

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

For Twelve Months Ended 2017

AEP OHIO TRANSMISSION COMPANY

Line No.						Transmission Amount
1	REVENUE REQUIREMENT (w/o incentives)	(ln 141)				\$342,043,393
			Total		Allocator	
2	REVENUE CREDITS	(Worksheet E, ln 8) (Note A)	148,834	DA	1.00000	\$ 148,834
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)				\$ 341,894,559

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)	45,052,975	DA	1.00000	\$ 45,052,975
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))				18.10%
8	Monthly Rate	(ln 7 / 12)				1.51%
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))				15.95%
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))				7.02%
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				1,327,640
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)				1,327,640

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(1)		(2)	(3)	(4)		(5)
<u>RATE BASE CALCULATION</u>		<u>Data Sources</u> <u>(See "General Notes")</u>	<u>TO Total</u> <u>NOTE C</u>	<u>Allocator</u>		<u>Total</u> <u>Transmission</u>
Line No.						
	GROSS PLANT IN SERVICE					
19	Line Deliberately Left Blank					
20	Line Deliberately Left Blank					
21	Transmission	(Worksheet A In 3.E & Ln 145)	1,968,366,371	DA	1.00000	1,968,366,371
22	Less: Transmission ARO (Enter Negative)	(Worksheet A In 4.E & Ln 146)	-	TP	1.00000	-
23	Line Deliberately Left Blank		N/A	NA	0.00000	N/A
24	Line Deliberately Left Blank		N/A	NA	0.00000	N/A
25	Line Deliberately Left Blank		N/A			N/A
26	Line Deliberately Left Blank		N/A			N/A
27	General Plant	(Worksheet A In 7.E)	29,806,795	W/S	0.99627	29,695,545
28	Less: General Plant ARO (Enter Negative)	(Worksheet A In 8.E)	-	W/S	0.99627	-
29	Intangible Plant	(Worksheet A In 9.E)	17,782,834	W/S	0.99627	17,716,462
30	TOTAL GROSS PLANT	(Sum of Lines: 21, 22 & 27 to 29)	2,015,956,000	GP(h)=	0.999912	2,015,778,378
				GTD=	1.00000	
	ACCUMULATED DEPRECIATION AND AMORTIZATION					
32	Line Deliberately Left Blank					
33	Line Deliberately Left Blank					
34	Transmission	(Worksheet A In 14.E & 28.E)	78,332,640	TP1=	1.00000	78,332,640
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)	488,361	W/S	0.99627	486,538
44	Less: General Plant ARO (Enter Negative)	(Worksheet A In 19.E)	-	W/S	0.99627	-
45	Intangible Plant	(Worksheet A In 20.E)	6,124,657	W/S	0.99627	6,101,797
46	TOTAL ACCUMULATED DEPRECIATION	(Sum of Lines: 34, 35 & 43 to 45)	84,945,657			84,920,975
	NET PLANT IN SERVICE					
48	Line Deliberately Left Blank					
49	Transmission	(In 21 + In 22 - In 34 - In 35)	1,890,033,731			1,890,033,731
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)	29,318,434			29,209,007
57	Intangible Plant	(In 29 - In 45)	11,658,178			11,614,665
58	TOTAL NET PLANT IN SERVICE	(Sum of Lines: 49 to 54 & 56, 57)	1,931,010,343	NP(h)=	0.999921	1,930,857,403
	DEFERRED TAX ADJUSTMENTS TO RATE BASE					
60	Account No. 281.1 (enter negative)	(Note D) (Worksheet B, In 2 & In 5.E)	-	NA		-
61	Account No. 282.1 (enter negative)	(Worksheet B, In 7 & In 10.E)	(414,892,859)	DA		(366,494,902)
62	Account No. 283.1 (enter negative)	(Worksheet B, In 12 & In 15.E)	(18,259,290)	DA		(1,629,251)
63	Account No. 190.1	(Worksheet B, In 17 & In 20.E)	2,356,619	DA		1,685,121
64	Account No. 255 (enter negative)	(Worksheet B, In 24 & In 25.E)	-	DA		-
65	TOTAL ADJUSTMENTS	(sum Ins 60 to 64)	(430,795,530)			(366,439,032)
66	PLANT HELD FOR FUTURE USE	(Worksheet A In 29.E & In 30.E)	1,712,863	DA		1,712,863
67	REGULATORY ASSETS	(Worksheet A In 41. (E))	-	DA		-
	WORKING CAPITAL					
69	Cash Working Capital	(Note E) (1/8 * In 89)	3,016,639			3,016,639
70	Transmission Materials & Supplies	(Worksheet C, In 2.(F))	3,491,188	TP	1.00000	3,491,188
71	A&G Materials & Supplies	(Worksheet C, In 3.(F))	-	W/S	0.99627	-
72	Stores Expense	(Worksheet C, In 4.(F))	-	GP(h)	0.99991	-
73	Prepayments (Account 165) - Labor Allocated	(Worksheet C, In 8.(G))	-	W/S	0.99627	-
74	Prepayments (Account 165) - Gross Plant	(Worksheet C, In 8.(F))	2,136,428	GP(h)	0.99991	2,136,240
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)	8,644,255			8,644,066
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)		1,510,571,930			1,574,775,300

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	(1)	(2)	(3)	(4)	(5)
	EXPENSE, TAXES, RETURN & REVENUE REQUIREMENTS CALCULATION	Data Sources (See "General Notes")	TO Total	Allocator	Total Transmission
Line No.	OPERATION & MAINTENANCE EXPENSE				
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	25,460,748		
85	TOTAL O&M EXPENSES	(sum Ins 82 to 84)	25,460,748		
86	Less: Total Account 561	(Note G) (Worksheet F, In 14.C)	1,327,640		
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)	24,133,108	TP 1.00000	24,133,108
90	Administrative and General	323.197.b (Note J)	10,905,191		
91	Less: Acct. 924, Property Insurance	323.185.b	195,990		
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	71,668		
95	Balance of A & G	(In 90 - sum In 91 to In 94)	10,637,533	W/S 0.99627	10,597,830
96	Plus: Acct. 924, Property Insurance	(In 91)	195,990	GP(h) 0.99991	195,973
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)	14,717	DA 1.00000	14,717
100	PBOP Adjustment	Worksheet O Ln 16 (B), (Note K & M)	(31,635)	W/S 0.99627	(31,517)
101	A & G Subtotal	(sum Ins 95 to 100)	10,816,605		10,777,003
102	O & M EXPENSE SUBTOTAL	(In 89 + In 101)	34,949,713		34,910,111
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)	34,949,713		34,910,111
106	DEPRECIATION AND AMORTIZATION EXPENSE				
107	Line Deliberately Left Blank				
108	Line Deliberately Left Blank				
109	Transmission	336.7.f	40,505,485	TP1 1.00000	40,505,485
110	Line Deliberately Left Blank		-		-
111	Line Deliberately Left Blank		-		-
112	General	336.10.f	681,060	W/S 0.99627	678,518
113	Intangible	336.1.f	3,520,253	W/S 0.99627	3,507,114
114	TOTAL DEPRECIATION AND AMORTIZATION	(Ln 109+112+113)	44,706,798		44,691,117
115	TAXES OTHER THAN INCOME	(Note N)			
116	Labor Related				
117	Payroll	Worksheet H In 23.(D)	-	W/S 0.99627	-
118	Plant Related				
119	Property	Worksheet H In 23.(C) & In 47.(C)	93,141,000	DA 1.00000	93,141,000
120	Gross Receipts/Sales & Use	Worksheet H In 23.(F)	-	NA 0.00000	-
121	Other	Worksheet H In 23.(E)	385,200	GP(h) 0.99991	385,166
122	TOTAL OTHER TAXES	(sum Ins 117 to 121)	93,526,200		93,526,166
123	INCOME TAXES	(Note O)			
124	T=1 - (((1 - SIT) * (1 - FIT)) / (1 - SIT * FIT * p)) =		35.00%		
125	EIT=(T/(1-T)) * (1-(WCLTD/WACC)) =		40.95%		
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)		1.5385		
129	Amortized Investment Tax Credit (enter negative)	(FF1 p.114, In 19.c)	-		
130	Excess Deferred Income Tax	(Note U)	-	NP(h) 0.99992	-
131	Tax Effect of Permanent Differences	(Note U)	504,000	NP(h) 0.99992	503,960
132	Income Tax Calculation	(In 125 * In 137)	46,858,956		48,850,588
133	ITC adjustment	(In 128 * In 129)	-	NP(h) 0.99992	-
134	Excess Deferred Income Tax	(In 128 * In 130)	-		-
135	Tax Affect of Permanent Differences	(In 128 * In 131)	775,385		775,323
136	TOTAL INCOME TAXES	(sum Ins 132 to 135)	47,634,341		49,625,911
137	RETURN ON RATE BASE (Rate Base*WACC)	(In 79 * In 167)	114,426,648		119,290,088
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		335,243,700		342,043,393
	(sum Ins 105, 114, 122, 136, 137, 138, 139, 140)				

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SUPPORTING CALCULATIONS

In No.	TRANSMISSION PLANT INCLUDED IN PJM TARIFF									
142	Total transmission plant	(In 21)						1,968,366,371		
143	Less transmission plant excluded from PJM Tariff	(Note P)						-		
144	Less transmission plant included in OATT Ancillary Services (Worksheet A, In 23, Col. (C))	(Note Q)						-		
145	Transmission plant included in PJM Tariff	(In 142 - In 143 - In 144)						1,968,366,371		
146	Percent of transmission plant in PJM Tariff	(In 145 / In 142)						TP=	1.00000	
147	WAGES & SALARY ALLOCATOR (W/S)	(Note R)	Direct Payroll	Payroll Billed from AEP Service Corp.	Total					
148	Line Deliberately Left Blank									
149	Transmission	354.21.b	-	3,647,294	3,647,294	TP	1.00000		3,647,294	
150	Regional Market Expenses	354.22.b	-	-	-	NA	0.00000		-	
151	Line Deliberately Left Blank									
152	Other (Excludes A&G)	354.24,25,26.b	-	13,664	13,664	NA	0.00000		-	
153	Total	(sum Ins 149, 150, & 152)	-	3,660,958	3,660,958				3,647,294	
154	Transmission related amount							W/S=	0.99627	
155	Actual (Uncapped) Capital Structure									
156	WEIGHTED AVERAGE COST OF CAPITAL (WACC)								\$	
157	Long Term Interest	(Worksheet M, In.20, col.(E))							35,531,310	
158	Preferred Dividends	(Worksheet M, In. 49, col.(E))							-	
159	Development of Common Stock:									
160	Proprietary Capital	(Worksheet M, In. 1, col.(E))							982,048,740	
161	Less: Preferred Stock	(Worksheet M, In. 2, col.(E))							-	
162	Less: Account 216.1	(Worksheet M, In. 3, col.(E))							-	
163	Less: Account 219	(Worksheet M, In. 4, col. (E))							-	
164	Common Stock	(In 159 - In 160 - In 161 - In 162)							982,048,740	
165										
166										
167										
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181										

Capital Structure Percentages		Cost (Note S)	Weighted
\$	%		
976,600,000	49.86%	3.64%	0.0181
-	0.00%	0.00%	0.0000
982,048,740	50.14%	11.49%	0.0576
1,958,648,740	100.00%		WACC= 0.07575

AEP OPERATING COMPANIES' COMPOSITE (Note S)		
168	WEIGHTED AVERAGE COST OF CAPITAL (WACC)	\$
169	Long Term Interest	(Worksheet Q, In. 132)
170	Preferred Dividends	(Worksheet Q, In. 134)
171	Development of Common Stock:	
172	Proprietary Capital	(Worksheet Q, In. 135)
173	Less: Preferred Stock	(Worksheet Q, In. 136)
174	Less: Account 216.1	(Worksheet Q, In. 137)
175	Less: Account 219	(Worksheet Q, In. 138)
176	Common Stock	(In 172 - In 173 - In 174 - In 175)
177		
178	Long Term Debt (Worksheet Q, In 140)	
179	Preferred Stock (Worksheet Q, In 141)	
180	Common Stock (Worksheet Q, In 142)	
181	Total (Worksheet Q, In 143)	

%	\$	Cost	Weighted
50.83%	8,635,339,436	5.22%	0.0265
0.00%	-	0.00%	0.0000
49.17%	8,352,806,603	11.49%	0.0565
	16,988,146,038		WACC= 0.0830

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Letter

Notes

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

- A Revenue credits include:
1) Forfeited Discounts.
2) Miscellaneous Service Revenues.
3) Rental revenues earned on assets included in the rate base.
4) Revenues for associated business projects provided by employees whose labor and overhead costs are in the transmission cost of service.
5) Other electric revenues.
6) Revenues for grandfathered PTP contracts included in the load divisor.
7) If AEP 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. The company will not include the ADIT portion of deferred hedge gains and losses in rate base. The calculation of ADIT in the annual projection will be performed in accordance with IRS regulation Section 1.167(l)-(h)(6)(ii).
- 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 86. 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 to determine the total O&M collected in the formula. The amounts on line are also excluded in the calculation of the FCR percentage calculated on lines through 10.

The addbacks on line 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 lines 104 is the AEP OHIO 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= 0.00% (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 costs. All other prepayments recorded in FERC Account 165 are directly assigned to the transmission function, allocated or excludable balances detailed on Worksheet C.
- 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 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.
- X

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet A Supporting Plant Balances
AEP OHIO 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	2,139,132,864	1,797,599,878	1,968,366,371
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	36,817,108	22,796,481	29,806,795
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	22,460,226	13,105,442	17,782,834
10	Total Property Investment Balance	(Sum of Lines: 3, 7, 9)	2,198,410,198	1,833,501,801	2,015,956,000
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)	97,694,896	58,970,384	78,332,640
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)	828,890	147,831	488,361
19	General ARO Accumulated Depreciation	Company Records - Note 1	-	-	-
20	Intangible Accumulated Amortization	FF1, page 200, In 21, Col. (b)	7,884,783	4,364,530	6,124,657
21	Total Accumulated Depreciation or Amortization	(Sum of Lines: 14, 18, 20)	106,408,569	63,482,745	84,945,657
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)	97,694,896	58,970,384	78,332,640
27	Less: GSU Accumulated Depreciation	(Line 24 Above)	-	-	-
28	Subtotal of Transmission Net of GSU	(Line 26 - Line 27)	97,694,896	58,970,384	78,332,640
Plant Held For Future Use					
29	Plant Held For Future Use	FF1, page 214, In 47, Col. (d)	1,712,863	1,712,863	1,712,863
30	Transmission Plant Held For Future	Company Records - Note 1	1,712,863	1,712,863	1,712,863
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)		-	13,392	6,696
32	Amortization in Months		-	6	3
33	Monthly Amortization	(line 32 / line 33)	-	2,232	1,116
34	Months in to be amortized		-	6	3
35	Amortization Expense in 2017	(line 34 X line 35)	-	13,392	6,696
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		-	6,696	3,348
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 OHIO TRANSMISSION COMPANY

Line Number	(A) Description	(B) Source	(C) Balance @ December 31, 2017	(D) Balance @ December 31, 2016	(E) Average Balance for 2017
1	<u>Account 281</u>				
2	Year End Utility Deferrals	FF1, p. 272 - 273, In 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 - In 3 - In 4	-	-	-
6	<u>Account 282</u>				
7	Year End Utility Deferrals	FF1, p. 274 - 275, In 5, Col. (k)	447,521,343	382,264,374	414,892,859
8	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
9	Less: Other Excluded Deferrals	Company Records - Note 1	65,911,557	30,884,357	48,397,957
10	Transmission Related Deferrals	Ln 7 - In 8 - In 9	381,609,786	351,380,017	366,494,902
11	<u>Account 283</u>				
12	Year End Utility Deferrals	FF1, p. 276 - 277, In 9, Col. (k)	18,259,290	18,259,290	18,259,290
13	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
14	Less: Other Excluded Deferrals	Company Records - Note 1	16,630,039	16,630,039	16,630,039
15	Transmission Related Deferrals	Ln 12 - In 13 - In 14	1,629,251	1,629,251	1,629,251
16	<u>Account 190</u>				
17	Year End Utility Deferrals	FF1, p. 234, In 8, Col. (c)	2,356,618	2,356,619	2,356,619
18	Less: ARO Related Deferrals	Company Records - Note 1	-	-	-
19	Less: Other Excluded Deferrals	Company Records - Note 1	671,498	671,498	671,498
20	Transmission Related Deferrals	Ln 17 - In 18 - In 19	1,685,120	1,685,121	1,685,121
21	<u>Account 255</u>				
22	Year End ITC Balances	FF1, p. 266-267, In 8, Col. (h)	-	-	-
23	Less: Balances Not Qualified for Ratebase	Company Records - Note 1	-	-	-
24	ITC Balances Includeable in Ratebase	Ln 22 - In 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 1.167(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 OHIO TRANSMISSION COMPANY

Formula Rate
WS C - Working Capital
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(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)	3,491,188	3,491,188	3,491,188			
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	2,136,428	0	0	2,136,428	0	2,136,428	
7	Totals as of December 31, 2016	2,136,428	0	0	2,136,428	0	2,136,428	
8	Average Balance	2,136,428	-	-	2,136,428	-	2,136,428	
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	186,416	-		186,416		186,416 Plant Related Insurance Policies
11	165000214	Prepaid Taxes	0	-		-		- Prepaid Taxes
12	1650006	Other Prepayments	1,875,066	-		1,875,066		1,875,066 Prepaid Transmission Projects
13	165001215	Prepaid Use Taxes	2,228	-		2,228		2,228 Prepaid Use Taxes
14	1650021	Prepaid Insurance EIS	32,022	-		32,022		32,022 Plant Related Insurance Policies
15	1650023	Prepaid Lease	40,696	-		40,696		40,696 Prepaid Lease
16	1650003	Prepaid Rents	0	-		-		-
17	1650004	Prepaid Interest	0	-		-		-
18	1650010	Prepaid Pension Benefits	0	-		-		-
19	1650014	FAS 158 Qual Contra Asset	0	-		-		-
20	1650016	FAS 112 ASSETS	0	-		-		-
Subtotal - Form 1, p 111.57.c			2,136,428	0	0	2,136,428	0	2,136,428
Prepayments Account 165 - Balance @ 12/31/ 2016								
21	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
22	1650001	Prepaid Insurance	186,416	-		186,416		186,416 Plant Related Insurance Policies
23	165000214	Prepaid Taxes	0	-		-		- Prepaid Taxes
24	1650006	Other Prepayments	1,875,066	-		1,875,066		1,875,066 Prepaid Transmission Projects
25	165001213	Prepaid Use Taxes	2,228	-		2,228		2,228 Prepaid Use Taxes
26	1650021	Prepaid Insurance EIS	32,022	-		32,022		32,022 Plant Related Insurance Policies
27	1650023	Prepaid Lease	40,696	-		40,696		40,696 Prepaid Lease
28	1650003	Prepaid Rents	0	-		-		-
29	1650004	Prepaid Interest	0	-		-		-
30	1650010	Prepaid Pension Benefits	0	-		-		-
29	1650014	FAS 158 Qual Contra Asset	0	-		-		-
30	1650016	FAS 112 ASSETS	0	-		-		-
Subtotal - Form 1, p 111.57.c			2,136,428	0	0	2,136,428	0	2,136,428

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet D Supporting IPP Credits
AEP OHIO 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 OHIO 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 OHIO 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)	5,778,540	5,629,706	148,834
4	Account 4560015, Associated Business Development - (Company Records - Note 1)	-	-	-
5	Account 456 - Other Electric Revenues - (Company Records - Note 1)	372,104,326	372,104,326	-
6	Subtotal - Other Operating Revenues (Company Total equals (FF1 p. 300.26.(b))	377,882,866	377,734,032	148,834
7	Accounts 4470004 & 5, Revenues from Grandfathered Transmission Contracts - (Company Records - Note 1)	-	-	-
8	Total Other Operating Revenues To Reduce Revenue Requirement	377,882,866	377,734,032	148,834
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 OHIO 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 OHIO TRANSMISSION COMPANY

Formula Rate
WS F Misc Exp
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<u>Line</u> <u>Number</u>	<u>(A)</u> <u>Item No.</u>	<u>(B)</u> <u>Description</u>	<u>(C)</u> <u>2017</u> <u>Expense</u>	<u>(D)</u> <u>100%</u> <u>Non-Transmission</u>	<u>(E)</u> <u>100%</u> <u>Transmission</u> <u>Specific</u>	<u>(F)</u> <u>Explanation</u>
<u>Regulatory O&M Deferrals & Amortizations</u>						
1	5700005	Maint Station-Reliability-Df	-			
2						
3						
4		Total	-			
<u>Detail of Account 561 Per FERC Form 1</u>						
5	FF1 p 321.84.b	561 - Load Dispatching	1,327,640			
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	1,327,640			
<u>Account 928</u>						
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	-	-	-	
<u>Account 930.1</u>						
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	-	-	-	
<u>Account 930.2</u>						
39	9302000	Misc General Expenses	56,951	56,951	-	
40	9302003	Corporate & Fiscal Expenses	-	-	-	
41	9302004	Research, Develop&Demonstr Exp	-	-	-	
42	9302007	Assoc Business Development Exp	14,717	-	14,717	
43		Total	71,668	56,951	14,717	

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 OHIO TRANSMISSION COMPANY

1	Ohio State Tax Rate	0.14%	
	Apportionment Factor - Note 1	0.00%	
	Effective State Tax Rate		0.00%
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		0.00%

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 - Ohio	-	-			
5	Real and Personal Property	93,141,000	93,141,000			
6	Real and Personal Property	-	-			
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	385,200			385,200	
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.	93,526,200	93,141,000	-	385,200	-

Functional Property Tax Allocation

		Column (B)		Column (D)	
		Deliberately Left Blank	Transmission	Deliberately Left Blank	General
		Blank		Blank	
24	Functionalized Net Plant (TCOS, Lns 48 thru 58)	-	1,890,033,731	-	29,318,434
	OHIO JURISDICTION				
25	Percentage of Plant in OHIO JURISDICTION				
26	Net Plant in OHIO JURISDICTION (Ln 24 * Ln 25)	-	-	-	-
27	Less: Net Value of Exempted Generation Plant				
28	Taxable Property Basis (Ln 26 - Ln 27)	-	-	-	-
29	Relative Valuation Factor				
30	Weighted Net Plant (Ln 28 * Ln 29)	-	-	-	-
31	General Plant Allocator (Ln 30 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%
32	Functionalized General Plant (Ln 31 * General Plant)	-	-	-	-
33	Weighted OHIO JURISDICTION Plant (Ln 30 + 32)	-	-	-	-
34	Functional Percentage (Ln 33/Total Ln 33)	0.00%	100.00%	0.00%	
35	Functionalized Expense in OHIO JURISDICTION	-	-	-	
	JURISDICTION				
36	Net Plant in JURISDICTION (Ln 24 - Ln 26)	-	1,890,033,731	-	29,318,434
37	Less: Net Value Exempted Generation Plant				
38	Taxable Property Basis	-	1,890,033,731	-	29,318,434
39	Relative Valuation Factor				
40	Weighted Net Plant (Ln 38 * Ln 39)	-	-	-	-
41	General Plant Allocator (Ln 40 / (Total - General Plant))	0.00%	100.00%	0.00%	-100.00%
42	Functionalized General Plant (Ln 42 * General Plant)	-	-	-	-
43	Weighted JURISDICTION Plant (Ln 40 + 42)	-	-	-	-
44	Functional Percentage (Ln 43/Total Ln 43)	0.00%	100.00%	0.00%	
45	Functionalized Expense in JURISDICTION	-	93,141,000	-	
46	Total Other Jurisdictions: (Line 7 * Net Plant Allocator)		-		
47	Total Func. Property Taxes (Sum Lns 35, 45, 46)	-	93,141,000	-	

