 Less: Amort of Gain on Reacquired Debt (117.66.c)	-	1,712	-	-	-	-	1,712
131 Less: Hedge Interest on pp 256-257(i)	(422,541)	1,676,623	92,956	-	(2,097,663)	-	(750,625)
132 LTD Interest Expense	195,367,856	80,760,569	44,062,150	904,000	122,123,643	7,315,886	450,534,104
<u>Cost of Preferred Stock and Preferred Dividends</u>							
133 Average Balance of Preferred Stock (Ln 35 + Ln 94) / 2	-	-	-	-	-	-	-
134 Preferred Dividends (Ln 36)	-	-	-	-	-	-	-
<u>Development of Average Common Equity</u>							
135 Average Proprietary Capital (Ln 37 + Ln 96) / 2	3,420,989,009	1,995,179,285	663,358,437	30,451,741	1,983,392,397	252,467,181	8,345,838,049
136 Less: Average Preferred Stock (Ln 133 Above)	-	-	-	-	-	-	-
137 Less: Average Account 216.1 (Ln 39 + Ln 98) / 2	1,704,214	(873)	-	-	4,915,704	-	6,619,045
138 Less: Average Account 219.1 (Ln 40 + Ln 99) / 2	1,119,653	(15,549,483)	(4,490,539)	-	4,915,719	417,051	(13,587,599)
139 Average Balance of Common Equity	3,418,165,142	2,010,729,641	667,848,976	30,451,741	1,973,560,974	252,050,130	8,352,806,603
<u>Calculation of Capital Shares</u>							
140 Average Balance of Long Term Debt (Ln 124 Above)	3,977,163,227	1,579,094,831	845,000,000	20,000,000	2,026,581,378	187,500,000	8,635,339,436
141 Average Balance of Preferred Stock (Ln 133 Above)	-	-	-	-	-	-	-
142 Average Balance of Common Equity (Ln 139 Above)	3,418,165,142	2,010,729,641	667,848,976	30,451,741	1,973,560,974	252,050,130	8,352,806,603
143 Average of Total Company Structure	7,395,328,369	3,589,824,472	1,512,848,976	50,451,741	4,000,142,352	439,550,130	16,988,146,038
144 Average Balance of LTD Capital Shares (Ln 140 / Ln 143)	53.78%	43.99%	55.85%	39.64%	50.66%	42.66%	50.83%
145 Average Balance of Preferred Stock Capital Shares (Ln 141 / Ln 143)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
146 Average Balance of Common Equity Capital Shares (Ln 142 / Ln 143)	46.22%	56.01%	44.15%	60.36%	49.34%	57.34%	49.17%
147 Reserved							
148 Reserved							
149 Reserved							
150 Reserved							
<u>Calculation of Capital Cost Rate</u>							
151 LTD Capital Cost Rate (Ln 132 / Ln 124)	4.91%	5.11%	5.21%	4.52%	6.03%	3.90%	5.22%
152 Preferred Stock Capital Cost Rate (Ln 134 / Ln 133)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
153 Common Equity Capital Cost Rate	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%	11.49%
<u>Calculation of Weighted Capital Cost Rate</u>							
154 LTD Weighted Capital Cost Rate (Ln 144 * Ln 151)	2.64%	2.25%	2.91%	1.79%	3.05%	1.66%	2.65%
155 Preferred Stock Capital Cost Rate (Ln 145 * Ln 152)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
156 Common Equity Capital Cost Rate (Ln 146 * Ln 153)	5.31%	6.44%	5.07%	6.94%	5.67%	6.59%	5.65%
157 ACTUAL WEIGHTED AVG COST OF CAPITAL	7.95%	8.69%	7.98%	8.73%	8.72%	8.25%	8.30%

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

Reconciliation Revenue Requirement For Year 2018 Available May 25, 2019		2018 Revenue Requirement Forecast by October 31, 2017		True-up Adjustment - Over (Under) Recovery
\$16,000,000	-	\$15,000,000	=	(\$1,000,000)

Interest Rate on Amount of Refunds or Surcharges (Note 1)	Over (Under) Recovery Plus Interest	Average Monthly Interest Rate	Months	Calculated Interest	Amortization	Surcharge (Refund) Owed	
		0.5500%					
An over or under collection will be recovered prorata over 2018, held for 2019 and returned prorata over 2020							
<u>Calculation of Interest</u>				Monthly			
January	Year 2018	(83,333)	0.5500%	12	5,500	88,833	
February	Year 2018	(83,333)	0.5500%	11	5,042	88,375	
March	Year 2018	(83,333)	0.5500%	10	4,583	87,917	
April	Year 2018	(83,333)	0.5500%	9	4,125	87,458	
May	Year 2018	(83,333)	0.5500%	8	3,667	87,000	
June	Year 2018	(83,333)	0.5500%	7	3,208	86,542	
July	Year 2018	(83,333)	0.5500%	6	2,750	86,083	
August	Year 2018	(83,333)	0.5500%	5	2,292	85,625	
September	Year 2018	(83,333)	0.5500%	4	1,833	85,167	
October	Year 2018	(83,333)	0.5500%	3	1,375	84,708	
November	Year 2018	(83,333)	0.5500%	2	917	84,250	
December	Year 2018	(83,333)	0.5500%	1	458	83,792	
					35,750	1,035,750	
				Annual			
January through December	Year 2019	1,035,750	0.5500%	12	68,360	1,104,110	
<u>Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months</u>				Monthly			
January	Year 2020	(1,104,110)	0.5500%		6,073	(95,332)	1,014,851
February	Year 2020	(1,014,851)	0.5500%		5,582	(95,332)	925,101
March	Year 2020	(925,101)	0.5500%		5,088	(95,332)	834,857
April	Year 2020	(834,857)	0.5500%		4,592	(95,332)	744,117
May	Year 2020	(744,117)	0.5500%		4,093	(95,332)	652,879
June	Year 2020	(652,879)	0.5500%		3,591	(95,332)	561,138
July	Year 2020	(561,138)	0.5500%		3,086	(95,332)	468,893
August	Year 2020	(468,893)	0.5500%		2,579	(95,332)	376,140
September	Year 2020	(376,140)	0.5500%		2,069	(95,332)	282,877
October	Year 2020	(282,877)	0.5500%		1,556	(95,332)	189,102
November	Year 2020	(189,102)	0.5500%		1,040	(95,332)	94,810
December	Year 2020	(94,810)	0.5500%		521	(95,332)	0
					39,869		
True-Up Adjustment with Interest					1,143,978		
Less Over (Under) Recovery					(1,000,000)		
Total Interest					143,978		

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.