(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 ln 11 (i)
			-	P.263 ln 12 (i)
			-	P.263.2 ln 4 (i)
3	<u>Real Estate and Personal Property Taxes</u>			
4	Real and Personal Property - Michigan	-	-	P.263 ln 20 (i)
			-	P.263 ln 21 (i)
			-	P.263 ln 20 (i)
				P.263 ln 39 (i)
				P.263.1 ln 2 (i)
				P.263.1 ln 3 (i)
5	Real and Personal Property - Indiana	93,141,000	93,141,000	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	-		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	385,200	385,200	P.263 ln 13 (i)
			-	P.263 ln 14 (i)
				P.263.3 ln 20 (i)
17	State Franchise Taxes	-		P.263.1 ln 18 (i)
				P.263.1 ln 19 (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 ln 8 & 10(i)
20	Sales & Use	-		P.263 ln 15 (i)
				P.263.1 ln 14 (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 21 (i)
				P.263 ln 22 (i)
22	Michigan Single Business Tax	-		
23	Total Taxes by Allocable Basis (Total Company Amount Ties to FFI p.114, Ln 14,(c))	93,526,200	93,526,200	

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 OHIO TRANSMISSION COMPANY

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using 2017 FF1 Balances
Worksheet J Supporting Calculation of PROJECTED PJM RTEP Project Revenue Requirement Billed to Benefiting Zones
AEP OHIO 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 Adder Cannot Exceed 125 Basis Points	
ROE with additional 0 basis point incentive		11.49% <== ROE Including Incentives Cannot Exceed 12.74% Until July 1, 2012	
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	49.86%	3.64%	1.814%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	50.14%	11.49%	5.761%
R =		7.575%	

SUMMARY OF PROJECTED ANNUAL RTEP REVENUE REQUIREMENTS			
	Rev Require	W Incentives	Incentive Amounts
PROJECTED YEAR 2017	45,052,975	45,052,975	\$ -

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

Rate Base (TCOS, ln 79)	1,574,775,300
R (from A. above)	7.575%
Return (Rate Base x R)	119,290,088

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

Return (from B. above)	119,290,088
Effective Tax Rate (TCOS, ln 125)	40.95%
Income Tax Calculation (Return x CIT)	48,850,588
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	775,323
Income Taxes	49,625,911

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)	342,043,393
Lease Payments (TCOS, Lns 104)	-
Return (TCOS, ln 137)	119,290,088
Income Taxes (TCOS, ln 136)	49,625,911
Annual Revenue Requirement, Less Return and Taxes	173,127,394

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

Annual Revenue Requirement, Less Return and Taxes	173,127,394
Return (from I.B. above)	119,290,088
Income Taxes (from I.C. above)	49,625,911
Annual Revenue Requirement, with 0 Basis Point ROE increase	342,043,393
Depreciation (TCOS, ln 109)	40,505,485
Annual Rev. Req, w/0 Basis Point ROE increase, less Depreciation	301,537,908

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

Net Transmission Plant (TCOS, ln 49)	1,890,033,731
Annual Revenue Requirement, with 0 Basis Point ROE increase	342,043,393
FCR with 0 Basis Point increase in ROE	18.10%
Annual Rev. Req, w / 0 Basis Point ROE increase, less Dep.	301,537,908
FCR with 0 Basis Point ROE increase, less Depreciation	15.95%
FCR less Depreciation (TCOS, ln 10)	15.95%
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)):	1,797,599,878
Transmission Plant @ End of Rate Year (2017) (P.207, ln 58,(g)):	2,139,132,864
Subtotal	3,936,732,742
Average Transmission Plant Balance for 2017	1,968,366,371
Annual Depreciation Rate (TCOS, ln 109)	40,505,485
Composite Depreciation Rate	2.06%
Depreciable Life for Composite Depreciation Rate	48.60
Average Life in Whole Years	49

Note 1: Until AEP OHIO 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 OHIO TRANSMISSION COMPANY is shown on Worksheet P.

AEP OHIO 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: b0570 (LIMA-STERLING 138 KV LINE: REB)

Current Projected Year ARR	1,517,047
Current Projected Year ARR w/ Incentive	1,517,047
Current Projected Year Incentive ARR	-

Details						
Investment	9,177,678	Current Year				2017
Service Year (yyyy)	2012	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				187,300
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2012	9,177,678	-	9,177,678	1,464,216	1,464,216	\$ -
2013	9,177,678	187,300	8,990,378	1,636,575	1,636,575	\$ -
2014	8,990,378	187,300	8,803,079	1,606,693	1,606,693	\$ -
2015	8,803,079	187,300	8,615,779	1,576,811	1,576,811	\$ -
2016	8,615,779	187,300	8,428,480	1,546,929	1,546,929	\$ -
2017	8,428,480	187,300	8,241,180	1,517,047	1,517,047	\$ -
2018	8,241,180	187,300	8,053,881	1,487,165	1,487,165	\$ -
2019	8,053,881	187,300	7,866,581	1,457,283	1,457,283	\$ -
2020	7,866,581	187,300	7,679,282	1,427,401	1,427,401	\$ -
2021	7,679,282	187,300	7,491,982	1,397,519	1,397,519	\$ -
2022	7,491,982	187,300	7,304,682	1,367,637	1,367,637	\$ -
2023	7,304,682	187,300	7,117,383	1,337,755	1,337,755	\$ -
2024	7,117,383	187,300	6,930,083	1,307,873	1,307,873	\$ -
2025	6,930,083	187,300	6,742,784	1,277,991	1,277,991	\$ -
2026	6,742,784	187,300	6,555,484	1,248,109	1,248,109	\$ -
2027	6,555,484	187,300	6,368,185	1,218,227	1,218,227	\$ -
2028	6,368,185	187,300	6,180,885	1,188,345	1,188,345	\$ -
2029	6,180,885	187,300	5,993,586	1,158,463	1,158,463	\$ -
2030	5,993,586	187,300	5,806,286	1,128,581	1,128,581	\$ -
2031	5,806,286	187,300	5,618,987	1,098,699	1,098,699	\$ -
2032	5,618,987	187,300	5,431,687	1,068,817	1,068,817	\$ -
2033	5,431,687	187,300	5,244,387	1,038,935	1,038,935	\$ -
2034	5,244,387	187,300	5,057,088	1,009,053	1,009,053	\$ -
2035	5,057,088	187,300	4,869,788	979,172	979,172	\$ -
2036	4,869,788	187,300	4,682,489	949,290	949,290	\$ -
2037	4,682,489	187,300	4,495,189	919,408	919,408	\$ -
2038	4,495,189	187,300	4,307,890	889,526	889,526	\$ -
2039	4,307,890	187,300	4,120,590	859,644	859,644	\$ -
2040	4,120,590	187,300	3,933,291	829,762	829,762	\$ -
2041	3,933,291	187,300	3,745,991	799,880	799,880	\$ -
2042	3,745,991	187,300	3,558,691	769,998	769,998	\$ -
2043	3,558,691	187,300	3,371,392	740,116	740,116	\$ -
2044	3,371,392	187,300	3,184,092	710,234	710,234	\$ -
2045	3,184,092	187,300	2,996,793	680,352	680,352	\$ -
2046	2,996,793	187,300	2,809,493	650,470	650,470	\$ -
2047	2,809,493	187,300	2,622,194	620,588	620,588	\$ -
2048	2,622,194	187,300	2,434,894	590,706	590,706	\$ -
2049	2,434,894	187,300	2,247,595	560,824	560,824	\$ -
2050	2,247,595	187,300	2,060,295	530,942	530,942	\$ -
2051	2,060,295	187,300	1,872,996	501,060	501,060	\$ -
2052	1,872,996	187,300	1,685,696	471,178	471,178	\$ -
2053	1,685,696	187,300	1,498,396	441,296	441,296	\$ -
2054	1,498,396	187,300	1,311,097	411,414	411,414	\$ -
2055	1,311,097	187,300	1,123,797	381,532	381,532	\$ -
2056	1,123,797	187,300	936,498	351,650	351,650	\$ -
2057	936,498	187,300	749,198	321,768	321,768	\$ -
2058	749,198	187,300	561,899	291,886	291,886	\$ -
2059	561,899	187,300	374,599	262,004	262,004	\$ -
2060	374,599	187,300	187,300	232,122	232,122	\$ -
2061	187,300	187,300	0	202,241	202,241	\$ -
2062	0	0	-	0	0	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
Project Totals		9,177,678		46,515,189	46,515,189	

**** 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 **		
\$ 747,660		\$ 747,660		
\$ 1,093,780		\$ 1,093,780		
\$ 1,212,574		\$ 1,212,574		
\$ 1,166,857		\$ 1,166,857		

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

Page 3 of 22

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1231 (WAPAKONETA-WEST MOULTON 138/69KV Transformer)

Current Projected Year ARR	562,920
Current Projected Year ARR w/ Incentive	562,920
Current Projected Year Incentive ARR	-

Details						
Investment	3,473,922	Current Year				2017
Service Year (yyyy)	2011	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				70,896
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2011	3,473,922	-	3,473,922	554,233	554,233	\$ -
2012	3,473,922	70,896	3,403,026	619,474	619,474	\$ -
2013	3,403,026	70,896	3,332,129	608,163	608,163	\$ -
2014	3,332,129	70,896	3,261,233	596,852	596,852	\$ -
2015	3,261,233	70,896	3,190,337	585,541	585,541	\$ -
2016	3,190,337	70,896	3,119,440	574,230	574,230	\$ -
2017	3,119,440	70,896	3,048,544	562,920	562,920	\$ -
2018	3,048,544	70,896	2,977,647	551,609	551,609	\$ -
2019	2,977,647	70,896	2,906,751	540,298	540,298	\$ -
2020	2,906,751	70,896	2,835,855	528,987	528,987	\$ -
2021	2,835,855	70,896	2,764,958	517,676	517,676	\$ -
2022	2,764,958	70,896	2,694,062	506,365	506,365	\$ -
2023	2,694,062	70,896	2,623,166	495,054	495,054	\$ -
2024	2,623,166	70,896	2,552,269	483,743	483,743	\$ -
2025	2,552,269	70,896	2,481,373	472,433	472,433	\$ -
2026	2,481,373	70,896	2,410,476	461,122	461,122	\$ -
2027	2,410,476	70,896	2,339,580	449,811	449,811	\$ -
2028	2,339,580	70,896	2,268,684	438,500	438,500	\$ -
2029	2,268,684	70,896	2,197,787	427,189	427,189	\$ -
2030	2,197,787	70,896	2,126,891	415,878	415,878	\$ -
2031	2,126,891	70,896	2,055,995	404,567	404,567	\$ -
2032	2,055,995	70,896	1,985,098	393,256	393,256	\$ -
2033	1,985,098	70,896	1,914,202	381,946	381,946	\$ -
2034	1,914,202	70,896	1,843,306	370,635	370,635	\$ -
2035	1,843,306	70,896	1,772,409	359,324	359,324	\$ -
2036	1,772,409	70,896	1,701,513	348,013	348,013	\$ -
2037	1,701,513	70,896	1,630,616	336,702	336,702	\$ -
2038	1,630,616	70,896	1,559,720	325,391	325,391	\$ -
2039	1,559,720	70,896	1,488,824	314,080	314,080	\$ -
2040	1,488,824	70,896	1,417,927	302,769	302,769	\$ -
2041	1,417,927	70,896	1,347,031	291,459	291,459	\$ -
2042	1,347,031	70,896	1,276,135	280,148	280,148	\$ -
2043	1,276,135	70,896	1,205,238	268,837	268,837	\$ -
2044	1,205,238	70,896	1,134,342	257,526	257,526	\$ -
2045	1,134,342	70,896	1,063,446	246,215	246,215	\$ -
2046	1,063,446	70,896	992,549	234,904	234,904	\$ -
2047	992,549	70,896	921,653	223,593	223,593	\$ -
2048	921,653	70,896	850,756	212,282	212,282	\$ -
2049	850,756	70,896	779,860	200,971	200,971	\$ -
2050	779,860	70,896	708,964	189,661	189,661	\$ -
2051	708,964	70,896	638,067	178,350	178,350	\$ -
2052	638,067	70,896	567,171	167,039	167,039	\$ -
2053	567,171	70,896	496,275	155,728	155,728	\$ -
2054	496,275	70,896	425,378	144,417	144,417	\$ -
2055	425,378	70,896	354,482	133,106	133,106	\$ -
2056	354,482	70,896	283,585	121,795	121,795	\$ -
2057	283,585	70,896	212,689	110,484	110,484	\$ -
2058	212,689	70,896	141,793	99,174	99,174	\$ -
2059	141,793	70,896	70,896	87,863	87,863	\$ -
2060	70,896	70,896	0	76,552	76,552	\$ -
2061	0	0	-	0	0	\$ -
2062	-	-	-	-	-	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
Project Totals		3,473,922		17,606,865	17,606,865	-

★★ 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 **		
\$ 386,386		\$ 386,386		
\$ 410,711		\$ 410,711		
\$ 453,040		\$ 453,040		
\$ 435,575		\$ 435,575		

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

Current Projected Year ARR	1,404,427
Current Projected Year ARR w/ Incentive	1,404,427
Current Projected Year Incentive ARR	-

Details						
Investment	8,345,675	Current Year	2017			
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	11	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				170,320
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2013	8,345,675	14,193	8,331,482	1,344,539	1,344,539	\$ -
2014	8,331,482	170,320	8,161,162	1,485,946	1,485,946	\$ -
2015	8,161,162	170,320	7,990,842	1,458,773	1,458,773	\$ -
2016	7,990,842	170,320	7,820,522	1,431,600	1,431,600	\$ -
2017	7,820,522	170,320	7,650,202	1,404,427	1,404,427	\$ -
2018	7,650,202	170,320	7,479,882	1,377,254	1,377,254	\$ -
2019	7,479,882	170,320	7,309,562	1,350,081	1,350,081	\$ -
2020	7,309,562	170,320	7,139,242	1,322,908	1,322,908	\$ -
2021	7,139,242	170,320	6,968,922	1,295,735	1,295,735	\$ -
2022	6,968,922	170,320	6,798,603	1,268,562	1,268,562	\$ -
2023	6,798,603	170,320	6,628,283	1,241,389	1,241,389	\$ -
2024	6,628,283	170,320	6,457,963	1,214,216	1,214,216	\$ -
2025	6,457,963	170,320	6,287,643	1,187,043	1,187,043	\$ -
2026	6,287,643	170,320	6,117,323	1,159,870	1,159,870	\$ -
2027	6,117,323	170,320	5,947,003	1,132,697	1,132,697	\$ -
2028	5,947,003	170,320	5,776,683	1,105,524	1,105,524	\$ -
2029	5,776,683	170,320	5,606,363	1,078,351	1,078,351	\$ -
2030	5,606,363	170,320	5,436,043	1,051,178	1,051,178	\$ -
2031	5,436,043	170,320	5,265,724	1,024,005	1,024,005	\$ -
2032	5,265,724	170,320	5,095,404	996,832	996,832	\$ -
2033	5,095,404	170,320	4,925,084	969,659	969,659	\$ -
2034	4,925,084	170,320	4,754,764	942,486	942,486	\$ -
2035	4,754,764	170,320	4,584,444	915,313	915,313	\$ -
2036	4,584,444	170,320	4,414,124	888,140	888,140	\$ -
2037	4,414,124	170,320	4,243,804	860,967	860,967	\$ -
2038	4,243,804	170,320	4,073,484	833,794	833,794	\$ -
2039	4,073,484	170,320	3,903,164	806,621	806,621	\$ -
2040	3,903,164	170,320	3,732,844	779,448	779,448	\$ -
2041	3,732,844	170,320	3,562,525	752,275	752,275	\$ -
2042	3,562,525	170,320	3,392,205	725,102	725,102	\$ -
2043	3,392,205	170,320	3,221,885	697,929	697,929	\$ -
2044	3,221,885	170,320	3,051,565	670,756	670,756	\$ -
2045	3,051,565	170,320	2,881,245	643,583	643,583	\$ -
2046	2,881,245	170,320	2,710,925	616,410	616,410	\$ -
2047	2,710,925	170,320	2,540,605	589,237	589,237	\$ -
2048	2,540,605	170,320	2,370,285	562,064	562,064	\$ -
2049	2,370,285	170,320	2,199,965	534,891	534,891	\$ -
2050	2,199,965	170,320	2,029,645	507,718	507,718	\$ -
2051	2,029,645	170,320	1,859,326	480,545	480,545	\$ -
2052	1,859,326	170,320	1,689,006	453,372	453,372	\$ -
2053	1,689,006	170,320	1,518,686	426,199	426,199	\$ -
2054	1,518,686	170,320	1,348,366	399,026	399,026	\$ -
2055	1,348,366	170,320	1,178,046	371,853	371,853	\$ -
2056	1,178,046	170,320	1,007,726	344,680	344,680	\$ -
2057	1,007,726	170,320	837,406	317,507	317,507	\$ -
2058	837,406	170,320	667,086	290,334	290,334	\$ -
2059	667,086	170,320	496,766	263,161	263,161	\$ -
2060	496,766	170,320	326,446	235,988	235,988	\$ -
2061	326,446	170,320	156,127	208,815	208,815	\$ -
2062	156,127	156,127	-	168,581	168,581	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals		8,345,675		42,187,395	42,187,395	

★★ 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 **		
\$ 443,007		\$ 443,007		
\$ 964,332		\$ 964,332		
\$ 1,065,163		\$ 1,065,163		

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: b1034.8 (138kV Circuit Breakers at the West Canton, South Canton, Canton Central, and Wagenhals stations)
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Current Projected Year ARR	725,644
Current Projected Year ARR w/ Incentive	725,644
Current Projected Year Incentive ARR	-

Details						
Investment	4,305,129	Current Year				2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				87,860
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	4,305,129	-	4,305,129	686,845	686,845	\$ -
2014	4,305,129	87,860	4,217,269	767,696	767,696	\$ -
2015	4,217,269	87,860	4,129,409	753,679	753,679	\$ -
2016	4,129,409	87,860	4,041,550	739,661	739,661	\$ -
2017	4,041,550	87,860	3,953,690	725,644	725,644	\$ -
2018	3,953,690	87,860	3,865,830	711,627	711,627	\$ -
2019	3,865,830	87,860	3,777,970	697,610	697,610	\$ -
2020	3,777,970	87,860	3,690,111	683,592	683,592	\$ -
2021	3,690,111	87,860	3,602,251	669,575	669,575	\$ -
2022	3,602,251	87,860	3,514,391	655,558	655,558	\$ -
2023	3,514,391	87,860	3,426,531	641,541	641,541	\$ -
2024	3,426,531	87,860	3,338,671	627,523	627,523	\$ -
2025	3,338,671	87,860	3,250,812	613,506	613,506	\$ -
2026	3,250,812	87,860	3,162,952	599,489	599,489	\$ -
2027	3,162,952	87,860	3,075,092	585,472	585,472	\$ -
2028	3,075,092	87,860	2,987,232	571,454	571,454	\$ -
2029	2,987,232	87,860	2,899,373	557,437	557,437	\$ -
2030	2,899,373	87,860	2,811,513	543,420	543,420	\$ -
2031	2,811,513	87,860	2,723,653	529,403	529,403	\$ -
2032	2,723,653	87,860	2,635,793	515,386	515,386	\$ -
2033	2,635,793	87,860	2,547,933	501,368	501,368	\$ -
2034	2,547,933	87,860	2,460,074	487,351	487,351	\$ -
2035	2,460,074	87,860	2,372,214	473,334	473,334	\$ -
2036	2,372,214	87,860	2,284,354	459,317	459,317	\$ -
2037	2,284,354	87,860	2,196,494	445,299	445,299	\$ -
2038	2,196,494	87,860	2,108,635	431,282	431,282	\$ -
2039	2,108,635	87,860	2,020,775	417,265	417,265	\$ -
2040	2,020,775	87,860	1,932,915	403,248	403,248	\$ -
2041	1,932,915	87,860	1,845,055	389,230	389,230	\$ -
2042	1,845,055	87,860	1,757,196	375,213	375,213	\$ -
2043	1,757,196	87,860	1,669,336	361,196	361,196	\$ -
2044	1,669,336	87,860	1,581,476	347,179	347,179	\$ -
2045	1,581,476	87,860	1,493,616	333,161	333,161	\$ -
2046	1,493,616	87,860	1,405,756	319,144	319,144	\$ -
2047	1,405,756	87,860	1,317,897	305,127	305,127	\$ -
2048	1,317,897	87,860	1,230,037	291,110	291,110	\$ -
2049	1,230,037	87,860	1,142,177	277,092	277,092	\$ -
2050	1,142,177	87,860	1,054,317	263,075	263,075	\$ -
2051	1,054,317	87,860	966,458	249,058	249,058	\$ -
2052	966,458	87,860	878,598	235,041	235,041	\$ -
2053	878,598	87,860	790,738	221,024	221,024	\$ -
2054	790,738	87,860	702,878	207,006	207,006	\$ -
2055	702,878	87,860	615,018	192,989	192,989	\$ -
2056	615,018	87,860	527,159	178,972	178,972	\$ -
2057	527,159	87,860	439,299	164,955	164,955	\$ -
2058	439,299	87,860	351,439	150,937	150,937	\$ -
2059	351,439	87,860	263,579	136,920	136,920	\$ -
2060	263,579	87,860	175,720	122,903	122,903	\$ -
2061	175,720	87,860	87,860	108,886	108,886	\$ -
2062	87,860	87,860	0	94,868	94,868	\$ -
2063	0	0	-	0	0	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals		4,305,129		21,819,668	21,819,668	

★★ 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 **		
\$ 244,284		\$ 244,284		
\$ 568,269		\$ 568,269		
\$ 554,603		\$ 554,603		

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

Page 6 of 22

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1864.2 (West Bellaire-Brues 138 kV Circuit)

Current Projected Year ARR	180,849
Current Projected Year ARR w/ Incentive	180,849
Current Projected Year Incentive ARR	-

Details						
Investment	1,076,416	Current Year				2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	10	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				21,968
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2013	1,076,416	3,661	1,072,755	175,102	175,102	\$ -
2014	1,072,755	21,968	1,050,787	191,364	191,364	\$ -
2015	1,050,787	21,968	1,028,819	187,859	187,859	\$ -
2016	1,028,819	21,968	1,006,852	184,354	184,354	\$ -
2017	1,006,852	21,968	984,884	180,849	180,849	\$ -
2018	984,884	21,968	962,916	177,345	177,345	\$ -
2019	962,916	21,968	940,949	173,840	173,840	\$ -
2020	940,949	21,968	918,981	170,335	170,335	\$ -
2021	918,981	21,968	897,013	166,830	166,830	\$ -
2022	897,013	21,968	875,046	163,326	163,326	\$ -
2023	875,046	21,968	853,078	159,821	159,821	\$ -
2024	853,078	21,968	831,110	156,316	156,316	\$ -
2025	831,110	21,968	809,143	152,811	152,811	\$ -
2026	809,143	21,968	787,175	149,307	149,307	\$ -
2027	787,175	21,968	765,207	145,802	145,802	\$ -
2028	765,207	21,968	743,240	142,297	142,297	\$ -
2029	743,240	21,968	721,272	138,793	138,793	\$ -
2030	721,272	21,968	699,304	135,288	135,288	\$ -
2031	699,304	21,968	677,337	131,783	131,783	\$ -
2032	677,337	21,968	655,369	128,278	128,278	\$ -
2033	655,369	21,968	633,401	124,774	124,774	\$ -
2034	633,401	21,968	611,434	121,269	121,269	\$ -
2035	611,434	21,968	589,466	117,764	117,764	\$ -
2036	589,466	21,968	567,498	114,259	114,259	\$ -
2037	567,498	21,968	545,531	110,755	110,755	\$ -
2038	545,531	21,968	523,563	107,250	107,250	\$ -
2039	523,563	21,968	501,595	103,745	103,745	\$ -
2040	501,595	21,968	479,628	100,240	100,240	\$ -
2041	479,628	21,968	457,660	96,736	96,736	\$ -
2042	457,660	21,968	435,692	93,231	93,231	\$ -
2043	435,692	21,968	413,725	89,726	89,726	\$ -
2044	413,725	21,968	391,757	86,221	86,221	\$ -
2045	391,757	21,968	369,789	82,717	82,717	\$ -
2046	369,789	21,968	347,821	79,212	79,212	\$ -
2047	347,821	21,968	325,854	75,707	75,707	\$ -
2048	325,854	21,968	303,886	72,202	72,202	\$ -
2049	303,886	21,968	281,918	68,698	68,698	\$ -
2050	281,918	21,968	259,951	65,193	65,193	\$ -
2051	259,951	21,968	237,983	61,688	61,688	\$ -
2052	237,983	21,968	216,015	58,183	58,183	\$ -
2053	216,015	21,968	194,048	54,679	54,679	\$ -
2054	194,048	21,968	172,080	51,174	51,174	\$ -
2055	172,080	21,968	150,112	47,669	47,669	\$ -
2056	150,112	21,968	128,145	44,164	44,164	\$ -
2057	128,145	21,968	106,177	40,660	40,660	\$ -
2058	106,177	21,968	84,209	37,155	37,155	\$ -
2059	84,209	21,968	62,242	33,650	33,650	\$ -
2060	62,242	21,968	40,274	30,145	30,145	\$ -
2061	40,274	21,968	18,306	26,641	26,641	\$ -
2062	18,306	18,306	-	19,767	19,767	\$ -
2063	-	-	-	-	-	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals		1,076,416		5,426,973	5,426,973	

*** 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 **		
\$ 124,755		\$ 124,755		
\$ 140,765		\$ 140,765		
\$ 137,783		\$ 137,783		

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: b1870 (Replace Ohio Central transformer #1 345/138/12 kV 450 MVA for a 345/138/34.5 kV 675 MVA transformer)

Current Projected Year ARR	1,154,533
Current Projected Year ARR w/ Incentive	1,154,533
Current Projected Year Incentive ARR	-

Details						
Investment	6,849,657	Current Year				2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				139,789
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2013	6,849,657	-	6,849,657	1,092,801	1,092,801	\$ -
2014	6,849,657	139,789	6,709,868	1,221,439	1,221,439	\$ -
2015	6,709,868	139,789	6,570,079	1,199,137	1,199,137	\$ -
2016	6,570,079	139,789	6,430,290	1,176,835	1,176,835	\$ -
2017	6,430,290	139,789	6,290,501	1,154,533	1,154,533	\$ -
2018	6,290,501	139,789	6,150,712	1,132,231	1,132,231	\$ -
2019	6,150,712	139,789	6,010,923	1,109,929	1,109,929	\$ -
2020	6,010,923	139,789	5,871,135	1,087,627	1,087,627	\$ -
2021	5,871,135	139,789	5,731,346	1,065,325	1,065,325	\$ -
2022	5,731,346	139,789	5,591,557	1,043,023	1,043,023	\$ -
2023	5,591,557	139,789	5,451,768	1,020,721	1,020,721	\$ -
2024	5,451,768	139,789	5,311,979	998,418	998,418	\$ -
2025	5,311,979	139,789	5,172,190	976,116	976,116	\$ -
2026	5,172,190	139,789	5,032,401	953,814	953,814	\$ -
2027	5,032,401	139,789	4,892,612	931,512	931,512	\$ -
2028	4,892,612	139,789	4,752,823	909,210	909,210	\$ -
2029	4,752,823	139,789	4,613,034	886,908	886,908	\$ -
2030	4,613,034	139,789	4,473,245	864,606	864,606	\$ -
2031	4,473,245	139,789	4,333,456	842,304	842,304	\$ -
2032	4,333,456	139,789	4,193,668	820,002	820,002	\$ -
2033	4,193,668	139,789	4,053,879	797,700	797,700	\$ -
2034	4,053,879	139,789	3,914,090	775,398	775,398	\$ -
2035	3,914,090	139,789	3,774,301	753,096	753,096	\$ -
2036	3,774,301	139,789	3,634,512	730,794	730,794	\$ -
2037	3,634,512	139,789	3,494,723	708,492	708,492	\$ -
2038	3,494,723	139,789	3,354,934	686,190	686,190	\$ -
2039	3,354,934	139,789	3,215,145	663,887	663,887	\$ -
2040	3,215,145	139,789	3,075,356	641,585	641,585	\$ -
2041	3,075,356	139,789	2,935,567	619,283	619,283	\$ -
2042	2,935,567	139,789	2,795,778	596,981	596,981	\$ -
2043	2,795,778	139,789	2,655,989	574,679	574,679	\$ -
2044	2,655,989	139,789	2,516,201	552,377	552,377	\$ -
2045	2,516,201	139,789	2,376,412	530,075	530,075	\$ -
2046	2,376,412	139,789	2,236,623	507,773	507,773	\$ -
2047	2,236,623	139,789	2,096,834	485,471	485,471	\$ -
2048	2,096,834	139,789	1,957,045	463,169	463,169	\$ -
2049	1,957,045	139,789	1,817,256	440,867	440,867	\$ -
2050	1,817,256	139,789	1,677,467	418,565	418,565	\$ -
2051	1,677,467	139,789	1,537,678	396,263	396,263	\$ -
2052	1,537,678	139,789	1,397,889	373,961	373,961	\$ -
2053	1,397,889	139,789	1,258,100	351,659	351,659	\$ -
2054	1,258,100	139,789	1,118,311	329,356	329,356	\$ -
2055	1,118,311	139,789	978,522	307,054	307,054	\$ -
2056	978,522	139,789	838,734	284,752	284,752	\$ -
2057	838,734	139,789	698,945	262,450	262,450	\$ -
2058	698,945	139,789	559,156	240,148	240,148	\$ -
2059	559,156	139,789	419,367	217,846	217,846	\$ -
2060	419,367	139,789	279,578	195,544	195,544	\$ -
2061	279,578	139,789	139,789	173,242	173,242	\$ -
2062	139,789	139,789	0	150,940	150,940	\$ -
2063	0	0	-	0	0	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals		6,849,657		34,716,089	34,716,089	

**** 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.

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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 **		
\$ 576,980		\$ 576,980		
\$ 900,905		\$ 900,905		
\$ 882,849		\$ 882,849		

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: b1032.2 (Construct two 138kV outlets to Delano 138kV station and to Camp Sherman station)

Current Projected Year ARR	4,892,362
Current Projected Year ARR w/ Incentive	4,892,362
Current Projected Year Incentive ARR	-

Details						
Investment	28,208,248	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			15.95%	
Useful life	49	FCR w/incentives approved for these facilities, less dep.			15.95%	
CIAC (Yes or No)	No	Annual Depreciation Expense			575,679	
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	28,208,248	287,839	27,920,409	4,765,251	4,765,251	\$ -
2016	27,920,409	575,679	27,344,730	4,984,207	4,984,207	\$ -
2017	27,344,730	575,679	26,769,052	4,892,362	4,892,362	\$ -
2018	26,769,052	575,679	26,193,373	4,800,518	4,800,518	\$ -
2019	26,193,373	575,679	25,617,695	4,708,674	4,708,674	\$ -
2020	25,617,695	575,679	25,042,016	4,616,829	4,616,829	\$ -
2021	25,042,016	575,679	24,466,338	4,524,985	4,524,985	\$ -
2022	24,466,338	575,679	23,890,659	4,433,141	4,433,141	\$ -
2023	23,890,659	575,679	23,314,980	4,341,296	4,341,296	\$ -
2024	23,314,980	575,679	22,739,302	4,249,452	4,249,452	\$ -
2025	22,739,302	575,679	22,163,623	4,157,608	4,157,608	\$ -
2026	22,163,623	575,679	21,587,945	4,065,763	4,065,763	\$ -
2027	21,587,945	575,679	21,012,266	3,973,919	3,973,919	\$ -
2028	21,012,266	575,679	20,436,588	3,882,075	3,882,075	\$ -
2029	20,436,588	575,679	19,860,909	3,790,230	3,790,230	\$ -
2030	19,860,909	575,679	19,285,231	3,698,386	3,698,386	\$ -
2031	19,285,231	575,679	18,709,552	3,606,542	3,606,542	\$ -
2032	18,709,552	575,679	18,133,874	3,514,697	3,514,697	\$ -
2033	18,133,874	575,679	17,558,195	3,422,853	3,422,853	\$ -
2034	17,558,195	575,679	16,982,517	3,331,009	3,331,009	\$ -
2035	16,982,517	575,679	16,406,838	3,239,164	3,239,164	\$ -
2036	16,406,838	575,679	15,831,160	3,147,320	3,147,320	\$ -
2037	15,831,160	575,679	15,255,481	3,055,476	3,055,476	\$ -
2038	15,255,481	575,679	14,679,803	2,963,631	2,963,631	\$ -
2039	14,679,803	575,679	14,104,124	2,871,787	2,871,787	\$ -
2040	14,104,124	575,679	13,528,445	2,779,943	2,779,943	\$ -
2041	13,528,445	575,679	12,952,767	2,688,098	2,688,098	\$ -
2042	12,952,767	575,679	12,377,088	2,596,254	2,596,254	\$ -
2043	12,377,088	575,679	11,801,410	2,504,410	2,504,410	\$ -
2044	11,801,410	575,679	11,225,731	2,412,565	2,412,565	\$ -
2045	11,225,731	575,679	10,650,053	2,320,721	2,320,721	\$ -
2046	10,650,053	575,679	10,074,374	2,228,877	2,228,877	\$ -
2047	10,074,374	575,679	9,498,696	2,137,032	2,137,032	\$ -
2048	9,498,696	575,679	8,923,017	2,045,188	2,045,188	\$ -
2049	8,923,017	575,679	8,347,339	1,953,344	1,953,344	\$ -
2050	8,347,339	575,679	7,771,660	1,861,499	1,861,499	\$ -
2051	7,771,660	575,679	7,195,982	1,769,655	1,769,655	\$ -
2052	7,195,982	575,679	6,620,303	1,677,811	1,677,811	\$ -
2053	6,620,303	575,679	6,044,625	1,585,966	1,585,966	\$ -
2054	6,044,625	575,679	5,468,946	1,494,122	1,494,122	\$ -
2055	5,468,946	575,679	4,893,268	1,402,278	1,402,278	\$ -
2056	4,893,268	575,679	4,317,589	1,310,433	1,310,433	\$ -
2057	4,317,589	575,679	3,741,910	1,218,589	1,218,589	\$ -
2058	3,741,910	575,679	3,166,232	1,126,745	1,126,745	\$ -
2059	3,166,232	575,679	2,590,553	1,034,900	1,034,900	\$ -
2060	2,590,553	575,679	2,014,875	943,056	943,056	\$ -
2061	2,014,875	575,679	1,439,196	851,212	851,212	\$ -
2062	1,439,196	575,679	863,518	759,367	759,367	\$ -
2063	863,518	575,679	287,839	667,523	667,523	\$ -
2064	287,839	287,839	-	310,800	310,800	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals		28,208,248		140,717,564	140,717,564	

★★ 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 **		
\$ 962,431		\$ 962,431		

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

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

A. Base Plan Facilities

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

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

Current Projected Year ARR	1,103,628
Current Projected Year ARR w/ Incentive	1,103,628
Current Projected Year Incentive ARR	-

Details						
Investment	6,443,917	Current Year				2017
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	10	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				131,509
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	6,443,917	21,918	6,421,999	1,048,239	1,048,239	\$ -
2015	6,421,999	131,509	6,290,490	1,145,590	1,145,590	\$ -
2016	6,290,490	131,509	6,158,982	1,124,609	1,124,609	\$ -
2017	6,158,982	131,509	6,027,473	1,103,628	1,103,628	\$ -
2018	6,027,473	131,509	5,895,965	1,082,647	1,082,647	\$ -
2019	5,895,965	131,509	5,764,456	1,061,666	1,061,666	\$ -
2020	5,764,456	131,509	5,632,948	1,040,685	1,040,685	\$ -
2021	5,632,948	131,509	5,501,439	1,019,704	1,019,704	\$ -
2022	5,501,439	131,509	5,369,931	998,723	998,723	\$ -
2023	5,369,931	131,509	5,238,422	977,742	977,742	\$ -
2024	5,238,422	131,509	5,106,914	956,761	956,761	\$ -
2025	5,106,914	131,509	4,975,405	935,780	935,780	\$ -
2026	4,975,405	131,509	4,843,897	914,799	914,799	\$ -
2027	4,843,897	131,509	4,712,388	893,818	893,818	\$ -
2028	4,712,388	131,509	4,580,880	872,837	872,837	\$ -
2029	4,580,880	131,509	4,449,371	851,856	851,856	\$ -
2030	4,449,371	131,509	4,317,863	830,875	830,875	\$ -
2031	4,317,863	131,509	4,186,354	809,894	809,894	\$ -
2032	4,186,354	131,509	4,054,846	788,913	788,913	\$ -
2033	4,054,846	131,509	3,923,337	767,932	767,932	\$ -
2034	3,923,337	131,509	3,791,829	746,951	746,951	\$ -
2035	3,791,829	131,509	3,660,320	725,970	725,970	\$ -
2036	3,660,320	131,509	3,528,812	704,989	704,989	\$ -
2037	3,528,812	131,509	3,397,303	684,008	684,008	\$ -
2038	3,397,303	131,509	3,265,795	663,027	663,027	\$ -
2039	3,265,795	131,509	3,134,286	642,046	642,046	\$ -
2040	3,134,286	131,509	3,002,778	621,065	621,065	\$ -
2041	3,002,778	131,509	2,871,269	600,084	600,084	\$ -
2042	2,871,269	131,509	2,739,761	579,103	579,103	\$ -
2043	2,739,761	131,509	2,608,252	558,122	558,122	\$ -
2044	2,608,252	131,509	2,476,744	537,141	537,141	\$ -
2045	2,476,744	131,509	2,345,235	516,160	516,160	\$ -
2046	2,345,235	131,509	2,213,727	495,179	495,179	\$ -
2047	2,213,727	131,509	2,082,218	474,198	474,198	\$ -
2048	2,082,218	131,509	1,950,710	453,217	453,217	\$ -
2049	1,950,710	131,509	1,819,201	432,236	432,236	\$ -
2050	1,819,201	131,509	1,687,693	411,255	411,255	\$ -
2051	1,687,693	131,509	1,556,184	390,274	390,274	\$ -
2052	1,556,184	131,509	1,424,676	369,293	369,293	\$ -
2053	1,424,676	131,509	1,293,167	348,312	348,312	\$ -
2054	1,293,167	131,509	1,161,659	327,331	327,331	\$ -
2055	1,161,659	131,509	1,030,150	306,350	306,350	\$ -
2056	1,030,150	131,509	898,641	285,369	285,369	\$ -
2057	898,641	131,509	767,133	264,388	264,388	\$ -
2058	767,133	131,509	635,624	243,407	243,407	\$ -
2059	635,624	131,509	504,116	222,426	222,426	\$ -
2060	504,116	131,509	372,607	201,445	201,445	\$ -
2061	372,607	131,509	241,099	180,464	180,464	\$ -
2062	241,099	131,509	109,590	159,483	159,483	\$ -
2063	109,590	109,590	-	118,333	118,333	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals		6,443,917		32,488,334	32,488,334	

★★ 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 **		
\$ 580,874		\$ 580,874		
\$ 774,598		\$ 774,598		

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: b1034.3 (Install a 345/138kV 450 MVA transformer at Canton Central)

Current Projected Year ARR	2,315,830
Current Projected Year ARR w/ Incentive	2,315,830
Current Projected Year Incentive ARR	-

Details						
Investment	13,479,069	Current Year				2017
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				275,083
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	13,479,069	-	13,479,069	2,150,464	2,150,464	\$ -
2015	13,479,069	275,083	13,203,986	2,403,604	2,403,604	\$ -
2016	13,203,986	275,083	12,928,903	2,359,717	2,359,717	\$ -
2017	12,928,903	275,083	12,653,820	2,315,830	2,315,830	\$ -
2018	12,653,820	275,083	12,378,737	2,271,943	2,271,943	\$ -
2019	12,378,737	275,083	12,103,654	2,228,056	2,228,056	\$ -
2020	12,103,654	275,083	11,828,571	2,184,169	2,184,169	\$ -
2021	11,828,571	275,083	11,553,488	2,140,282	2,140,282	\$ -
2022	11,553,488	275,083	11,278,405	2,096,395	2,096,395	\$ -
2023	11,278,405	275,083	11,003,322	2,052,508	2,052,508	\$ -
2024	11,003,322	275,083	10,728,239	2,008,621	2,008,621	\$ -
2025	10,728,239	275,083	10,453,156	1,964,734	1,964,734	\$ -
2026	10,453,156	275,083	10,178,073	1,920,847	1,920,847	\$ -
2027	10,178,073	275,083	9,902,989	1,876,960	1,876,960	\$ -
2028	9,902,989	275,083	9,627,906	1,833,073	1,833,073	\$ -
2029	9,627,906	275,083	9,352,823	1,789,186	1,789,186	\$ -
2030	9,352,823	275,083	9,077,740	1,745,299	1,745,299	\$ -
2031	9,077,740	275,083	8,802,657	1,701,411	1,701,411	\$ -
2032	8,802,657	275,083	8,527,574	1,657,524	1,657,524	\$ -
2033	8,527,574	275,083	8,252,491	1,613,637	1,613,637	\$ -
2034	8,252,491	275,083	7,977,408	1,569,750	1,569,750	\$ -
2035	7,977,408	275,083	7,702,325	1,525,863	1,525,863	\$ -
2036	7,702,325	275,083	7,427,242	1,481,976	1,481,976	\$ -
2037	7,427,242	275,083	7,152,159	1,438,089	1,438,089	\$ -
2038	7,152,159	275,083	6,877,076	1,394,202	1,394,202	\$ -
2039	6,877,076	275,083	6,601,993	1,350,315	1,350,315	\$ -
2040	6,601,993	275,083	6,326,910	1,306,428	1,306,428	\$ -
2041	6,326,910	275,083	6,051,827	1,262,541	1,262,541	\$ -
2042	6,051,827	275,083	5,776,744	1,218,654	1,218,654	\$ -
2043	5,776,744	275,083	5,501,661	1,174,767	1,174,767	\$ -
2044	5,501,661	275,083	5,226,578	1,130,880	1,130,880	\$ -
2045	5,226,578	275,083	4,951,495	1,086,993	1,086,993	\$ -
2046	4,951,495	275,083	4,676,412	1,043,106	1,043,106	\$ -
2047	4,676,412	275,083	4,401,329	999,219	999,219	\$ -
2048	4,401,329	275,083	4,126,246	955,332	955,332	\$ -
2049	4,126,246	275,083	3,851,163	911,445	911,445	\$ -
2050	3,851,163	275,083	3,576,080	867,558	867,558	\$ -
2051	3,576,080	275,083	3,300,996	823,671	823,671	\$ -
2052	3,300,996	275,083	3,025,913	779,784	779,784	\$ -
2053	3,025,913	275,083	2,750,830	735,897	735,897	\$ -
2054	2,750,830	275,083	2,475,747	692,010	692,010	\$ -
2055	2,475,747	275,083	2,200,664	648,123	648,123	\$ -
2056	2,200,664	275,083	1,925,581	604,236	604,236	\$ -
2057	1,925,581	275,083	1,650,498	560,349	560,349	\$ -
2058	1,650,498	275,083	1,375,415	516,462	516,462	\$ -
2059	1,375,415	275,083	1,100,332	472,575	472,575	\$ -
2060	1,100,332	275,083	825,249	428,688	428,688	\$ -
2061	825,249	275,083	550,166	384,801	384,801	\$ -
2062	550,166	275,083	275,083	340,914	340,914	\$ -
2063	275,083	275,083	0	297,027	297,027	\$ -
2064	0	0	-	0	0	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals		13,479,069		68,315,911	68,315,911	

★★ 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 **		
\$ 1,611,055		\$ 1,611,055		
\$ 1,730,626		\$ 1,730,626		

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

Current Projected Year ARR	2,299,209
Current Projected Year ARR w/ Incentive	2,299,209
Current Projected Year Incentive ARR	-

Details						
Investment	13,382,326	Current Year				2017
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				273,109
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	13,382,326	-	13,382,326	2,135,030	2,135,030	\$ -
2015	13,382,326	273,109	13,109,217	2,386,353	2,386,353	\$ -
2016	13,109,217	273,109	12,836,109	2,342,781	2,342,781	\$ -
2017	12,836,109	273,109	12,563,000	2,299,209	2,299,209	\$ -
2018	12,563,000	273,109	12,289,891	2,255,636	2,255,636	\$ -
2019	12,289,891	273,109	12,016,783	2,212,064	2,212,064	\$ -
2020	12,016,783	273,109	11,743,674	2,168,492	2,168,492	\$ -
2021	11,743,674	273,109	11,470,565	2,124,920	2,124,920	\$ -
2022	11,470,565	273,109	11,197,456	2,081,348	2,081,348	\$ -
2023	11,197,456	273,109	10,924,348	2,037,776	2,037,776	\$ -
2024	10,924,348	273,109	10,651,239	1,994,204	1,994,204	\$ -
2025	10,651,239	273,109	10,378,130	1,950,632	1,950,632	\$ -
2026	10,378,130	273,109	10,105,022	1,907,060	1,907,060	\$ -
2027	10,105,022	273,109	9,831,913	1,863,488	1,863,488	\$ -
2028	9,831,913	273,109	9,558,804	1,819,916	1,819,916	\$ -
2029	9,558,804	273,109	9,285,696	1,776,344	1,776,344	\$ -
2030	9,285,696	273,109	9,012,587	1,732,772	1,732,772	\$ -
2031	9,012,587	273,109	8,739,478	1,689,200	1,689,200	\$ -
2032	8,739,478	273,109	8,466,370	1,645,628	1,645,628	\$ -
2033	8,466,370	273,109	8,193,261	1,602,056	1,602,056	\$ -
2034	8,193,261	273,109	7,920,152	1,558,484	1,558,484	\$ -
2035	7,920,152	273,109	7,647,043	1,514,912	1,514,912	\$ -
2036	7,647,043	273,109	7,373,935	1,471,340	1,471,340	\$ -
2037	7,373,935	273,109	7,100,826	1,427,768	1,427,768	\$ -
2038	7,100,826	273,109	6,827,717	1,384,196	1,384,196	\$ -
2039	6,827,717	273,109	6,554,609	1,340,624	1,340,624	\$ -
2040	6,554,609	273,109	6,281,500	1,297,052	1,297,052	\$ -
2041	6,281,500	273,109	6,008,391	1,253,480	1,253,480	\$ -
2042	6,008,391	273,109	5,735,283	1,209,908	1,209,908	\$ -
2043	5,735,283	273,109	5,462,174	1,166,336	1,166,336	\$ -
2044	5,462,174	273,109	5,189,065	1,122,763	1,122,763	\$ -
2045	5,189,065	273,109	4,915,956	1,079,191	1,079,191	\$ -
2046	4,915,956	273,109	4,642,848	1,035,619	1,035,619	\$ -
2047	4,642,848	273,109	4,369,739	992,047	992,047	\$ -
2048	4,369,739	273,109	4,096,630	948,475	948,475	\$ -
2049	4,096,630	273,109	3,823,522	904,903	904,903	\$ -
2050	3,823,522	273,109	3,550,413	861,331	861,331	\$ -
2051	3,550,413	273,109	3,277,304	817,759	817,759	\$ -
2052	3,277,304	273,109	3,004,196	774,187	774,187	\$ -
2053	3,004,196	273,109	2,731,087	730,615	730,615	\$ -
2054	2,731,087	273,109	2,457,978	687,043	687,043	\$ -
2055	2,457,978	273,109	2,184,870	643,471	643,471	\$ -
2056	2,184,870	273,109	1,911,761	599,899	599,899	\$ -
2057	1,911,761	273,109	1,638,652	556,327	556,327	\$ -
2058	1,638,652	273,109	1,365,543	512,755	512,755	\$ -
2059	1,365,543	273,109	1,092,435	469,183	469,183	\$ -
2060	1,092,435	273,109	819,326	425,611	425,611	\$ -
2061	819,326	273,109	546,217	382,039	382,039	\$ -
2062	546,217	273,109	273,109	338,467	338,467	\$ -
2063	273,109	273,109	-	294,895	294,895	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals		13,382,326		67,825,589	67,825,589	

★★ 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 **		
\$ 1,502,768		\$ 1,502,768		
\$ 1,736,229		\$ 1,736,229		

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: b2018 (Loop Conesville-Bixby 345 kV circuit into Ohio Central)

Current Projected Year ARR	2,311,328
Current Projected Year ARR w/ Incentive	2,311,328
Current Projected Year Incentive ARR	-

Details						
Investment	13,712,735	Current Year				2017
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				279,852
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2013	13,712,735	-	13,712,735	2,187,744	2,187,744	\$ -
2014	13,712,735	279,852	13,432,883	2,445,272	2,445,272	\$ -
2015	13,432,883	279,852	13,153,032	2,400,624	2,400,624	\$ -
2016	13,153,032	279,852	12,873,180	2,355,976	2,355,976	\$ -
2017	12,873,180	279,852	12,593,328	2,311,328	2,311,328	\$ -
2018	12,593,328	279,852	12,313,476	2,266,680	2,266,680	\$ -
2019	12,313,476	279,852	12,033,625	2,222,032	2,222,032	\$ -
2020	12,033,625	279,852	11,753,773	2,177,385	2,177,385	\$ -
2021	11,753,773	279,852	11,473,921	2,132,737	2,132,737	\$ -
2022	11,473,921	279,852	11,194,069	2,088,089	2,088,089	\$ -
2023	11,194,069	279,852	10,914,218	2,043,441	2,043,441	\$ -
2024	10,914,218	279,852	10,634,366	1,998,793	1,998,793	\$ -
2025	10,634,366	279,852	10,354,514	1,954,145	1,954,145	\$ -
2026	10,354,514	279,852	10,074,662	1,909,498	1,909,498	\$ -
2027	10,074,662	279,852	9,794,811	1,864,850	1,864,850	\$ -
2028	9,794,811	279,852	9,514,959	1,820,202	1,820,202	\$ -
2029	9,514,959	279,852	9,235,107	1,775,554	1,775,554	\$ -
2030	9,235,107	279,852	8,955,256	1,730,906	1,730,906	\$ -
2031	8,955,256	279,852	8,675,404	1,686,258	1,686,258	\$ -
2032	8,675,404	279,852	8,395,552	1,641,611	1,641,611	\$ -
2033	8,395,552	279,852	8,115,700	1,596,963	1,596,963	\$ -
2034	8,115,700	279,852	7,835,849	1,552,315	1,552,315	\$ -
2035	7,835,849	279,852	7,555,997	1,507,667	1,507,667	\$ -
2036	7,555,997	279,852	7,276,145	1,463,019	1,463,019	\$ -
2037	7,276,145	279,852	6,996,293	1,418,371	1,418,371	\$ -
2038	6,996,293	279,852	6,716,442	1,373,724	1,373,724	\$ -
2039	6,716,442	279,852	6,436,590	1,329,076	1,329,076	\$ -
2040	6,436,590	279,852	6,156,738	1,284,428	1,284,428	\$ -
2041	6,156,738	279,852	5,876,886	1,239,780	1,239,780	\$ -
2042	5,876,886	279,852	5,597,035	1,195,132	1,195,132	\$ -
2043	5,597,035	279,852	5,317,183	1,150,484	1,150,484	\$ -
2044	5,317,183	279,852	5,037,331	1,105,837	1,105,837	\$ -
2045	5,037,331	279,852	4,757,479	1,061,189	1,061,189	\$ -
2046	4,757,479	279,852	4,477,628	1,016,541	1,016,541	\$ -
2047	4,477,628	279,852	4,197,776	971,893	971,893	\$ -
2048	4,197,776	279,852	3,917,924	927,245	927,245	\$ -
2049	3,917,924	279,852	3,638,073	882,597	882,597	\$ -
2050	3,638,073	279,852	3,358,221	837,950	837,950	\$ -
2051	3,358,221	279,852	3,078,369	793,302	793,302	\$ -
2052	3,078,369	279,852	2,798,517	748,654	748,654	\$ -
2053	2,798,517	279,852	2,518,666	704,006	704,006	\$ -
2054	2,518,666	279,852	2,238,814	659,358	659,358	\$ -
2055	2,238,814	279,852	1,958,962	614,710	614,710	\$ -
2056	1,958,962	279,852	1,679,110	570,063	570,063	\$ -
2057	1,679,110	279,852	1,399,259	525,415	525,415	\$ -
2058	1,399,259	279,852	1,119,407	480,767	480,767	\$ -
2059	1,119,407	279,852	839,555	436,119	436,119	\$ -
2060	839,555	279,852	559,703	391,471	391,471	\$ -
2061	559,703	279,852	279,852	346,823	346,823	\$ -
2062	279,852	279,852	0	302,176	302,176	\$ -
2063	0	0	-	0	0	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
Project Totals		13,712,735		69,500,200	69,500,200	

★★ 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 **		
\$ -		\$ -		
\$ 294,473		\$ 294,473		
\$ 1,769,452		\$ 1,769,452		

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

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

A. Base Plan Facilities

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

Project Description:	RTEP ID: b2021 (Add 345/138 kV Transformers at Sporn, Kanawha River, and Muskingum River stations)
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Current Projected Year ARR	3,618,083
Current Projected Year ARR w/ Incentive	3,618,083
Current Projected Year Incentive ARR	-

Details						
Investment	21,058,709	Current Year				2017
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				429,770
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	21,058,709	-	21,058,709	3,359,728	3,359,728	\$ -
2015	21,058,709	429,770	20,628,939	3,755,215	3,755,215	\$ -
2016	20,628,939	429,770	20,199,170	3,686,649	3,686,649	\$ -
2017	20,199,170	429,770	19,769,400	3,618,083	3,618,083	\$ -
2018	19,769,400	429,770	19,339,631	3,549,517	3,549,517	\$ -
2019	19,339,631	429,770	18,909,861	3,480,951	3,480,951	\$ -
2020	18,909,861	429,770	18,480,092	3,412,385	3,412,385	\$ -
2021	18,480,092	429,770	18,050,322	3,343,819	3,343,819	\$ -
2022	18,050,322	429,770	17,620,552	3,275,253	3,275,253	\$ -
2023	17,620,552	429,770	17,190,783	3,206,688	3,206,688	\$ -
2024	17,190,783	429,770	16,761,013	3,138,122	3,138,122	\$ -
2025	16,761,013	429,770	16,331,244	3,069,556	3,069,556	\$ -
2026	16,331,244	429,770	15,901,474	3,000,990	3,000,990	\$ -
2027	15,901,474	429,770	15,471,705	2,932,424	2,932,424	\$ -
2028	15,471,705	429,770	15,041,935	2,863,858	2,863,858	\$ -
2029	15,041,935	429,770	14,612,165	2,795,292	2,795,292	\$ -
2030	14,612,165	429,770	14,182,396	2,726,726	2,726,726	\$ -
2031	14,182,396	429,770	13,752,626	2,658,161	2,658,161	\$ -
2032	13,752,626	429,770	13,322,857	2,589,595	2,589,595	\$ -
2033	13,322,857	429,770	12,893,087	2,521,029	2,521,029	\$ -
2034	12,893,087	429,770	12,463,318	2,452,463	2,452,463	\$ -
2035	12,463,318	429,770	12,033,548	2,383,897	2,383,897	\$ -
2036	12,033,548	429,770	11,603,778	2,315,331	2,315,331	\$ -
2037	11,603,778	429,770	11,174,009	2,246,765	2,246,765	\$ -
2038	11,174,009	429,770	10,744,239	2,178,199	2,178,199	\$ -
2039	10,744,239	429,770	10,314,470	2,109,634	2,109,634	\$ -
2040	10,314,470	429,770	9,884,700	2,041,068	2,041,068	\$ -
2041	9,884,700	429,770	9,454,931	1,972,502	1,972,502	\$ -
2042	9,454,931	429,770	9,025,161	1,903,936	1,903,936	\$ -
2043	9,025,161	429,770	8,595,391	1,835,370	1,835,370	\$ -
2044	8,595,391	429,770	8,165,622	1,766,804	1,766,804	\$ -
2045	8,165,622	429,770	7,735,852	1,698,238	1,698,238	\$ -
2046	7,735,852	429,770	7,306,083	1,629,672	1,629,672	\$ -
2047	7,306,083	429,770	6,876,313	1,561,107	1,561,107	\$ -
2048	6,876,313	429,770	6,446,544	1,492,541	1,492,541	\$ -
2049	6,446,544	429,770	6,016,774	1,423,975	1,423,975	\$ -
2050	6,016,774	429,770	5,587,004	1,355,409	1,355,409	\$ -
2051	5,587,004	429,770	5,157,235	1,286,843	1,286,843	\$ -
2052	5,157,235	429,770	4,727,465	1,218,277	1,218,277	\$ -
2053	4,727,465	429,770	4,297,696	1,149,711	1,149,711	\$ -
2054	4,297,696	429,770	3,867,926	1,081,145	1,081,145	\$ -
2055	3,867,926	429,770	3,438,157	1,012,580	1,012,580	\$ -
2056	3,438,157	429,770	3,008,387	944,014	944,014	\$ -
2057	3,008,387	429,770	2,578,617	875,448	875,448	\$ -
2058	2,578,617	429,770	2,148,848	806,882	806,882	\$ -
2059	2,148,848	429,770	1,719,078	738,316	738,316	\$ -
2060	1,719,078	429,770	1,289,309	669,750	669,750	\$ -
2061	1,289,309	429,770	859,539	601,184	601,184	\$ -
2062	859,539	429,770	429,770	532,618	532,618	\$ -
2063	429,770	429,770	0	464,053	464,053	\$ -
2064	0	0	-	0	0	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals		21,058,709		106,731,770	106,731,770	

*** 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 **		
\$ 2,052,447		\$ 2,052,447		
\$ 2,695,147		\$ 2,695,147		

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

Current Projected Year ARR	646,665
Current Projected Year ARR w/ Incentive	646,665
Current Projected Year Incentive ARR	-

Details						
Investment	3,781,771	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				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				77,179
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	3,781,771	19,295	3,762,476	621,103	621,103	\$ -
2015	3,762,476	77,179	3,685,297	671,292	671,292	\$ -
2016	3,685,297	77,179	3,608,118	658,978	658,978	\$ -
2017	3,608,118	77,179	3,530,939	646,665	646,665	\$ -
2018	3,530,939	77,179	3,453,760	634,352	634,352	\$ -
2019	3,453,760	77,179	3,376,581	622,039	622,039	\$ -
2020	3,376,581	77,179	3,299,402	609,726	609,726	\$ -
2021	3,299,402	77,179	3,222,223	597,412	597,412	\$ -
2022	3,222,223	77,179	3,145,044	585,099	585,099	\$ -
2023	3,145,044	77,179	3,067,865	572,786	572,786	\$ -
2024	3,067,865	77,179	2,990,686	560,473	560,473	\$ -
2025	2,990,686	77,179	2,913,507	548,160	548,160	\$ -
2026	2,913,507	77,179	2,836,328	535,846	535,846	\$ -
2027	2,836,328	77,179	2,759,149	523,533	523,533	\$ -
2028	2,759,149	77,179	2,681,970	511,220	511,220	\$ -
2029	2,681,970	77,179	2,604,791	498,907	498,907	\$ -
2030	2,604,791	77,179	2,527,612	486,593	486,593	\$ -
2031	2,527,612	77,179	2,450,433	474,280	474,280	\$ -
2032	2,450,433	77,179	2,373,254	461,967	461,967	\$ -
2033	2,373,254	77,179	2,296,075	449,654	449,654	\$ -
2034	2,296,075	77,179	2,218,896	437,341	437,341	\$ -
2035	2,218,896	77,179	2,141,717	425,027	425,027	\$ -
2036	2,141,717	77,179	2,064,538	412,714	412,714	\$ -
2037	2,064,538	77,179	1,987,359	400,401	400,401	\$ -
2038	1,987,359	77,179	1,910,180	388,088	388,088	\$ -
2039	1,910,180	77,179	1,833,001	375,774	375,774	\$ -
2040	1,833,001	77,179	1,755,822	363,461	363,461	\$ -
2041	1,755,822	77,179	1,678,643	351,148	351,148	\$ -
2042	1,678,643	77,179	1,601,464	338,835	338,835	\$ -
2043	1,601,464	77,179	1,524,285	326,522	326,522	\$ -
2044	1,524,285	77,179	1,447,106	314,208	314,208	\$ -
2045	1,447,106	77,179	1,369,927	301,895	301,895	\$ -
2046	1,369,927	77,179	1,292,748	289,582	289,582	\$ -
2047	1,292,748	77,179	1,215,569	277,269	277,269	\$ -
2048	1,215,569	77,179	1,138,390	264,956	264,956	\$ -
2049	1,138,390	77,179	1,061,211	252,642	252,642	\$ -
2050	1,061,211	77,179	984,032	240,329	240,329	\$ -
2051	984,032	77,179	906,853	228,016	228,016	\$ -
2052	906,853	77,179	829,674	215,703	215,703	\$ -
2053	829,674	77,179	752,495	203,389	203,389	\$ -
2054	752,495	77,179	675,316	191,076	191,076	\$ -
2055	675,316	77,179	598,137	178,763	178,763	\$ -
2056	598,137	77,179	520,958	166,450	166,450	\$ -
2057	520,958	77,179	443,779	154,137	154,137	\$ -
2058	443,779	77,179	366,600	141,823	141,823	\$ -
2059	366,600	77,179	289,421	129,510	129,510	\$ -
2060	289,421	77,179	212,242	117,197	117,197	\$ -
2061	212,242	77,179	135,063	104,884	104,884	\$ -
2062	135,063	77,179	57,884	92,571	92,571	\$ -
2063	57,884	57,884	-	62,502	62,502	\$ -
2064	-	-	-	-	-	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
Project Totals		3,781,771		19,016,298	19,016,298	

★★ 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 **		
\$ 2,808,368		\$ 2,808,368		
\$ 492,192		\$ 492,192		

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: RTE ID: b1032.1 (Construct a new 345/138kV station on the Marquis-Bixby 345kV line near the intersection with Ross - Highland 69kV)

Current Projected Year ARR	582,397
Current Projected Year ARR w/ Incentive	582,397
Current Projected Year Incentive ARR	-

Details						
Investment	3,296,091	Current Year				2017
Service Year (yyyy)	2016	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	6	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				67,267
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2016	3,296,091	33,634	3,262,457	556,812	556,812	\$ -
2017	3,262,457	67,267	3,195,190	582,397	582,397	\$ -
2018	3,195,190	67,267	3,127,923	571,665	571,665	\$ -
2019	3,127,923	67,267	3,060,656	560,933	560,933	\$ -
2020	3,060,656	67,267	2,993,389	550,201	550,201	\$ -
2021	2,993,389	67,267	2,926,122	539,470	539,470	\$ -
2022	2,926,122	67,267	2,858,854	528,738	528,738	\$ -
2023	2,858,854	67,267	2,791,587	518,006	518,006	\$ -
2024	2,791,587	67,267	2,724,320	507,274	507,274	\$ -
2025	2,724,320	67,267	2,657,053	496,542	496,542	\$ -
2026	2,657,053	67,267	2,589,786	485,810	485,810	\$ -
2027	2,589,786	67,267	2,522,519	475,078	475,078	\$ -
2028	2,522,519	67,267	2,455,251	464,346	464,346	\$ -
2029	2,455,251	67,267	2,387,984	453,615	453,615	\$ -
2030	2,387,984	67,267	2,320,717	442,883	442,883	\$ -
2031	2,320,717	67,267	2,253,450	432,151	432,151	\$ -
2032	2,253,450	67,267	2,186,183	421,419	421,419	\$ -
2033	2,186,183	67,267	2,118,916	410,687	410,687	\$ -
2034	2,118,916	67,267	2,051,648	399,955	399,955	\$ -
2035	2,051,648	67,267	1,984,381	389,223	389,223	\$ -
2036	1,984,381	67,267	1,917,114	378,491	378,491	\$ -
2037	1,917,114	67,267	1,849,847	367,760	367,760	\$ -
2038	1,849,847	67,267	1,782,580	357,028	357,028	\$ -
2039	1,782,580	67,267	1,715,313	346,296	346,296	\$ -
2040	1,715,313	67,267	1,648,046	335,564	335,564	\$ -
2041	1,648,046	67,267	1,580,778	324,832	324,832	\$ -
2042	1,580,778	67,267	1,513,511	314,100	314,100	\$ -
2043	1,513,511	67,267	1,446,244	303,368	303,368	\$ -
2044	1,446,244	67,267	1,378,977	292,636	292,636	\$ -
2045	1,378,977	67,267	1,311,710	281,905	281,905	\$ -
2046	1,311,710	67,267	1,244,443	271,173	271,173	\$ -
2047	1,244,443	67,267	1,177,175	260,441	260,441	\$ -
2048	1,177,175	67,267	1,109,908	249,709	249,709	\$ -
2049	1,109,908	67,267	1,042,641	238,977	238,977	\$ -
2050	1,042,641	67,267	975,374	228,245	228,245	\$ -
2051	975,374	67,267	908,107	217,513	217,513	\$ -
2052	908,107	67,267	840,840	206,781	206,781	\$ -
2053	840,840	67,267	773,572	196,050	196,050	\$ -
2054	773,572	67,267	706,305	185,318	185,318	\$ -
2055	706,305	67,267	639,038	174,586	174,586	\$ -
2056	639,038	67,267	571,771	163,854	163,854	\$ -
2057	571,771	67,267	504,504	153,122	153,122	\$ -
2058	504,504	67,267	437,237	142,390	142,390	\$ -
2059	437,237	67,267	369,969	131,658	131,658	\$ -
2060	369,969	67,267	302,702	120,927	120,927	\$ -
2061	302,702	67,267	235,435	110,195	110,195	\$ -
2062	235,435	67,267	168,168	99,463	99,463	\$ -
2063	168,168	67,267	100,901	88,731	88,731	\$ -
2064	100,901	67,267	33,634	77,999	77,999	\$ -
2065	33,634	33,634	-	36,317	36,317	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
Project Totals		3,296,091		16,442,634	16,442,634	-

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

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

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 **		

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: b1032.4 (Install 138/69kV transformer at new station and connect in the Ross - Highland 69kV line)

Current Projected Year ARR	1,077,982
Current Projected Year ARR w/ Incentive	1,077,982
Current Projected Year Incentive ARR	-

Details						
Investment	6,215,398	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				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				126,845
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	6,215,398	63,422	6,151,976	1,049,974	1,049,974	\$ -
2016	6,151,976	126,845	6,025,131	1,098,219	1,098,219	\$ -
2017	6,025,131	126,845	5,898,286	1,077,982	1,077,982	\$ -
2018	5,898,286	126,845	5,771,441	1,057,745	1,057,745	\$ -
2019	5,771,441	126,845	5,644,596	1,037,508	1,037,508	\$ -
2020	5,644,596	126,845	5,517,751	1,017,271	1,017,271	\$ -
2021	5,517,751	126,845	5,390,906	997,034	997,034	\$ -
2022	5,390,906	126,845	5,264,062	976,797	976,797	\$ -
2023	5,264,062	126,845	5,137,217	956,560	956,560	\$ -
2024	5,137,217	126,845	5,010,372	936,323	936,323	\$ -
2025	5,010,372	126,845	4,883,527	916,086	916,086	\$ -
2026	4,883,527	126,845	4,756,682	895,849	895,849	\$ -
2027	4,756,682	126,845	4,629,837	875,612	875,612	\$ -
2028	4,629,837	126,845	4,502,992	855,375	855,375	\$ -
2029	4,502,992	126,845	4,376,148	835,138	835,138	\$ -
2030	4,376,148	126,845	4,249,303	814,901	814,901	\$ -
2031	4,249,303	126,845	4,122,458	794,664	794,664	\$ -
2032	4,122,458	126,845	3,995,613	774,428	774,428	\$ -
2033	3,995,613	126,845	3,868,768	754,191	754,191	\$ -
2034	3,868,768	126,845	3,741,923	733,954	733,954	\$ -
2035	3,741,923	126,845	3,615,078	713,717	713,717	\$ -
2036	3,615,078	126,845	3,488,234	693,480	693,480	\$ -
2037	3,488,234	126,845	3,361,389	673,243	673,243	\$ -
2038	3,361,389	126,845	3,234,544	653,006	653,006	\$ -
2039	3,234,544	126,845	3,107,699	632,769	632,769	\$ -
2040	3,107,699	126,845	2,980,854	612,532	612,532	\$ -
2041	2,980,854	126,845	2,854,009	592,295	592,295	\$ -
2042	2,854,009	126,845	2,727,164	572,058	572,058	\$ -
2043	2,727,164	126,845	2,600,320	551,821	551,821	\$ -
2044	2,600,320	126,845	2,473,475	531,584	531,584	\$ -
2045	2,473,475	126,845	2,346,630	511,347	511,347	\$ -
2046	2,346,630	126,845	2,219,785	491,110	491,110	\$ -
2047	2,219,785	126,845	2,092,940	470,873	470,873	\$ -
2048	2,092,940	126,845	1,966,095	450,636	450,636	\$ -
2049	1,966,095	126,845	1,839,250	430,399	430,399	\$ -
2050	1,839,250	126,845	1,712,406	410,162	410,162	\$ -
2051	1,712,406	126,845	1,585,561	389,925	389,925	\$ -
2052	1,585,561	126,845	1,458,716	369,688	369,688	\$ -
2053	1,458,716	126,845	1,331,871	349,451	349,451	\$ -
2054	1,331,871	126,845	1,205,026	329,214	329,214	\$ -
2055	1,205,026	126,845	1,078,181	308,977	308,977	\$ -
2056	1,078,181	126,845	951,336	288,741	288,741	\$ -
2057	951,336	126,845	824,492	268,504	268,504	\$ -
2058	824,492	126,845	697,647	248,267	248,267	\$ -
2059	697,647	126,845	570,802	228,030	228,030	\$ -
2060	570,802	126,845	443,957	207,793	207,793	\$ -
2061	443,957	126,845	317,112	187,556	187,556	\$ -
2062	317,112	126,845	190,267	167,319	167,319	\$ -
2063	190,267	126,845	63,422	147,082	147,082	\$ -
2064	63,422	63,422	-	68,482	68,482	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals		6,215,398		31,005,671	31,005,671	

★★ 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 **		
\$ 643,594		\$ 643,594		

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

Current Projected Year ARR	1,060,430
Current Projected Year ARR w/ Incentive	1,060,430
Current Projected Year Incentive ARR	-

Details						
Investment	6,104,646	Current Year				2017
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	7	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				124,585
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	6,104,646	51,910	6,052,736	1,021,711	1,021,711	\$ -
2016	6,052,736	124,585	5,928,151	1,080,306	1,080,306	\$ -
2017	5,928,151	124,585	5,803,567	1,060,430	1,060,430	\$ -
2018	5,803,567	124,585	5,678,982	1,040,553	1,040,553	\$ -
2019	5,678,982	124,585	5,554,397	1,020,677	1,020,677	\$ -
2020	5,554,397	124,585	5,429,813	1,000,801	1,000,801	\$ -
2021	5,429,813	124,585	5,305,228	980,924	980,924	\$ -
2022	5,305,228	124,585	5,180,643	961,048	961,048	\$ -
2023	5,180,643	124,585	5,056,059	941,172	941,172	\$ -
2024	5,056,059	124,585	4,931,474	921,295	921,295	\$ -
2025	4,931,474	124,585	4,806,890	901,419	901,419	\$ -
2026	4,806,890	124,585	4,682,305	881,543	881,543	\$ -
2027	4,682,305	124,585	4,557,720	861,666	861,666	\$ -
2028	4,557,720	124,585	4,433,136	841,790	841,790	\$ -
2029	4,433,136	124,585	4,308,551	821,913	821,913	\$ -
2030	4,308,551	124,585	4,183,967	802,037	802,037	\$ -
2031	4,183,967	124,585	4,059,382	782,161	782,161	\$ -
2032	4,059,382	124,585	3,934,797	762,284	762,284	\$ -
2033	3,934,797	124,585	3,810,213	742,408	742,408	\$ -
2034	3,810,213	124,585	3,685,628	722,532	722,532	\$ -
2035	3,685,628	124,585	3,561,044	702,655	702,655	\$ -
2036	3,561,044	124,585	3,436,459	682,779	682,779	\$ -
2037	3,436,459	124,585	3,311,874	662,903	662,903	\$ -
2038	3,311,874	124,585	3,187,290	643,026	643,026	\$ -
2039	3,187,290	124,585	3,062,705	623,150	623,150	\$ -
2040	3,062,705	124,585	2,938,120	603,274	603,274	\$ -
2041	2,938,120	124,585	2,813,536	583,397	583,397	\$ -
2042	2,813,536	124,585	2,688,951	563,521	563,521	\$ -
2043	2,688,951	124,585	2,564,367	543,644	543,644	\$ -
2044	2,564,367	124,585	2,439,782	523,768	523,768	\$ -
2045	2,439,782	124,585	2,315,197	503,892	503,892	\$ -
2046	2,315,197	124,585	2,190,613	484,015	484,015	\$ -
2047	2,190,613	124,585	2,066,028	464,139	464,139	\$ -
2048	2,066,028	124,585	1,941,444	444,263	444,263	\$ -
2049	1,941,444	124,585	1,816,859	424,386	424,386	\$ -
2050	1,816,859	124,585	1,692,274	404,510	404,510	\$ -
2051	1,692,274	124,585	1,567,690	384,634	384,634	\$ -
2052	1,567,690	124,585	1,443,105	364,757	364,757	\$ -
2053	1,443,105	124,585	1,318,520	344,881	344,881	\$ -
2054	1,318,520	124,585	1,193,936	325,005	325,005	\$ -
2055	1,193,936	124,585	1,069,351	305,128	305,128	\$ -
2056	1,069,351	124,585	944,767	285,252	285,252	\$ -
2057	944,767	124,585	820,182	265,375	265,375	\$ -
2058	820,182	124,585	695,597	245,499	245,499	\$ -
2059	695,597	124,585	571,013	225,623	225,623	\$ -
2060	571,013	124,585	446,428	205,746	205,746	\$ -
2061	446,428	124,585	321,844	185,870	185,870	\$ -
2062	321,844	124,585	197,259	165,994	165,994	\$ -
2063	197,259	124,585	72,674	146,117	146,117	\$ -
2064	72,674	72,674	-	78,472	78,472	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals		6,104,646		30,534,344	30,534,344	

*** 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 **		
\$ 1,528,116		\$ 1,528,116		

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: b1819 (Rebuild the Robinson Park-Sorneson 138 kV line corridor as a 345 kV double circuit line with one side operated at 345 kV and one side at 138 kV)

Current Projected Year ARR	#N/A
Current Projected Year ARR w/ Incentive	#N/A
Current Projected Year Incentive ARR	#N/A

[illegible]

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

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

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

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 **		

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

Current Projected Year ARR	1,310,546
Current Projected Year ARR w/ Incentive	1,310,546
Current Projected Year Incentive ARR	-

Details						
Investment	7,486,043	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				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				152,776
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	7,486,043	-	7,486,043	1,194,331	1,194,331	\$ -
2016	7,486,043	152,776	7,333,267	1,334,920	1,334,920	\$ -
2017	7,333,267	152,776	7,180,490	1,310,546	1,310,546	\$ -
2018	7,180,490	152,776	7,027,714	1,286,172	1,286,172	\$ -
2019	7,027,714	152,776	6,874,937	1,261,798	1,261,798	\$ -
2020	6,874,937	152,776	6,722,161	1,237,424	1,237,424	\$ -
2021	6,722,161	152,776	6,569,385	1,213,050	1,213,050	\$ -
2022	6,569,385	152,776	6,416,608	1,188,676	1,188,676	\$ -
2023	6,416,608	152,776	6,263,832	1,164,302	1,164,302	\$ -
2024	6,263,832	152,776	6,111,056	1,139,927	1,139,927	\$ -
2025	6,111,056	152,776	5,958,279	1,115,553	1,115,553	\$ -
2026	5,958,279	152,776	5,805,503	1,091,179	1,091,179	\$ -
2027	5,805,503	152,776	5,652,726	1,066,805	1,066,805	\$ -
2028	5,652,726	152,776	5,499,950	1,042,431	1,042,431	\$ -
2029	5,499,950	152,776	5,347,174	1,018,057	1,018,057	\$ -
2030	5,347,174	152,776	5,194,397	993,683	993,683	\$ -
2031	5,194,397	152,776	5,041,621	969,309	969,309	\$ -
2032	5,041,621	152,776	4,888,844	944,935	944,935	\$ -
2033	4,888,844	152,776	4,736,068	920,561	920,561	\$ -
2034	4,736,068	152,776	4,583,292	896,186	896,186	\$ -
2035	4,583,292	152,776	4,430,515	871,812	871,812	\$ -
2036	4,430,515	152,776	4,277,739	847,438	847,438	\$ -
2037	4,277,739	152,776	4,124,962	823,064	823,064	\$ -
2038	4,124,962	152,776	3,972,186	798,690	798,690	\$ -
2039	3,972,186	152,776	3,819,410	774,316	774,316	\$ -
2040	3,819,410	152,776	3,666,633	749,942	749,942	\$ -
2041	3,666,633	152,776	3,513,857	725,568	725,568	\$ -
2042	3,513,857	152,776	3,361,081	701,194	701,194	\$ -
2043	3,361,081	152,776	3,208,304	676,820	676,820	\$ -
2044	3,208,304	152,776	3,055,528	652,445	652,445	\$ -
2045	3,055,528	152,776	2,902,751	628,071	628,071	\$ -
2046	2,902,751	152,776	2,749,975	603,697	603,697	\$ -
2047	2,749,975	152,776	2,597,199	579,323	579,323	\$ -
2048	2,597,199	152,776	2,444,422	554,949	554,949	\$ -
2049	2,444,422	152,776	2,291,646	530,575	530,575	\$ -
2050	2,291,646	152,776	2,138,869	506,201	506,201	\$ -
2051	2,138,869	152,776	1,986,093	481,827	481,827	\$ -
2052	1,986,093	152,776	1,833,317	457,453	457,453	\$ -
2053	1,833,317	152,776	1,680,540	433,079	433,079	\$ -
2054	1,680,540	152,776	1,527,764	408,704	408,704	\$ -
2055	1,527,764	152,776	1,374,987	384,330	384,330	\$ -
2056	1,374,987	152,776	1,222,211	359,956	359,956	\$ -
2057	1,222,211	152,776	1,069,435	335,582	335,582	\$ -
2058	1,069,435	152,776	916,658	311,208	311,208	\$ -
2059	916,658	152,776	763,882	286,834	286,834	\$ -
2060	763,882	152,776	611,106	262,460	262,460	\$ -
2061	611,106	152,776	458,329	238,086	238,086	\$ -
2062	458,329	152,776	305,553	213,712	213,712	\$ -
2063	305,553	152,776	152,776	189,338	189,338	\$ -
2064	152,776	152,776	-	164,963	164,963	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals		7,486,043		37,941,482	37,941,482	

*** 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 **		
\$ 714,472		\$ 714,472		

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

Page 20 of 22

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b2019 (Establish Burger 345/138 kV station)

Current Projected Year ARR	8,690,541
Current Projected Year ARR w/ Incentive	8,690,541
Current Projected Year Incentive ARR	-

Details						
Investment	50,107,683	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				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				1,022,606
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	50,107,683	511,303	49,596,380	8,464,747	8,464,747	\$ -
2016	49,596,380	1,022,606	48,573,774	8,853,689	8,853,689	\$ -
2017	48,573,774	1,022,606	47,551,169	8,690,541	8,690,541	\$ -
2018	47,551,169	1,022,606	46,528,563	8,527,394	8,527,394	\$ -
2019	46,528,563	1,022,606	45,505,957	8,364,246	8,364,246	\$ -
2020	45,505,957	1,022,606	44,483,351	8,201,099	8,201,099	\$ -
2021	44,483,351	1,022,606	43,460,745	8,037,951	8,037,951	\$ -
2022	43,460,745	1,022,606	42,438,140	7,874,804	7,874,804	\$ -
2023	42,438,140	1,022,606	41,415,534	7,711,656	7,711,656	\$ -
2024	41,415,534	1,022,606	40,392,928	7,548,508	7,548,508	\$ -
2025	40,392,928	1,022,606	39,370,322	7,385,361	7,385,361	\$ -
2026	39,370,322	1,022,606	38,347,717	7,222,213	7,222,213	\$ -
2027	38,347,717	1,022,606	37,325,111	7,059,066	7,059,066	\$ -
2028	37,325,111	1,022,606	36,302,505	6,895,918	6,895,918	\$ -
2029	36,302,505	1,022,606	35,279,899	6,732,771	6,732,771	\$ -
2030	35,279,899	1,022,606	34,257,293	6,569,623	6,569,623	\$ -
2031	34,257,293	1,022,606	33,234,688	6,406,476	6,406,476	\$ -
2032	33,234,688	1,022,606	32,212,082	6,243,328	6,243,328	\$ -
2033	32,212,082	1,022,606	31,189,476	6,080,180	6,080,180	\$ -
2034	31,189,476	1,022,606	30,166,870	5,917,033	5,917,033	\$ -
2035	30,166,870	1,022,606	29,144,265	5,753,885	5,753,885	\$ -
2036	29,144,265	1,022,606	28,121,659	5,590,738	5,590,738	\$ -
2037	28,121,659	1,022,606	27,099,053	5,427,590	5,427,590	\$ -
2038	27,099,053	1,022,606	26,076,447	5,264,443	5,264,443	\$ -
2039	26,076,447	1,022,606	25,053,842	5,101,295	5,101,295	\$ -
2040	25,053,842	1,022,606	24,031,236	4,938,147	4,938,147	\$ -
2041	24,031,236	1,022,606	23,008,630	4,775,000	4,775,000	\$ -
2042	23,008,630	1,022,606	21,986,024	4,611,852	4,611,852	\$ -
2043	21,986,024	1,022,606	20,963,418	4,448,705	4,448,705	\$ -
2044	20,963,418	1,022,606	19,940,813	4,285,557	4,285,557	\$ -
2045	19,940,813	1,022,606	18,918,207	4,122,410	4,122,410	\$ -
2046	18,918,207	1,022,606	17,895,601	3,959,262	3,959,262	\$ -
2047	17,895,601	1,022,606	16,872,995	3,796,114	3,796,114	\$ -
2048	16,872,995	1,022,606	15,850,390	3,632,967	3,632,967	\$ -
2049	15,850,390	1,022,606	14,827,784	3,469,819	3,469,819	\$ -
2050	14,827,784	1,022,606	13,805,178	3,306,672	3,306,672	\$ -
2051	13,805,178	1,022,606	12,782,572	3,143,524	3,143,524	\$ -
2052	12,782,572	1,022,606	11,759,966	2,980,377	2,980,377	\$ -
2053	11,759,966	1,022,606	10,737,361	2,817,229	2,817,229	\$ -
2054	10,737,361	1,022,606	9,714,755	2,654,081	2,654,081	\$ -
2055	9,714,755	1,022,606	8,692,149	2,490,934	2,490,934	\$ -
2056	8,692,149	1,022,606	7,669,543	2,327,786	2,327,786	\$ -
2057	7,669,543	1,022,606	6,646,938	2,164,639	2,164,639	\$ -
2058	6,646,938	1,022,606	5,624,332	2,001,491	2,001,491	\$ -
2059	5,624,332	1,022,606	4,601,726	1,838,344	1,838,344	\$ -
2060	4,601,726	1,022,606	3,579,120	1,675,196	1,675,196	\$ -
2061	3,579,120	1,022,606	2,556,514	1,512,048	1,512,048	\$ -
2062	2,556,514	1,022,606	1,533,909	1,348,901	1,348,901	\$ -
2063	1,533,909	1,022,606	511,303	1,185,753	1,185,753	\$ -
2064	511,303	511,303	-	552,090	552,090	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals		50,107,683		249,963,454	249,963,454	

★★ 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 **		
\$ 6,416,043		\$ 6,416,043		

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	9,073,387
Current Projected Year ARR w/ Incentive	9,073,387
Current Projected Year Incentive ARR	-

Details						
Investment	52,397,052	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				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				1,069,328
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	52,397,052	623,774	51,773,278	8,933,495	8,933,495	\$ -
2016	51,773,278	1,069,328	50,703,950	9,243,988	9,243,988	\$ -
2017	50,703,950	1,069,328	49,634,622	9,073,387	9,073,387	\$ -
2018	49,634,622	1,069,328	48,565,295	8,902,785	8,902,785	\$ -
2019	48,565,295	1,069,328	47,495,967	8,732,183	8,732,183	\$ -
2020	47,495,967	1,069,328	46,426,640	8,561,582	8,561,582	\$ -
2021	46,426,640	1,069,328	45,357,312	8,390,980	8,390,980	\$ -
2022	45,357,312	1,069,328	44,287,984	8,220,379	8,220,379	\$ -
2023	44,287,984	1,069,328	43,218,657	8,049,777	8,049,777	\$ -
2024	43,218,657	1,069,328	42,149,329	7,879,175	7,879,175	\$ -
2025	42,149,329	1,069,328	41,080,002	7,708,574	7,708,574	\$ -
2026	41,080,002	1,069,328	40,010,674	7,537,972	7,537,972	\$ -
2027	40,010,674	1,069,328	38,941,346	7,367,371	7,367,371	\$ -
2028	38,941,346	1,069,328	37,872,019	7,196,769	7,196,769	\$ -
2029	37,872,019	1,069,328	36,802,691	7,026,167	7,026,167	\$ -
2030	36,802,691	1,069,328	35,733,364	6,855,566	6,855,566	\$ -
2031	35,733,364	1,069,328	34,664,036	6,684,964	6,684,964	\$ -
2032	34,664,036	1,069,328	33,594,709	6,514,362	6,514,362	\$ -
2033	33,594,709	1,069,328	32,525,381	6,343,761	6,343,761	\$ -
2034	32,525,381	1,069,328	31,456,053	6,173,159	6,173,159	\$ -
2035	31,456,053	1,069,328	30,386,726	6,002,558	6,002,558	\$ -
2036	30,386,726	1,069,328	29,317,398	5,831,956	5,831,956	\$ -
2037	29,317,398	1,069,328	28,248,071	5,661,354	5,661,354	\$ -
2038	28,248,071	1,069,328	27,178,743	5,490,753	5,490,753	\$ -
2039	27,178,743	1,069,328	26,109,415	5,320,151	5,320,151	\$ -
2040	26,109,415	1,069,328	25,040,088	5,149,550	5,149,550	\$ -
2041	25,040,088	1,069,328	23,970,760	4,978,948	4,978,948	\$ -
2042	23,970,760	1,069,328	22,901,433	4,808,346	4,808,346	\$ -
2043	22,901,433	1,069,328	21,832,105	4,637,745	4,637,745	\$ -
2044	21,832,105	1,069,328	20,762,777	4,467,143	4,467,143	\$ -
2045	20,762,777	1,069,328	19,693,450	4,296,541	4,296,541	\$ -
2046	19,693,450	1,069,328	18,624,122	4,125,940	4,125,940	\$ -
2047	18,624,122	1,069,328	17,554,795	3,955,338	3,955,338	\$ -
2048	17,554,795	1,069,328	16,485,467	3,784,737	3,784,737	\$ -
2049	16,485,467	1,069,328	15,416,139	3,614,135	3,614,135	\$ -
2050	15,416,139	1,069,328	14,346,812	3,443,533	3,443,533	\$ -
2051	14,346,812	1,069,328	13,277,484	3,272,932	3,272,932	\$ -
2052	13,277,484	1,069,328	12,208,157	3,102,330	3,102,330	\$ -
2053	12,208,157	1,069,328	11,138,829	2,931,729	2,931,729	\$ -
2054	11,138,829	1,069,328	10,069,501	2,761,127	2,761,127	\$ -
2055	10,069,501	1,069,328	9,000,174	2,590,525	2,590,525	\$ -
2056	9,000,174	1,069,328	7,930,846	2,419,924	2,419,924	\$ -
2057	7,930,846	1,069,328	6,861,519	2,249,322	2,249,322	\$ -
2058	6,861,519	1,069,328	5,792,191	2,078,720	2,078,720	\$ -
2059	5,792,191	1,069,328	4,722,864	1,908,119	1,908,119	\$ -
2060	4,722,864	1,069,328	3,653,536	1,737,517	1,737,517	\$ -
2061	3,653,536	1,069,328	2,584,208	1,566,916	1,566,916	\$ -
2062	2,584,208	1,069,328	1,514,881	1,396,314	1,396,314	\$ -
2063	1,514,881	1,069,328	445,553	1,225,712	1,225,712	\$ -
2064	445,553	445,553	-	481,095	481,095	\$ -
2065	-	-	-	-	-	\$ -
2066	-	-	-	-	-	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
Project Totals		52,397,052		260,687,406	260,687,406	

★★ 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 **		
\$ 7,243,003		\$ 7,243,003		

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

Current Projected Year ARR	525,167
Current Projected Year ARR w/ Incentive	525,167
Current Projected Year Incentive ARR	-

Details						
Investment	3,291,736	Current Year				2017
Service Year (yyyy)	2017	ROE increase accepted by FERC (Basis Points)				-
Service Month (1-12)	12	FCR w/o incentives, less depreciation				15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.				15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense				67,178
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #
2017	3,291,736	-	3,291,736	525,167	525,167	\$ -
2018	3,291,736	67,178	3,224,558	586,986	586,986	\$ -
2019	3,224,558	67,178	3,157,379	576,269	576,269	\$ -
2020	3,157,379	67,178	3,090,201	565,551	565,551	\$ -
2021	3,090,201	67,178	3,023,023	554,833	554,833	\$ -
2022	3,023,023	67,178	2,955,845	544,116	544,116	\$ -
2023	2,955,845	67,178	2,888,666	533,398	533,398	\$ -
2024	2,888,666	67,178	2,821,488	522,680	522,680	\$ -
2025	2,821,488	67,178	2,754,310	511,963	511,963	\$ -
2026	2,754,310	67,178	2,687,131	501,245	501,245	\$ -
2027	2,687,131	67,178	2,619,953	490,527	490,527	\$ -
2028	2,619,953	67,178	2,552,775	479,809	479,809	\$ -
2029	2,552,775	67,178	2,485,597	469,092	469,092	\$ -
2030	2,485,597	67,178	2,418,418	458,374	458,374	\$ -
2031	2,418,418	67,178	2,351,240	447,656	447,656	\$ -
2032	2,351,240	67,178	2,284,062	436,939	436,939	\$ -
2033	2,284,062	67,178	2,216,883	426,221	426,221	\$ -
2034	2,216,883	67,178	2,149,705	415,503	415,503	\$ -
2035	2,149,705	67,178	2,082,527	404,786	404,786	\$ -
2036	2,082,527	67,178	2,015,349	394,068	394,068	\$ -
2037	2,015,349	67,178	1,948,170	383,350	383,350	\$ -
2038	1,948,170	67,178	1,880,992	372,633	372,633	\$ -
2039	1,880,992	67,178	1,813,814	361,915	361,915	\$ -
2040	1,813,814	67,178	1,746,635	351,197	351,197	\$ -
2041	1,746,635	67,178	1,679,457	340,479	340,479	\$ -
2042	1,679,457	67,178	1,612,279	329,762	329,762	\$ -
2043	1,612,279	67,178	1,545,101	319,044	319,044	\$ -
2044	1,545,101	67,178	1,477,922	308,326	308,326	\$ -
2045	1,477,922	67,178	1,410,744	297,609	297,609	\$ -
2046	1,410,744	67,178	1,343,566	286,891	286,891	\$ -
2047	1,343,566	67,178	1,276,387	276,173	276,173	\$ -
2048	1,276,387	67,178	1,209,209	265,456	265,456	\$ -
2049	1,209,209	67,178	1,142,031	254,738	254,738	\$ -
2050	1,142,031	67,178	1,074,853	244,020	244,020	\$ -
2051	1,074,853	67,178	1,007,674	233,303	233,303	\$ -
2052	1,007,674	67,178	940,496	222,585	222,585	\$ -
2053	940,496	67,178	873,318	211,867	211,867	\$ -
2054	873,318	67,178	806,139	201,149	201,149	\$ -
2055	806,139	67,178	738,961	190,432	190,432	\$ -
2056	738,961	67,178	671,783	179,714	179,714	\$ -
2057	671,783	67,178	604,605	168,996	168,996	\$ -
2058	604,605	67,178	537,426	158,279	158,279	\$ -
2059	537,426	67,178	470,248	147,561	147,561	\$ -
2060	470,248	67,178	403,070	136,843	136,843	\$ -
2061	403,070	67,178	335,891	126,126	126,126	\$ -
2062	335,891	67,178	268,713	115,408	115,408	\$ -
2063	268,713	67,178	201,535	104,690	104,690	\$ -
2064	201,535	67,178	134,357	93,973	93,973	\$ -
2065	134,357	67,178	67,178	83,255	83,255	\$ -
2066	67,178	67,178	-	72,537	72,537	\$ -
2067	-	-	-	-	-	\$ -
2068	-	-	-	-	-	\$ -
2069	-	-	-	-	-	\$ -
2070	-	-	-	-	-	\$ -
2071	-	-	-	-	-	\$ -
2072	-	-	-	-	-	\$ -
2073	-	-	-	-	-	\$ -
2074	-	-	-	-	-	\$ -
2075	-	-	-	-	-	\$ -
2076	-	-	-	-	-	\$ -
Project Totals		3,291,736		16,683,492	16,683,492	

*** 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 **		

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 Adder Cannot Exceed 100 Basis Points
ROE with additional 0 basis point incentive		11.49%	<== ROE Including Incentives Cannot Exceed 12.5% Until July 1, 2012
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	49.86%	3.64%	1.814%
Preferred Stock	0.00%	0.00%	0.000%
Common Stock	50.14%	11.49%	5.761%
		R =	7.575%

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

Rate Base (TCOS, ln 79)	1,574,775,300
R (from A. above)	7.575%
Return (Rate Base x R)	119,290,088

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

Return (from B. above)	119,290,088
Effective Tax Rate (TCOS, ln 125)	40.95%
Income Tax Calculation (Return x CIT)	48,850,588
ITC Adjustment	-
Excess Deferred Income Tax	-
Tax Affect of Permanent Differences	775,323
Income Taxes	49,625,911

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)	342,043,393
Lease Payments (TCOS, ln 104)	-
Return (TCOS, ln 137)	119,290,088
Income Taxes (TCOS, ln 136)	49,625,911
	173,127,394

Annual Revenue Requirement, Less Lease Payments, Return and Taxes

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

Annual Revenue Requirement, Less Lease Payments, Return and Taxes	173,127,394
Return (from I.B. above)	119,290,088
Income Taxes (from I.C. above)	49,625,911
Annual Revenue Requirement, with 0 Basis Point ROE increase	342,043,393
Depreciation (TCOS, ln 109)	40,505,485
	301,537,908

Annual Rev. Req. w/ 0 Basis Point ROE increase, less Depreciation

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

Net Transmission Plant (TCOS, ln 49)	1,890,033,731
Annual Revenue Requirement, with 0 Basis Point ROE increase	342,043,393
FCR with 0 Basis Point increase in ROE	18.10%

Annual Rev. Req. w/ 0 Basis Point ROE increase, less Dep.	301,537,908
FCR with 0 Basis Point ROE increase, less Depreciation	15.95%
FCR less Depreciation (TCOS, ln 10)	15.95%
	0.00%

Incremental FCR with 0 Basis Point ROE increase, less Depreciation

III. Calculation of Composite Depreciation Rate

Transmission Plant @ Beginning of Rate Year (2017) (P.206, ln 58,(b)):	1,797,599,878
Transmission Plant @ End of Rate Year (2017) (P.207, ln 58,(g)):	2,139,132,864
Subtotal	3,936,732,742
Average Transmission Plant Balance for	1,968,366,371
Annual Depreciation Rate (TCOS, ln 109)	40,505,485
Composite Depreciation Rate	2.06%
Depreciable Life for Composite Depreciation Rate	48.60
Average Life in Whole Years	49

Note 1: Until AEP OHIO 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 OHIO TRANSMISSION COMPANY is shown on Worksheet P.

A. Base Plan Facilities

Project Description: RTEP ID: b0570 (LIMA-STERLING 138 KV LINE: REB)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,546,929	1,546,929	-
True-Up Adjustment	1,546,929	1,546,929	-

[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: b1231 (WAPAKONETA-WEST MOULTON 138/69KV Transformer)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	574,230	574,230	-
True-Up Adjustment	574,230	574,230	-

[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.

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A. Base Plan Facilities

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

Project Description: RTEP ID: b1034.1 (South Canton - West Canton 138kV line and Wagenhals – Wayview 138kV

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,431,600	1,431,600	-
True-Up Adjustment	1,431,600	1,431,600	-

[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

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

Project Description: RTEP ID: b1034.8 (138kV Circuit Breakers at the West Canton, South Canton, Canton Central, and Wagenhals stations)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	739,661	739,661	-
True-Up Adjustment	739,661	739,661	-

Details									
Investment	4,305,129	Current Year						2016	
Service Year (yyyy)	2013	ROE increase accepted by FERC (Basis Points)						-	
Service Month (1-12)	12	FCR w/o incentives, less depreciation						15.95%	
Useful life	49	FCR w/incentives approved for these facilities, less dep.						15.95%	
CIAC (Yes or No)	No	Annual Depreciation Expense						87,860	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##		
2013	4,305,129	-	4,305,129	4,305,129	686,845	686,845	\$ -		
2014	4,305,129	87,860	4,217,269	4,261,199	767,696	767,696	\$ -		
2015	4,217,269	87,860	4,129,409	4,173,339	753,679	753,679	\$ -		
2016	4,129,409	87,860	4,041,550	4,085,480	739,661	739,661	\$ -		
2017	4,041,550	87,860	3,953,690	3,997,620	725,644	725,644	\$ -		
2018	3,953,690	87,860	3,865,830	3,909,760	711,627	711,627	\$ -		
2019	3,865,830	87,860	3,777,970	3,821,900	697,610	697,610	\$ -		
2020	3,777,970	87,860	3,690,111	3,734,040	683,592	683,592	\$ -		
2021	3,690,111	87,860	3,602,251	3,646,181	669,575	669,575	\$ -		
2022	3,602,251	87,860	3,514,391	3,558,321	655,558	655,558	\$ -		
2023	3,514,391	87,860	3,426,531	3,470,461	641,541	641,541	\$ -		
2024	3,426,531	87,860	3,338,671	3,382,601	627,523	627,523	\$ -		
2025	3,338,671	87,860	3,250,812	3,294,742	613,506	613,506	\$ -		
2026	3,250,812	87,860	3,162,952	3,206,882	599,489	599,489	\$ -		
2027	3,162,952	87,860	3,075,092	3,119,022	585,472	585,472	\$ -		
2028	3,075,092	87,860	2,987,232	3,031,162	571,454	571,454	\$ -		
2029	2,987,232	87,860	2,899,373	2,943,302	557,437	557,437	\$ -		
2030	2,899,373	87,860	2,811,513	2,855,443	543,420	543,420	\$ -		
2031	2,811,513	87,860	2,723,653	2,767,583	529,403	529,403	\$ -		
2032	2,723,653	87,860	2,635,793	2,679,723	515,386	515,386	\$ -		
2033	2,635,793	87,860	2,547,933	2,591,863	501,368	501,368	\$ -		
2034	2,547,933	87,860	2,460,074	2,504,004	487,351	487,351	\$ -		
2035	2,460,074	87,860	2,372,214	2,416,144	473,334	473,334	\$ -		
2036	2,372,214	87,860	2,284,354	2,328,284	459,317	459,317	\$ -		
2037	2,284,354	87,860	2,196,494	2,240,424	445,299	445,299	\$ -		
2038	2,196,494	87,860	2,108,635	2,152,565	431,282	431,282	\$ -		
2039	2,108,635	87,860	2,020,775	2,064,705	417,265	417,265	\$ -		
2040	2,020,775	87,860	1,932,915	1,976,845	403,248	403,248	\$ -		
2041	1,932,915	87,860	1,845,055	1,888,985	389,230	389,230	\$ -		
2042	1,845,055	87,860	1,757,196	1,801,125	375,213	375,213	\$ -		
2043	1,757,196	87,860	1,669,336	1,713,266	361,196	361,196	\$ -		
2044	1,669,336	87,860	1,581,476	1,625,406	347,179	347,179	\$ -		
2045	1,581,476	87,860	1,493,616	1,537,546	333,161	333,161	\$ -		
2046	1,493,616	87,860	1,405,756	1,449,686	319,144	319,144	\$ -		
2047	1,405,756	87,860	1,317,897	1,361,827	305,127	305,127	\$ -		
2048	1,317,897	87,860	1,230,037	1,273,967	291,110	291,110	\$ -		
2049	1,230,037	87,860	1,142,177	1,186,107	277,092	277,092	\$ -		
2050	1,142,177	87,860	1,054,317	1,098,247	263,075	263,075	\$ -		
2051	1,054,317	87,860	966,458	1,010,387	249,058	249,058	\$ -		
2052	966,458	87,860	878,598	922,528	235,041	235,041	\$ -		
2053	878,598	87,860	790,738	834,668	221,024	221,024	\$ -		
2054	790,738	87,860	702,878	746,808	207,006	207,006	\$ -		
2055	702,878	87,860	615,018	658,948	192,989	192,989	\$ -		
2056	615,018	87,860	527,159	571,089	178,972	178,972	\$ -		
2057	527,159	87,860	439,299	483,229	164,955	164,955	\$ -		
2058	439,299	87,860	351,439	395,369	150,937	150,937	\$ -		
2059	351,439	87,860	263,579	307,509	136,920	136,920	\$ -		
2060	263,579	87,860	175,720	219,649	122,903	122,903	\$ -		
2061	175,720	87,860	87,860	131,790	108,886	108,886	\$ -		
2062	87,860	87,860	0	43,930	94,868	94,868	\$ -		
2063	0	0	-	0	0	0	\$ -		
2064	-	-	-	-	-	-	\$ -		
2065	-	-	-	-	-	-	\$ -		
2066	-	-	-	-	-	-	\$ -		
2067	-	-	-	-	-	-	\$ -		
2068	-	-	-	-	-	-	\$ -		
2069	-	-	-	-	-	-	\$ -		
2070	-	-	-	-	-	-	\$ -		
2071	-	-	-	-	-	-	\$ -		
2072	-	-	-	-	-	-	\$ -		
Project Totals		4,305,129			21,819,668	21,819,668			

[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.

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A. Base Plan Facilities

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

Project Description: RTEP ID: b1864.2 (West Bellaire-Brues 138 kV Circuit)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	184,354	184,354	-
True-Up Adjustment	184,354	184,354	-

Details									
Investment		1,076,416	Current Year					2016	
Service Year (yyyy)		2013	ROE increase accepted by FERC (Basis Points)					-	
Service Month (1-12)		10	FCR w/o incentives, less depreciation					15.95%	
Useful life		49	FCR w/incentives approved for these facilities, less dep.					15.95%	
CIAC (Yes or No)		No	Annual Depreciation Expense					21,968	
Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##		
2013	1,076,416	3,661	1,072,755	1,074,585	175,102	175,102	\$	-	
2014	1,072,755	21,968	1,050,787	1,061,771	191,364	191,364	\$	-	
2015	1,050,787	21,968	1,028,819	1,039,803	187,859	187,859	\$	-	
2016	1,028,819	21,968	1,006,852	1,017,836	184,354	184,354	\$	-	
2017	1,006,852	21,968	984,884	995,868	180,849	180,849	\$	-	
2018	984,884	21,968	962,916	973,900	177,345	177,345	\$	-	
2019	962,916	21,968	940,949	951,933	173,840	173,840	\$	-	
2020	940,949	21,968	918,981	929,965	170,335	170,335	\$	-	
2021	918,981	21,968	897,013	907,997	166,830	166,830	\$	-	
2022	897,013	21,968	875,046	886,029	163,326	163,326	\$	-	
2023	875,046	21,968	853,078	864,062	159,821	159,821	\$	-	
2024	853,078	21,968	831,110	842,094	156,316	156,316	\$	-	
2025	831,110	21,968	809,143	820,126	152,811	152,811	\$	-	
2026	809,143	21,968	787,175	798,159	149,307	149,307	\$	-	
2027	787,175	21,968	765,207	776,191	145,802	145,802	\$	-	
2028	765,207	21,968	743,240	754,223	142,297	142,297	\$	-	
2029	743,240	21,968	721,272	732,256	138,793	138,793	\$	-	
2030	721,272	21,968	699,304	710,288	135,288	135,288	\$	-	
2031	699,304	21,968	677,337	688,320	131,783	131,783	\$	-	
2032	677,337	21,968	655,369	666,353	128,278	128,278	\$	-	
2033	655,369	21,968	633,401	644,385	124,774	124,774	\$	-	
2034	633,401	21,968	611,434	622,417	121,269	121,269	\$	-	
2035	611,434	21,968	589,466	600,450	117,764	117,764	\$	-	
2036	589,466	21,968	567,498	578,482	114,259	114,259	\$	-	
2037	567,498	21,968	545,531	556,514	110,755	110,755	\$	-	
2038	545,531	21,968	523,563	534,547	107,250	107,250	\$	-	
2039	523,563	21,968	501,595	512,579	103,745	103,745	\$	-	
2040	501,595	21,968	479,628	490,611	100,240	100,240	\$	-	
2041	479,628	21,968	457,660	468,644	96,736	96,736	\$	-	
2042	457,660	21,968	435,692	446,676	93,231	93,231	\$	-	
2043	435,692	21,968	413,725	424,708	89,726	89,726	\$	-	
2044	413,725	21,968	391,757	402,741	86,221	86,221	\$	-	
2045	391,757	21,968	369,789	380,773	82,717	82,717	\$	-	
2046	369,789	21,968	347,821	358,805	79,212	79,212	\$	-	
2047	347,821	21,968	325,854	336,838	75,707	75,707	\$	-	
2048	325,854	21,968	303,886	314,870	72,202	72,202	\$	-	
2049	303,886	21,968	281,918	292,902	68,698	68,698	\$	-	
2050	281,918	21,968	259,951	270,935	65,193	65,193	\$	-	
2051	259,951	21,968	237,983	248,967	61,688	61,688	\$	-	
2052	237,983	21,968	216,015	226,999	58,183	58,183	\$	-	
2053	216,015	21,968	194,048	205,032	54,679	54,679	\$	-	
2054	194,048	21,968	172,080	183,064	51,174	51,174	\$	-	
2055	172,080	21,968	150,112	161,096	47,669	47,669	\$	-	
2056	150,112	21,968	128,145	139,129	44,164	44,164	\$	-	
2057	128,145	21,968	106,177	117,161	40,660	40,660	\$	-	
2058	106,177	21,968	84,209	95,193	37,155	37,155	\$	-	
2059	84,209	21,968	62,242	73,226	33,650	33,650	\$	-	
2060	62,242	21,968	40,274	51,258	30,145	30,145	\$	-	
2061	40,274	21,968	18,306	29,290	26,641	26,641	\$	-	
2062	18,306	18,306	-	9,153	19,767	19,767	\$	-	
2063	-	-	-	-	-	-	\$	-	
2064	-	-	-	-	-	-	\$	-	
2065	-	-	-	-	-	-	\$	-	
2066	-	-	-	-	-	-	\$	-	
2067	-	-	-	-	-	-	\$	-	
2068	-	-	-	-	-	-	\$	-	
2069	-	-	-	-	-	-	\$	-	
2070	-	-	-	-	-	-	\$	-	
2071	-	-	-	-	-	-	\$	-	
2072	-	-	-	-	-	-	\$	-	
Project Totals			1,076,416			5,426,973	5,426,973		

[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.

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A. Base Plan Facilities

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,176,835	1,176,835	-
True-Up Adjustment	1,176,835	1,176,835	-

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

[illegible]

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1032.2 (Construct two 138kV outlets to Delano 138kV station and to Camp Sherman station)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,293,625	1,293,625	-
True-Up Adjustment	1,293,625	1,293,625	-

Details		
Investment	7,321,302	Current Year
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	6	FCR w/o incentives, less depreciation
Useful life	49	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement #	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2015	7,321,302	74,707	7,246,595	7,283,948	1,236,796	1,236,796	\$ -	\$ 962,431	\$ 274,365	\$ 962,431	\$ 274,365	\$ -
2016	7,246,595	149,414	7,097,181	7,171,888	1,293,625	1,293,625	\$ -					\$ -
2017	7,097,181	149,414	6,947,766	7,022,473	1,269,787	1,269,787	\$ -					\$ -
2018	6,947,766	149,414	6,798,352	6,873,059	1,245,949	1,245,949	\$ -					\$ -
2019	6,798,352	149,414	6,648,938	6,723,645	1,222,111	1,222,111	\$ -					\$ -
2020	6,648,938	149,414	6,499,523	6,574,230	1,198,274	1,198,274	\$ -					\$ -
2021	6,499,523	149,414	6,350,109	6,424,816	1,174,436	1,174,436	\$ -					\$ -
2022	6,350,109	149,414	6,200,695	6,275,402	1,150,598	1,150,598	\$ -					\$ -
2023	6,200,695	149,414	6,051,280	6,125,987	1,126,761	1,126,761	\$ -					\$ -
2024	6,051,280	149,414	5,901,866	5,976,573	1,102,923	1,102,923	\$ -					\$ -
2025	5,901,866	149,414	5,752,452	5,827,159	1,079,085	1,079,085	\$ -					\$ -
2026	5,752,452	149,414	5,603,037	5,677,744	1,055,247	1,055,247	\$ -					\$ -
2027	5,603,037	149,414	5,453,623	5,528,330	1,031,410	1,031,410	\$ -					\$ -
2028	5,453,623	149,414	5,304,209	5,378,916	1,007,572	1,007,572	\$ -					\$ -
2029	5,304,209	149,414	5,154,794	5,229,501	983,734	983,734	\$ -					\$ -
2030	5,154,794	149,414	5,005,380	5,080,087	959,897	959,897	\$ -					\$ -
2031	5,005,380	149,414	4,855,966	4,930,673	936,059	936,059	\$ -					\$ -
2032	4,855,966	149,414	4,706,551	4,781,258	912,221	912,221	\$ -					\$ -
2033	4,706,551	149,414	4,557,137	4,631,844	888,383	888,383	\$ -					\$ -
2034	4,557,137	149,414	4,407,723	4,482,430	864,546	864,546	\$ -					\$ -
2035	4,407,723	149,414	4,258,308	4,333,015	840,708	840,708	\$ -					\$ -
2036	4,258,308	149,414	4,108,894	4,183,601	816,870	816,870	\$ -					\$ -
2037	4,108,894	149,414	3,959,480	4,034,187	793,033	793,033	\$ -					\$ -
2038	3,959,480	149,414	3,810,065	3,884,772	769,195	769,195	\$ -					\$ -
2039	3,810,065	149,414	3,660,651	3,735,358	745,357	745,357	\$ -					\$ -
2040	3,660,651	149,414	3,511,237	3,585,944	721,519	721,519	\$ -					\$ -
2041	3,511,237	149,414	3,361,822	3,436,530	697,682	697,682	\$ -					\$ -
2042	3,361,822	149,414	3,212,408	3,287,115	673,844	673,844	\$ -					\$ -
2043	3,212,408	149,414	3,062,994	3,137,701	650,006	650,006	\$ -					\$ -
2044	3,062,994	149,414	2,913,579	2,988,287	626,169	626,169	\$ -					\$ -
2045	2,913,579	149,414	2,764,165	2,838,872	602,331	602,331	\$ -					\$ -
2046	2,764,165	149,414	2,614,751	2,689,458	578,493	578,493	\$ -					\$ -
2047	2,614,751	149,414	2,465,336	2,540,044	554,655	554,655	\$ -					\$ -
2048	2,465,336	149,414	2,315,922	2,390,629	530,818	530,818	\$ -					\$ -
2049	2,315,922	149,414	2,166,508	2,241,215	506,980	506,980	\$ -					\$ -
2050	2,166,508	149,414	2,017,093	2,091,801	483,142	483,142	\$ -					\$ -
2051	2,017,093	149,414	1,867,679	1,942,386	459,305	459,305	\$ -					\$ -
2052	1,867,679	149,414	1,718,265	1,792,972	435,467	435,467	\$ -					\$ -
2053	1,718,265	149,414	1,568,850	1,643,558	411,629	411,629	\$ -					\$ -
2054	1,568,850	149,414	1,419,436	1,494,143	387,791	387,791	\$ -					\$ -
2055	1,419,436	149,414	1,270,022	1,344,729	363,954	363,954	\$ -					\$ -
2056	1,270,022	149,414	1,120,607	1,195,315	340,116	340,116	\$ -					\$ -
2057	1,120,607	149,414	971,193	1,045,900	316,278	316,278	\$ -					\$ -
2058	971,193	149,414	821,779	896,486	292,441	292,441	\$ -					\$ -
2059	821,779	149,414	672,364	747,072	268,603	268,603	\$ -					\$ -
2060	672,364	149,414	522,950	597,657	244,765	244,765	\$ -					\$ -
2061	522,950	149,414	373,536	448,243	220,927	220,927	\$ -					\$ -
2062	373,536	149,414	224,121	298,829	197,090	197,090	\$ -					\$ -
2063	224,121	149,414	74,707	149,414	173,252	173,252	\$ -					\$ -
2064	74,707	74,707	-	37,354	80,667	80,667	\$ -					\$ -
2065	-	-	-	-	-	-	\$ -					\$ -
2066	-	-	-	-	-	-	\$ -					\$ -
2067	-	-	-	-	-	-	\$ -					\$ -
2068	-	-	-	-	-	-	\$ -					\$ -
2069	-	-	-	-	-	-	\$ -					\$ -
2070	-	-	-	-	-	-	\$ -					\$ -
2071	-	-	-	-	-	-	\$ -					\$ -
2072	-	-	-	-	-	-	\$ -					\$ -
2073	-	-	-	-	-	-	\$ -					\$ -
2074	-	-	-	-	-	-	\$ -					\$ -
Project Totals		7,321,302			36,522,502	36,522,502	-					

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

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

A. Base Plan Facilities

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

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,042,783	1,042,783	-
True-Up Adjustment	1,042,783	1,042,783	-

Details							
Investment	5,975,057	Current Year					2016
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)					-
Service Month (1-12)	10	FCR w/o incentives, less depreciation					15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.					15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense					121,940
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	5,975,057	20,323	5,954,734	5,964,895	971,969	971,969	\$ -
2015	5,954,734	121,940	5,832,794	5,893,764	1,062,237	1,062,237	\$ -
2016	5,832,794	121,940	5,710,854	5,771,824	1,042,783	1,042,783	\$ -
2017	5,710,854	121,940	5,588,914	5,649,884	1,023,328	1,023,328	\$ -
2018	5,588,914	121,940	5,466,974	5,527,944	1,003,874	1,003,874	\$ -
2019	5,466,974	121,940	5,345,034	5,406,004	984,419	984,419	\$ -
2020	5,345,034	121,940	5,223,094	5,284,064	964,965	964,965	\$ -
2021	5,223,094	121,940	5,101,154	5,162,124	945,510	945,510	\$ -
2022	5,101,154	121,940	4,979,214	5,040,184	926,056	926,056	\$ -
2023	4,979,214	121,940	4,857,274	4,918,244	906,602	906,602	\$ -
2024	4,857,274	121,940	4,735,334	4,796,304	887,147	887,147	\$ -
2025	4,735,334	121,940	4,613,394	4,674,364	867,693	867,693	\$ -
2026	4,613,394	121,940	4,491,454	4,552,424	848,238	848,238	\$ -
2027	4,491,454	121,940	4,369,514	4,430,484	828,784	828,784	\$ -
2028	4,369,514	121,940	4,247,575	4,308,545	809,330	809,330	\$ -
2029	4,247,575	121,940	4,125,635	4,186,605	789,875	789,875	\$ -
2030	4,125,635	121,940	4,003,695	4,064,665	770,421	770,421	\$ -
2031	4,003,695	121,940	3,881,755	3,942,725	750,966	750,966	\$ -
2032	3,881,755	121,940	3,759,815	3,820,785	731,512	731,512	\$ -
2033	3,759,815	121,940	3,637,875	3,698,845	712,057	712,057	\$ -
2034	3,637,875	121,940	3,515,935	3,576,905	692,603	692,603	\$ -
2035	3,515,935	121,940	3,393,995	3,454,965	673,149	673,149	\$ -
2036	3,393,995	121,940	3,272,055	3,333,025	653,694	653,694	\$ -
2037	3,272,055	121,940	3,150,115	3,211,085	634,240	634,240	\$ -
2038	3,150,115	121,940	3,028,175	3,089,145	614,785	614,785	\$ -
2039	3,028,175	121,940	2,906,235	2,967,205	595,331	595,331	\$ -
2040	2,906,235	121,940	2,784,295	2,845,265	575,876	575,876	\$ -
2041	2,784,295	121,940	2,662,355	2,723,325	556,422	556,422	\$ -
2042	2,662,355	121,940	2,540,415	2,601,385	536,968	536,968	\$ -
2043	2,540,415	121,940	2,418,475	2,479,445	517,513	517,513	\$ -
2044	2,418,475	121,940	2,296,536	2,357,505	498,059	498,059	\$ -
2045	2,296,536	121,940	2,174,596	2,235,566	478,604	478,604	\$ -
2046	2,174,596	121,940	2,052,656	2,113,626	459,150	459,150	\$ -
2047	2,052,656	121,940	1,930,716	1,991,686	439,696	439,696	\$ -
2048	1,930,716	121,940	1,808,776	1,869,746	420,241	420,241	\$ -
2049	1,808,776	121,940	1,686,836	1,747,806	400,787	400,787	\$ -
2050	1,686,836	121,940	1,564,896	1,625,866	381,332	381,332	\$ -
2051	1,564,896	121,940	1,442,956	1,503,926	361,878	361,878	\$ -
2052	1,442,956	121,940	1,321,016	1,381,986	342,423	342,423	\$ -
2053	1,321,016	121,940	1,199,076	1,260,046	322,969	322,969	\$ -
2054	1,199,076	121,940	1,077,136	1,138,106	303,515	303,515	\$ -
2055	1,077,136	121,940	955,196	1,016,166	284,060	284,060	\$ -
2056	955,196	121,940	833,256	894,226	264,606	264,606	\$ -
2057	833,256	121,940	711,316	772,286	245,151	245,151	\$ -
2058	711,316	121,940	589,376	650,346	225,697	225,697	\$ -
2059	589,376	121,940	467,436	528,406	206,242	206,242	\$ -
2060	467,436	121,940	345,496	406,466	186,788	186,788	\$ -
2061	345,496	121,940	223,557	284,527	167,334	167,334	\$ -
2062	223,557	121,940	101,617	162,587	147,879	147,879	\$ -
2063	101,617	101,617	-	50,808	109,723	109,723	\$ -
2064	-	-	-	-	-	-	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
Project Totals		5,975,057			30,124,480	30,124,480	

[illegible]

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1034.3 (Install a 345/138kV 450 MVA transformer at Canton Central)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	2,358,414	2,358,414	-
True-Up Adjustment	2,358,414	2,358,414	-

[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.

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A. Base Plan Facilities

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

Project Description: RTEP ID: b1970 (Reconductor 13 miles of Kammer-West Bellaire 345 kV line)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	2,342,777	2,342,777	-
True-Up Adjustment	2,342,777	2,342,777	-

Details			
Investment	13,382,308	Current Year	2016
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	
Service Month (1-12)	12	FCR w/o incentives, less depreciation	15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.	15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense	273,108

[illegible]

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

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

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

A. Base Plan Facilities

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

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	2,354,987	2,354,987	-
True-Up Adjustment	2,354,987	2,354,987	-

Details	
Investment	13,706,981
Service Year (yyyy)	2013
Service Month (1-12)	12
Useful life	49
CIAC (Yes or No)	No
Current Year	2016
ROE increase accepted by FERC (Basis Points)	-
FCR w/o incentives, less depreciation	15.95%
FCR w/incentives approved for these facilities, less dep.	15.95%
Annual Depreciation Expense	279,734

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2013	13,706,981	-	13,706,981	13,706,981	2,186,826	2,186,826	\$ -	\$ 0	\$ 2,186,826	\$ 0	\$ 2,186,826	\$ -
2014	13,706,981	279,734	13,427,247	13,567,114	2,444,245	2,444,245	\$ -	\$ 294,473	\$ 2,149,772	\$ 294,473	\$ 2,149,772	\$ -
2015	13,427,247	279,734	13,147,512	13,287,380	2,399,616	2,399,616	\$ -	\$ 1,769,452	\$ 630,164	\$ 1,769,452	\$ 630,164	\$ -
2016	13,147,512	279,734	12,867,778	13,007,645	2,354,987	2,354,987	\$ -					\$ -
2017	12,867,778	279,734	12,588,044	12,727,911	2,310,358	2,310,358	\$ -					\$ -
2018	12,588,044	279,734	12,308,309	12,448,177	2,265,729	2,265,729	\$ -					\$ -
2019	12,308,309	279,734	12,028,575	12,168,442	2,221,100	2,221,100	\$ -					\$ -
2020	12,028,575	279,734	11,748,841	11,888,708	2,176,471	2,176,471	\$ -					\$ -
2021	11,748,841	279,734	11,469,107	11,608,974	2,131,842	2,131,842	\$ -					\$ -
2022	11,469,107	279,734	11,189,372	11,329,239	2,087,213	2,087,213	\$ -					\$ -
2023	11,189,372	279,734	10,909,638	11,049,505	2,042,584	2,042,584	\$ -					\$ -
2024	10,909,638	279,734	10,629,904	10,769,771	1,997,955	1,997,955	\$ -					\$ -
2025	10,629,904	279,734	10,350,169	10,490,036	1,953,325	1,953,325	\$ -					\$ -
2026	10,350,169	279,734	10,070,435	10,210,302	1,908,696	1,908,696	\$ -					\$ -
2027	10,070,435	279,734	9,790,701	9,930,568	1,864,067	1,864,067	\$ -					\$ -
2028	9,790,701	279,734	9,510,966	9,650,834	1,819,438	1,819,438	\$ -					\$ -
2029	9,510,966	279,734	9,231,232	9,371,099	1,774,809	1,774,809	\$ -					\$ -
2030	9,231,232	279,734	8,951,498	9,091,365	1,730,180	1,730,180	\$ -					\$ -
2031	8,951,498	279,734	8,671,763	8,811,631	1,685,551	1,685,551	\$ -					\$ -
2032	8,671,763	279,734	8,392,029	8,531,896	1,640,922	1,640,922	\$ -					\$ -
2033	8,392,029	279,734	8,112,295	8,252,162	1,596,293	1,596,293	\$ -					\$ -
2034	8,112,295	279,734	7,832,561	7,972,428	1,551,664	1,551,664	\$ -					\$ -
2035	7,832,561	279,734	7,552,826	7,692,693	1,507,034	1,507,034	\$ -					\$ -
2036	7,552,826	279,734	7,273,092	7,412,959	1,462,405	1,462,405	\$ -					\$ -
2037	7,273,092	279,734	6,993,358	7,133,225	1,417,776	1,417,776	\$ -					\$ -
2038	6,993,358	279,734	6,713,623	6,853,491	1,373,147	1,373,147	\$ -					\$ -
2039	6,713,623	279,734	6,433,889	6,573,756	1,328,518	1,328,518	\$ -					\$ -
2040	6,433,889	279,734	6,154,155	6,294,022	1,283,889	1,283,889	\$ -					\$ -
2041	6,154,155	279,734	5,874,420	6,014,288	1,239,260	1,239,260	\$ -					\$ -
2042	5,874,420	279,734	5,594,686	5,734,553	1,194,631	1,194,631	\$ -					\$ -
2043	5,594,686	279,734	5,314,952	5,454,819	1,150,002	1,150,002	\$ -					\$ -
2044	5,314,952	279,734	5,035,218	5,175,085	1,105,373	1,105,373	\$ -					\$ -
2045	5,035,218	279,734	4,755,483	4,895,350	1,060,743	1,060,743	\$ -					\$ -
2046	4,755,483	279,734	4,475,749	4,615,616	1,016,114	1,016,114	\$ -					\$ -
2047	4,475,749	279,734	4,196,015	4,335,882	971,485	971,485	\$ -					\$ -
2048	4,196,015	279,734	3,916,280	4,056,147	926,856	926,856	\$ -					\$ -
2049	3,916,280	279,734	3,636,546	3,776,413	882,227	882,227	\$ -					\$ -
2050	3,636,546	279,734	3,356,812	3,496,679	837,598	837,598	\$ -					\$ -
2051	3,356,812	279,734	3,077,077	3,216,945	792,969	792,969	\$ -					\$ -
2052	3,077,077	279,734	2,797,343	2,937,210	748,340	748,340	\$ -					\$ -
2053	2,797,343	279,734	2,517,609	2,657,476	703,711	703,711	\$ -					\$ -
2054	2,517,609	279,734	2,237,874	2,377,742	659,082	659,082	\$ -					\$ -
2055	2,237,874	279,734	1,958,140	2,098,007	614,453	614,453	\$ -					\$ -
2056	1,958,140	279,734	1,678,406	1,818,273	569,823	569,823	\$ -					\$ -
2057	1,678,406	279,734	1,398,672	1,538,539	525,194	525,194	\$ -					\$ -
2058	1,398,672	279,734	1,118,937	1,258,804	480,565	480,565	\$ -					\$ -
2059	1,118,937	279,734	839,203	979,070	435,936	435,936	\$ -					\$ -
2060	839,203	279,734	559,469	699,336	391,307	391,307	\$ -					\$ -
2061	559,469	279,734	279,734	419,601	346,678	346,678	\$ -					\$ -
2062	279,734	279,734	0	139,867	302,049	302,049	\$ -					\$ -
2063	0	0	-	0	0	0	\$ -					\$ -
2064	-	-	-	-	-	-	\$ -					\$ -
2065	-	-	-	-	-	-	\$ -					\$ -
2066	-	-	-	-	-	-	\$ -					\$ -
2067	-	-	-	-	-	-	\$ -					\$ -
2068	-	-	-	-	-	-	\$ -					\$ -
2069	-	-	-	-	-	-	\$ -					\$ -
2070	-	-	-	-	-	-	\$ -					\$ -
2071	-	-	-	-	-	-	\$ -					\$ -
2072	-	-	-	-	-	-	\$ -					\$ -
Project Totals		13,706,981			69,471,037	69,471,037	-					

** 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.

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A. Base Plan Facilities

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

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	3,686,455	3,686,455	-
True-Up Adjustment	3,686,455	3,686,455	-

Details			
Investment	21,057,605	Current Year	2016
Service Year (yyyy)	2014	ROE increase accepted by FERC (Basis Points)	
Service Month (1-12)	12	FCR w/o incentives, less depreciation	15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.	15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense	429,747

[illegible]

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

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

A. Base Plan Facilities

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

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	658,978	658,978	-
True-Up Adjustment	658,978	658,978	-

Details			
Investment	3,781,771	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	15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.	15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense	77,179

[illegible]

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

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

A. Base Plan Facilities

Facilities receiving incentives accepted by FERC in Docket No.

(e.g. ER05-925-000)

Project Description:

RTEP ID: b1032.1 (Construct a new 345/138kV station on the Marquis-Bixby 345kV line near the intersection with Ross - Highland 69kV)

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

[illegible]

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

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1032.4 (Install 138/69kV transformer at new station and connect in the Ross - Highland 69kV line)

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,060,937	1,060,937	-
True-Up Adjustment	1,060,937	1,060,937	-

Details		
Investment	6,004,400	Current Year
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	6	FCR w/o incentives, less depreciation
Useful life	49	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2015	6,004,400	61,269	5,943,131	5,973,765	1,014,330	1,014,330	\$ -	\$ 643,594	\$ 370,736	\$ 643,594	\$ 370,736	\$ -
2016	5,943,131	122,539	5,820,592	5,881,861	1,060,937	1,060,937	\$ -					\$ -
2017	5,820,592	122,539	5,698,053	5,759,322	1,041,387	1,041,387	\$ -					\$ -
2018	5,698,053	122,539	5,575,514	5,636,784	1,021,837	1,021,837	\$ -					\$ -
2019	5,575,514	122,539	5,452,976	5,514,245	1,002,287	1,002,287	\$ -					\$ -
2020	5,452,976	122,539	5,330,437	5,391,706	982,737	982,737	\$ -					\$ -
2021	5,330,437	122,539	5,207,898	5,269,167	963,187	963,187	\$ -					\$ -
2022	5,207,898	122,539	5,085,359	5,146,629	943,637	943,637	\$ -					\$ -
2023	5,085,359	122,539	4,962,820	5,024,090	924,087	924,087	\$ -					\$ -
2024	4,962,820	122,539	4,840,282	4,901,551	904,537	904,537	\$ -					\$ -
2025	4,840,282	122,539	4,717,743	4,779,012	884,987	884,987	\$ -					\$ -
2026	4,717,743	122,539	4,595,204	4,656,473	865,437	865,437	\$ -					\$ -
2027	4,595,204	122,539	4,472,665	4,533,935	845,887	845,887	\$ -					\$ -
2028	4,472,665	122,539	4,350,127	4,411,396	826,337	826,337	\$ -					\$ -
2029	4,350,127	122,539	4,227,588	4,288,857	806,787	806,787	\$ -					\$ -
2030	4,227,588	122,539	4,105,049	4,166,318	787,237	787,237	\$ -					\$ -
2031	4,105,049	122,539	3,982,510	4,043,780	767,687	767,687	\$ -					\$ -
2032	3,982,510	122,539	3,859,971	3,921,241	748,138	748,138	\$ -					\$ -
2033	3,859,971	122,539	3,737,433	3,798,702	728,588	728,588	\$ -					\$ -
2034	3,737,433	122,539	3,614,894	3,676,163	709,038	709,038	\$ -					\$ -
2035	3,614,894	122,539	3,492,355	3,553,624	689,488	689,488	\$ -					\$ -
2036	3,492,355	122,539	3,369,816	3,431,086	669,938	669,938	\$ -					\$ -
2037	3,369,816	122,539	3,247,278	3,308,547	650,388	650,388	\$ -					\$ -
2038	3,247,278	122,539	3,124,739	3,186,008	630,838	630,838	\$ -					\$ -
2039	3,124,739	122,539	3,002,200	3,063,469	611,288	611,288	\$ -					\$ -
2040	3,002,200	122,539	2,879,661	2,940,931	591,738	591,738	\$ -					\$ -
2041	2,879,661	122,539	2,757,122	2,818,392	572,188	572,188	\$ -					\$ -
2042	2,757,122	122,539	2,634,584	2,695,853	552,638	552,638	\$ -					\$ -
2043	2,634,584	122,539	2,512,045	2,573,314	533,088	533,088	\$ -					\$ -
2044	2,512,045	122,539	2,389,506	2,450,776	513,538	513,538	\$ -					\$ -
2045	2,389,506	122,539	2,266,967	2,328,237	493,988	493,988	\$ -					\$ -
2046	2,266,967	122,539	2,144,429	2,205,698	474,438	474,438	\$ -					\$ -
2047	2,144,429	122,539	2,021,890	2,083,159	454,888	454,888	\$ -					\$ -
2048	2,021,890	122,539	1,899,351	1,960,620	435,338	435,338	\$ -					\$ -
2049	1,899,351	122,539	1,776,812	1,838,082	415,788	415,788	\$ -					\$ -
2050	1,776,812	122,539	1,654,273	1,715,543	396,238	396,238	\$ -					\$ -
2051	1,654,273	122,539	1,531,735	1,593,004	376,688	376,688	\$ -					\$ -
2052	1,531,735	122,539	1,409,196	1,470,465	357,138	357,138	\$ -					\$ -
2053	1,409,196	122,539	1,286,657	1,347,927	337,588	337,588	\$ -					\$ -
2054	1,286,657	122,539	1,164,118	1,225,388	318,038	318,038	\$ -					\$ -
2055	1,164,118	122,539	1,041,580	1,102,849	298,488	298,488	\$ -					\$ -
2056	1,041,580	122,539	919,041	980,310	278,938	278,938	\$ -					\$ -
2057	919,041	122,539	796,502	857,771	259,389	259,389	\$ -					\$ -
2058	796,502	122,539	673,963	735,233	239,839	239,839	\$ -					\$ -
2059	673,963	122,539	551,424	612,694	220,289	220,289	\$ -					\$ -
2060	551,424	122,539	428,886	490,155	200,739	200,739	\$ -					\$ -
2061	428,886	122,539	306,347	367,616	181,189	181,189	\$ -					\$ -
2062	306,347	122,539	183,808	245,078	161,639	161,639	\$ -					\$ -
2063	183,808	122,539	61,269	122,539	142,089	142,089	\$ -					\$ -
2064	61,269	61,269	-	30,635	66,157	66,157	\$ -					\$ -
2065	-	-	-	-	-	-	\$ -					\$ -
2066	-	-	-	-	-	-	\$ -					\$ -
2067	-	-	-	-	-	-	\$ -					\$ -
2068	-	-	-	-	-	-	\$ -					\$ -
2069	-	-	-	-	-	-	\$ -					\$ -
2070	-	-	-	-	-	-	\$ -					\$ -
2071	-	-	-	-	-	-	\$ -					\$ -
2072	-	-	-	-	-	-	\$ -					\$ -
2073	-	-	-	-	-	-	\$ -					\$ -
2074	-	-	-	-	-	-	\$ -					\$ -
Project Totals		6,004,400			29,953,102	29,953,102	-					

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

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

A. Base Plan Facilities

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

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,036,755	1,036,755	-
True-Up Adjustment	1,036,755	1,036,755	-

Details			
Investment	5,858,548	Current Year	2016
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	
Service Month (1-12)	7	FCR w/o incentives, less depreciation	15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.	15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense	119,562

[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

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

Project Description:	RTEP ID: b1819 (Rebuild the Robinson Park-Sorneson 138 kV line corridor as a 345 kV double circuit line with one side operated at 345 kV and one side at 138 kV)
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2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	-	-	-
True-Up Adjustment	-	-	-

Details				
Investment	-	Current Year		2016
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)		-
Service Month (1-12)	12	FCR w/o incentives, less depreciation		15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.		15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense		-

[illegible]

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

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

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

A. Base Plan Facilities

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

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

2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	1,263,323	1,263,323	-
True-Up Adjustment	1,263,323	1,263,323	-

Details		
Investment	7,084,533	Current Year
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)
Service Month (1-12)	12	FCR w/o incentives, less depreciation
Useful life	49	FCR w/incentives approved for these facilities, less dep.
CIAC (Yes or No)	No	Annual Depreciation Expense

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2015	7,084,533	-	7,084,533	7,084,533	1,130,274	1,130,274	\$ -	\$ 714,472	415,802	\$ 714,472	415,802	\$ -
2016	7,084,533	144,582	6,939,951	7,012,242	1,263,323	1,263,323	\$ -					\$ -
2017	6,939,951	144,582	6,795,368	6,867,660	1,240,256	1,240,256	\$ -					\$ -
2018	6,795,368	144,582	6,650,786	6,723,077	1,217,189	1,217,189	\$ -					\$ -
2019	6,650,786	144,582	6,506,204	6,578,495	1,194,122	1,194,122	\$ -					\$ -
2020	6,506,204	144,582	6,361,621	6,433,913	1,171,055	1,171,055	\$ -					\$ -
2021	6,361,621	144,582	6,217,039	6,289,330	1,147,988	1,147,988	\$ -					\$ -
2022	6,217,039	144,582	6,072,457	6,144,748	1,124,922	1,124,922	\$ -					\$ -
2023	6,072,457	144,582	5,927,875	6,000,166	1,101,855	1,101,855	\$ -					\$ -
2024	5,927,875	144,582	5,783,292	5,855,583	1,078,788	1,078,788	\$ -					\$ -
2025	5,783,292	144,582	5,638,710	5,711,001	1,055,721	1,055,721	\$ -					\$ -
2026	5,638,710	144,582	5,494,128	5,566,419	1,032,654	1,032,654	\$ -					\$ -
2027	5,494,128	144,582	5,349,545	5,421,836	1,009,588	1,009,588	\$ -					\$ -
2028	5,349,545	144,582	5,204,963	5,277,254	986,521	986,521	\$ -					\$ -
2029	5,204,963	144,582	5,060,381	5,132,672	963,454	963,454	\$ -					\$ -
2030	5,060,381	144,582	4,915,798	4,988,090	940,387	940,387	\$ -					\$ -
2031	4,915,798	144,582	4,771,216	4,843,507	917,320	917,320	\$ -					\$ -
2032	4,771,216	144,582	4,626,634	4,698,925	894,254	894,254	\$ -					\$ -
2033	4,626,634	144,582	4,482,051	4,554,343	871,187	871,187	\$ -					\$ -
2034	4,482,051	144,582	4,337,469	4,409,760	848,120	848,120	\$ -					\$ -
2035	4,337,469	144,582	4,192,887	4,265,178	825,053	825,053	\$ -					\$ -
2036	4,192,887	144,582	4,048,305	4,120,596	801,986	801,986	\$ -					\$ -
2037	4,048,305	144,582	3,903,722	3,976,013	778,920	778,920	\$ -					\$ -
2038	3,903,722	144,582	3,759,140	3,831,431	755,853	755,853	\$ -					\$ -
2039	3,759,140	144,582	3,614,558	3,686,849	732,786	732,786	\$ -					\$ -
2040	3,614,558	144,582	3,469,975	3,542,266	709,719	709,719	\$ -					\$ -
2041	3,469,975	144,582	3,325,393	3,397,684	686,652	686,652	\$ -					\$ -
2042	3,325,393	144,582	3,180,811	3,253,102	663,585	663,585	\$ -					\$ -
2043	3,180,811	144,582	3,036,228	3,108,520	640,519	640,519	\$ -					\$ -
2044	3,036,228	144,582	2,891,646	2,963,937	617,452	617,452	\$ -					\$ -
2045	2,891,646	144,582	2,747,064	2,819,355	594,385	594,385	\$ -					\$ -
2046	2,747,064	144,582	2,602,482	2,674,773	571,318	571,318	\$ -					\$ -
2047	2,602,482	144,582	2,457,899	2,530,190	548,251	548,251	\$ -					\$ -
2048	2,457,899	144,582	2,313,317	2,385,608	525,185	525,185	\$ -					\$ -
2049	2,313,317	144,582	2,168,735	2,241,026	502,118	502,118	\$ -					\$ -
2050	2,168,735	144,582	2,024,152	2,096,443	479,051	479,051	\$ -					\$ -
2051	2,024,152	144,582	1,879,570	1,951,861	455,984	455,984	\$ -					\$ -
2052	1,879,570	144,582	1,734,988	1,807,279	432,917	432,917	\$ -					\$ -
2053	1,734,988	144,582	1,590,405	1,662,697	409,851	409,851	\$ -					\$ -
2054	1,590,405	144,582	1,445,823	1,518,114	386,784	386,784	\$ -					\$ -
2055	1,445,823	144,582	1,301,241	1,373,532	363,717	363,717	\$ -					\$ -
2056	1,301,241	144,582	1,156,658	1,228,950	340,650	340,650	\$ -					\$ -
2057	1,156,658	144,582	1,012,076	1,084,367	317,583	317,583	\$ -					\$ -
2058	1,012,076	144,582	867,494	939,785	294,517	294,517	\$ -					\$ -
2059	867,494	144,582	722,912	795,203	271,450	271,450	\$ -					\$ -
2060	722,912	144,582	578,329	650,620	248,383	248,383	\$ -					\$ -
2061	578,329	144,582	433,747	506,038	225,316	225,316	\$ -					\$ -
2062	433,747	144,582	289,165	361,456	202,249	202,249	\$ -					\$ -
2063	289,165	144,582	144,582	216,873	179,183	179,183	\$ -					\$ -
2064	144,582	144,582	-	72,291	156,116	156,116	\$ -					\$ -
2065	-	-	-	-	-	-	\$ -					\$ -
2066	-	-	-	-	-	-	\$ -					\$ -
2067	-	-	-	-	-	-	\$ -					\$ -
2068	-	-	-	-	-	-	\$ -					\$ -
2069	-	-	-	-	-	-	\$ -					\$ -
2070	-	-	-	-	-	-	\$ -					\$ -
2071	-	-	-	-	-	-	\$ -					\$ -
2072	-	-	-	-	-	-	\$ -					\$ -
2073	-	-	-	-	-	-	\$ -					\$ -
2074	-	-	-	-	-	-	\$ -					\$ -
Project Totals		7,084,533			35,906,510	35,906,510	-					

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

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A. Base Plan Facilities

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

Project Description:	RTEP ID: b2019 (Establish Burger 345/138 kV station)
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2016	Rev Require	W Incentives	Incentive Amounts
Prior Yr Projected	-	-	-
Prior Yr True-Up	8,888,136	8,888,136	-
True-Up Adjustment	8,888,136	8,888,136	-

Details			
Investment	50,302,638	Current Year	2016
Service Year (yyyy)	2015	ROE increase accepted by FERC (Basis Points)	
Service Month (1-12)	6	FCR w/o incentives, less depreciation	15.95%
Useful life	49	FCR w/incentives approved for these facilities, less dep.	15.95%
CIAC (Yes or No)	No	Annual Depreciation Expense	1,026,584

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##
2015	50,302,638	513,292	49,789,346	50,045,992	8,497,681	8,497,681	\$ -
2016	49,789,346	1,026,584	48,762,761	49,276,054	8,888,136	8,888,136	\$ -
2017	48,762,761	1,026,584	47,736,177	48,249,469	8,724,354	8,724,354	\$ -
2018	47,736,177	1,026,584	46,709,592	47,222,885	8,560,572	8,560,572	\$ -
2019	46,709,592	1,026,584	45,683,008	46,196,300	8,396,789	8,396,789	\$ -
2020	45,683,008	1,026,584	44,656,424	45,169,716	8,233,007	8,233,007	\$ -
2021	44,656,424	1,026,584	43,629,839	44,143,131	8,069,225	8,069,225	\$ -
2022	43,629,839	1,026,584	42,603,255	43,116,547	7,905,442	7,905,442	\$ -
2023	42,603,255	1,026,584	41,576,670	42,089,962	7,741,660	7,741,660	\$ -
2024	41,576,670	1,026,584	40,550,086	41,063,378	7,577,878	7,577,878	\$ -
2025	40,550,086	1,026,584	39,523,501	40,036,794	7,414,095	7,414,095	\$ -
2026	39,523,501	1,026,584	38,496,917	39,010,209	7,250,313	7,250,313	\$ -
2027	38,496,917	1,026,584	37,470,332	37,983,625	7,086,531	7,086,531	\$ -
2028	37,470,332	1,026,584	36,443,748	36,957,040	6,922,748	6,922,748	\$ -
2029	36,443,748	1,026,584	35,417,163	35,930,456	6,758,966	6,758,966	\$ -
2030	35,417,163	1,026,584	34,390,579	34,903,871	6,595,184	6,595,184	\$ -
2031	34,390,579	1,026,584	33,363,995	33,877,287	6,431,401	6,431,401	\$ -
2032	33,363,995	1,026,584	32,337,410	32,850,702	6,267,619	6,267,619	\$ -
2033	32,337,410	1,026,584	31,310,826	31,824,118	6,103,837	6,103,837	\$ -
2034	31,310,826	1,026,584	30,284,241	30,797,533	5,940,054	5,940,054	\$ -
2035	30,284,241	1,026,584	29,257,657	29,770,949	5,776,272	5,776,272	\$ -
2036	29,257,657	1,026,584	28,231,072	28,744,365	5,612,490	5,612,490	\$ -
2037	28,231,072	1,026,584	27,204,488	27,717,780	5,448,707	5,448,707	\$ -
2038	27,204,488	1,026,584	26,177,903	26,691,196	5,284,925	5,284,925	\$ -
2039	26,177,903	1,026,584	25,151,319	25,664,611	5,121,143	5,121,143	\$ -
2040	25,151,319	1,026,584	24,124,735	24,638,027	4,957,360	4,957,360	\$ -
2041	24,124,735	1,026,584	23,098,150	23,611,442	4,793,578	4,793,578	\$ -
2042	23,098,150	1,026,584	22,071,566	22,584,858	4,629,796	4,629,796	\$ -
2043	22,071,566	1,026,584	21,044,981	21,558,273	4,466,013	4,466,013	\$ -
2044	21,044,981	1,026,584	20,018,397	20,531,689	4,302,231	4,302,231	\$ -
2045	20,018,397	1,026,584	18,991,812	19,505,105	4,138,449	4,138,449	\$ -
2046	18,991,812	1,026,584	17,965,228	18,478,520	3,974,666	3,974,666	\$ -
2047	17,965,228	1,026,584	16,938,643	17,451,936	3,810,884	3,810,884	\$ -
2048	16,938,643	1,026,584	15,912,059	16,425,351	3,647,102	3,647,102	\$ -
2049	15,912,059	1,026,584	14,885,475	15,398,767	3,483,319	3,483,319	\$ -
2050	14,885,475	1,026,584	13,858,890	14,372,182	3,319,537	3,319,537	\$ -
2051	13,858,890	1,026,584	12,832,306	13,345,598	3,155,755	3,155,755	\$ -
2052	12,832,306	1,026,584	11,805,721	12,319,013	2,991,972	2,991,972	\$ -
2053	11,805,721	1,026,584	10,779,137	11,292,429	2,828,190	2,828,190	\$ -
2054	10,779,137	1,026,584	9,752,552	10,265,844	2,664,408	2,664,408	\$ -
2055	9,752,552	1,026,584	8,725,968	9,239,260	2,500,625	2,500,625	\$ -
2056	8,725,968	1,026,584	7,699,383	8,212,676	2,336,843	2,336,843	\$ -
2057	7,699,383	1,026,584	6,672,799	7,186,091	2,173,061	2,173,061	\$ -
2058	6,672,799	1,026,584	5,646,214	6,159,507	2,009,278	2,009,278	\$ -
2059	5,646,214	1,026,584	4,619,630	5,132,922	1,845,496	1,845,496	\$ -
2060	4,619,630	1,026,584	3,593,046	4,106,338	1,681,714	1,681,714	\$ -
2061	3,593,046	1,026,584	2,566,461	3,079,753	1,517,931	1,517,931	\$ -
2062	2,566,461	1,026,584	1,539,877	2,053,169	1,354,149	1,354,149	\$ -
2063	1,539,877	1,026,584	513,292	1,026,584	1,190,367	1,190,367	\$ -
2064	513,292	513,292	-	256,646	554,238	554,238	\$ -
2065	-	-	-	-	-	-	\$ -
2066	-	-	-	-	-	-	\$ -
2067	-	-	-	-	-	-	\$ -
2068	-	-	-	-	-	-	\$ -
2069	-	-	-	-	-	-	\$ -
2070	-	-	-	-	-	-	\$ -
2071	-	-	-	-	-	-	\$ -
2072	-	-	-	-	-	-	\$ -
2073	-	-	-	-	-	-	\$ -
2074	-	-	-	-	-	-	\$ -

[illegible]

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

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: 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	9,226,597	9,226,597	-
True-Up Adjustment	9,226,597	9,226,597	-

Details	
Investment	52,298,474
Service Year (yyyy)	2015
Service Month (1-12)	5
Useful life	49
CIAC (Yes or No)	No
Current Year	2016
ROE increase accepted by FERC (Basis Points)	-
FCR w/o incentives, less depreciation	15.95%
FCR w/incentives approved for these facilities, less dep.	15.95%
Annual Depreciation Expense	1,067,316

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2015	52,298,474	622,601	51,675,873	51,987,174	8,916,688	8,916,688	\$ -	\$ 7,243,003	\$ 1,673,685	\$ 7,243,003	\$ 1,673,685	\$ -
2016	51,675,873	1,067,316	50,608,557	51,142,215	9,226,597	9,226,597	\$ -					\$ -
2017	50,608,557	1,067,316	49,541,242	50,074,899	9,056,316	9,056,316	\$ -					\$ -
2018	49,541,242	1,067,316	48,473,926	49,007,584	8,886,036	8,886,036	\$ -					\$ -
2019	48,473,926	1,067,316	47,406,610	47,940,268	8,715,755	8,715,755	\$ -					\$ -
2020	47,406,610	1,067,316	46,339,294	46,872,952	8,545,474	8,545,474	\$ -					\$ -
2021	46,339,294	1,067,316	45,271,978	45,805,636	8,375,194	8,375,194	\$ -					\$ -
2022	45,271,978	1,067,316	44,204,663	44,738,320	8,204,913	8,204,913	\$ -					\$ -
2023	44,204,663	1,067,316	43,137,347	43,671,005	8,034,632	8,034,632	\$ -					\$ -
2024	43,137,347	1,067,316	42,070,031	42,603,689	7,864,352	7,864,352	\$ -					\$ -
2025	42,070,031	1,067,316	41,002,715	41,536,373	7,694,071	7,694,071	\$ -					\$ -
2026	41,002,715	1,067,316	39,935,399	40,469,057	7,523,790	7,523,790	\$ -					\$ -
2027	39,935,399	1,067,316	38,868,084	39,401,741	7,353,510	7,353,510	\$ -					\$ -
2028	38,868,084	1,067,316	37,800,768	38,334,426	7,183,229	7,183,229	\$ -					\$ -
2029	37,800,768	1,067,316	36,733,452	37,267,110	7,012,948	7,012,948	\$ -					\$ -
2030	36,733,452	1,067,316	35,666,136	36,199,794	6,842,668	6,842,668	\$ -					\$ -
2031	35,666,136	1,067,316	34,598,820	35,132,478	6,672,387	6,672,387	\$ -					\$ -
2032	34,598,820	1,067,316	33,531,505	34,065,162	6,502,107	6,502,107	\$ -					\$ -
2033	33,531,505	1,067,316	32,464,189	32,997,847	6,331,826	6,331,826	\$ -					\$ -
2034	32,464,189	1,067,316	31,396,873	31,930,531	6,161,545	6,161,545	\$ -					\$ -
2035	31,396,873	1,067,316	30,329,557	30,863,215	5,991,265	5,991,265	\$ -					\$ -
2036	30,329,557	1,067,316	29,262,241	29,795,899	5,820,984	5,820,984	\$ -					\$ -
2037	29,262,241	1,067,316	28,194,926	28,728,584	5,650,703	5,650,703	\$ -					\$ -
2038	28,194,926	1,067,316	27,127,610	27,661,268	5,480,423	5,480,423	\$ -					\$ -
2039	27,127,610	1,067,316	26,060,294	26,593,952	5,310,142	5,310,142	\$ -					\$ -
2040	26,060,294	1,067,316	24,992,978	25,526,636	5,139,861	5,139,861	\$ -					\$ -
2041	24,992,978	1,067,316	23,925,662	24,459,320	4,969,581	4,969,581	\$ -					\$ -
2042	23,925,662	1,067,316	22,858,347	23,392,005	4,799,300	4,799,300	\$ -					\$ -
2043	22,858,347	1,067,316	21,791,031	22,324,689	4,629,019	4,629,019	\$ -					\$ -
2044	21,791,031	1,067,316	20,723,715	21,257,373	4,458,739	4,458,739	\$ -					\$ -
2045	20,723,715	1,067,316	19,656,399	20,190,057	4,288,458	4,288,458	\$ -					\$ -
2046	19,656,399	1,067,316	18,589,083	19,122,741	4,118,177	4,118,177	\$ -					\$ -
2047	18,589,083	1,067,316	17,521,768	18,055,426	3,947,897	3,947,897	\$ -					\$ -
2048	17,521,768	1,067,316	16,454,452	16,988,110	3,777,616	3,777,616	\$ -					\$ -
2049	16,454,452	1,067,316	15,387,136	15,920,794	3,607,335	3,607,335	\$ -					\$ -
2050	15,387,136	1,067,316	14,319,820	14,853,478	3,437,055	3,437,055	\$ -					\$ -
2051	14,319,820	1,067,316	13,252,504	13,786,162	3,266,774	3,266,774	\$ -					\$ -
2052	13,252,504	1,067,316	12,185,189	12,718,847	3,096,494	3,096,494	\$ -					\$ -
2053	12,185,189	1,067,316	11,117,873	11,651,531	2,926,213	2,926,213	\$ -					\$ -
2054	11,117,873	1,067,316	10,050,557	10,584,215	2,755,932	2,755,932	\$ -					\$ -
2055	10,050,557	1,067,316	8,983,241	9,516,899	2,585,652	2,585,652	\$ -					\$ -
2056	8,983,241	1,067,316	7,915,925	8,449,583	2,415,371	2,415,371	\$ -					\$ -
2057	7,915,925	1,067,316	6,848,610	7,382,268	2,245,090	2,245,090	\$ -					\$ -
2058	6,848,610	1,067,316	5,781,294	6,314,952	2,074,810	2,074,810	\$ -					\$ -
2059	5,781,294	1,067,316	4,713,978	5,247,636	1,904,529	1,904,529	\$ -					\$ -
2060	4,713,978	1,067,316	3,646,662	4,180,320	1,734,248	1,734,248	\$ -					\$ -
2061	3,646,662	1,067,316	2,579,347	3,113,004	1,563,968	1,563,968	\$ -					\$ -
2062	2,579,347	1,067,316	1,512,031	2,045,689	1,393,687	1,393,687	\$ -					\$ -
2063	1,512,031	1,067,316	444,715	978,373	1,223,406	1,223,406	\$ -					\$ -
2064	444,715	444,715	-	222,357	480,190	480,190	\$ -					\$ -
2065	-	-	-	-	-	-	\$ -					\$ -
2066	-	-	-	-	-	-	\$ -					\$ -
2067	-	-	-	-	-	-	\$ -					\$ -
2068	-	-	-	-	-	-	\$ -					\$ -
2069	-	-	-	-	-	-	\$ -					\$ -
2070	-	-	-	-	-	-	\$ -					\$ -
2071	-	-	-	-	-	-	\$ -					\$ -
2072	-	-	-	-	-	-	\$ -					\$ -
2073	-	-	-	-	-	-	\$ -					\$ -
2074	-	-	-	-	-	-	\$ -					\$ -
Project Totals		52,298,474			260,196,958	260,196,958	-					

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

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

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

A. Base Plan Facilities

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

Project Description: RTEP ID: b1818 (Expand Allen w/ second xfmr. and cut-in 138 kV double circuit tower line)

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

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

TRUE UP OF PROJECT REVENUE REQUIREMENT FOR PRIOR YEAR:

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

Investment Year	Beginning Balance	Depreciation Expense	Ending Balance	Average Balance	RTEP Rev. Req't. w/o Incentives	RTEP Rev. Req't. with Incentives **	Incentive Rev. Requirement ##	RTEP Projected Rev. Req't.From Prior Year WS J w/o Incentives	RTEP Rev Req't True-up w/o Incentives	RTEP Projected Rev. Req't.From Prior Year WS J with Incentives **	RTEP Rev Req't True-up with Incentives **	True-up of Incentive with Incentives **
2017	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2018	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2019	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2020	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2021	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2022	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2023	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2024	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2025	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2026	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2027	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2028	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2029	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2030	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2031	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2032	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2033	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2034	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2035	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2036	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2037	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2038	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2039	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2040	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2041	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2042	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2043	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2044	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2045	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2046	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2047	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2048	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2049	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2050	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2051	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2052	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2053	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2054	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2055	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2056	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2057	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2058	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2059	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2060	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2061	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2062	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2063	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2064	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2065	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2066	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2067	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2068	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2069	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2070	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2071	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2072	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2073	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2074	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2075	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
2076	-	-	-	-	-	-	\$ -		\$ -		\$ -	\$ -
Project Totals	-	-	-	-	-	-	-		-		-	-

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

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

AEPTCo subsidiaries in PJM
Cost of Service Formula Rate Using Actual/Projected FF1 Balances
Worksheet L RESERVED
AEP OHIO 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)	1,088,576,621	875,520,859	982,048,740
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	1,088,576,621	875,520,859	982,048,740

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)	859,100,000	859,100,000	859,100,000
9	Senior Unsecured Notes (112.21.c&d)	235,000,000	-	117,500,000
10	Less: Fair Value Hedges (See Note on Ln 12 below)	-	-	-
11	Total Average Debt	1,094,100,000	859,100,000	976,600,000

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)		35,531,310	
	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)		35,531,310	

21	Average Cost of Debt for (Ln 20/Ln 11)	3.64%
----	--	-------

CALCULATION OF HEDGE GAINS/LOSSES TO BE EXCLUCED FROM TCOS

22 AEP OHIO 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%	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 OHIO TRANSMISSION COMPANY

Note: Gain or loss on plant held for future are recorded in accounts 411.6 or 411.7 respectiviely. 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 OHIO 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	3,207,430
10	Allowable TransCo PBOP Expense for current year (Ln 8 * Ln 9)	-\$186,031
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)	-\$154,396
15	Actual PBOP Expense (Sum Lines 11-14)	-\$154,396
16	PBOP Adjustment Line 10 less Line 15	-\$31,635

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 07/01/2015

AEP OHIO TRANSMISSION COMPANY

	PLANT ACCT.	RATES Note 1
<i>TRANSMISSION PLANT</i>		
Land Rights	350.1	1.36%
Structures & Improvements	352.0	1.64%
Station Equipment	353.0	1.84%
Towers & Fixtures	354.0	1.92%
Poles & Fixtures	355.0	3.01%
Overhead Conductor	356.0	1.88%
Underground Conduit	357.0	2.00%
Underground Conductors	358.0	3.80%
Roads & Trails	359.0	1.49%

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

	<u>CSP</u>	<u>OPCo</u>	<u>TOTAL</u>
1 T-Plant (FF1 206.58.g)	619,883,849	1,164,351,684	1,784,235,533
2 T-Plant (FF1 206.58.b)	570,478,232	1,109,431,387	1,679,909,619
3 Average (Ln 1+ Ln 2)/2	595,181,041	1,136,891,536	1,732,072,576
4 Depreciation (FF1 336.7.f)	12,769,913	25,505,773	38,275,686
5 Composite Depreciation (Ln 3 / Ln 4)			2.21%

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

AEP East Consolidated Utility Capital Structure
Consolidation of Operating Companies' Capital Structure @ December 31, 2016
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 Subsidiaraies 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

Calculation of Interest					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
Over (Under) Recovery Plus Interest Amortized and Recovered Over 12 Months					Monthly	
January	Year 2020	(1,104,110)	0.5500%		6,073	1,014,851
February	Year 2020	(1,014,851)	0.5500%		5,582	925,101
March	Year 2020	(925,101)	0.5500%		5,088	834,857
April	Year 2020	(834,857)	0.5500%		4,592	744,117
May	Year 2020	(744,117)	0.5500%		4,093	652,879
June	Year 2020	(652,879)	0.5500%		3,591	561,138
July	Year 2020	(561,138)	0.5500%		3,086	468,893
August	Year 2020	(468,893)	0.5500%		2,579	376,140
September	Year 2020	(376,140)	0.5500%		2,069	282,877
October	Year 2020	(282,877)	0.5500%		1,556	189,102
November	Year 2020	(189,102)	0.5500%		1,040	94,810
December	Year 2020	(94,810)	0.5500%		521	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.